FORM 8-K

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HECLA MINING CO/DE/

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83814-8788
2087694100

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) March 11, 1994

HECLA MINING COMPANY

(Exact name of registrant as specified in its charter)

Delaware	1-8491	82-0126240
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6500 Mineral Drive, Coeur d'Alene, Idaho	83814-8788
(Address of principal executive offices)	(Zip Code)

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

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On March 11, 1994, Hecla Mining Company ("Hecla" or the "Company") completed its acquisition of Equinox Resources Ltd., an exploration, development and mining company headquartered in Vancouver, British Columbia ("Equinox"), whose assets consist primarily of various mining exploration development and production properties located in the United States. The transaction was treated as a pooling of interests for financial reporting and accounting purposes. Hecla issued approximately 5.9 million shares of Hecla common stock for all of Equinox's outstanding common stock representing an exchange ratio of 0.3 shares of Hecla common stock for each share of Equinox common stock. In addition, approximately 400,000 shares of Hecla common stock are issuable upon exercise of outstanding Equinox warrants and outstanding Equinox stock options. Following the acquisition, Equinox will be liquidated so that all of its direct subsidiaries become direct subsidiaries of Hecla. In connection with the acquisition, Hecla also issued production notes related to production at the American Girl mine and Oro Cruz project of Equinox, with an aggregate redemption price of Canadian $2,075,655.

Prior to the negotiations and resulting acquisition of Equinox by Hecla, there have been no material relationships between or among the two companies and their subsidiaries, directors or officers, or associates of any such directors or officer. In addition, the exchange ratio of Hecla common stock for Equinox common stock was negotiated at arms length by Hecla and Equinox.

Attached as Exhibit 1 to this Current Report on Form 8-K, and incorporated herein by this reference, is a copy of Hecla's press release, dated March 11, 1994, announcing the completion of the Equinox acquisition. Exhibit 2 to this Current Report on Form 8-K is the Acquisition Agreement, dated as of December 29, 1993, by and among Hecla, B.P.Y.A. 1193 Holdings Ltd., 1057451 Ontario Limited and Equinox (the "Acquisition Agreement"), pursuant to which the acquisition of Equinox was completed, and the foregoing description of the acquisition is qualified in its entirety by reference to the Acquisition Agreement, which is incorporated herein by this reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) Financial Statements of Businesses Acquired.

Reference is made to Annex A to this Report on Form 8-K for the financial statements of Equinox (including the executed Auditor's Report of Deloitte & Touche).

(b) Pro Forma Financial Information.

Reference is made to Annex B to this Report on Form 8-K for the pro forma financial information required to be filed in connection with the Company's acquisition of Equinox.

(c) Exhibits.

1. Press Release of Hecla Mining Company, dated March 11, 1994.

2. Acquisition Agreement, dated as of December 29, 1993 by and among Hecla, B.P.Y.A. 1193 Holdings Ltd., 105741 Ontario Limited and Equinox (incorporated by reference to Exhibit 2 to the Schedule 13D, dated January 7, 1994, filed by Hecla with respect to Equinox).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Dated: March 14, 1994

HECLA MINING COMPANY

By: /s/ Michael B. White

Michael B. White
Vice President - General Counsel
& Secretary

Annex A

EQUINOX RESOURCES LTD.

AUDITORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

[Deloitte & Touche letterhead]

AUDITORS' REPORT

To the Directors of
Equinox Resources Ltd.

We have audited the consolidated balance sheets of Equinox Resources Ltd. as at December 31, 1993 and 1992 and the consolidated statements of loss and deficit and changes in financial position for the year ended December 31, 1993, the two months ended December 31, 1992 and the years ended October 31, 1992 and October 31, 1991. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted out audits in accordance with generally accepted auditing standards in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1993 and 1992 and the results of its operations and the changes in its financial position for the year ended December 31, 1993, the two months ended December 31, 1992 and the years ended October 31, 1992 and October 31, 1991 in accordance with generally accepted accounting principles in Canada applied on a consistent basis.

/s/ Deloitte & Touche

Chartered Accountants

Vancouver, Canada
February 28, 1994

EQUINOX RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(IN CANADIAN DOLLARS)

<TABLE>
<CAPTION>

	DECEMBER 31, 1993	DECEMBER 31, 1992
		(restated: Note 4)
<S>	<C>	<C>
ASSETS		
Current		
Cash and term deposits	$ 2,833,197	$ 863,080
Marketable securities (Note 6)	127,170	73,757
Accounts receivable	2,478,565	1,428,667
Inventory (Note 7)	2,600,854	2,061,437
Prepaid expenses	114,118	123,894
	8,153,904	4,550,835
Investments (Note 8)	181,948	1,100,267
Fixed (Note 9)	45,210	27,369
Resource properties (Note 10)	13,449,042	11,724,446
	$ 21,830,104	$ 17,402,917

LIABILITIES		
Current		
Accounts payable	$ 2,688,562	$ 3,238,266
Accrued reclamation costs	537,900	200,000
Production participating preferred shares (Note 12)	--	347,000
	3,226,462	3,785,266
Accrued reclamation costs	6,729,217	--
Production participating preferred shares (Note 12)	1,622,650	1,064,000
	11,578,329	4,849,266
SHAREHOLDERS' EQUITY		
Capital stock (Notes 5,12,13 and 25)		
Authorized		
50,000,000 Common shares without par value		
5,000,000 Class A preferred shares with par value of $1.50 per share		
5,000,000 Class B preferred shares without par value		
Issued		
8,920,091 Common shares (1992- 15,577,750)	35,260,539	26,319,092
Deficit	(25,008,764)	(13,765,441)
	10,251,775	12,553,651
	$ 21,830,104	$ 17,402,917

</TABLE>

Commitments (Note 19)
Contingencies (Note 20)

Approved by the Board:

/s/ Ross J. Beaty
- -----------------------
Ross J. Beaty, Director

/s/ Pierre F. Masse
- -----------------------
Pierre F. Masse, Director

See accompanying notes to consolidated financial statements

EQUINOX RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
(IN CANADIAN DOLLARS)

<TABLE>
<CAPTION>

<S>	YEAR ENDED DECEMBER 31 1993 <C>	TWO MONTHS ENDED DECEMBER 31 1992 (restated: Note 4) <C>	YEARS ENDED OCTOBER 31 1992 <C>	YEARS ENDED OCTOBER 31 1991 <C>
Revenue				
Production revenue	$ 14,092,749	$ 2,397,734	$ 1,142,747	$ --
Other (Note 22)	268,766	58,755	461,023	1,147,824
	14,361,515	2,456,489	1,603,770	1,147,824
Expenses				
Operating	11,576,367	2,590,924	1,795,228	--
Reclamation	5,117,110	--	--	--
Depreciation, depletion and amortization	2,236,586	403,622	369,619	51,209
Interest	258,654	9,292	6,763	47
Filing and transfer fees	80,138	13,181	35,374	28,237
General exploration	225,713	30,548	154,921	42,716
Legal, accounting and professional	207,045	--	57,009	93,199

