Hecla MINING COMPANY

STONEGATE CAPITAL PARTNERS

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MARKET STATISTICS

Exchange / Symbol	NYSE: HL
Price:	$3.70
Market Cap ($mm):	$1,477.8
Shares Outstanding (mm):	399.4
Float (%):	99%
Volume (3 month avg. - mm):	4.8
52 week Range:	$3.38-$6.17
Industry:	Mining

CONDENSED BALANCE SHEET

($mm, except per share data)

Balance Sheet Date:	12/31/2017
Cash and ST Inv:	$219.9
Cash/Share:	$0.55
Debt:	$502.2
Equity (Book Value):	$1,483.9
Equity/Share:	$3.72

CONDENSED INCOME STATEMENTS

($mm, except per share data)

FY - 12/31	Revenue	Income	Adjusted EBITDA	EPS
FY14	$500.8	$17.8	$137.7	$0.05
FY15	$443.6	$(87.0)	$81.3	$(0.23)
Fy16	$646.0	$69.5	$238.8	$0.18
FY17	$577.8	$(23.5)	$187.0	$(0.06)

LARGEST SHAREHOLDERS

Van Eck Associates Corp.	40,786,400
The Vanguard Group, Inc.	33,620,700
Dimensional Fund Advisors, LP	33,563,100
Blackrock, Inc.	25,922,200
State Street Global Advisors, Inc.	15,832,100
State of New Jersey Common Pension	9,700,000
Ceredex Value Advisors LLC	7,197,200
Northern Trust Global Investments	4,770,000
Global X Management Company LLC	3,927,700
Geode Capital Management, LLC	3,344,600

STOCK CHART

COMPANY DESCRIPTION

Hecla Mining Company is a leading precious metals producer specializing in silver and gold mining. The Company discovers, acquires, develops and produces unrefined precipitate and bullion bars (doré), which is further refined and sold to precious metals traders, as well as lead, zinc and bulk concentrates sold to custom smelters and brokers. Hecla operates silver mines in Alaska, Idaho, and Mexico, as well as a gold mine in Quebec, Canada. The Company has grown through acquisitions over the years and also has an active exploration and development program in place to grow its reserve levels for future production throughout North America. Hecla was founded in 1891 and is headquartered in Coeur d'Alene, Idaho, and has a sister office in Vancouver, B.C. The Company employs approximately 1,400+ worldwide.

SUMMARY

Hecla has a defined strategy for creating value for shareholders in a competitive marketplace.

- The Company focuses on long-lived, low-cost mines for its portfolio that will generate returns over decades, as opposed to just the near-term.
- The mining industry for precious and base metals is highly competitive as well as highly regulated; Hecla operates in low-risk and mining-friendly jurisdictions with a North American focused asset portfolio, minimizing the geopolitical risk that some of its peers are facing abroad.
- Hecla just reported record reserve levels, detailing 177M oz. of silver (3% increase over PY), 2.3M oz. of gold (12% increase over PY), 841,000 tons of zinc (15% increase over PY) and 737,000 tons of lead (8% over PY) at 12/31/17; the reserves for silver, gold and lead are the highest in Hecla's 127-year history.
- The Company operates in high quality mining jurisdictions, with currently 4 producing mines spread throughout the US, Canada and Mexico – Greens Creek, Lucky Friday, San Sebastian, and Casa Berardi.
- Management is focused on continued exploration and development in target areas where the Company believes there are untapped reserves, with several projects underway; Hecla most recently acquired the large Rock Creek and Montanore silver and copper assets, both of which are in the permitting phase.
- The Company is at the forefront of innovation and technological advancements within the mining industry; investing and creating these next-generation mines has increased output as well as reserves, improved margins, extended the lives of current mines, improved productivity, and improved safety underground for the miners, among other benefits.
- Hecla has been improving its liquidity as well as leverage metrics over the past several fiscal years, alongside record revenue in 2016 of $646M from a record 46.1M oz. AgEq. production, with 2017 following as the second highest for silver production and third highest for gold production.
- Significant upside exists as the Company has just recently brought the #4 Shaft at Lucky Friday online, began mining underground at San Sebastian in January 2018 (also recently secured a second mill for 5 years), and is in the permitting process for Rock Creek and Montanore projects in Montana, not far from current operations, with inferred resources more than double Hecla's current 2P silver reserves.
- While the Lucky Friday is still on strike (since March 2017), the union leadership and Hecla have agreed to go to binding arbitration, subject to ratification vote by the union membership. If ratified, the arbitrators will decide in May and the mine could restart that month; during the strike, Hecla is using the time to make improvements to the mine and plans for the future.

