



03026964

REC'D S.E.C.  
JUN 25 2003  
1086

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

RECEIVED  
JUN 25 2003  
187  
SECTION

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

**PROCESSED**

For the Fiscal Year Ended December 31, 2002

T JUL 14 2003

THOMSON  
FINANCIAL

Commission File No. 1-8491

A. Full title of the plan and the address of the plan, if different from that of the issuer  
named below:

HECLA MINING COMPANY CAPITAL ACCUMULATION PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its  
principal executive office:

Hecla Mining Company  
6500 North Mineral Drive, Suite 200  
Coeur d'Alene, ID 83815-9408

## REQUIRED INFORMATION

	<u>Page No.</u>
(a) Financial Statements	
Report of Independent Accountants	F-1
Statements of Net Assets Available for Benefits at December 31, 2002 and 2001	F-2
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2002 and 2001	F-3
Summary of Accounting Policies	F-4
Notes to Financial Statements	F-5
Schedules	
Schedule of Assets Held for Investment Purposes at Year End	F-11
Schedules I, II and III have been omitted as provided under SEC Release No. 33-6867.	
(b) Exhibits	
24 Consent of BDO Seidman, LLP to incorporation by reference of their report dated June 20, 2003, on the audit of the financial statements of the Hecla Mining Company Capital Accumulation Plan.	4
99.1 Certification of Phillips S. Baker, Jr., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	5

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the members of the Administrative Committee of the Hecla Mining Company Capital Accumulation Plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

HECLA MINING COMPANY CAPITAL ACCUMULATION PLAN

A handwritten signature in cursive script, reading "Michael B. White", written over a horizontal line.

Michael B. White, Corporate Secretary

June 20, 2003



**BDO Seidman, LLP**  
Accountants and Consultants

601 W. Riverside Avenue, Suite 900  
Spokane, Washington 99201-0611  
Telephone: (509) 747-8095  
Fax: (509) 747-0415

Exhibit 24

## Consent of Independent Certified Public Accountants

Hecla Mining Company  
Coeur d'Alene, ID

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 of our report dated May 5, 2003 relating to the financial statements and supplemental schedule of Hecla Mining Company Capital Accumulation Plan appearing in the Plan's Annual Report on Form 11-K for the year ended December 31, 2002.

A handwritten signature in cursive script that reads "BDO Seidman, LLP".

BDO Seidman, LLP  
Spokane, WA

June 20, 2003

Hecla Mining Company and Subsidiaries

CERTIFICATION

I, Phillips S. Baker, Jr., Chief Executive Officer and Chief Financial Officer of Hecla Mining Company Capital Accumulation Plan ("Plan"), certify that to the best of my knowledge:

1. This annual report of employee benefit plans on Form 11-K ("report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Plan.

Date: June 20, 2003



---

Phillips S. Baker, Jr.  
Chief Executive Officer and Chief Financial Officer

---

The foregoing certification is being furnished in accordance with Securities and Exchange Commission Release No. 34-47551 and shall not be considered filed as part of the Form 11-K.



## Report of Independent Certified Public Accountants

To the Participants and Administrative Committee  
of the Hecla Mining Company Capital Accumulation Plan  
Coeur d'Alene, Idaho

We have audited the accompanying statements of net assets available for benefits of the Hecla Mining Company Capital Accumulation Plan (the "Plan") as of December 31, 2002 and 2001, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits as of December 31, 2002 and 2001, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets Held for Investment Purposes at End of Year is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Spokane, Washington

  
/s/ BDO Seidman, LLP

May 5, 2003

# Hecla Mining Company Capital Accumulation Plan

## Statements of Net Assets Available for Benefits

<i>December 31,</i>	2002	2001
<b>Assets</b>		
<b>Investments, at fair market value:</b>		
Money market funds	\$ 1,698,888	\$ 1,537,010
Mutual funds	4,115,212	6,234,663
Common stock of Hecla Mining Company, including cash of \$13,588	467,554	57,152
Participant loans	11,999	6,572
<b>Total investments</b>	<b>6,293,653</b>	<b>7,835,397</b>
<b>Receivables:</b>		
Employer contribution	87,834	101,761
Participant contributions	894	29,906
<b>Total receivables</b>	<b>88,728</b>	<b>131,667</b>
<b>Net assets available for benefits</b>	<b>\$ 6,382,381</b>	<b>\$ 7,967,064</b>