General and administration	1,159,363	179,209	657,359	945,994
Foreign exchange (gain) loss	(187,909)	(7,888)	32,056	(6,590)
Research	193,612	32,104	48,717	--
	20,866,679	3,250,992	3,157,046	1,154,812
Loss before undernoted items	(6,505,164)	(794,503)	(1,553,276)	(6,988)
Write-off of resource properties, net	(3,756,965)	--	(4,618,266)	(652,178)
Equity loss in investment	(981,194)	(8,718)	(108,980)	(37,742)
Write-down of marketable securities	--	(8,580)	--	--
Minority interest	--	--	22,172	--
Net loss for the period	(11,243,323)	(811,801)	(6,258,350)	(696,908)
Deficit, at beginning of period, as restated (Note 4)	(13,765,441)	(12,953,640)	(6,695,290)	(5,998,382)
Deficit, at end of period	$(25,008,764)	$(13,765,441)	$(12,953,640)	$(6,695,290)
Loss per share	($0.66)	($0.06)	($0.48)	($0.06)
Weighted average number of shares outstanding	16,982,115	14,165,506	12,986,691	11,603,057

</TABLE>

See accompanying notes to consolidated financial statements

EQUINOX RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
(IN CANADIAN DOLLARS)

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31 1993	TWO MONTHS ENDED DECEMBER 31 1992	YEARS ENDED OCTOBER 31 1992	YEARS ENDED OCTOBER 31 1991
			(restated: Note 4)	
<S>	<C>	<C>	<C>	<C>
Operating activities				
Net loss for the period	$(11,243,323)	$ (811,801)	$(6,258,350)	$ (696,908)
Items not involving cash				
Depreciation, depletion and amortization	2,236,586	403,622	369,619	51,209
Equity loss in investment	981,194	8,718	108,980	37,742
Write-off of resource properties, net	3,756,965	--	4,618,266	652,178
Interest provision	211,650	--	--	--
Write-down of marketable securities	--	8,580	7,310	--
Minority interest	--	--	(22,172)	--
Loss (gain) on sale of assets	49,310	(4,621)	(66,828)	--
	4,007,618	(395,502)	(1,243,175)	44,221
Change in non-cash operating working capital (Note 16)	(2,329,243)	415,306	104,182	(569,085)
	(6,336,861)	19,804	(1,138,993)	(524,864)
Financing activities				
Capital stock issued	8,941,447	4,270,467	1,265,944	7,340,549
Production participating preferred shares	--	1,411,000	--	--
Proceeds (repayment) of long-term debt	--	--	(3,144,125)	5,284,070
Minority interest	--	--	(22,172)	22,172
	8,941,447	5,681,467	(1,900,353)	12,646,791
Investing activities				
Purchase of fixed assets	(26,901)	--	(10,060)	(43,368)
Resource property expenditures, net	(5,868,684)	(131,126)	(443,271)	(7,454,490)
Proceeds on sale of assets	--	14,621	108,255	1,248

Proceeds from sale of resource property	304,863	--	111,900	--
Acquisition of net assets of Eastmaque, net of cash	--	(5,478,235)	--	--
Purchase of investments and marketable securities	(62,875)	(123,530)	(675,437)	(416,182)
Reclamation increase	5,072,541	--	--	--
	(581,056)	(5,718,270)	(908,613)	(7,912,792)
Increase (decrease) in cash and cash equivalents during the period	2,023,530	(16,999)	(3,947,959)	4,209,135
Cash and cash equivalents at beginning of period	936,837	953,836	4,901,795	692,660
Cash and cash equivalents at end of period	$ 2,960,367	$ 936,837	$ 953,836	$ 4,901,795
Cash and cash equivalents include the following:				
Cash and term deposits	$2,833,197	$863,080	$ 942,996	$ 4,862,995
Marketable securities	127,170	73,757	10,840	38,800
	$ 2,960,367	$ 936,837	$ 953,836	$ 4,901,795

</TABLE>

See accompanying notes to consolidated financial statements

EQUINOX RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations

The Company, directly and through joint ventures, is in the process of exploring its resource properties and, except for the American Girl Mine (Note 10.b.), the Van Stone Mine (Note 10.c.), and the Oro Cruz property (Note 10.d.), has not determined whether these properties contain economically recoverable ore reserves.

The recoverability of amounts shown for resource properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production from the properties or proceeds from disposition.

2. Basis of presentation

The Company received articles of amalgamation on December 8, 1992 whereby a new entity, Equinox Resources Ltd. ("New Equinox") was formed by the amalgamation of Eastmaque Gold Mines Ltd. ("Eastmaque") and Equinox Resources Ltd. ("Equinox") (Note 5). Significant accounting policies of the amalgamated company are consistent with those used by the predecessor companies.

3. Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada, which do not differ materially from GAAP in the United States, except as disclosed in Note 17.

a) Principles of consolidation

These consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and its 60%-owned subsidiary, Equinox Resources (Wash.) Inc. ("Equinox Washington"). The American Girl mine joint venture and the Oro Cruz joint venture are accounted for on the proportionate consolidation basis. The Buckhorn mine joint venture is accounted for on the cost basis. All inter-company transactions have been eliminated.

b) Inventory

Inventory of gold bullion, silver bullion and mineral concentrates are valued at the lower of cost and net realizable value. Supplies are valued at the lower of average production cost and replacement cost. Costs associated with ore being leached are inventoried and amortized based on the estimated gold to be recovered.

c) Fixed assets

Office and field equipment are recorded at cost and the Company provides for depreciation on a straight-line basis using a 20% annual rate.

d) Resource properties

Acquisition costs of resource properties together with direct exploration and development expenditures thereon are deferred in the accounts. When production is attained, these costs are amortized using the unit of production method based upon estimated proven recoverable reserves. When deferred expenditures on individual producing properties exceed estimated net realizable value, the properties are written-down to the estimated value. Costs relating to properties abandoned are written-off when the decision to abandon is made.

e) Foreign exchange translation

Balances denominated in foreign currencies are translated into Canadian dollars using the temporal method. Amounts stated in U.S. dollars are translated into Canadian dollars as follows - monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date; non-monetary items, income and expenses are translated at the prevailing exchange rates on the date of the transaction. The net gain or loss of the foreign currency translation is included in the operations in the respective periods.

f) Reclamation costs

Current expenditures relating to ongoing environmental and reclamation programs are charged against earnings as incurred. Estimated future reclamation costs, where reasonably determinable, are charged against earnings over the estimated life of the mine.

g) Revenue recognition

Sales of precious metals and concentrate are recorded at the estimated net realizable value when delivered. Revenue from consulting is recorded when the services are rendered.

h) Loss per share

(IN CANADIAN DOLLARS)

The calculations of loss per share are based upon the weighted average number of common shares of the Company outstanding each period.

4. Accounting policy change

During the year ended December 31, 1993, the Company changed its method of recording inventory of gold bullion, from recording it at net realizable value, to recording it at the lower of average production cost and net realizable value.

This change, which has been applied retroactively with restatement of prior periods, increased the net loss for the year ended December 31, 1993 by $540,000, the two month period ended December 31, 1992 by $19,000, and the years ended October 31, 1992, and 1991 by $nil. As at December 31, 1993, resource properties were increased by $148,000, inventory decreased by $540,000 (December 31, 1992 - $19,000) and deficit decreased by $373,000 (December 31, 1992 - $19,000).