We believe that certain near-term catalysts could drive share price appreciation for HL investors, including, but not limited to: ending of the strike at Lucky Friday, increases in gold, silver, lead and zinc pricing, the transition to underground mining at San Sebastian with higher grade discoveries, further progress with permitting for Rock Creek and Montanore, as well as continued increases in the level of Hecla's reserves.

COMPANY OVERVIEW

Hecla Mining Company and its subsidiaries produce and sell precious and base metals operating through four segments: the Greens Creek, Lucky Friday, Casa Berardi, and San Sebastian units. While the Company continuously focuses on improving operations at these mining locations with a long-term outlook, Hecla also more recently acquired additional resources at Rock Creek and Montanore, where the teams are advancing permitting for these projects. Management additionally seeks to expand reserves through exploration and development of targeted key mining areas:

- North Idaho's Silver Valley in the Coeur d'Alene mining district
- Greens Creek on Alaska's Admiralty Island near Juneau
- The silver- producing district near Durango, Mexico
- The Abitibi region of northwestern Quebec, Canada

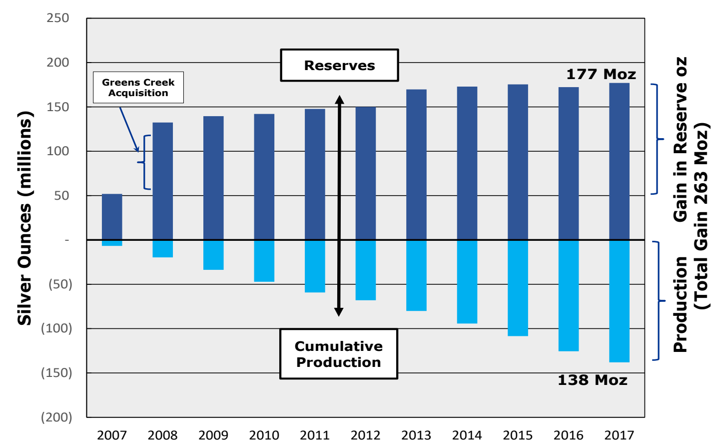
Exhibit 1: Snapshot of Hecla's Current Operations

Source: Company Reports

Hecla is focused on innovation in exploration and mining to increase future productivity alongside cost savings/control, which provides some cushion and flexibility within the frequent industry cycles. Management's top concern is also maintaining the highest standards of safety for its workers, its assets, as well as the environment, and the use of technology and connectivity in the mines increases Hecla's ability to safeguard workers and monitor all activity.

As of 12/31/17, Hecla reported silver production of 12.5M oz. for the year, the second highest in the Company's 127-year history, as well as gold production of 232,682 oz., the third highest in the Company's history.

