

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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HECLA MINING CO/DE/

CIK: **719413** | IRS No.: **820126240** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
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Business Address
*6500 MINERAL DR
P O BOX C8000
COEUR D ALENE ID
83814-8788
2087694100*

SECURITIES AND EXCHANGE COMMISSION

Washington D. C. 20549

FORM 8-K

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

Date of Report

(Date of earliest event reported):

February 16, 1994

Hecla Mining Company

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-8491

82-0126240

(Commission File Number)

(IRS Employer Identification No.)

6500 Mineral Drive
Coeur d'Alene, Idaho

83814-8788

(Address of principal executive offices)

(Zip Code)

(208) 769-4100

(Registrant's Telephone Number)

On February 16, 1994, the Registrant provided Equinox Resources Ltd. ("Equinox") with information regarding recent developments involving the Registrant in the form attached hereto as Exhibit 1, which exhibit is incorporated herein by this reference. Equinox provided the information to Equinox shareholders in connection with the Extraordinary General Meeting of Equinox shareholders to be held February 25, 1994, to consider the Arrangement involving Equinox and the Registrant. Reference is made to Exhibit 1 for the entire text of such information provided to Equinox shareholders.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

1. Information provided by Registrant to Equinox Resources Ltd. shareholders regarding Recent Developments.

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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, thereunto duly authorized.

Dated: February 16, 1994.

HECLA MINING COMPANY

By: /s/ Michael B. White

Michael B. White
Vice President - General Counsel
& Secretary

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EXHIBIT INDEX

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Description

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(c) 1.

Information provided by Registrant to
Equinox Resources Ltd. shareholders
regarding Recent Developments.

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February 16, 1994

Recent Developments

Set forth below is some important information regarding Hecla Mining Company which should be carefully considered by the shareholders of Equinox Resources Ltd. in deciding how to vote with respect to the Arrangement. Information contained herein should be read together with Equinox's Management Information Circular dated January 17, 1994.

New York Stock Exchange Approval

On February 16, 1994, Hecla received notice from the New York Stock Exchange that the shares of Hecla Common Stock to be issued to Equinox shareholders in the Arrangement had been approved for listing on the New York Stock Exchange, subject to approval of the Arrangement by the Equinox shareholders and the Ontario Court of Justice (General Division).

Recent Results

On February 3, 1994, Hecla reported its fourth quarter and year-end results for 1993. A copy of Hecla's press release announcing these results is enclosed for your information.

Granduc Mines

On January 24, 1994, Hecla sold its entire share holdings in Granduc Mines Limited, a Vancouver British Columbia based company, by selling a total of 2,815,300 Granduc Mines Limited shares to two Toronto based companies.

Sale of Grouse Creek Joint Venture Interest

On February 8, 1994, Great Lakes Minerals Inc. of Toronto purchased for US\$13,280,857 a 20% undivided interest in Hecla's Grouse Creek Gold Project. Pursuant to the acquisition and joint venture agreements Great Lakes entered into with Hecla, Great Lakes is required to fund its 20% pro rata portion of capital expenditures required to bring the Grouse Creek Gold Project to commercial production (including its portion of capital expenditures incurred to date). In addition, these agreements provide that Great Lakes has the option at any time prior to 12 months following the commencement of commercial production at the Grouse Creek Gold Project to purchase up to an additional 10% undivided interest in the Project. Under its agreements with Hecla, Great Lakes would pay Hecla an amount estimated at approximately US\$277,000 for each additional 1% undivided interest in the Grouse Creek Gold Project, and in addition fund its increased share of capital expenditures.

Great Lakes funded the purchase of its 20% interest in the Grouse Creek Gold Project from the sale in an underwritten public offering of 17,500,000 Great Lakes Common Shares at a price of C\$2.00 per Common Share for gross proceeds of C\$35,000,000. Great Lakes is required to fund its portion of the capital expenditure requirements for the Grouse Creek Gold Project with the net proceeds of this offering. Pursuant to its agreements with Great Lakes, Hecla purchased 825,000 Great Lakes Common Shares at the offering price of C\$2.00 per Common Share, using US\$1,229,875 of the proceeds received by Hecla for the purchase of Great Lakes' interest in the Grouse Creek Gold Project. In addition, as part of this transaction, Great Lakes issued Hecla a warrant entitling Hecla to acquire up to 500,000 additional Great Lakes Common Shares at C\$2.50 per share, subject to adjustment in certain circumstances.

