

State of Idaho

Department of State.

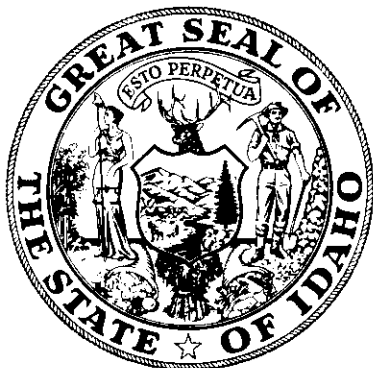
CERTIFICATE OF MERGER OR CONSOLIDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho hereby certify that
duplicate originals of Articles of Merger of _____
DAY MINES, INC., an Idaho corporation

into HECLA-DAY MINING CORPORATION, an Idaho corporation,
duly signed and verified pursuant to the provisions of the Idaho Business Corporation Act, have
been received in this office and are found to conform to law.

ACCORDINGLY and by virtue, of the authority vested in me by law, I issue this certificate of
Merger, and attach hereto a duplicate original of the Articles of
Merger.

Dated October 20, 19 81.



Pete T. Cenarrusa

SECRETARY OF STATE

Corporation Clerk

ARTICLES OF MERGER

RECEIVED

Merging

DAY MINES, INC. '81 OCT 20 PM 12:00

Into

HECLA-DAY MINING CORPORATION, SECRETARY OF
STATE

Pursuant to Section 30-1-74 of the Idaho
Business Corporation Act

DAY MINES, INC., an Idaho corporation ("Day"), and
Hecla-Day Mining Corporation, an Idaho corporation ("Hecla Sub"),
do hereby certify that:

FIRST: Day and Hecla Mining Company, a Washington
corporation ("Hecla") and the owner of 100% of the issued and
outstanding capital stock of Hecla Sub, have entered into a Plan
and Agreement of Reorganization and Merger, dated July 16, 1981
(the "Merger Agreement"), which provides for the merger (the
"Merger") of Day with and into Hecla Sub. The Merger Agreement,
which is attached hereto as Annex I and is hereby incorporated
herein by reference, sets forth, among other things, the terms
and conditions of the Merger and the manner and basis of con-
verting the shares of Day's Common Stock into shares of Hecla's
Common Stock.


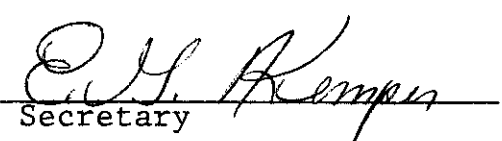
SECOND: Day has outstanding 4,357,268 shares of
Common Stock, par value \$0.10 per share. Hecla Sub has out-
standing 1,000 shares of Common Stock, par value, \$0.25 per
share, all of which are owned by Hecla.

THIRD: Hecla, as the sole shareholder of Hecla Sub, approved the Merger Agreement on September 18, 1981 by a unanimous written consent pursuant to Section 30-1-145 of the Idaho Business Corporation Act.


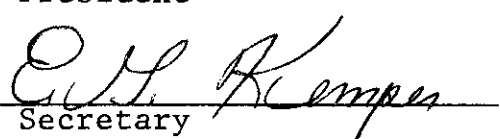
At a Special Meeting of Shareholders of Day duly held on October 20, 1981, the shareholders of Day approved the Merger Agreement, with the holders of 3,578,029 shares voting in favor of the Merger Agreement and the holders of 50,754 shares voting against the Merger Agreement.

IN WITNESS WHEREOF, each of Day and Hecla Sub has caused these Articles of Merger to be executed by its duly authorized officers.

DAY MINES, INC.

By: 
President

Secretary

HECLA-DAY MINING CORPORATION

By: 
President

Secretary

VERIFICATION

STATE OF IDAHO)
) ss.:
COUNTY OF SHOSHONE)

WILLIAM M. CALHOUN, being duly sworn, deposes and says that he is one of the persons who executed the foregoing Articles of Merger, that he has read the same and knows the contents thereof, and that the statements contained therein are true.


