HECLA MINING CO/DE/
Form 424B5
September 02, 2008

The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-145919

Subject to Completion

Preliminary Prospectus Supplement dated September 2, 2008

PROSPECTUS SUPPLEMENT

(To prospectus dated September 7, 2007)

30,000,000 Shares

Common Stock

We are offering 30,000,000 shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol HL. The last reported sale price of the common stock on the New York Stock Exchange on August 29, 2008 was $7.02 per share.

Investing in shares of the common stock involves risks. See Risk Factors beginning on page S-21.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Hecla Mining Company	$	$

The underwriters may also purchase up to an additional 4,500,000 shares of common stock from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover overallotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock against payment in New York, New York on or about September , 2008.

Merrill Lynch & Co. **Scotia Capital**

BMO Capital Markets **RBC Capital Markets**

The date of this prospectus supplement is September , 2008.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement. Information in this prospectus supplement updates and modifies the information in the accompanying prospectus.

This prospectus supplement and accompanying prospectus are only being distributed to and are only directed at (1) persons who are outside the United Kingdom or (2) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (3) high net worth entities, and other persons to whom they may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus supplement or the accompanying prospectus.

To the extent that the offer of the securities is made in any Member State of the European Economic Area that has implemented the Prospectus Directive (each, a Relevant Member State) before the date of publication of a prospectus in relation to the securities that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State that has notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, the offer (including any offer pursuant to this prospectus supplement and the accompanying prospectus) is only addressed to qualified investors in that Relevant Member State within the meaning of the Prospectus Directive or has been or will be made in circumstances that do not require us to publish a prospectus pursuant to Article 3 of the Prospectus Directive. For purposes of this provision, the expression Prospectus Directive means Directive 2003/71/EC together with any applicable implementing measures in each Relevant Member State.

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement on Form S-3 (File No. 333-145919) that we filed with the Securities and Exchange Commission (SEC) utilizing an automatic shelf registration process and that became effective on September 7, 2007. Under this shelf registration process we will sell our common stock, par value $0.25 per share (Common Stock).

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of our Common Stock and also adds, updates and changes information contained in the accompanying prospectus and the documents incorporated by reference. The second part is the prospectus, which gives more general information, some of which may not apply to this offering of Common Stock. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference, the information in this prospectus supplement shall control. You should read both this prospectus supplement and the accompanying prospectus as well as the additional information described under Where You Can Find More Information on page S-44 of this prospectus supplement before investing in our Common Stock.

Unless otherwise stated, information in this prospectus supplement assumes the underwriters will not exercise their overallotment option to purchase up to 4,500,000 shares of our Common Stock.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements included in this prospectus supplement, the accompanying prospectus, and the other public filings incorporated by reference herein constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). Forward-looking statements are statements of expectations, beliefs, plans, objectives, assumptions or future events or performance. Words or phrases such as may, will, could, anticipate, believe, should, estimate, expect, intend, plan, predict, project, will likely result, will continue, or similar expressions identify statements.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed. Our expectations, beliefs and projections are expressed in good faith and are believed by us to have a reasonable basis including, without limitation, management s examination of historical operating trends, data contained in records and other data available from third parties, but there can be no assurance that our expectations, beliefs or projections will be achieved or accomplished. In addition to other factors and matters discussed elsewhere in this prospectus supplement or incorporated by reference, some important factors that could cause our actual results or outcomes to differ materially from those discussed in forward-looking statements include:

- metals prices and price volatility;
- amount of metals production;
- costs of production;
- mining risks and hazards;
- risks inherent in foreign exploration activities and operations;
- remediation, reclamation, and environmental costs;
- the results or settlements of pending litigation;

cash flow;

- currency fluctuations and currency exchange regulations;
- reserve estimates;
- project development risks;
- changes in, and compliance with, environmental laws and policies;
- financial or regulatory accounting principles or policies imposed by governing bodies;
- our ability to obtain financing for working capital, construction costs and the repayment of any future maturing debt;
- capital market conditions, including interest rate fluctuations and capital availability;
- new federal, state and local laws that could have adverse effects on operating results;
- legal and regulatory proceedings and issues;
- the impact of any acquisitions or dispositions of operations, assets, entities, or mining properties;
- employee workforce factors, including strikes, work stoppages and the loss of key executives; and
- general political, economic and financial market conditions.

Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all such factors, nor can it assess the impact of any such factor on the business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information contained elsewhere or incorporated by reference in this prospectus supplement. Because this is only a summary, it does not contain all the information that may be important to you. For a more complete understanding of our business and this offering, you should read the entire prospectus supplement and the accompanying prospectus and the documents incorporated herein and therein by reference, including the annual financial statements included elsewhere herein or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should also carefully consider the matters discussed under Risk Factors.

When used in this prospectus supplement, the terms Hecla, the company, we, our and us, except as otherwise indicated or as the context otherwise requires, refer to Hecla Mining Company and its consolidated subsidiaries.

HECLA MINING COMPANY

We are a U.S.-based precious and base metals mining company engaged in the exploration, acquisition, development, production, and marketing of silver, gold, lead and zinc. Incorporated in 1891, we are among the oldest U.S.-based precious metals mining companies and one of the lowest-cost primary silver producers in North America. We produce both metal concentrates, which we sell to smelters, and unrefined gold and silver bullion bars (doré), which is either sold as doré or refined before sale to precious metals traders.

On April 16, 2008, we completed the acquisition of companies owning 70.3% of the Greens Creek mine located on Admiralty Island, Alaska for $700 million in cash and 4,365,000 shares (then valued at approximately $50 million) of Hecla Common Stock. The transaction increased the interest of our subsidiaries in Greens Creek to 100% of the venture and substantially enhanced our silver reserves. See Recent Developments Acquisition of Greens Creek.

On July 8, 2008, we completed the sale of all of our business in Venezuela for approximately $20 million in cash and 4,273,504 shares (then valued at approximately $5 million) of common stock of Rusoro Mining Ltd., subject to customary post-closing adjustments. See Recent Developments Sale of Venezuela Operations and Assets.

Greens Creek Acquisition Rationale

Our acquisition of the U.S.-based Greens Creek mine, which is the fifth largest silver mine in the world, has significantly enhanced our silver reserves in areas of political and regulatory stability. On an annualized basis, the integration of the additional ownership of the Greens Creek mine is expected to:

- nearly double our silver production to about 11 million ounces annually in 2009;
- increase our silver reserves by more than 157% from 51.9 million ounces to 133.4 million ounces;
- increase our gold reserves by 100% to over 900,000 ounces;
- significantly increase cash flow from operations; and
- assist our efforts to maintain a low average cash cost per ounce of silver.

On a pro forma basis, our reserves would have totaled 133.4 million ounces of silver, 0.9 million ounces of gold, 896.6 thousand tons of zinc and 426.4 thousand tons of lead as of December 31, 2007, if both the Greens Creek acquisition and Venezuela sale had both been consummated at that time. Additionally, we have increased our production estimate for 2008 to approximately 9.0 million ounces of silver from 5.6 million ounces actually

produced in 2007. Our current reserve life, calculated by dividing pro forma year-end 2007 reserves by estimated 2008 production is approximately 11 years.

We are organized and managed and we report results in the following four units that encompass our operating units and significant exploration interests:

The Greens Creek Unit is an underground silver-zinc-gold-lead mine located on Admiralty Island, Alaska. Hecla has been a joint venture partner in the mine with subsidiaries of Rio Tinto plc for approximately 20 years. On April 16, 2008, we increased our subsidiaries ownership interest in Greens Creek from 29.7% to 100.0% through the purchase of two Rio Tinto subsidiaries. We completed the acquisition for $700 million in cash and approximately $50 million of Common Stock, substantially increasing our silver reserves. Greens Creek has probable reserves totaling 116.0 million ounces of silver with significant gold, lead and zinc by-products.