*See accompanying summary of accounting policies and notes to financial statements.*

# Hecla Mining Company Capital Accumulation Plan

## Statements of Changes in Net Assets Available for Benefits

<i>Year ended December 31,</i>	2002	2001
<b>Additions:</b>		
Interest income	\$ 20,765	\$ 65,769
Dividend income	47,458	472
	68,223	66,241
<b>Contributions:</b>		
Participants	500,768	724,533
Employer matching	87,834	101,761
	588,602	826,294
<b>Total additions</b>	<b>656,825</b>	<b>892,535</b>
<b>Deductions:</b>		
Net depreciation in fair market value of investments	(759,674)	(1,646,435)
Distribution to participants	(1,481,834)	(1,516,170)
	(2,241,508)	(3,162,605)
<b>Decrease in net assets available for benefits</b>	<b>(1,584,683)</b>	<b>(2,270,070)</b>
<b>Net assets available for benefits:</b>		
Beginning of year	7,967,064	10,237,134
End of year	\$ 6,382,381	\$ 7,967,064

*See accompanying summary of accounting policies and notes to financial statements.*

# Hecla Mining Company Capital Accumulation Plan

## Summary of Accounting Policies

**Basis of Accounting** The Plan's financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

**Investment  
Valuation and  
Income Recognition** Investments in mutual funds are reported at quoted market value for the number of shares held by the Plan at year-end. Money market funds are recorded at cost, which approximates fair value. Hecla Mining Company common stock is valued at its quoted market price.

The Plan presents in the statement of changes in net assets available for benefits the net appreciation or depreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Payment of Benefits** Benefits are recorded when paid.

**Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ materially from those estimates.

**Risks and  
Uncertainties** The Plan invests in Funds that invest in a combination of stocks, bonds, fixed income securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

# Hecla Mining Company Capital Accumulation Plan

## Notes to Financial Statements

1. **Description of Plan** The following descriptions and disclosures about the Plan provide only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

### **General**

The Plan is a defined contribution plan, which originally became effective on January 1, 1986. The Plan provides for incentive savings through investments, which qualify under the Internal Revenue Service of the United States of America ("IRS") section 401(k) for tax deferral status. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

### **Eligible Employees**

All salaried and substantially all non-union hourly employees of Hecla Mining Company (the "Company") who are citizens of the United States and have more than two months of service and at least 165 hours of service are eligible to enroll in the Plan effective the next payroll period. Nonresident aliens and leased employees are not allowed to participate in the Plan.

### **Contributions**

Non-highly and highly compensated participants, as defined in the Plan, may contribute from 2% to 15% and 2% to 10% of their compensation, respectively. Employees who do not affirmatively specify their instructions with regard to participation in the Plan will automatically have 3% of their compensation reduced for contribution. Total pre-tax contributions may not exceed \$11,000 and \$10,500 for the years ended December 31, 2002 and 2001, respectively. Contributions may be suspended at any time upon thirty days written notice by the participant. Reinstatement and changes in contributions are effective for the following payroll period. Participants may also contribute amounts to the Plan previously contributed to another qualified plan.

# Hecla Mining Company Capital Accumulation Plan

## Notes to Financial Statements

The Company makes matching contributions equal to 25% on deferred contributions, up to 6% of the participant's compensation. The Company may also make a discretionary profit sharing contribution for any plan year. No profit sharing contributions were made for the years ended December 31, 2002 or 2001.

