



# BofA SECURITIES METALS, MINING AND SECURITIES CONFERENCE

In A Changed World Some Things  
Never Change

May 2020



RESPONSIBLE. SAFE. INNOVATIVE.

# CAUTIONARY STATEMENTS



## Cautionary Statement Regarding Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbor created by such sections and other applicable laws, including Canadian securities laws. When a forward-looking statement expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, such statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements. Forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as “anticipate,” “intend,” “plan,” “will,” “could,” “would,” “estimate,” “should,” “expect,” “believe,” “project,” “target,” “indicative,” “preliminary,” “potential” and similar expressions. Forward-looking statements in this presentation may include, without limitation: (i) ability to protect the workforce and keep mines operating during the COVID pandemic; (ii) our ability to protect the supply chain; (iii) the ability of Greens Creek, Nevada and Lucky Friday to remain relatively unimpacted by the pandemic; (iv) ability of Hecla shares to outperform in strong price environment as they have in the past; (v) that we will not experience any constraints on availability of the revolver; (vi) ability to maintain a strong balance sheet and protect the revenue stream by using puts and forwards; (vii) opportunity for bulk sample agreement and positive hydrology study to extend the mine life in Nevada; (ix) ability to achieve annual guidance; (x) (xi) the ability to capitalize on exploration opportunities; (xii) ability to return mines to production after COVID-19. The material factors or assumptions used to develop such forward-looking statements or forward-looking information include that the Company’s plans for development and production will proceed as expected and will not require revision as a result of risks or uncertainties, whether known, unknown or unanticipated, to which the Company’s operations are subject.

Estimates or expectations of future events or results are based upon certain assumptions, which may prove to be incorrect, which could cause actual results to differ from forward-looking statements. Such assumptions, include, but are not limited to: (i) there being no significant change to current geotechnical, metallurgical, hydrological and other physical conditions; (ii) permitting, development, operations and expansion of the Company’s projects being consistent with current expectations and mine plans; (iii) political/regulatory developments in any jurisdiction in which the Company operates being consistent with its current expectations; (iv) the exchange rate for the USD/CAD and USD/MXN, being approximately consistent with current levels; (v) certain price assumptions for gold, silver, lead and zinc; (vi) prices for key supplies being approximately consistent with current levels; (vii) the accuracy of our current mineral reserve and mineral resource estimates; (viii) the Company’s plans for development and production will proceed as expected and will not require revision as a result of risks or uncertainties, whether known, unknown or unanticipated; (ix) counterparties performing their obligations under hedging instruments and put option contracts; (x) sufficient workforce is available and trained to perform assigned tasks; (xi) weather patterns and rain/snowfall within normal seasonal ranges so as not to impact operations; (xii) relations with interested parties, including Native Americans, remain productive; (xiii) economic terms can be reached with third-party mill operators who have capacity to process our ore; (xiv) maintaining availability of water rights; (xv) factors do not arise that reduce available cash balances, (xvi) there being no material increases in our current requirements to post or maintain reclamation and performance bonds or collateral related thereto, and (xvii) the Company’s plans for refinancing its high yield notes proceeding as expected.

# CAUTIONARY STATEMENTS (cont'd)



## **Cautionary Statement Regarding Forward Looking Statements (Cont'd)**

In addition, material risks that could cause actual results to differ from forward-looking statements include, but are not limited to: (i) gold, silver and other metals price volatility; (ii) operating risks; (iii) currency fluctuations; (iv) increased production costs and variances in ore grade or recovery rates from those assumed in mining plans; (v) community relations; (vi) conflict resolution and outcome of projects or oppositions; (vii) litigation, political, regulatory, labor and environmental risks; (viii) exploration risks and results, including that mineral resources are not mineral reserves, they do not have demonstrated economic viability and there is no certainty that they can be upgraded to mineral reserves through continued exploration; (ix) the failure of counterparties to perform their obligations under hedging instruments, including put option contracts; (x) our plans for improvements at our Nevada operations, including at Fire Creek, are not successful; (xi) our estimates for the third and fourth quarter results are inaccurate; (xii) we take a material impairment charge on our Nevada operations; (xiii) we are unable to remain in compliance with all terms of the credit agreement in order to maintain continued access to the revolver, and (xiv) we are unable to refinance the maturing high yield notes. For a more detailed discussion of such risks and other factors, see the Company's 2018 Form 10-K, filed on February 22, 2019, and Form 10-Q filed on each of May 9, and August 7, 2019 with the Securities and Exchange Commission (SEC), as well as the Company's 2019 Form 10-K filed on February 10, 2020, Form 10-K/A filed February 13, 2020, and the Company's other SEC filings. The Company does not undertake any obligation to release publicly revisions to any "forward-looking statement," including, without limitation, outlook, to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued "forward-looking statement" constitutes a reaffirmation of that statement. Continued reliance on "forward-looking statements" is at investors' own risk.