5. Business combination

On December 8, 1992 Equinox amalgamated with Eastmaque under the provisions of the Company Act of British Columbia to form a new company, New Equinox. Both companies were involved in the exploration and development of resource properties. This business combination has been accounted for by the purchase method with New Equinox acquiring Eastmaque and the results of operations of Eastmaque being included from the date of amalgamation, December 8, 1992. The combination was effected through

the issue of 229,394 common shares of Equinox during the year ended October 31, 1992 and 2,265,378 common shares of New Equinox on December 8, 1992 at a total deemed value of $4,544,402, the issue of 1,383,770 Class A preferred shares of New Equinox, the issue of 1,383,770 warrants (Note 13(d)), and costs of $137,439. The fair value of the net assets of Eastmaque at the date of amalgamation was as follows (restated: Note 4):

<TABLE>

<S>	<C>
Cash	$ 14,665
Accounts receivable	227,987
Inventory	2,208,734
Prepaid expenses	118,834
Note receivable	71,497
Resource properties	5,202,751

	7,844,468
Accounts payable	(1,751,527)

Total consideration	$ 6,092,941
	=========

</TABLE>

6. Marketable securities

Marketable securities are recorded at the lower of cost and net realizable value. As at December 31, 1993, the quoted market value was $304,885 (1992 - $73,757).

7. Inventory

<TABLE>
<CAPTION>

	December 31 1993	December 31 1992
	-----------	-----------
		(restated: Note 4)

(IN CANADIAN DOLLARS)

<S> <C> <C>

Gold bullion	$ 1,481,784	$ 493,226
Silver bullion	14,681	59,547
Supplies	758,436	762,198
Ore	345,953	701,977
Zinc concentrate	--	44,489
	$ 2,600,854	$ 2,061,437

</TABLE>

8. Investments

Investments, which are accounted for by the equity method, are as follows:

<TABLE>
<CAPTION>

	December 31, 1993		December 31, 1992	
	% Ownership	Carrying Value	% Ownership	Carrying Value
Pan American Minerals Corp.	39.40	$ 1	38.41	$ 914,749
Bitterroot Resources Ltd.	32.48	40,039	40.38	78,534
		40,040		993,283
Advances		141,908		106,984
		$181,948		$1,100,267

</TABLE>

The Company has granted a third party an option expiring December 15, 1994 to acquire 30.33% of its investment in Bitterroot Resources Ltd. for $119,498.

The quoted market value of the Company's investments are:

<TABLE>
<CAPTION>

	December 31 1993	December 31 1992
Pan American Minerals Corp.	$ 478,550	$ 170,100
Bitterroot Resources Ltd.	854,693	274,498
	$ 1,333,243	$ 444,598

</TABLE>

9. Fixed

<TABLE>
<CAPTION>

			Net book value	
	Cost	Accumulated depreciation	December 31 1993	December 31 1992
Office and field equipment	$249,563	$204,353	$45,210	$27,369

(IN CANADIAN DOLLARS)

</TABLE>

10. Resource properties

Resource properties consist of:

<TABLE>
<CAPTION>

<S>	December 31 1993 <C>	December 31 1992 <C>
American Girl mine	$ 8,957,061	$ 4,229,314
Van Stone mine	9,660,994	9,879,786
Oro Cruz	1,384,768	1,040,356
	20,002,823	15,149,456
Accumulated depreciation, depletion and write-downs	13,354,469	7,333,637
	6,648,354	7,815,819
Exploration properties	6,800,688	3,908,627
	$ 13,449,042	$ 11,724,446

</TABLE>

a) Exploration properties consist of:

<TABLE>
<CAPTION>

<S>	December 31 1993 <C>	December 31 1992 <C>
Rosebud	$ 5,566,159	$ 1,094,067
Zenda	662,000	1,500,000
J&L	33,001	1,156,846
Other	539,528	157,714
	$ 6,800,688	$ 3,908,627

</TABLE>

i) Rosebud

The Company had a 49% interest in certain unpatented lode mining claims located near Pershing County, Nevada.

During the year ended December 31, 1993, the Company increased its interest to 100% by acquiring the remaining 51% interest in the Rosebud property from LAC Minerals (U.S.A.) Inc. ("LAC"), and all of LAC's interest ranging from 52% to 100%, in surrounding properties for US$5.5 million. Further, the Company sold a 2.5% net smelter royalty for US$3.0 million, and granted an option to sell an additional 1.5% net smelter return royalty for US$2.5 million.

ii) Zenda

The Company has a 100% interest in certain mineral claims known as Zenda property, located near Bakersfield, California. During the year ended December 31, 1993, the Company wrote-down the costs to an estimated realizable value of $662,000.

iii) J&L property

The Company and Pan American Minerals Corp. ("Pan American") each had a 50% leasehold interest in the J&L property situated in the Revelstoke Mining District of British Columbia. The Company also has a 39.40% equity interest in Pan American (Note 8). During the year ended December 31, 1993, the Company and Pan American did not make the annual rental payment due under the lease agreement and they are attempting to re-negotiate a new agreement. Accordingly the costs have been written down to a nominal value of $1.

During the year ended December 31, 1993, the Company and Pan American each purchased a 50% interest in certain of the claims comprising the J&L Property. To acquire its interest the Company paid $10,000 and issued 7,931 shares at a deemed value of $23,000.

iv) Other exploration properties

The Company has various interests ranging from 12% to 100% in certain properties in Canada, the United States and Bolivia.

b) American Girl mine

The Company has a 50% joint venture interest, subsequently decreased to a 47% interest in exchange for an increase to a 47% interest in the Oro Cruz joint venture, in the American Girl mine located in Imperial County, California. The mine is producing gold and is operated by the joint venture partner, MK Gold Company. Proportionate consolidation has been used to account for the Company's share of the joint venture (Note 11). Operations have been included since acquisition, December 8, 1992 (Note 5).

c) Van Stone mine

The Van Stone mine is a lead-zinc property located in Stevens County, Washington and owned by Equinox Washington, which is owned 60% by the Company.

The initial production, started in April 1991, was suspended in October 1991 due to depressed metal prices. Production resumed in August 1992, and was again suspended in January 1993 following the continuation of unfavorable metal prices. The operations will remain on a care and maintenance program at a cost of approximately US$15,000 per month until zinc prices reach a more favorable level.

As a result of recent metal prices, the Company in 1993 wrote-down its investment by $1,811,643 and in October 1992 wrote-down its investment in the Van Stone mine by $6,605,651 and also wrote-off $4,091,461 of long-term debt repayable only from the production proceeds of the Van Stone mine for a net write-down of $2,514,190.

d) Oro Cruz property

The Company has a 44% joint venture interest in certain mineral claims known as the Oro Cruz property located near the American Girl mine operations in California. Proportionate consolidation has been used to account for the Company share of the joint venture (Note 11). Operations have been included since acquisition, December 8, 1992 (Note 5).

11. Joint Ventures

The Company conducts some of its mining operations through corporate joint ventures. The following is a combined summary of the Company's proportionate share of the financial statements of these joint ventures which have been included in the Company's financial statements.