### **Participant Accounts**

Separate accounts are maintained for each participant. Each participant's account is credited with the participant's contribution, employer's matching contribution, plan earnings and an allocation of the Company's discretionary profit-sharing contribution, if any. Allocations of the Company's contribution and plan earnings are based on participant account balances, as defined in the plan document. The participant's benefit is limited to the benefit that has accumulated in the participant's account. Currently the Plan offers nine investment options for participants. Participants may elect to change the amounts invested in any one or all of the individual options effective the following payroll period.

### **Vesting**

Participant contributions and the Company's matching and discretionary contributions are 100% vested at all times.

### **Payment of Benefits**

Distributions are made upon termination, death, disability or retirement. Participants or their beneficiaries will receive payment of benefits as follows: (a) balances of \$5,000 or less will be distributed in a lump sum, or (b) balances greater than \$5,000 in various optional forms of distribution. Withdrawals from the Plan may also be made upon circumstances of financial hardship, in accordance with provisions specified in the Plan.

### **Participant Loans**

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

# Hecla Mining Company Capital Accumulation Plan

## Notes to Financial Statements

### Administrative Expenses

Expenses for administration of the Plan are paid directly by the Company.

### 2. Investments

At December 31, 2002 and 2001, the fair values of the Plan investments, including investments greater than 5% of net assets available for benefits, are as follows:

	2002	2001
Strong Money Market Fund	\$ 1,698,888	\$ 1,537,010
Strong Government Securities Fund	473,060	136,153
SSgA S&P 500 Index Fund	57,788	141,841
Strong Moderate Portfolio	997,237	1,472,694
Janus Overseas Fund	368,068	624,637
Strong Growth and Income Fund	1,347,735	2,326,598
Strong Growth Fund	756,700	1,255,505
Strong Opportunity Fund	114,624	277,235
Hecla Common Stock Fund	467,554	57,152
Participant loans	11,999	6,572
	<b>\$ 6,293,653</b>	<b>\$ 7,835,397</b>

The net depreciation in the fair value of the mutual funds for 2002 and 2001 was \$1,139,376 and \$1,681,307, respectively. The net appreciation in the fair value of the common stock of Hecla Mining Company for 2002 and 2001 was \$379,702 and \$34,872, respectively.

The separate investment funds as described below were available for the years ended December 31, 2002 and 2001.

### Low Risk Funds

*Strong Money Market Fund* - The objective of the Fund is to seek current income, a stable share price and daily liquidity. The Fund invests in corporate, bank and government instruments that present minimal credit risk.

# Hecla Mining Company Capital Accumulation Plan

## Notes to Financial Statements

*Strong Government Securities Fund* – Under normal conditions, at least 80% of its net assets are invested in higher-quality bonds issued by the U.S. government or its agencies. The fund's dollar-weighted average effective maturity will normally be between five and ten years. To a limited extent, the fund may also invest in dollar-denominated foreign securities.

### *Capital Medium Risk Funds*

*SSgA S&P 500 Index Fund* - The objective of the fund is to seek to replicate the total return of the S&P 500 index by investing in all 500 stocks in the S&P 500 index in proportion to the weighting of the index.

*Strong Moderate Portfolio* - The objective of this portfolio, which consists of Strong Funds designed to pursue moderate objectives, is to seek total return by investing primarily for capital growth and secondarily for income. The fund invests in a combination of stocks, bonds and cash.

### *High Risk Funds*

*Janus Overseas Fund* - The objective of the fund is to seek long-term growth of capital. The fund normally invests at least 65% of its assets in common stocks of issuers located in at least five foreign countries. However, the fund may invest in companies of any size, regardless of country of origin.

*Strong Growth and Income Fund* - The objective of the fund is to seek high total return by investing in capital growth and income. The fund invests primarily in companies that pay current dividends and offer potential growth of earnings.

*Strong Growth Fund* - The objective of the fund is to seek capital growth by investing in companies that, regardless of size, have powerful earnings growth stemming from robust expansion, market dominance, accelerating sales and proven management.