## **Cautionary Note Regarding Estimates of Measured, Indicated and Inferred Resources**

The SEC permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this presentation, such as "resource," "measured resources," "indicated resources," and "inferred resources" that are recognized by Canadian regulations, but that SEC guidelines generally prohibit U.S. registered companies from including in their filings with the SEC, except in certain circumstances. U.S. investors are urged to consider closely the disclosure in our most recent Form 10-K and Form 10-Q. You can review and obtain copies of these filings from the SEC's website at [www.sec.gov](http://www.sec.gov).

## **Qualified Person (QP) Pursuant to Canadian National Instrument 43-101**

Kurt D. Allen, MSc., CPG, Director - Exploration of Hecla Limited and Keith Blair, MSc., CPG, Chief Geologist of Hecla Limited, who serve as a Qualified Person under National Instrument 43-101 ("NI 43-101"), supervised the preparation of the scientific and technical information concerning Hecla's mineral projects in this presentation, including with respect to the newly acquired Nevada projects. Information regarding data verification, surveys and investigations, quality assurance program and quality control measures and a summary of analytical or testing procedures for the Greens Creek Mine are contained in a technical report titled "Technical Report for the Greens Creek Mine" effective date December 31, 2018, and for the Lucky Friday Mine are contained in a technical report titled "Technical Report for the Lucky Friday Mine Shoshone County, Idaho, USA" effective date April 2, 2014, for Casa Berardi are contained in a technical report titled "Technical Report on the mineral resource and mineral reserve estimate for Casa Berardi Mine, Northwestern Quebec, Canada" effective date December 31, 2018 (the "Casa Berardi Technical Report"), and for the San Sebastian Mine, Mexico, are contained in a technical report prepared for Hecla titled "Technical Report for the San Sebastian Ag-Au Property, Durango, Mexico" effective date September 8, 2015. Also included in these four technical reports is a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources and a general discussion of the extent to which the estimates may be affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant factors. Information regarding data verification, surveys and investigations, quality assurance program and quality control measures and a summary of sample, analytical or testing procedures for the Fire Creek Mine are contained in a technical report prepared for Klondex Mines, dated March 31, 2018; the Hollister Mine dated May 31, 2017, amended August 9, 2017; and the Midas Mine dated August 31, 2014, amended April 2, 2015. Copies of these technical reports are available under Hecla's and Klondex's profiles on SEDAR at [www.sedar.com](http://www.sedar.com).

Mr. Allen and Mr. Blair reviewed and verified information regarding drill sampling, data verification of all digitally-collected data, drill surveys and specific gravity determinations relating to the Casa Berardi Mine. The review encompassed quality assurance programs and quality control measures including analytical or testing practice, chain-of-custody procedures, sample storage procedures and included independent sample collection and analysis. This review found the information and procedures meet industry standards and are adequate for Mineral Resource and Mineral Reserve estimation and mine planning purposes.

## **Cautionary Note Regarding Non-GAAP measures**

Cash cost per ounce of silver and gold, net of by-product credits, EBITDA, adjusted EBITDA, AISC, after by-product credits, and free cash flow represent non-U.S. Generally Accepted Accounting Principles (GAAP) measurements. A reconciliation of these non-GAAP measures to the most comparable GAAP measurements can be found in the Appendix.

# HECLA REACTED TO COVID-19 EARLY

Positioned to more than survive the pandemic



- Fortified the balance sheet
  - In early February, refinanced \$475 million Senior Notes at 7.25%, now due 2028
  - Extended \$250 million revolving credit facility to 2023
  - Drew \$210 million
- Price protection program continued
  - Established gold and silver Put contracts that assure no lower than
    - \$16 per ounce silver price for the second quarter and
    - \$1,450 and \$1,650 per ounce gold price for the second and third quarter, respectively
  - Entered into zinc and lead contracts that eliminate price risk
- Protected the workforce
  - Implemented pandemic plans on March 10<sup>th</sup>
  - Started significant monitoring and social distancing at all sites
    - Greens Creek has 14-day Hecla controlled quarantine of all personnel before starting a 28-day rotation
- Supply chain strengthened by mid-March
  - Stockpiled critical mining supplies (up to six months' worth in some cases)
  - Confirmed supplies that were short were not critical
- Supported the local communities
  - Our foundation is helping on COVID-19 caused issues (food banks, etc.)
  - Continuing as the economic engine in Alaska and Idaho
- Government action only stopped production at 2 mines, of which 1 has returned
  - New USA COVID-19 plan make our U.S. operations
    - Alaska & Idaho meet new criteria to go to Phase 1
  - Casa Berardi has restarted operations
  - Working with Mexican authorities to restart San Sebastian