Common Stock Issuances Related to Hecla LYONs

As described on pages A-29 to A-30 and page A-36 of Equinox's Management Information Circular, Hecla currently has outstanding US\$109,950,000 aggregate principal amount of Liquid Yield Option Notes due 2004 ("LYONs"), which are currently convertible into 20.824 shares of Hecla Common Stock per US\$1,000 principal amount of LYONs. Pursuant to the terms of the indenture governing the LYONs, on June 14, 1994, holders of LYONs may require Hecla to purchase LYONs held by them (the "Put Feature") at a purchase price of

US\$456.39 per US\$1,000 principal amount of LYONS. The purchase price may be paid, at the option of Hecla, in cash, in shares of Hecla Common Stock (valued at the market price of the Common Stock) or in Hecla Subordinated Extension Notes due 2004. Due to Hecla's need to utilize cash for planned capital expenditures, it is probable that, absent any action by Hecla, Hecla will pay for any LYONS delivered to it pursuant to the Put Feature by issuing Hecla Common Stock. Hecla is unable to predict how many LYONS it may be required to purchase pursuant to the Put Feature and Hecla cannot predict what effect the Put Feature will have on the market price of Hecla Common Stock.

Hecla, with the assistance of its financial and legal advisors, is currently considering several alternatives with respect to how to best deal with the Put Feature. Among the alternatives being examined by Hecla are the sale of additional shares of Hecla Common Stock (or other Hecla securities) with the proceeds of such an offering being used to pay cash for LYONS delivered to Hecla pursuant to the Put Feature (and any remaining proceeds would be used for Hecla capital expenditures). Hecla is also considering amending certain terms of the LYONS in order to make it less likely that the Put Feature will be exercised on June 14, 1994, including changing the conversion ratio to increase the number of shares of Hecla Common Stock that would be issuable upon conversion of each LYON. If either of these alternatives is pursued, then additional shares of Hecla Common Stock could be issued, although Hecla's intent with respect to these alternatives is to issue less shares of Hecla Common Stock (other than any securities sold to raise additional funds for capital expenditures) than would be the case if Hecla was required to repurchase all of the outstanding LYONS pursuant to the Put Feature on June 14, 1994. However, as described on page A-36 of the Equinox Management Information Circular, if Hecla takes no action with respect to the Put Feature and Hecla is required to purchase all of the outstanding LYONS on June 14, 1994, based upon current market prices (US\$12.25 on February 15, 1994), Hecla would have to issue approximately 4,100,000 shares of Hecla Common Stock. There can be no assurance that Hecla will determine to pursue, or be successful in pursuing, any alternative (including and in addition to the alternatives discussed above) to reduce the likelihood that the Put Feature will result in the issuance of a significant amount of Hecla Common Stock.

For additional information with respect to the Put Feature, see pages A-29 to A-30 and A-36 of Equinox's Management Information Circular.

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[HECLA MINING COMPANY LETTERHEAD]

FOURTH QUARTER REPORT TO SHAREHOLDERS
FOR THE QUARTER ENDING DECEMBER 31, 1993

FEBRUARY 3, 1994
HECLA REPORTS FOURTH QUARTER AND YEAR-END RESULTS

COEUR D'ALENE, IDAHO -- Hecla Mining Company (HL:NYSE) today reported a net loss of \$3.8 million on revenue of \$19.5 million for the fourth quarter of 1993. After a \$2 million dividend to preferred shareholders, the Company's loss for the 1993 quarter amounted to \$5.8 million, or 17 cents per common share. This is in contrast to a net loss of \$51.1 million, or \$1.65 per common share, for the same period of 1992.

For the year, Hecla reported a net loss of \$11.7 million on revenue of \$84.8 million. After preferred dividends of \$4.1 million, the Company's loss for 1993 amounted to \$15.8 million, or 48 cents per common share. This compares with a loss of \$49.3 million, or \$1.60 a share, on revenue of \$113.1 million for 1992. In 1992, noncash asset write-downs and reclamation accruals of \$41 million made up the bulk of the loss. In 1993, similar charges to earnings accounted for \$2.5 million of the loss. Total revenue for 1993 declined 25 percent compared with 1992 mainly as the result of curtailed metals production at the silver operations and lower grade ore being mined at the Republic mine. Lead and zinc, important byproducts of Hecla's silver operations, were affected by severely depressed prices with lead at an eight-year low. Reduced production and low lead and zinc prices offset the fourth quarter improvement in precious metals prices. "We are encouraged by the recent strength of the precious metals market, and that lead and zinc prices have also begun to trend upward," said Arthur Brown, chairman, president and chief executive officer.

