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# HECLA COMMENTS ON LUCKY FRIDAY STRIKE

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The following is an official release from the Hecla Mining Co. concerning the events unfolding at the Lucky Friday Mine.

Hecla Mining Co. reported the United Steelworkers Union Local 5114 went on strike today at the company's Lucky Friday Mine, located in Mullan, Idaho.

"We are very disappointed in USW Local 5114's decision to walk out," said Phillips S. Baker Jr., president and CEO of Hecla. "We appreciate our work force and our last, best and final offer provides competitive benefits but also provides the flexibility necessary to operate a mine successfully in a changing economic and regulatory environment."

The Lucky Friday Mine has operated for nearly 75 years and is important to the local economy, contributing nearly \$1 billion in wages, benefits, taxes and charitable contributions over the past 5 years. The company noted the average wage at the mine last year for a bargaining member was over \$84,000 before additional benefits, such as family health insurance, pension and a 401(k) retirement benefit. "The decision by the local union to strike benefits no one," said Baker.

The company's recent earnings release indicated that last year the mine produced 3.6 million ounces of silver at the all-in sustaining cost \$20.66 per ounce of silver, well above last year's realized price of \$17.16 per ounce.

Baker noted, "Since the Lucky Friday is our highest cost mine the changes will allow costs to improve. While it is unfortunate Local 5114 has taken this action we believe that with Hecla's cash flow, and strong treasury, the strike will not have a material impact on our financial position."

Baker concluded, "Lucky Friday has endured closures in the past and has rebounded very successfully. We have every expectation, especially with our investment in the new #4 Shaft and the substantial silver resources identified, that the mine can operate for generations into the future. And, with a solid balance sheet, we can wait to ensure that Lucky Friday has the flexibility to guarantee its long-term viability."