Exhibit 2: Eleven-year History for Hecla's Silver Production and Reserves



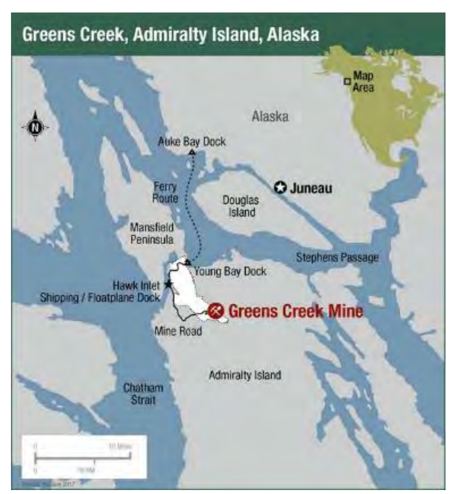
Source: Company Reports

As of year-end 2017, Hecla detailed silver reserves of 177M oz., gold reserves of 2.3M oz., as well as 737K tonnes of lead and 841K tonnes of zinc.

MINING PORTFOLIO

The Company's portfolio includes a geographically diverse collection of mines producing silver, gold, zinc and lead.

Greens Creek – Greens Creek is one of the world's largest silver mines. It is located on Admiralty Island not far from Juneau, Alaska, and it has been producing high-grade ore since 1989. It is 100% owned by Hecla and lies within the Admiralty Island National Monument area. The Greens Creek mine ore body contains silver, zinc, gold and lead, and the property includes the mine, an ore concentrating mill, a tailings impoundment area, a ship-loading facility, camp facilities, a ferry dock, as well as other infrastructure.



As last reported, Greens Creek produced approximately 8.4M oz. of silver and 50.8K oz. of gold in 2017, as well as over $101M in free cash flow. Estimates for the 2018 year are 7.5 – 8.0M oz. of silver and 50 – 55K oz. of gold. Recent drilling at Greens Creek has led to the discovery of high-grade mineralization in the central part of the mine, expanding the mine's resources based on known mineralized trends.

Lucky Friday – Lucky Friday is a deep underground silver, lead and zinc mine situated in northern Idaho. The major ore body extends from 4,000 to 8,300 feet below the mine entrance. This property is 100% owned by Hecla and has been producing since 1942; the mine underwent rehabilitation in 2012 and then resumed production in 2013, returning to historical levels as a result. The Company also recently brought the #4 Shaft online, extending the depth to access higher grade ore approximately 9,600 feet below the surface, which could extend the life of the mine an additional 20 – 30 years. While the Lucky Friday miners are currently on strike (since March 2017), Hecla is using the time to make improvements to the mine and plans for the future; management plans to have Lucky Friday reach its true potential by becoming a more productive, safe and profitable mine through coming innovations.

Workers at the mine, however, are currently on strike and have been since March 13, 2017. The primary issue surrounding the strike is the Union's desire to continue to allow the miners with the highest seniority to determine where and with whom they will work, regardless of the needs of the mine; this is the last hard rock mine in the U.S. that has such an outdated system. Whereas the Company would like to be able to operate the mine in a more productive and safe manner, improving on its margin and profitability, which is the lowest amongst Hecla's silver mines. This benefit is expected to be seen for the next several decades.

While the Lucky Friday is still on strike, the union leadership and Hecla have agreed to go to binding arbitration, subject to ratification vote by the union membership. If ratified, the arbitrators will decide in May and the mine could restart that month.

In 2017, the mine produced 838.7K oz. of silver, and no estimates are being given for silver in 2018 due to the salaried workers conducting limited production and capital projects.

Casa Berardi – The Company has the Casa Berardi mine located in the northwestern region of Quebec, Canada. The asset is 100% owned by Hecla following the acquisition of Aurizon in 2013; a shaft deepening project was subsequently completed in 2014 as well as a new paste facility that was finished off in 2013. Management expects another 15 years plus of mine life for the Casa Berardi mine. In addition to the underground mine, there is the East Mine Crown Pillar open pit (with more surface pits expected over the life of the mine). With the introduction of open pit material in addition to underground, Hecla has doubled the throughput of the mine since it was acquired. Hecla has another 29,000 acres of exploration property located next to Casa Berardi, as well as several leases in place for a sand and gravel pit, tailings, and rock waste and mineral storage.