WILLIAM M. CALHOUN

Sworn to before me this
day of October, 1981.


Notary Public

VERIFICATION

STATE OF IDAHO)
) ss.:
COUNTY OF SHOSHONE)

ROBERT H. WALLACE, being duly sworn, deposes and says that he is one of the persons who executed the foregoing Articles of Merger, that he has read the same and knows the contents thereof, and that the statements contained therein are true.



ROBERT H. WALLACE

Sworn to before me this
 day of October, 1981.



Notary Public

PLAN AND AGREEMENT OF REORGANIZATION AND MERGER

Dated July 16, 1981

This PLAN AND AGREEMENT OF REORGANIZATION AND MERGER, dated July 16, 1981, between HECLA MINING COMPANY ("Hecla") a Washington corporation, and DAY MINES, INC. ("Day"), an Idaho corporation,

WITNESSETH:

WHEREAS, the Boards of Directors of the parties hereto deem it advisable for the general welfare and advantage of the parties hereto and their respective shareholders that Day merge with and into a wholly-owned subsidiary of Hecla to be incorporated under the laws of the State of Idaho ("Hecla Sub" or the "Surviving Corporation"), upon the terms and conditions set forth herein in accordance with the laws of the State of Idaho, and that each of the outstanding shares of Common Stock of Day (excluding any such shares held by Hecla) be converted upon such merger (the "Merger") into 1.8 shares of Common Stock of Hecla;

NOW THEREFORE, in consideration of the premises and mutual agreements, provisions and covenants herein contained, and in order to set forth the terms and conditions of the Merger and the mode of carrying the same into effect, the parties hereto hereby agree as follows:

ARTICLE I**MERGER**

1.1 **THE MERGER.** At the Effective Date of the Merger (as hereinafter defined) Day shall be merged with and into Hecla Sub on the terms and conditions hereinafter set forth as permitted by and in accordance with the Idaho Business Corporation Act; thereupon the separate existence of Day shall cease, and Hecla Sub, as the Surviving Corporation shall continue to exist under and be governed by the Idaho Business Corporation Act, with its Articles of Incorporation and its By-Laws as in effect immediately prior to the Effective Date of the Merger to remain unchanged until amended in accordance with the provisions thereof and applicable law. Such Articles of Incorporation may be certified separately from this Agreement as the Articles of Incorporation of the Surviving Corporation.

1.2 **FILING ARTICLES OF MERGER.** As soon as practicable following fulfillment or waiver of the conditions specified in Article XI, and provided that this Agreement has not been terminated and abandoned pursuant to Article IX, Day and Hecla Sub will cause Articles of Merger to be executed, acknowledged and filed with the Secretary of State of the State of Idaho as provided in Section 30-1-74 of the Idaho Business Corporation Act.

1.3 **EFFECTIVE DATE OF THE MERGER.** The Merger shall become effective immediately upon the filing of a copy of such Articles of Merger with the Secretary of State of the State of Idaho. The time of such filing is herein sometimes referred to as the "Effective Date of the Merger."

ARTICLE II**DIRECTORS AND OFFICERS**

2.1 **DIRECTORS.** From and after the Effective Date of the Merger, the members of the board of directors of the Surviving Corporation shall consist of the persons who are members of the board of directors of Hecla Sub immediately prior to the Effective Date of the Merger. Each of

the members of such board of directors of the Surviving Corporation shall serve until his successor is elected and qualified or until his earlier death, resignation, or removal. If on or prior to the Effective Date of the Merger a vacancy shall exist on the board of directors of the Surviving Corporation, such vacancy may be filled in the manner provided in the By-Laws of the Surviving Corporation.