EQUINOX RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(IN CANADIAN DOLLARS)

<TABLE>
<CAPTION>

	December 31 1993	December 31 1992
<S>	<C>	<C>
Current assets	$ 1,421,999	$ 1,429,411
Current liabilities	(1,881,445)	(683,267)
Reclamation payable	(3,996,184)	--
Resource properties	10,341,829	5,250,342
Less accumulated depletion	(4,333,029)	(123,841)
Equity	$ 1,553,170	$ 5,872,645

</TABLE>

<TABLE>
<CAPTION>

	Year ended December 31 1993	Two Months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991
<S>	<C>	<C>	<C>	<C>
Production revenue	$ 13,936,660	$ 675,556	$ --	$ --
Other revenue	22,987	5,414	--	--
	13,959,647	680,970	--	--
Operating expenses	10,476,454	760,811	--	--
Reclamation	2,339,508	--	--	--
Depreciation and depletion	2,227,526	123,841	--	--
Loss for the period	$(1,083,841)	$(203,682)	$ --	$ --

</TABLE>

12. Production participating preferred shares

The Class A preferred shares (Note 13(a)) issued and outstanding are as follows:

<TABLE>
<CAPTION>

(IN CANADIAN DOLLARS)

	Number of shares	Amount
Issued on acquisition of Eastmaque	1,383,770	$ 1,411,000
Balance at December 31, 1992	1,383,770	1,411,000
Amortization of discount		211,650
Balance at December 31, 1993	1,383,770	$ 1,622,650

The shares carry no coupon and are redeemable at any time by the Company at par value. The preference shares are redeemable annually from 25% of the American Girl and the Oro Cruz properties' net cash flow. The total redemption

price of $2,075,655 has been discounted by 15% to determine the value attributable to these Class A preferred shares on the acquisition of Eastmaque. During the period ended December 31, 1993, amortization of discount of $211,650 is included with interest expense.

After April 30, 1997 the Class A preferred shareholders have the right to require the liquidation of the American Girl and Oro Cruz properties for the redemption of any remaining outstanding preferred shares.

13. Capital stock

a) Authorized

On December 8, 1992 the Company completed an amalgamation to form a new company, Equinox Resources Ltd. (Note 5). In connection with the amalgamation the authorized share capital stock was changed from 20,000,000 common shares without par value and 10,000,000 preferred shares without par value to 50,000,000 common shares without par value, 5,000,000 Class A preferred shares with a par value of $1.50 per share, and 5,000,000 Class B preferred shares without par value.

b) Common shares

During the year ended December 31, 1993, the two months ended December 31, 1992 and the year ended October 31, 1992, changes in issued common shares were as follows:

	Number of Shares	Amount
Issued as at October 31, 1991	12,512,160	$ 20,782,681
Shares issued for cash on		

exercise of stock options	87,000	126,150
Shares issued on debenture conversion	225,000	445,356
Shares issued for cash on exercise of warrants	200,000	350,000
Shares issued for acquisition of investment	229,394	376,206
Share issue costs	--	(31,768)
Issued as at October 31, 1992	13,253,554	22,048,625
Shares issued for cash on exercise of stock options	36,000	52,200
Shares issued for property acquisition	22,818	49,971
Shares issued on amalgamation (Note 5)	2,265,378	4,168,296
Issued as at December 31, 1992	15,577,750	26,319,092
Shares issued for cash on exercise of stock options	294,000	459,300
Shares issued for property acquisition	48,341	124,384
Shares issued for cash for a private placement (net of issue costs of $642,237)	3,000,000	8,357,763
Issued as at December 31, 1993	18,920,091	$ 35,260,539

</TABLE>

c) As at December 31, 1993, outstanding stock options were as follows:

<TABLE>
<CAPTION>

Number of shares	Exercise price	Expiry date
<S>	<C>	<C>
3,000	$7.50	January 25, 1995
55,000	$1.45	September 12, 1995
354,000	$1.45	February 19, 1996
344,000	$1.45	April 30, 1997
60,000	$2.50	June 7, 1997
25,000	$2.30	June 7, 1997

</TABLE>

d) As at December 31, 1993 and December 31, 1992, warrants, expiring August 31, 1996, to purchase 1,383,770 common shares at $3.40 per share were outstanding. If the Company's shares trade at a price of $5.00 per share for 20 consecutive trading days,

the warrant holders must exercise the warrant or lose the right to exercise.

14. Related party transactions

During the respective periods, the Company charged management fees to affiliated companies as follows:

<TABLE>
<CAPTION>

	Year ended December 31 1993	Two Months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991

(IN CANADIAN DOLLARS)

<S>	<C>	<C>	<C>	<C>
	$64,500	$8,000	$207,700	$48,000
	======	=====	=======	======

</TABLE>

15. Income taxes

Loss carry-forwards for U.S. income tax purposes of approximately US$6,950,000 commence to expire in the year 2005 through 2008 unless utilized (2005-US$50,000; 2006-US$2,900,000; 2007-US$1,300,000; 2008-US$2,700,000). No benefit in respect of the losses being carried forward has been recorded in the accounts.

16. Changes in non-cash operating working capital

The net changes in non-cash working capital are as follows:

<TABLE>
<CAPTION>

	Year ended December 31 1993	Two Months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991
<S>	<C>	<C>	<C>	<C>
Accounts receivable	$ (1,049,898)	$ (327,507)	$ 206,738	$ (891,832)
Inventory	(539,417)	283,418	(136,120)	--
Prepaid expenses	9,776	11,327	(3,185)	(8,195)
Accounts payable	(749,704)	448,068	36,749	330,942
	---------	-------	-------	--------
	$ (2,329,243)	$ 415,306	$ 104,182	$ (569,085)
	==========	=======	=======	========

</TABLE>

17. Differences between Canadian and United States Generally Accepted Accounting Principles

a) The consolidated financial statements of the Company have been prepared according to Canadian Generally Accepted Accounting Principles (GAAP) which differ in some respects to U.S. GAAP. The material differences between Canadian and U.S. GAAP, and their effect on

the Company's financial statements are summarized below:

Consolidated Statement of Loss

<TABLE>
<CAPTION>

	Year ended December 31 1993	Two Months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991
<S>	<C>	<C>	<C>	<C>
Net loss				
Canadian GAAP	$ (11,243,323)	$ (811,801)	$ (6,258,350)	$(696,908)
Write-down of Investment(i)	--	(165,435)	(153,290)	(65,390)
Compensation expense(ii)	(12,000)	--	(50,000)	--
	----------	-------	---------	-------
U.S. GAAP	$ (11,255,323)	$ (977,236)	$ (6,461,640)	$ (762,298)
	==========	=======	=========	=======
Loss per common share				
U.S. GAAP	$(0.66)	$(0.07)	$(0.50)	$(0.07)
	====	====	====	====

(IN CANADIAN DOLLARS)

</TABLE>

Consolidated Balance Sheets

<TABLE>
<CAPTION>

<S>	December 31 1993 <C>	December 31 1992 <C>
Investments		
Canadian GAAP	$ 181,948	$ 1,100,267
Write-down to market value(i)	--	(744,649)
U.S. GAAP	$ 181,948	355,618
Deficit		
Canadian GAAP	$(25,008,764)	$(13,765,441)
Write-down to market value(i)	--	(744,649)
Compensation expense(ii)	(62,000)	(50,000)
U.S. GAAP	$(25,070,764)	$(14,560,090)

</TABLE>

i) Investments

Under U.S. GAAP, the long term investments accounted for under the equity method would be recorded at the lower of cost and quoted market value. The combined balance sheets and statements of loss and deficit of the Company's long term investments are presented below:

Condensed Combined Balance Sheets

<TABLE>
<CAPTION>

<S>	December 31 1993 <C>	December 31 1992 <C>
Assets		
Current assets	$ 9,727	$ 16,972
Mineral properties	195,445	3,239,511
Other assets	--	2,083
	$ 205,172	$3,258,566
Liabilities and Shareholders' Equity		
Current Liabilities	$ 211,997	$ 132,056
Shareholders' Equity	(6,824)	3,126,510
	$ 205,173	$3,258,566

