

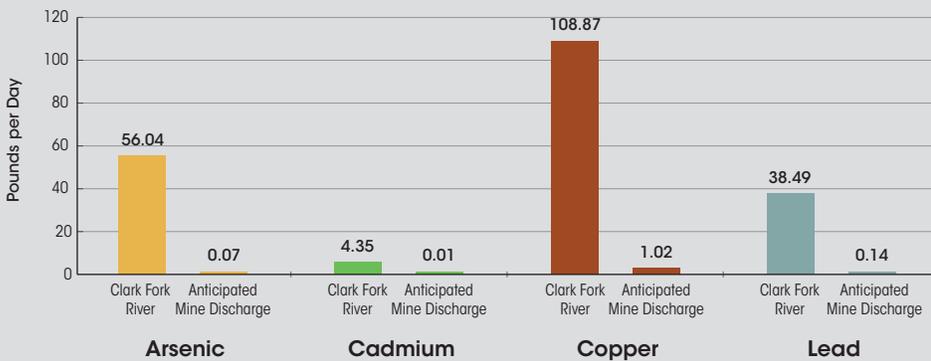
Water and the Proposed Rock Creek Mine

Protecting both the quality and quantity of groundwater, lakes, and stream flows – before, during, and after operations – is fundamental to the Rock Creek mine plan.

Protecting Water Quality

During Phase I Evaluation, any excess water flow from the adit will be collected and routed to a multi-stage water treatment system, then directed to onsite infiltration ponds. Excess water will be similarly treated during Phase II, but nearly all of it will be used during mine construction. Once the mine is in production, it's currently estimated that fewer than 400 gallons per minute will be treated and released into the Clark Fork River. It will not only meet standards set for the protection of fish and aquatic life; it will actually be cleaner than the river water itself. Rock Creek's geochemistry is similar to that of the nearby Troy mine, which operated for nearly 30 years without adverse water quality impacts. Now moving into final reclamation and closure, Troy's recent Environmental Impact Statement concluded that no long-term water treatment would be needed there.

Clark Fork River: Current Metals / Anticipated Discharge



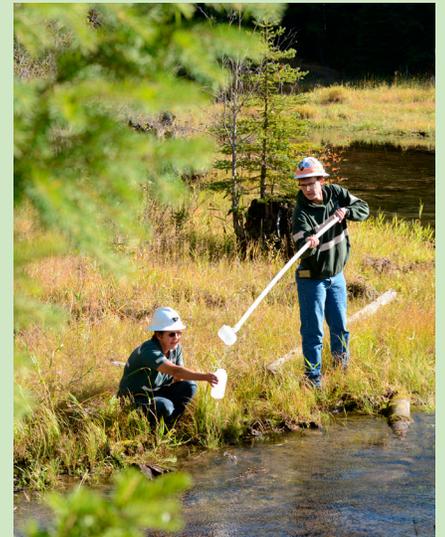
Mass loading in the Clark Fork River was calculated using average metal concentrations from EPA E-WQX - station CFRPO-30 between 2004 & 2009. Mass loading in the anticipated treated mine discharge was calculated using values in Table 4-24 of the FEIS. Arsenic (As), Cadmium (Ca) and Lead (Pb) were below method reporting limits (MRL) in samples from the Clark Fork River; As, Ca, and Pb are not anticipated to be detected in treated mine discharge. A value of 1/2 the MRL was used to calculate mass loading when metals concentrations were below the MRL or not anticipated in treated discharge.

Protecting Surface Lakes and Streams

Rock Creek's plan calls for buffer zones that prevent any mining within 1,000 feet around lakes to safeguard the surface water above underground mining operations, which will be approximately 900 feet below the surface. Furthermore, a conservative model, created and reviewed by an independent technical advisory group with oversight from both the Kootenai National Forest and the Montana Department of Environmental Quality, demonstrated that there will be little to no effect on stream flow or lake depth throughout the life of the mine. Simulation from the hydrological models and studies indicate a non-significant impact to surface water, projecting a 4% or less reduction in base flow at the mouths of Rock Creek, Bull River, and East Fork Bull River at the end of the mine's life.

After years of study regarding the effects of the proposed mine, a number of measures have been put in place to reduce the mine's potential impacts:

- road improvements during Phase I Evaluation Phase would reduce sediment yield to streams to less than existing conditions, potentially improving aquatic habitat
- water collected throughout the mine life will go through a multistage water treatment process to ensure that it meets standards for protection of fish and other aquatic life
- the majority of water will be recycled and reused throughout the mining and milling process; it will also remain in a closed loop, maximizing usage
- extensive monitoring and testing throughout the mine life will be conducted to verify that strict water quality standards are met



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