2.2 OFFICERS. From and after the Effective Date of the Merger, the following persons shall, subject to the provisions of the By-Laws of the Surviving Corporation and the laws of the State of Idaho, hold office until the first board of directors meeting following the first annual meeting of shareholders of the Surviving Corporation held subsequent to the Effective Date of the Merger, and until their successors have been duly elected and shall have qualified, or until sooner dismissed by the board of directors:

<u>Name</u>	<u>Office</u>
Robert H. Wallace	<i>President</i>
Kenneth R. Schmick	<i>Treasurer</i>
Eugene G. Kemper	<i>Secretary</i>

Subject to the By-Laws of the Surviving Corporation, the board of directors of the Surviving Corporation may elect or appoint such additional officers as it may determine from time to time. If on or prior to Effective Date of the Merger a vacancy shall exist in one of the above named offices, such vacancy may be filled in the manner provided by the By-Laws of the Hecla Sub.

ARTICLE III

CONVERSION OF SHARES

3.1. CONVERSION. Upon the Effective Date of the Merger the issued and outstanding shares of Common Stock, \$0.10 par value, of Day shall, without any further action on the part of Day, Hecla or Hecla Sub or the respective holders of such shares, be converted into shares of Common Stock, \$0.25 par value, of Hecla or into the right to receive cash or be cancelled as follows:

(a) Each issued and outstanding share of the Common Stock of Day, except for shares held by Hecla or Hecla Sub, shall be converted into 1.8 shares of the Common Stock of Hecla.

(b) Each issued and outstanding share of the Common Stock of Day held by Hecla or Hecla Sub on the Effective Date of the Merger shall be cancelled.

(c) The provisions of Section 3.1(a) shall not apply to any shares of Day Common Stock which shall constitute "dissenters shares" within the meaning of Section 30-1-81 of the Idaho Business Corporation Act (herein called "Dissenters Shares"), it being intended that any holder of such shares shall have in consideration for the cancellation of Dissenters Shares held by him only the rights given to him under Section 30-1-81 of the Idaho Business Corporation Act, including the right to be paid the fair market value of such shares, in the manner and subject to the procedures and conditions therein provided unless and until such holder shall have failed to perfect, or shall have effectively withdrawn or lost, his right to appraisal of and payment for his shares of Day Common Stock under such section, at which time such shares of Day Common Stock shall be converted into shares of Hecla Common Stock in accordance with Section 3.1(a). Each holder of Dissenters Shares who become entitled, pursuant to the provisions of the Idaho Business Corporation Act, to payment of the value of his shares of Day Common Stock shall receive payment therefor from the Surviving Corporation (but only after the value thereof shall have been agreed upon or finally determined pursuant to such provisions).

3.2 SURRENDER AND EXCHANGE OF SHARES. As soon as practicable after the Effective Date of the Merger, each holder of an outstanding certificate or certificates, which immediately prior to the

Effective Date of the Merger represented shares of Common Stock of Day, upon surrender to an exchange agent or agents to be appointed by Hecla (hereinafter called the "Exchange Agent") of such certificate or certificates, shall be entitled to receive one or more stock certificates for the number of full shares of Common Stock of Hecla into which the shares of Day represented by the certificate or certificates so surrendered shall have been converted as aforesaid. Subject to the next sentence hereof, until so surrendered for exchange, each such certificate nominally representing shares of Day Common Stock shall be deemed for all corporate purposes to evidence the ownership of the number of full shares of Common Stock of Hecla which the holder thereof would be entitled to receive upon its surrender to the Exchange Agent. Unless and until such outstanding certificate or certificates shall be so surrendered for exchange, no holder thereof shall be entitled to receive any payment for any fractional share interest pursuant to Section 3.3 or any dividend or distribution, whether in cash or otherwise, payable to holders of record of Common Stock of Hecla as of a record date after the Effective Date of the Merger, but upon such surrender of such outstanding certificate or certificates there shall be paid to the record holder of the certificate or certificates of Hecla issued and exchanged therefor, the amount of any such fractional share interest and all such dividends and distributions (without interest thereon) which have theretofore become payable with respect to shares of Common Stock of Hecla represented by the certificate or certificates issued upon such surrender and exchange. Promptly after the Effective Date of the Merger the Exchange Agent will send all holders of shares of Day Common Stock a letter of transmittal for use in exchanging their certificates for shares of Hecla Common Stock. If any shares of Hecla Common Stock are to be issued in a name other than that in which the certificates of Day Common Stock surrendered for exchange are registered, it shall be a condition of such exchange that the certificate so surrendered be properly endorsed or otherwise in proper form for transfer and that the person requesting such exchange either pay to the Exchange Agent any transfer or other taxes required by reason of the issuance of shares of Hecla Common Stock to persons other than the registered holder of the certificates surrendered or establish to the satisfaction of the Exchange Agent that such tax has been paid or is not payable.