The Lucky Friday Unit is a deep underground silver-lead-zinc mine. Located in northern Idaho, Lucky Friday has been in production since 1942. Lucky Friday has proven and probable reserves totaling 17.4 million ounces of silver with significant lead and zinc by-products.

The San Juan Unit is the right to earn into a 70% joint venture interest in a roughly 25-square-mile consolidated land package in one of Colorado s most prolific silver producing districts. The venture, called the San Juan Silver Mining Joint Venture, is located in the famous Creede Mining District. We entered into the joint venture participation with Emerald Mining & Leasing, LLC, and Golden 8 Mining, LLC on February 21, 2008. Historically, the district has produced approximately 84 million ounces of silver from underground mining, the type of narrow-vein mining in which we have particular expertise. A major piece of this land package includes the historic Bulldog mine, where Homestake Mining produced 25 million ounces of silver before closing in 1985 due to depressed metals prices. Significantly, the consolidated land package will encompass over 30 miles of prospective veins and vein splays, including large portions of the Bulldog, Amethyst, Equity, Alpha Corsair and OH veins that will provide exploration opportunities for many years. The deal consists of a three-year buy-in with a total value of $23.2 million made up of exploration work and cash. We can earn up to a 70% interest by paying Emerald Mining & Leasing, LLC, and Golden 8 Mining, LLC, a total of $11.2 million in our Common Stock (of which approximately $9 million in our Common Stock was paid at signing), by spending $6 million in exploration on the property during the first year, and by committing to an additional total of $6 million in exploration work over the subsequent two years.

The San Sebastian Unit includes our wholly-owned San Sebastian silver-gold property located in Durango, Mexico and our Rio Grande exploration project, which consists of limonite, hematite, marcasite, pyrite, argentite, and pyrargyrite and trace amounts of chalcopyrite. During 2005, San Sebastian reached the end of its known mine life. However, we are continuing an ongoing exploration program at San Sebastian where our concession holdings cover approximately 364 square miles.

SUMMARY OF MINERAL RESERVES

The following tables summarize our mineral reserves as of December 31, 2007 after giving pro forma effect to the acquisition of the remaining 70.3% interest in the Greens Creek mine and the sale of our business and operations in Venezuela.

		Grade				Contained Metal			
Mine	**Tons**	**Silver (oz/ton)**	**Gold (oz/ton)**	**Lead (%)**	**Zinc (%)**	**Silver (ounces)**	**Gold (ounces)**	**Lead (tons)**	**Zinc (tons)**
Proven reserves									
Lucky Friday Unit, US	760,700	12.3		7.2	2.5	9,324,800		54,500	18,900
						9,324,800		54,500	18,900
Probable reserves									
Lucky Friday Unit, US	680,000	11.9		7.5	2.5	8,065,200		50,900	16,700
Greens Creek Unit, US	8,454,000	13.7	0.110	3.8	10.2	116,025,000	908,000	321,000	861,000
						124,090,200	908,000	371,900	877,700
Total Proven and Probable reserves						**133,415,000**	**908,000**	**426,400**	**896,600**

BUSINESS STRENGTHS

Low cost silver production. We believe that our cost position is a significant competitive advantage. For the years ended December 31, 2007, 2006 and 2005, our total cash costs per ounce of silver produced (after by-product credits) were ($2.81), $0.24 and $2.96, respectively. For the years ended December 31, 2007, 2006 and 2005, total cash costs per ounce of silver produced (after by-product credits) at Greens Creek were ($5.27), ($3.47) and $1.46, respectively. For the six month periods ended June 30, 2008 and June 30, 2007, our total cash costs per ounce of silver produced (after by-product credits) were $1.77 and $(1.54), respectively. Cash cost per ounce of silver is a non-GAAP performance measure that differs from the most comparable GAAP financial measure. See Reconciliation of Non-GAAP Financial Measures to Most Comparable GAAP Financial Measure.