On December 29, 1993, the Company signed a definitive agreement to acquire

Equinox Resources Ltd. (EQX:TSE) of Vancouver, British Columbia, for 0.3 of a share of Hecla common stock for each share of Equinox's outstanding common stock. Due diligence by both parties has been satisfactorily completed. The agreement will be presented for approval at a meeting of Equinox shareholders on February 25, 1994. The acquisition immediately brings Hecla 30,000 ounces of annual gold production from the American Girl mine in southern California, plus a suite of promising gold and silver exploration projects. Equinox's Rosebud deposit in northern Nevada has the potential to add more than 70,000 ounces of annual gold production to Hecla's account.

Hecla's first operation outside the United States and Canada began production early in 1994. The La Choya mine, located in Sonora, Mexico, is expected to produce 63,000 ounces of gold in 1994. "This area of Mexico is drawing intense interest from other gold companies, and we believe our presence there positions Hecla well to participate in the future growth of mining in that country," Brown said.

During the fourth quarter, Hecla exchanged 655,000 common shares for all the outstanding common shares of Mountain West Products in Rexburg, Idaho. The acquisition will strengthen the Company's position in the landscape products market with volcanic scoria, pumice and soil additives.

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.

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RESULTS IN BRIEF

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(dollars in thousands, except per-share amounts)	Fourth Quarter		Year Ended	
	Dec. 31, 1993	Dec. 31, 1992	Dec. 31, 1993	Dec. 31, 1992
<S>	<C>	<C>	<C>	<C>
Total revenue	\$ 19,482	\$ 19,021	\$ 84,812	\$ 113,079
Net loss	(3,819)	(51,131)	(11,735)	(49,289)
Loss applicable to common shareholders	(5,831)	(51,131)	(15,805)	(49,289)
Loss per common share	(0.17)	(1.65)	(0.48)	(1.60)
Sale of products				
Gold operations	4,831	5,250	21,375	31,733
Silver operations	2,379	3,971	13,476	25,687
Industrial minerals	10,665	9,197	44,953	43,231
Specialty metals	476	--	2,043	--
Total sales	18,351	18,418	81,847	100,651
Gross profit (loss)				
Gold operations	671	1,064	5,241	6,812
Silver operations	(1,795)	(3,925)	(9,329)	(7,954)
Industrial minerals	889	161	5,038	5,012
Specialty metals	(210)	--	(504)	--
Total gross profit (loss)	(445)	(2,700)	446	3,870

</TABLE>

AVERAGE METAL PRICES

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	Fourth Quarter		Year Ended	
	Dec. 31, 1993	Dec. 31, 1992	Dec. 31, 1993	Dec. 31, 1992
<S>	<C>	<C>	<C>	<C>
Gold (dollars/ounce)	\$ 374	\$ 338	\$ 360	\$ 344
Silver (dollars/ounce)	4.60	3.74	4.30	3.94
Lead (cents/pound)	19	22	18	25
Zinc (cents/pound)	43	49	44	56

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(more)

Contact Bill Booth, Manager - Investor and Public Affairs
6500 Mineral Drive * Coeur d'Alene, Idaho 83814-8788 * 208/769-4100
* FAX 208/769-4159

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HECLA MINING COMPANY
SELECTED FINANCIAL INFORMATION
(in thousands, except per-share amounts)