3.3 FRACTIONAL SHARES. Neither certificates nor scrip for fractional shares of Common Stock of Hecla will be issued as a result of the Merger, but instead Hecla or Hecla Sub shall promptly deliver cash to any holder of shares of Day Common Stock entitled to receive a fractional share of Hecla Common Stock in an amount equal to the fair value of such fractional share interest based upon the mean between the high and low sales prices of a share of Hecla Common Stock on the New York Stock Exchange, Inc. on the first business day subsequent to the Effective Date of the Merger.

3.4 STATUS OF HECLA STOCK. All shares of Common Stock of Hecla into which Common Stock of Day is converted as herein provided shall be fully paid and nonassessable.

3.5 STATUS OF HECLA SUB STOCK. Each share of capital stock of Hecla Sub issued and outstanding immediately prior to the Effective Date of the Merger shall not be converted as a result of the Merger and shall continue to be one share of capital stock of the Surviving Corporation.

ARTICLE IV

CERTAIN EFFECTS OF MERGER

4.1 EFFECTS OF MERGER. Upon and after the Effective Date of the Merger and pursuant to the Idaho Business Corporation Act, the Surviving Corporation shall possess all the rights, privileges, immunities and franchises, and all property, debts and other choses in action, and all and every other interest of or belonging to or due to each of Day and Hecla Sub (hereinafter sometimes collectively referred to as the "Constituent Corporations") shall be taken and deemed to be transferred to and vested in the Surviving Corporation which shall be responsible and liable for all the liabilities and obligations of each of the Constituent Corporations, all with the effect and to the extent provided in the Idaho Business Corporation Act.

4.2 FURTHER ASSURANCES. If at any time after the Effective Date of the Merger, the Surviving Corporation shall consider or be advised that any further deeds, assignments or assurances in law or any other things are necessary, desirable or proper to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation the title of any property or rights of the Constituent Corporation acquired or to be acquired by reason of, or as a result of the Merger, the Surviving Corporation and its proper officers and directors shall and will execute and deliver all such property, deeds, assignments and assurances in law and do all things necessary, desirable or proper to vest, perfect or confirm title to such property or rights in the Surviving Corporation and otherwise to carry out the purposes of this Agreement, and that the proper officers and directors of the Constituent Corporations and the proper officers and directors of the Surviving Corporation are fully authorized in the name of the Constituent Corporations or otherwise to take any and all such action.

ARTICLE V

HECLA EXCHANGE OFFER

5.1 HECLA EXCHANGE OFFER. As part of the Plan and Agreement of Reorganization and Merger herein contemplated, Hecla has made an exchange offer (the "Exchange Offer") for any and all outstanding shares of Common Stock of Day, on the basis of 1.65 shares of Common Stock of Hecla, for each share of Day Common Stock, upon the terms and subject to conditions set forth in Hecla's Prospectus dated June 8, 1981 as supplemented (the "Hecla Prospectus") and the related letter of transmittal. On July 8, 1981, Hecla and Day agreed, among other things, to increase the exchange ratio in the Exchange Offer to 1.8 shares of Hecla Common Stock for each share of Day Common Stock. As a result of the aforesaid increase in the exchange ratio, Hecla has extended the expiration date of its Exchange Offer until 12:00 midnight on July 21, 1981 (such date as it may from time to time be extended is referred to as the "Expiration Date"). The increased consideration payable under the revised Exchange Offer will be paid to all Day shareholders whose shares are accepted by Hecla pursuant to the Exchange Offer, including shareholders who tendered their shares prior to the increase in the exchange ratio. It is the intention of the parties hereto to consummate the Merger as promptly as practicable after the consummation of Hecla's Exchange Offer on the Expiration Date. The Merger and the Exchange Offer are intended to be part of the single Plan and Agreement of Reorganization and Merger contemplated by this Agreement.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF DAY