Attractive production. With our acquisition of the remaining interest in Greens Creek, our annual silver production is expected to grow approximately 100% from 2007 to 2009 to 11 million ounces.

Established operational history. We believe that the established operational histories of our mines substantially reduce the risk of our mining operations. The Lucky Friday and Greens Creek mines have significant operating track records, having been in operation since 1942 and 1989, respectively. Lucky Friday and Greens Creek have substantial existing proven and probable reserves.

Attractive geographic locations. Our principal projects, Greens Creek and Lucky Friday, are located in the U.S. and contain 100% of our silver reserves. Additionally, we have exploration efforts ongoing at these mines, as well as in Mexico and Colorado.

Experienced management team. We have an experienced management team with a successful track record for finding and developing reserves and managing ongoing mining operations.

BUSINESS STRATEGY

Actively manage the integration of the Greens Creek unit. Our management team is focused on assuming operating responsibility for, and fully integrating our recently acquired interest in Greens Creek. We have completed the management transition at Greens Creek and have retained all required pre-acquisition employees. We believe that our ownership history and significant management expertise will facilitate a continued smooth integration process.

Exploit and develop our existing asset base. We seek to maximize the value of our existing mineral properties through the expansion of our reserves and production capacity at operating properties, while also controlling total cash costs.

Grow through new and existing exploration activities. We intend to continue investing in new exploration projects in the vicinities of geographically stable districts we believe to be under-explored and under-invested. These mining districts include northern Idaho s Silver Valley, the prolific silver-producing district near Durango, Mexico, Alaska s Admiralty Island, and the Creede district of southwestern Colorado. For the year ended December 31, 2007, we invested $19.8 million in exploration activities and expect to spend approximately $27.5 million for exploration activities in 2008.

Maintain low cash cost position. In exploring and pursuing new projects and opportunities, we will continue our focus on maintaining a low cash cost per ounce of silver produced relative to our competitors. We believe this advantage offers protection during metal price volatility.

Maintain financial flexibility. Our plan is to maintain a capital structure that provides us with the flexibility needed to capitalize on future growth opportunities and limit our financial risk. We have historically used leverage conservatively, funding our development and growth activity through a combination of internally generated cash flow, asset divestitures and equity offerings. Based on expected cash flow provided by operating activities, we believe we are well positioned to fund our currently identified exploration and development opportunities for the foreseeable future upon repayment of the bridge facility.

PRINCIPAL PROJECTS

The following description summarizes selected information about our principal projects. Please refer to our annual report for the year ended December 31, 2007 and our various quarterly and current reports, which are incorporated by reference herein, for a further description of these properties.

Greens Creek Unit

The Greens Creek mine is a silver-zinc-gold-lead mine located on Admiralty Island, Alaska. The property includes 17 patented lode claims and one patented mill site claim, in addition to property leased from

the U.S. Forest Service. Greens Creek also has title to mineral rights on 7,500 acres of federal land adjacent to the properties. The entire project is accessed by boat and served by 13 miles of road and consists of the mine, an ore concentrating mill, a tailings impoundment area, a ship-loading facility, camp facilities and a ferry dock.

The Greens Creek mine currently produces approximately 2,100 tons of ore per day. The primary mining methods are cut and fill and longhole stoping. The ore is processed on site at a mill, which produces lead, zinc and bulk concentrates, as well as doré containing silver and gold. The doré is sold to a precious metal refiner and the three concentrate products are sold to a number of major smelters worldwide. Concentrates are shipped from a marine terminal located on Admiralty Island approximately nine miles from the mine site.

In 2007, Greens Creek produced approximately 8.6 million ounces of silver, 68,000 ounces of gold, 63,000 tons of zinc, and 21,000 tons of lead on a 100% basis.

