

HECLA MINING CO/DE/  
Form 10-Q  
November 06, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

Commission file  
number 1-8491

HECLA MINING COMPANY  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

77-0664171  
(I.R.S. Employer  
Identification No.)

6500 Mineral Drive, Suite 200  
Coeur d'Alene, Idaho  
(Address of principal executive  
offices)

83815-9408  
(Zip Code)

208-769-4100  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  . No  .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  . No  .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large Accelerated Filer  
 .

Accelerated Filer  .

Non-Accelerated Filer  .

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No  XX.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares Outstanding November 2, 2012
Common stock, par value \$0.25 per share	285,500,148

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Hecla Mining Company and Subsidiaries

Form 10-Q

For the Quarter Ended September 30, 2012

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\*Items 2, 3 and 5 of Part II are omitted as they are not applicable.

## Part I - Financial Information

## Item 1. Financial Statements

## Hecla Mining Company and Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)  
(In thousands, except shares)

	September 30, 2012	December 31, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 232,194	\$ 266,463
Accounts receivable:		
Trade	21,991	10,996
Other, net	7,827	9,313
Inventories:		
Concentrates, doré, and stockpiled ore	11,730	13,692
Materials and supplies	13,440	12,503
Current deferred income taxes	31,537	27,810
Other current assets	12,230	21,967
Total current assets	330,949	362,744
Non-current investments	9,023	3,923
Non-current restricted cash and investments	866	866
Properties, plants, equipment and mineral interests, net	973,586	923,212
Non-current deferred income taxes	86,324	88,028
Other non-current assets and deferred charges	2,855	17,317
Total assets	\$ 1,403,603	\$ 1,396,090
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 39,652	\$ 37,831
Accrued payroll and related benefits	10,124	12,878
Accrued taxes	9,743	10,354
Current portion of capital leases	4,654	4,005
Current portion of accrued reclamation and closure costs	34,146	42,248
Total current liabilities	98,319	107,316
Capital leases	10,163	6,265
Accrued reclamation and closure costs	113,928	111,563
Other noncurrent liabilities	33,905	30,833
Total liabilities	256,315	255,977
Commitments and contingencies		
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, 5,000,000 shares authorized:		
Series B preferred stock, \$0.25 par value, 157,816 shares issued and outstanding, liquidation preference — \$7,891	39	39
	71,496	71,420

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Common stock, \$0.25 par value, authorized 500,000,000 shares; issued and outstanding 2012 — 285,486,857 shares and 2011 — 285,289,924 shares

Capital surplus	1,217,461	1,215,229
Accumulated deficit	(117,471)	(120,557)
Accumulated other comprehensive loss	(21,219)	(23,498)
Less treasury stock, at cost; 2012 — 497,988 shares and 2011 — 392,645 shares	(3,018)	(2,520)
Total shareholders' equity	1,147,288	1,140,113
Total liabilities and shareholders' equity	\$ 1,403,603	\$ 1,396,090

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

## Hecla Mining Company and Subsidiaries

Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)  
(Dollars and shares in thousands, except for per-share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Sales of products	\$ 81,871	\$ 120,543	\$ 240,043	\$ 374,767
Cost of sales and other direct production costs	32,961	41,639	99,423	125,033
Depreciation, depletion and amortization	11,601	11,099	31,141	34,565
	44,562	52,738	130,564	159,598
Gross profit	37,309	67,805	109,479	215,169
Other operating expenses:				
General and administrative	5,695	5,559	15,723	14,808
Exploration	11,722	9,872	24,479	19,012
Pre-development	5,409	1,752	12,246	1,752
Other operating expense	736	1,612	3,285	5,699
Provision (credit) for closed operations and environmental matters	(1,093)	5,521	3,320	7,883
Lucky Friday suspension-related costs	6,114	—	18,745	—
	28,583	&#		