To induce Hecla to enter into and perform its obligations under this Agreement, Day hereby represents, warrants and covenants to Hecla as follows:

6.1 CORPORATE ORGANIZATION. Day is a corporation duly organized, validly existing and in good standing under the laws of the State of Idaho.

6.2 CAPACITY, AUTHORIZATION AND EFFECT OF AGREEMENT. Day has all requisite corporate power and authority to enter into and perform all of its obligations under this Agreement. The execution, delivery and performance of this Agreement and all of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Day, except for the approval of the Merger by Day's shareholders. Subject to such approval of Day's shareholders, this Agreement constitutes the valid and binding obligation of Day.

6.3 INTERIM OPERATIONS. Until the Effective Date of the Merger, Day shall (a) not dispose of any material asset, (b) not shut down any of its operating properties without consultation with Hecla, (c) use its best efforts to retain all present officers and employees in their present positions, (d) pay no dividends and issue no shares of its capital stock (or rights or options to acquire shares

of its capital stock) and (e) make no changes in the compensation of officers or employees, and incur no indebtedness other than in the ordinary course of business or with the prior written approval of Hecla.

6.4 STOCK OPTIONS, ETC. There are no outstanding obligations, options, warrants or other rights of any kind to acquire shares of capital stock of any class of Day.

6.5 NEGOTIATIONS WITH THIRD PARTIES. Day has terminated and until the termination or consummation of this Agreement will not resume any negotiations with other parties looking toward the merger or acquisition of Day or any substantial portion of its common stock or assets and until that date will not enter into any discussion relating to such proposals.

6.6 MATERIAL CONTRACTS. Until the termination or consummation of this Agreement, Day agrees not to enter into any material contracts or effect any substantial change in the business or operations of Day, other than in the ordinary course of its business, including any change in or to its Atlas North and related agreements with Atlas Mining Company. Day has not since March 19, 1981 entered into any such contracts (except to the extent that those referred to in paragraph 8.3 below might be deemed to be such contracts).

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF HECLA

To induce Day to enter into and perform its obligations under this Agreement, Hecla hereby represents, warrants and covenants to Day as follows:

7.1 CORPORATE ORGANIZATION. Hecla is a corporation duly organized, validly existing and in good standing under the laws of the State of Washington. Hecla Sub will on the Effective Date of the Merger be a corporation duly organized, validly existing and in good standing under the laws of the State of Idaho.

7.2 CAPACITY, AUTHORIZATION AND EFFECT OF AGREEMENT. Hecla has all requisite corporate power and authority to enter into and perform all its obligations under this Agreement. The execution, delivery and performance of this Agreement and all of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Hecla and will be so authorized by Hecla Sub. This Agreement constitutes the valid and binding obligation of Hecla.

7.3 SHAREHOLDER APPROVAL. Hecla has at a meeting of its shareholders held on July 7, 1981 obtained all necessary approvals of its shareholders to the consummation of the Plan and Agreement of Reorganization and Merger contemplated by this Agreement. Hecla, as sole shareholder of Hecla Sub, will approve the consummation of the Plan and Agreement of Reorganization and Merger contemplated in this Agreement by Hecla Sub.

7.4 NEW YORK STOCK EXCHANGE AND OTHER APPROVALS. Hecla will obtain from the New York Stock Exchange, Inc., all necessary approvals, upon official notice of issuance, to the listing of shares of Common Stock of Hecla to be issued upon consummation of the Exchange Offer and the Merger contemplated hereby and no other approvals are required to be obtained by Hecla or Hecla Sub from any governmental agency or other body in order to effectuate the Exchange Offer and Merger and the provisions of this Agreement, except for any necessary approvals under state securities laws which will be obtained prior to the Effective Date of the Merger.