The map below illustrates the location and access to Greens Creek:

The Greens Creek mine currently has silver reserves of 116.0 million ounces. Management implements programs designed to maintain sufficient mine reserves for planning purposes. Historically, the property has each year developed additional reserves to replace the actual extraction in each year of operations.

Lucky Friday Unit

Since 1958, we have owned and operated the Lucky Friday unit, an underground silver-lead-zinc mine located in the Coeur d Alene Mining District in northern Idaho.

Below is a map illustrating the location and access to the Lucky Friday mine:

The area of the Lucky Friday mine currently in production, known as the Lucky Friday Expansion Area, has been mined since 1997. During 1991, we discovered several mineralized structures containing high-grade silver ores in an area known as the Gold Hunter property, approximately 5,000 feet northwest of the then existing Lucky Friday workings. We control the Gold Hunter property under a long-term agreement with Independence Lead Mines Company (Independence) expiring in February 2018 and renewable thereafter, that entitles us, as operator, to mine the Gold Hunter property, recoup certain capital investments and build a working capital account, after which Independence has a right to an 18.52% net profits royalty interest. In addition, after the capital account is paid down, Independence has the right within two years thereafter to elect to switch their royalty right to an 18.52% participating non-operating interest. Recoupment depends on, among other factors, metal prices and the extent of capital invested in the Lucky Friday. In February 2008, we announced an agreement to acquire substantially all of the assets of Independence, which would result in our ownership of 100% of the property (see Note 20 of Notes to Consolidated Financial Statements included in our Current Report filed on Form 8-K on September 2, 2008 for further discussion of the agreement).

The principal mining method at the Lucky Friday unit is ramp access, cut and fill. This method utilizes rubber-tired equipment to access the veins through ramps developed outside of the orebody. Once a cut is taken along the strike of the vein, it is backfilled with cemented tailings and the next cut is accessed, either above or below, from the ramp system.

Lucky Friday has silver reserves totaling 17.4 million ounces with lead and zinc by-product reserves totaling 105,400 and 35,600 tons, respectively. The ore produced from Lucky Friday is processed in a 1,000-ton-per-day conventional flotation mill. The flotation process produces both a silver-lead concentrate and a zinc concentrate. During 2007, mill recovery totaled approximately 92.41% silver, 92.37% lead and 78.25% zinc. All silver-lead-zinc concentrate production during 2007 was shipped to Teck Cominco Limited s smelter in Trail, British Columbia, Canada.

In 2007, Lucky Friday produced approximately 3.1 million ounces of silver, 18,000 tons of lead, and 8,000 tons of zinc.

RECENT DEVELOPMENTS

Sale of Venezuelan Operations and Assets

On July 8, 2008, Hecla Limited, our wholly owned subsidiary, consummated the transactions contemplated under the Stock Purchase Agreement (the Stock Purchase Agreement) with Rusoro Mining Ltd. (Rusoro) and Rusoro MH Acquisition, Ltd., a wholly owned subsidiary of Rusoro (Rusoro Acquisition). Prior to the closing, Hecla Limited owned directly all of the outstanding capital stock of El Callao Gold Mining Company (El Callao) and indirectly all of the issued and outstanding shares in the capital of Drake-Bering Holdings B.V. (Drake-Bering). Together, El Callao and Drake-Bering represented all of our business and operations in Venezuela. Under the terms of the Stock Purchase Agreement, Hecla Limited sold to Rusoro Acquisition all of the outstanding shares in the El Callao and Drake-Bering for $20,000,000 in cash and 4,273,504 shares of common stock of Rusoro, subject to customary post-closing adjustments. See our Current Report on Form 8-K filed on July 14, 2008 for further discussion.