In 2017, Casa Berardi produced 156.7K oz. of gold (record production) and has estimates for 2018 of 155 – 160K oz. of gold. The majority of the tonnage milled came from the underground vs. open pit (805K vs. 419K in 2017), but the open pit production did increase in 2017. The Casa Berardi mine generated over $19M in free cash flow in FY17. Recently, Hecla's exploration efforts have confirmed discovery of new open pitable material (as well as expansion opportunities for planned pits) and new high-grade lenses underground.

San Sebastian – Hecla's newest mine is the San Sebastian mine situated in Durango, Mexico, and it is 100% owned by the Company (acquired 1999). San Sebastian is a high-grade silver and gold mine sourced from a series of shallow open pits; the mine transitioned in January 2018 from an open pit to an underground mine (was an underground producing mine from 2001 – 2005). Hecla recently completed construction of a ramp to connect the new portal to the existing infrastructure that was being rehabilitated.

The Company also has an oxide mill leased through 2020 (recently extended) but expects to progress the mine life beyond this timeframe through continuing upgrades. Because of the use of the third-party mill and contract miners, San Sebastian has very low capital requirements. In its second full year of production (2017), it generated over $51M in free cash flow. Also, Hecla recently announced securing a second mill with Excellon to process sulphide material for a five year term, which is extendable another two years after that. Upon successful completion of a bulk sample from the polymetallic Hugh Zone in the summer, the Company expects to begin mining sulphide ore in 2019, offering the potential of running the oxide and sulphide mills concurrently, increasing production and cash flow.

San Sebastian produced 3.3M oz. of silver in 2017 and 25.2K oz. of gold; 2.0 – 2.5M oz. of silver are expected in FY18 as well as 13 – 17K oz. of gold. San Sebastian continues to expand its high-grade polymetallic zones, and the Company expects to take a bulk sample this year.

Rock Creek and Montanore – The Company acquired Montanore as part of the Mines Management, Inc. purchase in 2016; it is situated adjacent to the Rock Creek project, which was acquired in 2015. Rock Creek and Montanore, located in northwest Montana, just 50 air miles from Hecla's Lucky Friday mine, are two of the largest undeveloped, world-class silver/copper deposits in the U.S. Both are in the permitting process. Rock Creek expects to see a final Record of Decision in early 2018 for advancing the project's evaluation phase. Montanore was permitted in 2015, but as directed by a recent court decision, is being re-permitted to authorize the evaluation phase. This revised approval is anticipated for late 2018/early 2019. Both mines are expected to be long-lived silver/copper mines, and the two combined could produce as much metal annually as all of Hecla does now. Earliest estimates are for mining to begin at some point in the early 2020's.

Exhibit 3: Outlook for Rock Creek and Montanore

	Rock Creek	Montanore
Potential Mine Life	20-30 years each	
Hecla stock acquisition cost	$19 M	$54 M
Big potential	148.1 Moz Ag / 1.3 Blbs Cu	183.4 Moz Ag / 1.5 Blbs Cu
Advanced permitting	SEIS	Final EIS, RODs**

*****Record of Decision***

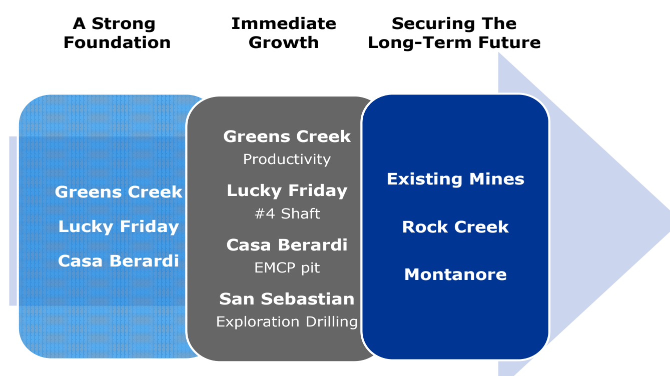
Source: Company Reports

GROWTH STRATEGY

Hecla Mining Company's strategy is to continue to grow and strengthen its results and reserves through:

- Acquisitions
- Further operational efficiencies
- Continued development

Exhibit 4: Roadmap for Value and Growth Creation



Source: Company Reports

The Company acquired Rock Creek in 2015 and Montanore in 2016, adding two significant silver/copper assets to the portfolio, both of which are moving forward in the permitting/pre-development phases. San Sebastian is being mined for high-grade silver and gold from a series of shallow pits over a two-year period, and in January 2018, Hecla transitioned to underground mining at the site. Lucky Friday #4 Shaft has recently become operational and should extend the mine life for an additional 20 – 30 years. Casa Berardi has increased throughput at the mill and received permit to potentially increase more in the future. And Hecla will continue to invest in exploration and pre-development projects in areas the Company believes to be under-invested and under-explored as previously discussed.

Hecla believes that the mining industry is at an inflection point with the technology and innovation advances that have been made, and Hecla is at the forefront. By constantly looking ahead and implementing the latest technological advances in mining, Hecla can reduce costs and increase productivity going forward. Additional benefits include increased reserves, improved mine lives, superior safety records, the ability to mine difficult reserves, and expanded horizons for acquisition opportunities. Hecla is recognized as a leading innovator for companies of its size within the industry.

For example, at Greens Creek, Hecla has extensively "WiFi'd" the mine in order to better gather timely and accurate information; both workers as well as machines can be located and identified at any given point in time by an RFID tag. Machines and workers are less likely to have an accident/collision, and the ventilation system can be programmed for the presence of workers and machines, becoming more of an on-demand system. The newer use of battery trucks vs. diesel also reduces the need for ventilation to clear diesel particulates and excess heat, reducing costs particularly in mines like Lucky Friday. Also, to reduce down time between shifts, the Company is testing in tele-remote load haul dump trucks/muckers, operated from the surface. These automated machines can operate more quickly and continuously than if controlled by humans, and they avoid walls (hence less repairs and maintenance) using sensors.

Additionally, the Company is testing "Ventilation on Demand" where it installs variable frequency drives in its ventilation fans, allowing them to recognize when workers and machines enter or leave an area and adjust the fan speed accordingly. When the miners leave a heading for more than 10 minutes, the fans turn off. When introduced to all 54 fans, it could lead to an annual savings of $1 million in operating costs.

Hecla has introduced considerable innovation into its other mines as well. In particular, Casa Berardi has been WiFi'd and has an automated haulage drift at the 985 level in which the first automated haulage truck is in operation and the second will arrive this year. The mine also features computer guided drills and rock breakers that are operated from surface. At Lucky Friday, the Company has tested battery powered equipment and is working with Atlas Copco on the development of a Mobile Vein Miner which is designed to cut the rock, rather than drilling and blasting, increasing productivity and improving safety in this very deep mine.

INDUSTRY OVERVIEW

The metals and mining industry has been witnessing a global recovery over the last two years. The mining industry by nature is capital intensive, and with excess cash from improving markets, companies have begun to focus on reinvesting, modernizing and expanding with excess cash. Prior to this, mining companies were passing recent years of downturn attempting to improve balance sheets and to pay off debt from the boom years before, many selling off assets to do so.

Hecla faces a fierce list of competitors, and prime mining properties can be difficult to obtain. Risks affecting all industry players include environmental hazards, mining underground, heavy government regulation, economic and political movement, as well as competitive labor markets that are often characterized by labor disputes, among other known risks.

For Hecla, success will in part continue to be driven by US monetary policy, Trump's presidential decisions, as well as the stability of the world economy, but for now the current trajectory points to continued growth with the backdrop of higher commodity prices.

Exhibit 5: Historical Pricing for Silver and Gold

Source: Silverprice.org, Goldprice.org

RECENT RESULTS

For Q417, Hecla reported a decrease in sales of approximately $4M, or 2.6% over the prior year's quarter, principally due to the strike at Lucky Friday, while reporting gross profit percentage of approximately 29.5%, an improvement over last year's Q4. Below we provide additional detail for Q417.