7.5 INTERIM OPERATIONS. Until the Effective Date of the Merger, Hecla shall not dispose of any material assets or enter into any agreement or business combination (other than the one contemplated by this agreement) requiring Hecla shareholder approval and shall continue to be engaged in substantially the same line of business in which it is currently engaged.

ARTICLE VIII

COVENANTS OF DAY AND HECLA

8.1 PREPARATION OF THE S-14 REGISTRATION STATEMENT. In connection with the preparation of Hecla's S-14 Registration Statement relating to the shares of Hecla Common Stock to be issued in the Merger (which will also constitute the Proxy Statement to be mailed to the shareholders of Day in connection with the special meeting of shareholders of Day referred to in Section 8.2) (the "Registration Statement"), each of Hecla and Day will cooperate with the other and will furnish to the other the information relating to each of them required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and the Rules and Regulations of the Securities and Exchange Commission thereunder to be set forth in the Registration Statement. Hecla will effectuate the Merger in compliance with the Securities Act of 1933.

8.2 SHAREHOLDERS' MEETING. Day will take all steps necessary to hold a special meeting of its shareholders as soon as practicable and in any event no later than September 30, 1981, for the purpose of submitting to Day's shareholders the consideration and approval of this Agreement and the Merger herein contemplated. Day will recommend to its shareholders that they approve the Merger.

8.3 EMPLOYEE BENEFIT PROGRAMS; RETENTION OF EMPLOYEES. Hecla presently intends to retain full-time active employees of Day and ensure the continuance of fringe benefit plans not less favorable to such employees than Day's current fringe benefit plans. Hecla acknowledges that Day has entered into employment contracts with William M. Calhoun, Robert H. Wallace, Keith J. Droste, Kenneth R. Schmick, Eugene G. Kemper and Robert W. Mullen, copies of which have been furnished to Hecla and approved by Hecla.

8.4 VOTING BY HECLA OF DAY COMMON STOCK. Hecla shall vote or cause to be voted all shares of Day Common Stock which it is entitled to vote in favor of the approval of this Agreement and the Merger at the meeting of shareholders to be held pursuant to Section 8.2.

8.5 INDEMNIFICATION. Hecla confirms and agrees that, following the Effective Date of the Merger, each present and former officer and director of Day who was serving as such on the date of this Agreement or prior thereto, shall be indemnified, to the fullest extent permitted by the law against any expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement, reasonably incurred, in respect of any actual or threatened claim, action, suit or proceeding within the scope of the indemnification provisions of Idaho law and Day's Articles of Incorporation and By-Laws, including payment of such officer's or director's reasonable expenses of defense in advance of final disposition of the matter. In any case of doubt or disagreement, Hecla hereby agrees that, if requested in writing by such officer or director, Hecla or Hecla Sub will, at its expense, submit the matter to independent legal counsel reasonably acceptable to such officer or director and Hecla or Hecla Sub, and if such counsel advises such indemnification or such payment of expense of defense in advance of final disposition is not prohibited by law, Hecla or Hecla Sub shall do so to the fullest extent permitted in accordance with such advice. Nothing herein contained shall be deemed to preclude Day prior to the Effective Date of the Merger from extending indemnification to present and former officers and directors of Day to the fullest extent permitted by law. Nothing herein contained shall be deemed to expand the right to indemnity to which Day's officers and directors would be entitled in the absence of the consummation of the Merger. Hecla agrees that it will continue Day's director and officer liability insurance policy in full force and effect until its scheduled expiration date of June 15, 1985.

8.6 TERMINATION OF LITIGATION. Day and Hecla jointly agree promptly to take all necessary steps to dismiss with prejudice all litigation or proceedings (including arbitration) between them and/or their respective officers, directors or employees wherever pending, except that with respect to the Atlas North Lease Property litigation pending in Idaho State Court, Day shall take no further action in prosecution or aid of plaintiff's claims therein, and will promptly seek to withdraw as a party thereto.