</TABLE>

Condensed Combined Statements of Loss

<TABLE>
<CAPTION>

	Year ended December 31 1993	Two Months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991

<S>	<C>	<C>	<C>	<C>
General and administration expenses	$ 153,527	$ 20,673	$ 80,798	$ 106,105
Write-down of resource properties	3,239,714	--	148,757	--
Loss for the period	$(3,393,241)	$ (20,673)	$ (229,555)	$ (106,105)

</TABLE>

ii) Compensatory stock option benefit

Under U.S. GAAP the excess of the market value over the exercise price at the date stock options are granted is recorded as compensation expense. The amount of compensation expense for the periods is as follows:

<TABLE>
<CAPTION>

Year ended December 31 1993	Two months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991
<S>	<C>	<C>	<C>
$12,000	$ --	$ 50,000	$ --

</TABLE>

EQUINOX RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(IN CANADIAN DOLLARS)

iii) Segmented information

U.S. GAAP requires that if 10% or more of revenues is derived from a single customer, the revenue from each such customer should be disclosed. Under Canadian GAAP, disclosure is governed by a company's economic dependence on a customer. Customers comprising 10% or more of total revenues for the respective periods were as follows:

<TABLE>
<CAPTION>

<S>	Year ended December 31 1993 <C>	Two months ended December 31 1992 <C>	Years ended October 31 1992 <C>	Years ended October 31 1991 <C>
Cominco Ltd.	$ --	$ 1,183,734	$ 1,142,747	$ --
Standard Chartered Bank	2,924,173	--	--	--
Republic Mase Bank Ltd.	10,025,736	1,232,756	--	--
	$12,949,909	$ 2,416,490	$ 1,142,747	$ --

</TABLE>

In the long term, the Company is not economically dependent on any one customer for the sale of its products. In the short term, the Company is economically dependent on Cominco's smelter at

(IN CANADIAN DOLLARS)

Trail, British Columbia for the sale of its lead and zinc concentrate from the Van Stone mine.

iv) Income taxes

The United States' Financial Accounting Standard Board has issued Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes", which became effective for fiscal years beginning January 1, 1993. The Company has determined the impact of the Statement on this reconciliation would be immaterial.

v) Under U.S. GAAP, the consolidated statement of changes in financial position is called the consolidated statement of cash flows and reflects only cash transactions affecting financing and investing activities, whereas Canadian GAAP requires non-cash activities to be included. Under U.S. GAAP, the following

transactions would be excluded from the consolidated statement of changes in financial position:

	Year ended December 31 1993	Two months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991
Increase (decrease) to cash				
Financing activities				
Capital stock issued	$ 124,384	$ 4,168,296	$ 821,562	$ 27,500
Proceeds (repayment) of long-term debt	--	--	(445,356)	--
Production participating preferred shares	--	1,411,000	--	--
Investing activities				
Purchase of investment and marketable securities	--	--	(376,206)	--
Acquisition of net assets of Eastmaque, net of cash	--	(5,579,296)	--	--
Resource property expenditures	(124,384)	--	--	(27,500)

In addition U.S. GAAP requires the disclosure of amounts paid for rent, interest and income taxes, the details of which are as follows:

	Year ended December 31 1993	Two months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991
a. rent	$ 47,234	$ 11,695	$ 87,113	$ 84,122

b. interest	$ 38,348	$ 2,680	$ 31,670	$ 103,095
c. income and capital taxes	$364,737	$ 11,070	$ --	$ --

EQUINOX RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(IN CANADIAN DOLLARS)

18. Segmented information

The Company operates in one industry and two geographic locations. Details of net income and identifiable assets are as follows:

	Year ended December 31 1993	Two months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991
Revenue for the period				
Canada	$ 211,345	$ 37,857	$ 422,771	$ 1,119,727
United States	14,150,170	2,418,632	1,180,999	28,097
	$14,361,515	$2,456,489	$ 1,603,770	$1,147,824
Net loss for the period				
Canada	$ (4,368,993)	$ (108,429)	$ (861,961)	$ (496,095)
United States	(6,874,330)	(703,372)	(5,396,389)	(200,813)
	$(11,243,323)	$ (811,801)	$ (6,258,350)	$ (696,908)

	December 31 1993	December 31 1992
Identifiable assets at the end of the period		
Canada	$ 525,618	$ 2,350,257
United States	21,304,486	15,052,660
	$21,830,104	$17,402,917

19. Commitments

The Company is committed under operating leases to future minimum lease payment as follows:

1994	$ 91,210
1995	91,170
1996	82,940
1997	82,940
	$ 348,260

20. Contingencies

During the year ended October 31, 1992, the Company wrote-off loans of

(IN CANADIAN DOLLARS)

$4,091,461 (US$3,550,000) as part of its write-down of the carrying value of Van Stone mine as the repayment is only due from production proceeds prior to December 31, 1999. Should operations recommence and achieve positive cash flow over $3,850,000, the Company

may be required to repay all of a portion of these loans, plus interest at 16% on US$181,000.

21. Government assistance

During the year ended October 31, 1992, the Company commenced a research project regarding a treatment process for contaminated mining waste. In connection with this project the Company has received or will receive $32,420 for the year ended December 31, 1993 (1992 - $151,827) which has been applied to reduce the research expenses.

22. Other income

<TABLE>
<CAPTION>

	Year ended December 31 1993	Two months ended December 31 1992	Years ended October 31 1992	Years ended October 31 1991
<S>	<C>	<C>	<C>	<C>
Consulting	$ 102,454	$ --	$ 124,385	$1,022,588
Interest	118,312	4,979	128,938	125,236
Management fees	48,000	33,861	207,700	--
Other	--	19,915	--	--
	$ 268,766	$ 58,755	$ 461,023	$1,147,824

</TABLE>

23. Pro forma financial information

Pro forma statements of loss have been presented to reflect the acquisition of Eastmaque (Note 5) and its effect on the historical statements of loss as if it had been acquired on November 1, 1991. Details of the pro forma statement of loss are as follows:

<TABLE>
<CAPTION>

	TWO MONTHS ENDED DECEMBER 31, 1992			YEAR ENDED OCTOBER 31, 1992		
	HISTORICAL STATEMENT OF INCOME	PRO FORMA ADJUSTMENTS	PRO FORMA STATEMENT OF INCOME	HISTORICAL STATEMENT OF INCOME	PRO FORMA ADJUSTMENTS	PRO FORMA STATEMENT OF INCOME
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue						
Production	$2,397,734 (1)	$639,140	$ 3,036,874	$ 1,142,747 (1)	$ 13,799,989	$ 14,942,736
Other	58,755 (1)	1,466	40,142	461,023 (1)	32,533	324,056

