

HECLA MINING CO/DE/
Form 10-Q
November 09, 2007

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, 2007

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)

6500 Mineral Drive, Suite 200

Coeur d Alene, Idaho

(Address of principal executive offices)

77-0664171

(I.R.S. Employer
Identification No.)

83815-9408

(Zip Code)

208-769-4100

(Registrant's telephone number, including area code)

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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, and (2) has been subject to such filing requirements for the past 90 days.

Yes . No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer . Accelerated Filer . Non-Accelerated Filer .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes . No .

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 7, 2007
Common stock, par value \$0.25 per share	120,668,552

Hecla Mining Company and Subsidiaries

Form 10-Q

For the Quarter Ended September 30, 2007

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*Certain items are omitted as they are not applicable.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Hecla Mining Company and Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except shares)

	September 30, 2007	December 31, 2006
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 120,925	\$ 75,878
Short-term investments and securities held for sale	73,866	25,455
Accounts and notes receivable:		
Trade	21,669	19,497
Other, net	6,696	7,150

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Inventories, net	18,273	22,305
Deferred income taxes	15,029	11,822
Restricted cash	3,194	
Other current assets	2,308	3,454
Total current assets	261,960	165,561
Investments	9,242	6,213
Restricted cash and investments	15,110	21,286
Properties, plants and equipment, net	125,602	125,986
Other non-current assets	24,807	27,223
Total assets	\$ 436,721	\$ 346,269

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	\$ 22,756	\$ 24,238
Accrued payroll and related benefits	12,948	15,036
Accrued taxes	2,822	5,678
Current portion of accrued reclamation and closure costs	10,935	7,365
Total current liabilities	49,461	52,317
Accrued reclamation and closure costs	98,257	58,539
Other non-current liabilities	11,975	10,685
Total liabilities	159,693	121,541

Commitments and contingencies (Notes 2 and 5)

SHAREHOLDERS EQUITY

Preferred stock, \$0.25 par value, authorized 5,000,000 shares;

157,816 shares issued, liquidation preference - \$7,891 39 39

Common stock, \$0.25 par value, authorized 400,000,000 shares;

issued 2007 120,540,757 shares, and

issued 2006 119,828,707 shares 30,166 29,957

Capital surplus 519,767 513,785

Accumulated deficit (282,970) (327,522)

Accumulated other comprehensive income 10,666 8,900

Less treasury stock, at cost; 2007 81,375 common shares, and

2006 57,333 common shares (640) (431)

Total shareholders equity 277,028 224,728

Total liabilities and shareholders equity \$ 436,721 \$ 346,269

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

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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, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Sales of products	\$ 49,228	\$ 50,414	\$ 162,473	\$ 147,145
Cost of sales and other direct production costs	22,288	25,696	85,312	76,322
Depreciation, depletion and amortization	5,947	10,346	21,288	27,017
	28,235	36,042	106,600	