8.7 PRESS RELEASES AND COMMUNICATIONS. Neither Day nor Hecla shall issue any press release or other communication to its shareholders concerning the subject matter of this Agreement other than press releases or other communications approved in advance by both parties.

ARTICLE IX

TERMINATION OF AGREEMENT

9.1 TERMINATION. This Agreement and the transactions contemplated hereby may be terminated and the Merger may be abandoned at any time prior to the Effective Date of the Merger, whether before or after the meeting of the Day shareholders referred to in Section 8.1 above:

(a) *Mutual Consent.* By mutual consent of Day and Hecla; or

(b) *Cut-off Date.* By either Day or Hecla by written notice to the other if the Effective Date of the Merger shall not have occurred on or before October 31, 1981, or such other date, if any, as Day and Hecla shall agree upon. In the event that the shareholder meeting contemplated in Section 8.2 is not held by September 30, 1981 or is adjourned or postponed to a later date, such cut-off date shall be extended to four business days after the date of such meeting, but to no later than December 31, 1981.

If such termination shall occur, each party will pay all of its own fees and expenses incurred in connection with the Merger at the time of termination. There shall be no further liability hereunder on the part of any party or any of its directors or officers if this Agreement shall be so terminated except by reason of breach of this Agreement by any party hereto.

ARTICLE X

CLOSING DATE

10.1 CLOSING. The Closing for the consummation of the transactions contemplated by this Agreement shall, unless another date or place is agreed to in writing by the parties hereto, take place at the offices of Hecla, Wallace, Idaho, as soon as practicable but not later than three business days after the date the shareholders of Day shall have given the approval sought pursuant to Section 8.2. The hour and date of such Closing is herein referred to as the "Closing Date."

ARTICLE XI

CONDITIONS TO THE MERGER

11.1 CONDITIONS TO OBLIGATIONS OF HECLA. The obligations of Hecla under this Agreement to consummate the Merger are, at its option, subject to the conditions that:

(a) *Shareholders' Approval.* Day's shareholders shall have duly approved the Merger and this Agreement in accordance with applicable law and Day's Articles of Incorporation;

(b) *Accuracy of Representations and Warranties.* As of the Closing Date, the representations and warranties of Day set forth in Article VI hereof shall be true and correct in all material respects as if made as of such date, and Day shall have complied with its covenants set forth in Articles VI and VIII hereof, and Day shall have furnished Hecla an officer's certificate to that effect signed by its President or Vice President;

(c) *Litigation.* There shall be no order or judgment enjoining Hecla or Hecla Sub from completing the purchase of Day's shares pursuant to the Exchange Offer or the Merger, or seeking to compel Hecla to dispose of a significant portion of its or Day's business as a result of the Exchange Offer or the Merger;

(d) *Exchange Offer.* Hecla shall have purchased the shares of Day Common Stock duly tendered to it and not withdrawn pursuant to the Exchange Offer and shall not have exercised its right to terminate the Exchange Offer for failure to satisfy conditions (a) through (g) inclusive at pages 29-30 of the Hecla Prospectus.

11.2 **CONDITIONS TO OBLIGATIONS OF DAY.** The obligations of Day under this Agreement to consummate the Merger are, at its option, subject to the condition that:

(a) *Shareholders' Approval.* Day's shareholders shall have duly approved the Merger and this Agreement in accordance with applicable law and Day's Articles of Incorporation.

(b) *Accuracy of Representations and Warranties.* As of the Closing Date, the representations and warranties of Hecla set forth in Article VII hereof shall be true and correct in all material respects as if made as of such date, and Hecla shall have complied with its covenants set forth in Articles VII and VIII hereof, and Hecla shall have furnished Day an officer's certificate to that effect signed by its President or Vice President;

(c) *Litigation.* There shall be no order or judgment enjoining Day from consummating the Merger;

(d) *Opinion of Hecla's Counsel.* Day shall have received an opinion satisfactory to Morrison & Foerster, counsel for Day, of Paine, Lowe, Coffin, Hamblen & Brooke, counsel for Hecla and Hecla Sub, dated the Closing Date, to the effect that the shares of Common Stock of Hecla into which the shares of Day Common Stock are to be converted pursuant to this Agreement have been duly authorized, and on the Effective Date of the Merger will have been duly and validly issued and will be fully paid and nonassessable.