		(2)	(20,079)	--	--	(2)	(169,500)	--
	2,456,489		620,527	3,077,016	1,603,770		13,663,022	15,266,792
Expenses								
Depreciation, depletion and amortization	403,622	(1)	402,947	578,380	369,619	(1)	5,643,726	2,817,303
		(3)	(228,189)			(3)	(3,196,042)	
Filing and transfer fees	13,181	(1)	506	13,687	35,374			35,374
Foreign exchange loss (gain)	(7,888)			(7,888)	32,056			32,056
General and administration	183,830	(1)	46,214	209,965	716,877	(1)	121,881	669,258
		(2)	(20,079)			(2)	(169,500)	
General exploration	30,548			30,548	154,921			154,921
Interest and financing charges	9,292	(1)	2,812	12,104	6,763	(1)	132,637	139,400
Legal, accounting and professional	--	(1)	4,316	4,316	57,009			57,009
Operating	2,590,924	(1)	488,236	3,079,160	1,795,228	(1)	9,212,055	11,007,283
Research	32,104			32,104	48,717			48,717
	3,255,613		696,763	3,952,376	3,216,564		11,744,757	14,961,321
Loss before undernoted items	(799,124)		(76,236)	(875,360)	(1,612,794)		1,918,265	305,471
Equity loss in investment	(8,718)			(8,718)	(108,980)			(108,980)
Gain on sale of assets	4,621	(1)	5,892	10,513	66,828	(1)	(9,416)	57,412
Write-off of resource properties, net					(4,618,266)			(4,618,266)
Write-down of marketable securities	(8,580)			(8,580)	(7,310)			(7,310)
Minority interest	--			--	22,172			22,172
Net loss before income taxes	(811,801)		(70,344)	(882,145)	(6,258,350)		1,908,849	(4,349,501)
Income taxes						(1)	80,143	
	--		--	--	--	(4)	(205,000)	(124,857)
Net loss for the period	$ (811,801)		$(70,344)	$ (882,145)	$(6,258,350)		$ 1,783,992	$(4,474,358)
Loss per share				$(0.06)				$(0.30)

</TABLE>

EQUINOX RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(IN CANADIAN DOLLARS)

The explanations of the pro forma adjustments are as follows:

(1) Adjusting for the operations of Eastmaque Gold Mines Ltd. for the period to the date of acquisition. Only the American Girl and the Oro Cruz properties have been included in the pro forma. The other operations which have been abandoned or terminated prior to the amalgamation date include the Kirkland Lake Gold operations and related reclamation activities; all general and administration costs related to the Vancouver office, the exploration activities and property write-downs related to the Nevada Joint Venture.

(2) Elimination of inter-company transactions.

(3) Reduction of amortization costs for the period due to the lower valuation of the resource properties following the amalgamation.

(4) Income tax effect of higher income before income taxes.

24. Comparative figures

Certain of the comparative figures have been reclassified to conform with the current period's presentation.

25. Subsequent events

a) Subsequent to December 31, 1993, the Company issued 361,687 common shares for cash of $545,696 pursuant to the exercise of stock options.

b) On February 25, 1994, the shareholders of the Company approved the amalgamation with Hecla Mining Company ("Hecla"). Upon completion of the transaction, the Company's common shareholders will receive 0.3 Hecla common shares, holders of the Company's Series "A" Production Participating Preferred Shares will receive Hecla Production Notes with no material change in the terms and conditions attached to such shares, and the Company's options and warrants outstanding will become exercisable for Hecla common shares based on the Equinox common share conversion ratio.

ANNEX B

CONDENSED PRO FORMA COMBINED FINANCIAL INFORMATION

FOR ACQUISITION OF

EQUINOX RESOURCES LTD.

BY

HECLA MINING COMPANY

CONDENSED PRO FORMA COMBINED FINANCIAL INFORMATION

The following condensed pro forma combined balance sheet and condensed pro forma combined statements of operations (collectively, the "Pro Forma Financial Statements") were prepared by Hecla to illustrate the estimated effects of the business combination to be accounted for as a pooling of interests under U.S. generally accepted accounting principles ("GAAP"). Accordingly, the financial information of Hecla and Equinox has been combined for all periods presented. All amounts in the Pro Forma Financial Statements are stated in U.S. dollars unless otherwise stated. The Pro Forma Financial Statements give retrospective effect to material differences between Hecla's and Equinox's accounting policies which are expected to have a material impact on the combined financial statements. The Pro Forma Financial Statements do not purport to represent what the combined financial position or results of operations actually would have been if the combination had occurred at the beginning of the periods or to project the combined financial position or results of operations for any future date or period.

The Pro Forma Financial Statements should be read in conjunction with the historical consolidated financial statements, including the notes thereto, of Hecla (prepared in accordance with U.S. GAAP) which are included in Hecla's Form 10-K for the fiscal year ended December 31, 1993 and of Equinox (prepared in accordance with Canadian GAAP), which are included elsewhere in this document. Equinox's historical financial statements have been restated into U.S. dollars and then adjusted to conform with U.S. GAAP and Hecla's accounting policies, format and classification.

The Pro Forma Financial Statements are presented utilizing the pooling-of-interests method of accounting whereby the recorded assets, liabilities, shareholders' equity and results of operations of Hecla and Equinox become the combined assets, liabilities, shareholders' equity and results of operations. The Pro Forma Financial Statements also include pro forma adjustments which are based upon available information and certain assumptions that management of Hecla believes are reasonable in the circumstances.

CONDENSED PRO FORMA COMBINED BALANCE SHEET

DECEMBER 31, 1993
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT AS NOTED FOR EQUINOX HISTORICAL)

<TABLE>
<CAPTION>

	EQUINOX					
	HISTORICAL (CANADIAN DOLLARS)	ADJUSTMENT TO RESTATE INTO U.S. DOLLARS	U.S. GAAP AND CONFORMING ADJUSTMENTS	HISTORICAL AS ADJUSTED	HECLA HISTORICAL	PRO FORMA COMBINED
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Current assets:						
Cash and cash equivalents.....................	$ 2,833	$ (693)	$	$ 2,140	$ 37,891	$ 40,031
Investments.......................	127	(31)		96	27,540	27,636
Accounts and notes receivable......................	2,479	(607)	110(5)	1,982	16,859	18,841
Inventories.......................	2,601	(637)	34(5)	1,998	13,022	15,020
Other current assets..............	114	(28)	2(5)	88	1,915	2,003
Total current assets............	8,154	(1,996)	146	6,304	97,227	103,531
Investments.........................	182	(44)	216 (4)	354	6,211	6,565
Properties, plants and equipment, net..............................	13,494	(2,936)	(2,282)(1) (2,091)(3)	6,185	222,870	229,055
Other noncurrent assets............			70 (1) 362 (2)	432	6,570	7,002
Total assets....................	$ 21,830	$ (4,976)	$(3,579)	$13,275	$332,878	$346,153
Current liabilities:						
Accounts payable and accrued expenses........................	$ 3,226	$ (789)	$ 265 (5)	$ 2,702	$ 19,606	$ 22,308
Total current liabilities.......	3,226	(789)	265	2,702	19,606	22,308
Long-term debt......................	1,623	(397)	(706)(3)	520	49,489	50,009
Other noncurrent liabilities........					4,217	4,217
Accrued reclamation costs...........	6,729	(1,647)	362 (2)	5,444	19,503	24,947
Total liabilities..............	11,578	(2,833)	(79)	8,666	92,815	101,481
Shareholders' equity:						
Preferred stock...................					575	575
Common stock......................	35,261	(6,756)		28,505	8,661	10,080 (6)
Capital surplus...................					238,601	265,687 (6)
Retained earnings (deficit).........	(25,009)	4,613	(2,212)(1) (1,385)(3) (119)(5) 216 (4)	(23,896)	(6,878)	(30,774)
Treasury stock and other...........					(896)	(896)
Total shareholders' equity......	10,252	(2,143)	(3,500)	4,609	240,063	244,672
Total liabilities and shareholders' equity..........	$ 21,830	$ (4,976)	$(3,579)	$13,275	$332,878	$346,153

</TABLE>

See Notes to Condensed Pro Forma Combined Balance Sheet.