Exhibit 6: Q4 2017 Year-over-year Analysis

Hecla Mining Company and Subsidiaries
Consolidated Statements of Income (in thousands $, except per sh. amounts)
Fiscal Year: December

	Q4 2016	Q4 2017	Variance	
Sales of products	164,245	160,113	**(4,132)**	Sales for Q4 2017 were most affected by the strike at Lucky Friday that continued throughout the quarter partially offset by higher realized lead, zinc, gold and silver prices
Cost of sales and direct production costs	89,163	80,190		
Depreciation, depletion, and amortization	31,534	32,697		
Gross (loss) profit	**43,548**	**47,226**	**3,678**	While the Company saw increased throughput while lowering associated costs of production through operational efficiencies enabled by the advancement of its technologies, the strike at the Lucky Friday mine accounted for the majority of the decrease in cost of sales and direct production costs
	26.5%	*29.5%*		
Other operating expenses	15,961	20,593	**4,632**	The increase over the prior year was principally due to approx. $7M in Lucky Friday suspension costs, partially offest by a significant decrease in G&A expenses for the quarter
Income (loss) from operations	**27,587**	**26,633**		
Total other income / (expense)	(2,500)	(16,126)	**(13,626)**	Hecla recognized higher interest costs in Q4 2017 as well as increased derivative contract losses and lower foreign exchange gains, partially offset by higher interest income
Pre-tax income (loss)	**25,087**	**10,507**		
Income taxes (expense)	(4,825)	(38,256)	**(33,431)**	Tax provisions recently enacted by US tax reform measures required a non-cash charge, but the Company should see significant benefit going forward with lower tax rates, elimination of the AMT, and earnings from abroad repatriated to US
Net income (loss)	**20,262**	**(27,749)**		
Preferred stock dividends	(138)	(138)		
Net income (loss) to common	**$ 20,124**	**$(27,887)**		
Diluted EPS (loss)	**$ 0.05**	**$ (0.07)**		
Fully diluted weighted-average shares outstanding	397,717	399,133		

Source: Company Reports, Stonegate Capital Partners

For the full 2017 year, the Company reported ~$578M in revenues vs. the ~$646M reported in the prior year, principally related to the strike that continues at the Lucky Friday mine. However, it notable that the margins remained strong even given the situation at Lucky Friday, and Hecla still reported its second highest silver production and its third highest gold production in the Company's 127-year history (Casa Berardi reported its strongest performance since the acquisition with record gold production). And Hecla continued to see reductions in cash costs, after by-product credits for gold and silver per ounce.

Exhibit 7: Year-over-year Cost Comparisons

	2017	2016
Cash cost, after by-product credits, per silver oz.	$(0.01)/oz	$3.10/oz
Cash cost, after by-product credits, per gold oz.	$820/oz	$764/oz
All in sustaining cost (AISC), after by-product credits, per silver oz.	$7.86/oz	$11.68/oz
All in sustaining cost (AISC), after by-product credits, per gold oz.	$1174/oz	$1244/oz

Source: Company Reports

CATALYSTS FOR HECLA

We believe that there are several catalysts that could drive price appreciation for HL investors:

1. Continued low cash cost and AISC driving cash flows higher
2. Continued increasing silver, gold, zinc and lead prices, given current geopolitical climate and global supply concerns
3. Increase in silver and gold reserves using industry-leading conservative price assumptions
4. Permitting progress at Rock Creek and Montanore
5. Further increases in mill throughput and gold production at Casa Berardi
6. Extension of mine life at San Sebastian through the discovery of more high-grade material
7. Resolution of the strike at Lucky Friday

BALANCE SHEETS

Hecla Mining Company and Subsidiaries
Consolidated Balance Sheets (in thousands $)
Fiscal Year: December