*Second Quarter Results of Operation*s

On August 4, 2008, we reported silver production of 2.4 million ounces for the second quarter of 2008, a 60% increase over the same period a year ago. Second quarter financial results showed a loss applicable to common shareholders of $44.4 million, or 35 cents per share, on revenue of $64 million. The results include several one-time or transactional items related to the purchase of the Greens Creek Joint Venture, the sale of our Venezuelan operations and the sale of Great Basin Gold stock which resulted in a combined charge of $39.3 million. Income applicable to common shareholders in the second quarter of 2007 was $24.2 million, or 20 cents per share, on revenue of $44.4 million. Second quarter 2007 results also included a number of unusual items, most notably the sale of the Hollister Development Block.

Unusual or one-time items that impacted our results from operations during the second quarter of this year included:

- a loss of $30.7 million relating to our recently sold Venezuelan properties which consisted of an impairment loss of $11.4 million and a loss from operations of $19.3 million (which included a foreign exchange loss of $13.3 million from the repatriation of $38.7 million from Venezuela to the United States);

- an increase in cost of sales by $17 million compared to the second quarter of 2007 due to the valuation of in-process inventory associated with the Greens Creek Joint Venture acquisition (Hecla did receive the cash flow benefit from the sale of that inventory); and

- a gain of $8.1 million from the sale of Great Basin Gold stock previously received in connection with the sale of our interest in the Hollister project.

Other items that impacted second quarter net income included a 42% decrease in the price of zinc from $1.66 per pound in the second quarter of 2007 to $0.96 in the second quarter of 2008, increased smelter treatment and refining charges, and higher energy and steel costs. These factors resulted in increased cash cost per ounce of silver at the Lucky Friday and Greens Creek silver operations compared to a year ago. Cash cost per ounce of silver is a non-GAAP performance measure that differs from the most comparable GAAP financial measure. See Reconciliation of Non-GAAP Financial Measures to Most Comparable GAAP Financial Measure.

For the first six months of 2008, we recorded a loss applicable to common stockholders of $32.3 million, or 26 cents per share of common stock, compared to income applicable to common stockholders of $32.2 million, or 27 cents per share of common stock, during the same period in 2007.

Acquisition of 70.3% of Greens Creek

On April 16, 2008, we completed the acquisition of the companies owning 70.3% of the Greens Creek mine for $700 million in cash and approximately $50 million in stock (see *Note 14* of *Notes to the Condensed Consolidated Financial Statements* of our Form 10-Q for the period ended June 30, 2008, our Current Report on Form 8-K filed on April 22, 2008, and our Current Report on Form 8-K filed on September 2, 2008, for further discussion). The acquisition was partially funded by a $380 million debt facility, which includes a $140 million three-year term facility and a $240 million bridge facility, which matures on October 16, 2008. We utilized $220 million from the bridge facility at the time of closing the Greens Creek transaction.

Agreement to acquire Independence

On February 13, 2008, we announced an agreement to acquire substantially all of the assets of Independence Lead Mines Company, located in northern Idaho s Silver Valley, for 6,936,884 shares of our Common Stock. Included in the assets to be acquired is a land position near our Lucky Friday unit in the Silver Valley (where we have initiated a significant generative exploration program). The assets to be acquired also include mining claims held by Independence under an agreement with Hecla relating to the Lucky Friday mine, which includes all future interest or royalty obligation by Hecla to Independence. The transaction is subject to approval by the shareholders of Independence, and Independence is subject to a $1.25 million transaction break-up fee under specific circumstances associated with the agreement. Completion of the transaction is expected to take place during the fourth quarter of this year.

Acquisition of San Juan Silver Mining Joint Venture earn-in rights

On February 21, 2008, we announced that our wholly-owned subsidiary, Rio Grande Silver Inc., acquired the right to earn into a 70% interest in the San Juan Silver Joint Venture, which holds an approximately 25-square-mile consolidated land package in the Creede Mining District of Colorado. The agreement consists of a three-year buy-in with a total value of $23.2 million, consisting of exploration work and cash. We can earn up to a 70% joint interest by paying Emerald Mining & Leasing, LLC, and Golden 8 Mining, LLC, a total of $11.2 million in Common Stock (of which approximately $9 million in our Common Stock was paid at signing), by spending $6 million in exploration on the property during the first year, and by committing to an additional total of $6 million in exploration work over the subsequent two years.