NOTES TO CONDENSED PRO FORMA COMBINED BALANCE SHEET
(ALL AMOUNTS ARE IN U.S. DOLLARS UNLESS OTHERWISE INDICATED)

The Equinox Historical balance sheet at December 31, 1993 has been adjusted to reflect (i) restatement of Canadian dollars to U.S. dollars (based on the exchange rate as of December 31, 1993 of $0.755 U.S. dollar for each Canadian dollar) and (ii) presentation in accordance with U.S. GAAP and the accounting policies, format and classification utilized by Hecla. The following adjustments were made to reflect the Equinox Canadian dollar balance sheets in conformity with Hecla's presentation and U.S. GAAP:

(1) Equinox capitalizes exploration expenditures incurred on properties identified as having development potential. Hecla expenses exploration costs as incurred. Properties, plants and equipment was reduced $2,282,000 at December 31, 1993 to reverse exploration costs which previously were capitalized by Equinox. A reclamation bond for $70,000 was reclassed to other noncurrent assets from properties, plants and equipment in connection with this adjustment.

(2) Adjustments of $362,000 to other noncurrent assets and accounts payable and accrued expenses reflect reclassifications of certain reclamation bonds and existing accrued reclamation costs. Hecla's accounting policy is to accrue future reclamation costs over the operating life of the facility, based on current environmental regulatory requirements. As a result of this policy, accrued reclamation costs were increased to the following balances as of December 31, 1992.

<TABLE>
<CAPTION>

EQUINOX PROPERTY	
<S>	<C>
Van Stone Mine	$1,300,000
J&L Property	200,000
Buckhorn Mine	1,315,000
Kirkland Lake	157,000
Total	$2,972,000

</TABLE>

During the year ended December 31, 1993, Equinox accrued $2,084,000 for reclamation costs associated with these properties.

(3) Reduction in the carrying value of the American Girl gold mine and Oro Cruz gold project by $2,400,000 to reflect valuation of properties using Hecla's methodology. Depreciation expense of $309,000 recorded by Equinox for the three-month period ended December 31, 1993 was reversed. The reduction is based upon a fourth quarter 1993 feasibility study which indicates that less cash flow will be received from the property than originally anticipated. As a result, the balance of production participating preferred shares payable, which is based upon cash flows from operations, has decreased approximately $706,000. The write-down was effective October 1, 1993.

(4) Reversal of a portion of the write-down of Equinox's investment in Pan American Minerals Corporation as of December 31, 1993. Equinox recorded a write-down to $1 in the year ended December 31, 1993.

(5) Equinox has a 23.56% interest in the Buckhorn mine. Equinox wrote off its investment in Buckhorn in 1989. Since that date, Equinox has not included its proportionate share of Buckhorn in its consolidated financial statements, Hecla's policy is to consolidate such investments in its financial statements. The amounts recorded to reflect Equinox's December 31, 1993 proportional share of Buckhorn's financial statements are as follows:

<TABLE>

<S>	<C>
Accounts receivable	$ 110,000
Inventories	34,000
Other current assets	2,000
Accounts payable and accrued expenses	265,000
Retained earnings (deficit)	(119,000)

</TABLE>

(6) The exchange of each Equinox common share (without par value) for 0.3 of a Hecla common share at December 31, 1993 results in the transfer of $27,086,000 from common stock of Equinox to capital surplus of Hecla as follows:

Net book value of Equinox shares outstanding	$28,505,000
Hecla shares exchanged (5,676,027 shares at December 31, 1993 at $0.25 par value)	(1,419,000)
Difference transferred to capital surplus	$27,086,000

CONDENSED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1993
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

	HECLA HISTORICAL	EQUINOX HISTORICAL AS ADJUSTED(1)	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
Sales of Products	$ 81,847	$11,041	$	$ 92,888
Costs of sales and other direct production costs	71,109	9,032		80,141
Depreciation, depletion, and amortization	10,292	3,543	(309)(3)	13,526
	81,401	12,575	(309)	93,667
Gross profit (loss)	446	(1,534)	(309)	(779)
Other operating expenses				
General and administrative	6,961	1,179		8,140
Exploration	4,353	175	1,128 (2)	5,656
Research		150		150
Depreciation and amortization	669			669
Provision for closed operations and environmental matters	2,307	2,104	(2,084)(5)	2,327
Reduction in carrying value of mining properties	200	3,272	(2,605)(2) 1,694 (3)	2,561
	14,490	6,880	(1,867)	19,503
Loss from operations	(14,044)	(8,414)	(2,176)	(20,282)
Other income (expense)	1,371	(661)	(230)(4)	940
Income (loss) before income taxes	(12,673)	(9,075)	(2,406)	(19,342)
Income tax benefit	938			938
Net income (loss)	(11,735)	(9,075)	(2,406)	(18,404)
Dividend on preferred shares	4,070			4,070
Net income (loss) applicable to common shareholders	$ (15,805)	$(9,075)	$(2,406)	$ (22,474)
Net income (loss) per common share	$ (0.48)			$ (0.59)
Weighted average common shares used in computation	32,915			38,010(6)

See Notes to Condensed Pro Forma Combined Statements of Operations.

CONDENSED PRO FORMA COMBINED STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1992
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	HECLA HISTORICAL	EQUINOX HISTORICAL AS ADJUSTED(1)	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
<S>	<C>	<C>	<C>	<C>
Sales of products..........................	$ 100,651	$ 970	$	$ 101,621
Costs of sales and other direct production costs..................................	83,288	1,526		84,814
Depreciation, depletion, and amortization............................	13,493	281		13,774
	96,781	1,807		98,588
Gross profit (loss).............	3,870	(837)		3,033
Other operating expenses				
General and administrative..............	8,520	686		9,206
Exploration.............................	7,659	131	396 (2)	8,186
Research................................	1,317	41		1,358
Depreciation and amortization...........	819	32		851
Provision for closed operations and environmental matters.................	12,670		938 (5)	13,608
Reduction in carrying value of mining properties...........................	27,928	3,842	(979)(2)	30,791
	58,913	4,732	355	64,000
Loss from operations............	(55,043)	(5,569)	(355)	(60,967)
Other income (expense).....................	5,512	754	(41)(2)(4)	6,225
Income (loss) before income taxes and cumulative effect of changes in accounting principles....................	(49,531)	(4,815)	(396)	(54,742)
Income tax benefit.........................	(345)			(345)
Income (loss) before cumulative effect of changes in accounting principles.........	(49,186)	(4,815)	(396)	(54,397)
Cumulative effect of changes in accounting principles (income taxes and post retirement benefits other than pensions)...............................	(103)			(103)
Net income (loss)..........................	$ (49,289)	$ (4,815)	$(396)	$ (54,500)
Net income (loss) per common share:				
Income (loss) before cumulative effect of changes in accounting principles......	$ (1.59)			$ (1.56)
Cumulative effect of changes in accounting principles.............	(0.01)			(0.01)
	$ (1.60)			$ (1.57)
Weighted average common shares used in computation...........................	30,866			34,778(6)

</TABLE>

See Notes to Condensed Pro Forma Combined Statements of Operations.