# HECLA HAS OUTPERFORMED WHEN PRICES RISE

Low-cost, long-lived mines in the best jurisdictions with a known ticker



## Characteristics are unique among peers

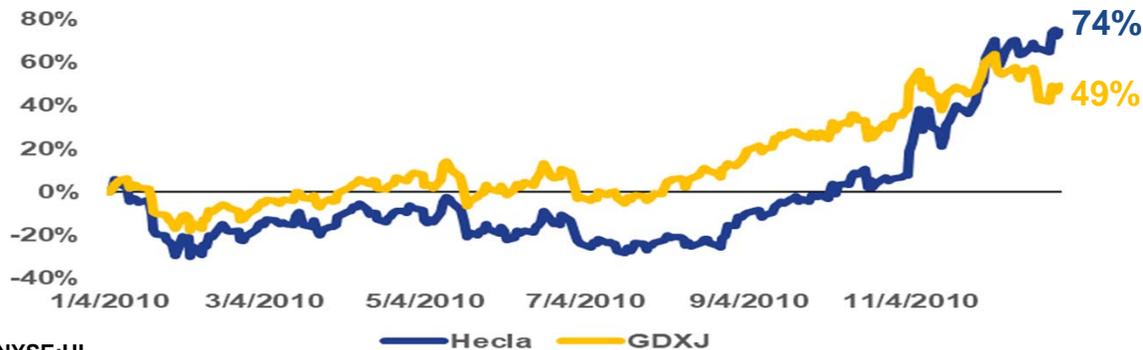
- Largest primary silver producer in the U.S., 5<sup>th</sup> largest Quebec gold producer
- Best mining jurisdictions: Alaska, Quebec, Idaho, Nevada, and Durango (Mexico)
- Mine lives are based on \$14.50 silver, industry lowest assumption, and \$1,300 gold
- Mines are low cost, low capital, high-margin, cash flow generating
- Strong balance sheet with no debt due till 2023 and \$215 million in cash to weather COVID-19
- Brand value of Hecla equity having been among the best performing NYSE stocks multiple times

## Asset Overview



## 2010 Share Performance

Performance HL vs GDXJ



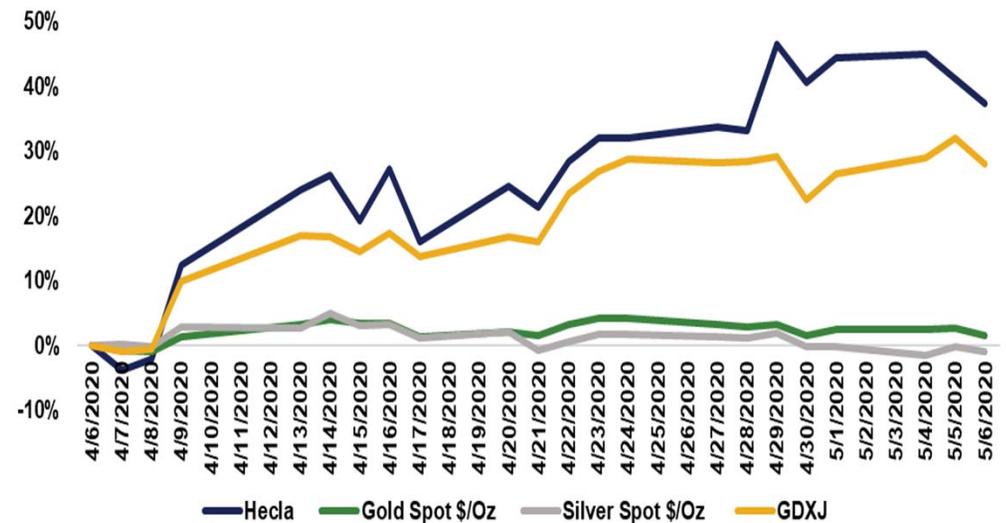
Share Price and GDXJ – January 3, 2010 – December 31, 2010  
Source: Bloomberg

# HECLA FIRST QUARTER UPDATE

Positioned to survive and thrive the pandemic



- Expect all 5 mines operational soon
- The balance sheet is strong with no near-term debt maturities and strong liquidity
- Revenue protection with put contracts for precious metals and forward sale of base metals
- Reinstated annual guidance
- Greens Creek, Lucky Friday, and Nevada essentially unimpacted
- Casa Berardi nearly back to full production. San Sebastian resuming and should achieve full year goals
- Third-party processing agreement in Nevada; positive hydrology report could extend mine life
- Excellent exploration potential



HL outperforming over past month

# Appendix