ARTICLE XII

EFFECT OF TERMINATION; RIGHT TO PROCEED

12.1 **EFFECT OF TERMINATION; RIGHT TO PROCEED.** In the event that this Agreement shall be terminated pursuant to Article IX, or because of the failure to satisfy any of the conditions specified in Article XI, all further obligations of Hecla and Day under this Agreement shall terminate without further liability of Hecla to Day or of Day to Hecla, except for the obligations of Hecla and Day under Section 14.3. Nevertheless, anything in this Agreement to the contrary notwithstanding, if any of the conditions specified in Article XI have not been satisfied, Hecla or Day, as the case may be, in addition to any other rights which may be available to it, shall have the right to waive such condition and to proceed with the Merger.

ARTICLE XIII

NOTICES

13.1 **NOTICES.** Any notices or other communications required or permitted hereunder shall be sufficiently given if sent by certified mail, postage prepaid, addressed as follows:

To Hecla:

Hecla Mining Company
P. O. Box 320
Wallace, Idaho 83873
Attention: William Griffith, President

with a copy to:

Henry Lesser
Wachtell, Lipton, Rosen & Katz
299 Park Avenue
New York, New York 10171

To Day:

Day Mines, Inc.
P. O. Box 1010
Wallace, Idaho 83873
Attention: William M. Calhoun, President

with a copy to:

Thomas A. Lee, Jr.
Morrison & Foerster
3100 Columbia Plaza
1670 Broadway
Denver, Colorado 80202

or such other address as shall be furnished in writing by either party, and any such notice or communication shall be deemed to have been given as of the date so mailed.

ARTICLE XIV

MISCELLANEOUS

14.1 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. None of the representations and warranties included or provided for herein, or in any instrument of transfer or other document delivered pursuant hereto, shall survive the Effective Date of the Merger except for the covenants of Hecla set forth in Sections 8.3, 8.5 and 8.6 above.

14.2 BROKERS. Day represents that, except for Goldman, Sachs & Co., it has not employed any investment banker, broker, finder or intermediary in connection with the transactions contemplated hereby who might be entitled to a fee from Day or Hecla or any affiliate of either of them or any commission upon consummation of the Merger; Hecla represents that it has not employed any such person in such connection who might be so entitled, except for Merrill Lynch White Weld Capital Markets Group.

14.3 EXPENSES. All legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

14.4 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns, provided, however, that this Agreement may not be assigned by either party without the consent of the other party.

14.5 AMENDMENT. This Agreement may be amended with the approval of the Board of Directors of each party before or after the meeting of the shareholders of Day at any time prior to the Effective Date of the Merger with respect to any of the terms contained herein other than the number of shares of Hecla Common Stock which holders of Day Common Stock shall receive in the Merger as set forth in Section 3.1(a) above.

14.6 COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall become effective when one or more counterparts has been signed by Day and delivered to Hecla and one or more counterparts has been signed by Hecla and delivered to Day.

14.7 AGREEMENT TO TAKE NECESSARY AND DESIRABLE ACTIONS. Day and Hecla each agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

14.3 GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Idaho.

14.9 CAPTIONS. The captions are inserted herein for convenience only and shall not be given any legal effect or affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF this Agreement has been signed by the duly authorized officers of each of the parties on the day and year first above written.

HECLA MINING COMPANY

By /s/ WM. A. GRIFFITH
President

Attest:

/s/ WILLIAM J. GRISMER
Secretary

DAY MINES, INC.

By /s/ W. M. CALHOUN
President

Attest:

/s/ E. G. KEMPER
Secretary