CONDENSED PRO FORMA COMBINED STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1991
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

<TABLE>

<CAPTION>

<S>	HECLA HISTORICAL <C>	EQUINOX HISTORICAL AS ADJUSTED(1) <C>	PRO FORMA ADJUSTMENTS <C>	PRO FORMA COMBINED <C>
Sales of products	$117,568	$	$	$117,568
Costs of sales and other direct production costs	84,853			84,853
Depreciation, depletion, and amortization	21,161			21,161
	106,014			106,014
Gross profit (loss)	11,554			11,554
Other operating expenses				
General and administrative	14,054	929		14,983
Exploration	5,693	37	633 (2)	6,363
Research	1,538			1,538
Depreciation and amortization	692	45		737
Provision for closed operations and environmental matters	3,638		126 (5)	3,764
Reduction in carrying value of mining properties		568	(527)(2)	41
	25,615	1,579	232	27,426
Loss from operations	(14,061)	(1,579)	(232)	(15,872)
Other income (expense)	(3,925)	1,086	634	(2,205)
Income (loss) before income taxes	(17,986)	(493)	402	(18,077)
Income tax benefit	(2,556)			(2,556)
Net income (loss)	$(15,430)	$ (493)	$ 402	$(15,521)
Net income (loss) per common share	$ (0.51)			$ (0.46)
Weighted average common shares used in computation	30,094			33,579 (6)

</TABLE>

See Notes to Condensed Pro Forma Combined Statements of Operations.

NOTES TO CONDENSED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
(ALL AMOUNTS ARE IN U.S. DOLLARS UNLESS OTHERWISE INDICATED)

(1) The Equinox historical statements of operations for the years ended December 31, 1993, 1992 and 1991 have been adjusted to reflect (a) translation of Canadian dollar amounts into U.S. dollars using the average exchange rate for each period (approximately $0.775 U.S. dollar for each Canadian dollar for the year 1993, $0.839 in the year 1992, and $0.871 in the year 1991) and (b) presentation in accordance with U.S. GAAP and the accounting policies, format and classification utilized by Hecla.

Prior to November 1, 1992, Equinox's fiscal year end was October 31. Accordingly, the December 31, 1992 and 1991 condensed pro forma combined statements of operations include the fiscal year results for Hecla for the year ended December 31 and for Equinox for the fiscal year ended October 31. Subsequent to October 31, 1992, Equinox had a December 31 year end. Accordingly, the year ended December 31, 1993 reflects operating results from January 1 through December 31, 1993 for both Hecla and Equinox. Equinox pro forma sales and net loss for the two month period ended December 31, 1992 were $1,901,000 and $3,076,000, respectively. The net loss was added to the combined December 31, 1992 deficit on a pro forma basis.

(2) Equinox capitalizes exploration expenditures incurred and investments in exploration companies where exploration expenditures were incurred on properties identified as having development potential. Hecla expenses such exploration related expenditures as incurred. Exploration has been increased to expense amounts which were capitalized by Equinox. Subsequent reductions in the carrying value of mining properties of Equinox have been correspondingly reduced. Likewise, gains recognized on the subsequent sales of certain Equinox exploration properties have been increased.

(3) Represents the write-down of the American Girl mine and Oro Cruz project during 1993. See Note (3) to the Condensed Pro Forma Combined Balance Sheet.

(4) Represents Equinox's proportionate share of the Buckhorn mine operating results and the partial reversal of the 1993 writedown of Equinox's investment in Pan American Minerals Corporation. See Notes (4) and (5) to the Condensed Pro Forma Combined Balance Sheet.

(5) Represents conforming adjustment for reclamation costs as follows (see Note (2) to the Condensed Pro Forma Combined Balance Sheet):

	1993	1992	1991
Van Stone...........................	$ (938,000)	$938,000	$
Buckhorn............................	(946,000)		
J&L Property........................	(200,000)		126,000
Total.....................	$(2,084,000)	$938,000	$126,000

Credit amounts represent reversals of reclamation costs recorded by Equinox in fiscal years after the pro forma adjustment was made.

(6) Adjusted to reflect the increase in the number of shares of Hecla Common Stock that would have been issued pursuant to the exchange ratio, for the weighted average number of Equinox common shares outstanding during each period.

EXHIBIT INDEX

Exhibit	Description	Sequential Page Number
1	Hecla Mining Company Press Release dated March 11, 1994..........	
2	Acquisition Agreement, dated as of December 29, 1993, by and among, Hecla Mining Company, B.P.Y.A. 1193 Holdings Ltd., 1057451 Ontario Limited and Equinox Resources Ltd. (incorporated by reference to Exhibit 2 to the Schedule 13D dated January 7, 1994, filed by Hecla Mining Company with respect to Equinox Resources Ltd.)	

HECLA Mining Company

NEWS RELEASE

HECLA COMPLETES ACQUISITION OF EQUINOX

For Release: March 11, 1994

COEUR D'ALENE, Idaho -- Hecla Mining Company (HL & HL-B:NYSE) announced today that it had completed its acquisition of Equinox Resources Ltd. (EQX:TSE), a gold exploration and development company based in Vancouver, Canada. Equinox shareholders approved the transaction late last month. The Ontario Court of Justice approved the plan of arrangement on Monday, March 7.

Hecla will issue approximately 5.9 million shares of common stock in exchange for all of Equinox's outstanding common shares. Each Equinox shareholder will receive three shares of Hecla common stock for every 10 shares of Equinox common stock held. Holders of Equinox production shares will receive Hecla production notes. In addition, approximately 400,000 shares of Hecla common stock are issuable upon exercise of outstanding Equinox warrants.

"This acquisition, combined with production from our other gold operations, provides Hecla with the opportunity to become a 200,000 ounce-per-year gold producer," said Arthur Brown, Hecla's chairman, president and chief executive officer. Hecla's principal reason for acquiring Equinox was the opportunity to obtain the Rosebud gold project in Pershing County, Nevada, and the American Girl gold mine in Imperial County, California.

"Equinox's primary asset, the 100 percent-owned Rosebud, is one of the better underground projects Hecla has seen," Brown said. "Because of our expertise in underground mining, this project is a good fit with our company." The Rosebud deposit contained 512,000 ounces of proven and probable gold reserves as of December 31, 1993, and has significant exploration and development potential.

Hecla intends to develop the Rosebud gold project upon satisfactory completion of feasibility study which is currently expected to be finalized by late-1995. Construction could begin shortly thereafter, with production commencing as early as the fourth quarter of 1996. The feasibility study will assess the property's potential to produce between 70,000 and 80,000 ounces of gold annually.

Equinox's share of gold production at the American Girl mine in 1993 was approximately 35,000 ounces. Hecla's share of the 1994 production from American Girl will be approximately 30,000 ounces. The American Girl mine has sufficient ore reserves to last until mid-1995, at which time mining is expected to start at the adjacent Oro Cruz gold project. Both are managed by MK Gold in a joint-venture arrangement.

The Equinox acquisition also brings Hecla nearly 30 other exploration projects, most of which are currently being explored by joint-venture partners in the United States, Canada and Bolivia.

Hecla Mining Company has its headquarters in Coeur d'Alene, Idaho. During its 103-year history, Hecla has been a leading U.S. producer of silver and lead, and more recently, a significant supplier of gold and industrial minerals.

- -HL-

Contact: April Robertson, director of public relations, 208/769-4100