<TABLE>
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	Fourth Quarter		Year Ended	
	Dec. 31, 1993	Dec. 31, 1992	Dec. 31, 1993	Dec. 31, 1992
<S>	<C>	<C>	<C>	<C>
Income Statement Data:				
Sales of products	\$ 18,351	\$ 18,418	\$ 81,847	\$ 100,651
Gross profit (loss)	(445)	(2,700)	446	3,870
General & administrative	2,003	2,874	6,961	8,520
Exploration & research	1,492	2,177	4,353	8,976
Depreciation & amortization	167	413	669	819
Reduction in carrying value of mining properties	200	27,928	200	27,928
Provision for closed operations & environmental matters	1,735	12,173	2,307	12,670
Loss from operations	(6,042)	(48,265)	(14,044)	(55,043)
Other income (expense):				
Interest and other income	1,131	603	2,965	12,428
Loss on sale of investments	--	(2,115)	(144)	(2,115)
Miscellaneous income (expense)	--	(55)	40	34
Interest expense:				
Total interest cost	(1,186)	(2,120)	(5,023)	(6,905)
Less amount capitalized	1,306	618	3,533	2,070
Loss before income taxes and cumulative effect of change in accounting principles	(4,791)	(51,334)	(12,673)	(49,531)
Income tax benefit	(972)	(203)	(938)	(345)
Cumulative effect of change in accounting principles	--	--	--	103
Net loss	(3,819)	(51,131)	(11,735)	(49,289)
Dividends on preferred stock	2,012	--	4,070	--
Loss applicable to common shareholders	(5,831)	(51,131)	(15,805)	(49,289)
Loss per common share	(0.17)	(1.65)	(0.48)	(1.60)
Weighted average number of common shares outstanding				
	34,016	31,587	32,915	30,866
Common shares outstanding at end of period				
			34,583	31,587
Cash Flow Data:				
Cash flow from operations			6,139	9,481
Cash, cash equivalents and short-term investments at end of period			65,431	3,287
			Dec. 31, 1993	Dec. 31, 1992
Selected Balance Sheet Data:				
Total current assets			\$ 97,227	\$ 32,968
Properties, plants and equipment, net			222,870	179,827
Total assets			332,878	222,443
Working capital			77,620	20,270
Total current liabilities			19,607	12,698
Long-term debt			49,489	70,382
Total shareholders' equity			240,062	113,719

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PRODUCTION DATA

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	Fourth Quarter		Year Ended	
	Dec. 31, 1993	Dec. 31, 1992	Dec. 31, 1993	Dec. 31, 1992
<S>	<C>	<C>	<C>	<C>
REPUBLIC UNIT				
Gold (oz.)	11,241	11,240	49,601	58,343
Silver (oz.)	70,541	64,167	276,688	299,957
Cash cost per oz. of gold	\$ 248	\$ 194	\$ 207	\$ 176
Full cost per oz. of gold	\$ 308	\$ 253	\$ 262	\$ 220
LUCKY FRIDAY UNIT				
Silver (oz.)	474,805	547,040	2,122,738	2,031,779
Gold (oz.)	242	257	972	965
Lead (tons)	3,930	5,460	19,795	21,336
Zinc (tons)	858	1,125	4,385	4,213
Cash cost per oz. of silver	\$ 6.63	\$ 4.47	\$ 5.54	\$ 4.12
Full cost per oz. of silver	\$ 7.88	\$ 5.64	\$ 6.77	\$ 5.35
GREENS CREEK UNIT				
Silver (oz.)	--	472,793	551,107	1,959,368
Gold (oz.)	--	2,183	2,826	9,094
Lead (tons)	--	1,162	1,298	4,650
Zinc (tons)	--	2,839	3,453	11,385
Cash cost per oz. of silver	\$ --	\$ 5.96	\$ 5.11	\$ 4.82
Full cost per oz. of silver	\$ --	\$ 7.69	\$ 7.16	\$ 6.54
OTHER (CACTUS AND MISCELLANEOUS)				
Gold (oz.)	1,362	3,645	7,316	29,252
Silver (oz.)	4,339	20,080	24,165	439,744
TOTAL PRODUCTION & AVERAGE COSTS				
Silver (oz.)	549,685	1,104,080	2,974,698	4,730,848
Gold (oz.)	12,845	17,325	60,715	97,654
Lead (tons)	3,930	6,622	21,093	25,986

Zinc (tons)		858		3,964		7,838		15,598
Average cash cost per oz. of gold	\$	249	\$	191	\$	212	\$	188
Average full cost per oz. of gold	\$	310	\$	246	\$	268	\$	258
Average cash cost per oz. of silver	\$	6.63	\$	5.16	\$	5.45	\$	4.51
Average full cost per oz. of silver	\$	7.88	\$	6.59	\$	6.85	\$	5.89

Contact Bill Booth, Manager - Investor and Public Affairs (208) 769-4100

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