# Hecla Mining Company Capital Accumulation Plan

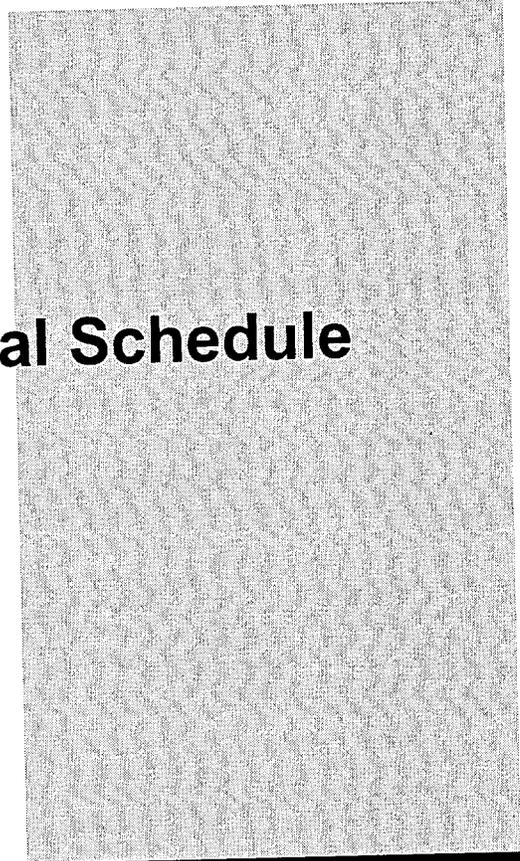
## Notes to Financial Statements

*Strong Opportunity Fund* - The objective of the fund is to seek capital growth by investing in medium-sized companies believed to be under-researched and attractively valued.

*Hecla Common Stock Fund* - The fund consists of Hecla common stock and cash. The Fund is considered to be a high-risk option because of absence of diversity and price movement subject to the uncertainties of both the stock and precious metals markets.

- 3. Plan Termination** Although it has not expressed intent to do so, the Company has the right, under the Plan, to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. All assets remaining in the Plan after payment of any expenses properly chargeable against the Plan shall be paid to participants in such a manner, as the Plan administrator shall determine.
- 4. Related-Party Transactions** Certain Plan investments are shares of mutual funds managed by Strong Retirement Plan Services. Strong Retirement Plan Services serves as the agent of UMB Bank, the trustee, and, therefore, these transactions qualify as party-in-interest transactions. Certain Plan investments are shares in Hecla Mining Company common stock; therefore, these transactions also qualify as party-in-interest transactions.
- 5. Income Tax Status** The Employer has not received a letter from the IRS informing them the Plan is qualified and exempt under Section 401(k) of the Tax Reform Act of 1986, as amended. However, the Plan is a prototype plan for which the Plan's trustee has obtained a favorable ruling from the IRS regarding its tax-exempt status. Management of the Company and the Plan administrator believe the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

# **Supplemental Schedule**



# Hecla Mining Company Capital Accumulation Plan

## Schedule of Assets Held for Investment Purposes at End of Year December 31, 2002

EIN: 82-0126240  
Plan Number: 004

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost **	(e) Current Value
*	Strong Money Market Fund	Cash equivalents at various interest rates averaging 1.27% in 2002		\$ 1,698,888
*	Strong Government Securities Fund	Mutual fund consisting of 42,465 shares		473,060
*	SSgA S&P 500 Index Fund	Mutual fund consisting of 3,983 shares		57,788
*	Strong Moderate Portfolio	Mutual fund consisting of 121,763 shares		997,237
*	Janus Overseas Fund	Mutual fund consisting of 24,072 shares		368,068
*	Strong Growth and Income Fund	Mutual fund consisting of 85,031 shares		1,347,735
*	Strong Growth Fund	Mutual fund consisting of 57,282 shares		756,700
*	Strong Opportunity Fund	Mutual fund consisting of 3,994 shares		114,624
*	Hecla Common Stock Fund	Common stock of the Company consisting of 89,711 shares, par value \$0.25, and \$13,588 of cash		467,554
*	Participant loans	Interest rate of 5.75% through July 2007		11,999
				\$ 6,293,653

\* Represents party-in-interest to the Plan

\*\* The cost of participant directed investments is not required to be disclosed.