CORPORATE OFFICES

Our corporate headquarters are located at 6500 North Mineral Drive, Suite 200, Coeur d Alene, Idaho 83815. Telephone and fax numbers for our corporate headquarters are (208) 769-4100 and (208) 769-7612, respectively. Our Canadian administrative office is located at Suite 440, 580 Hornby Street, Vancouver, British Columbia V6C 3B6. The telephone and fax numbers for this office are (604) 682-6201 and (604) 682-6215, respectively.

The Offering

The following summary contains basic information about the Common Stock and is not intended to be complete. For a more complete understanding of the Common Stock, please refer to the section in the accompanying prospectus entitled Description of Capital Stock.

Issuer	Hecla Mining Company
Securities Offered	30,000,000 shares of our Common Stock (plus up to 4,500,000 additional shares of Common Stock if the underwriters exercise their overallotment option in full).
Offering Price	$ per share of Common Stock.
Overallotment Option	To the extent the underwriters sell more than 30,000,000 shares of our Common Stock, the underwriters have the option to purchase up to 4,500,000 additional shares of our Common Stock from us at the offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus supplement.
Dividend Policy	We do not pay or declare dividends on our Common Stock under our current policy. Our credit facility includes provisions that limit our payment of dividends on our Common Stock.
Use of Proceeds	We estimate that the net proceeds from this offering, after deducting estimated fees and expenses and underwriting discounts and commissions, will be approximately $ million ($ million if the underwriters exercise their option to purchase additional shares of Common Stock in full). We intend to use the net proceeds from this offering, together with cash on hand or from current operations, to repay our indebtedness under our bridge facility and for other general corporate purposes. See Use of Proceeds.
NYSE Trading Symbol	HL
Risk Factors	An investment in the Common Stock involves a significant degree of risk. We urge you to carefully consider all of the information described in the section entitled Risk Factors beginning on page S-21.

Summary consolidated financial information

The following table sets forth our summary consolidated financial information. You should read carefully the financial statements and related notes incorporated by reference into this prospectus supplement, including the notes to the financial statements included in our Current Report on Form 8-K filed with the SEC on September 2, 2008. The selected data in this section is not intended to replace the financial statements.

We derived the income statement data for the years ended December 31, 2007, 2006 and 2005, and balance sheet data as of such dates from the audited financial statements incorporated by reference in this prospectus supplement. We derived the income statement for the six months ended June 30, 2008 and 2007 and balance sheet data as of such dates from the unaudited financial statements incorporated by reference into this prospectus supplement. Our management believes that the unaudited historical financial statements contain all adjustments needed to present fairly the information included in those statements, and that the adjustments made consist only of normal recurring adjustments.

Summary consolidated historical financial information

				(unaudited)	
	Year ended December 31,			**Six months ended June 30,**	
$000s (except for per share data)	**2007**	**2006**	**2005**	**2008**	**2007**
Operating results data					
Sales of products	$ 153,702	$ 122,585	$ 71,152	$ 100,622	$ 77,531
Cost of sales and other direct production costs	63,593	51,968	47,760	67,305	31,404
Depreciation, depletion and amortization	12,323	11,756	10,840	13,040	6,144
	75,916	63,724	58,600	80,345	37,548
Gross profit	**77,786**	**58,861**	**12,552**	**20,277**	**39,983**
Other operating expenses					
General and administrative	15,166	15,011	10,134	10,332	7,636
Exploration	15,934	14,708	8,516	12,911	6,521
Pre-development expense	1,027	8,091	9,420		1,027
Depreciation and amortization	299	972	621		
Other operating					