ASSETS	FY 2014	FY 2015	FY 2016	FY 2017
Current Assets				
Cash	$ 209,665	$ 155,209	$ 169,777	$ 186,107
ST investments	-	-	29,117	33,758
Accounts receivable, trade	17,696	13,490	20,082	14,805
Accounts receivable other, net	17,184	27,859	9,967	17,385
Inventory - concentrates, dore, and stockpiled ore	25,999	22,441	25,944	28,455
Materials and supplies	21,474	23,101	24,079	26,100
Other current assets	24,341	27,433	12,125	13,715
Total Current Assets	**316,359**	**269,533**	**291,091**	**320,325**
Non-current restricted cash and investments	5,803	2,514	7,202	8,593
Properties, plants, equipment and mineral interests, net	1,831,564	1,896,811	2,032,685	2,020,021
Non-current deferred incomes taxes	98,923	36,589	35,815	1,509
Other non-current assets	9,415	16,478	4,884	14,509
Total Assets	**$ 2,262,064**	**$ 2,221,925**	**$ 2,371,677**	**$ 2,364,957**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	$ 41,869	$ 51,277	$ 60,064	$ 46,549
Accrued payroll and related benefits	27,956	27,563	36,515	31,259
Accrued taxes	4,241	8,915	9,061	5,919
Current portion of capital leases	9,491	8,735	5,653	5,608
Current portion of accrued reclamation and closure costs	1,631	20,989	5,653	6,679
Current portion of debt	-	2,721	470	-
Other current liabilities	5,797	6,884	8,809	16,116
Total Current Liabilities	**90,985**	**127,084**	**126,225**	**112,130**
Long-Term Liabilities				
Capital leases	13,650	8,841	5,838	6,193
Accrued reclamation and closure costs	55,619	74,549	79,927	79,366
Long-term debt	498,479	500,199	500,979	502,229
Non-current deferred tax liability	153,300	119,623	122,855	121,546
Non-current pension liability	43,348	46,513	44,491	46,628
Other non-current liabilities	9,709	6,190	11,518	12,983
Total Long-Term Liabilities	**774,105**	**755,915**	**765,608**	**768,945**
Stockholders' Equity				
Preferred stock	39	39	39	39
Common stock	92,382	95,219	99,806	100,926
Capital surplus	1,486,750	1,519,598	1,597,212	1,619,816
Accumulated deficit	(141,306)	(232,565)	(167,437)	(195,484)
Accumulated other comprehensive loss	(32,031)	(32,631)	(34,602)	(23,373)
Less treasury stock	(8,860)	(10,734)	(15,174)	(18,042)
Total Stockholders' Equity	**1,396,974**	**1,338,926**	**1,479,844**	**1,483,882**
Total Liabilities and Stockholders' Equity	**$ 2,262,064**	**$ 2,221,925**	**$ 2,371,677**	**$ 2,364,957**
Ratios				
Liquidity				
Current Ratio	3.5x	2.1x	2.3x	2.9x
Quick Ratio	2.7x	1.5x	1.8x	2.2x
Working Capital	$225,374	$142,449	$164,866	$208,195
Leverage				
Debt To Equity	35.7%	37.6%	33.9%	33.8%
Debt To Capital	26.3%	27.3%	25.3%	25.3%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENTS

Hecla Mining Company and Subsidiaries
Consolidated Statements of Income (in thousands $, except per share amounts)
Fiscal Year: December

	FY 2014	FY 2015	FY 2016	FY 2017
Sales				
Sales of products	$ 500,781	$ 443,567	$ 645,957	$ 577,775
Total sales	**500,781**	**443,567**	**645,957**	**577,775**
Cost of sales				
Cost of sales and other direct production costs	304,446	293,567	338,983	304,727
Depreciation, depletion, and amortization	111,134	111,489	115,468	116,062
Total cost of sales	415,580	405,056	454,451	420,789
Gross profit	**85,201**	**38,511**	**191,506**	**156,986**
Other operating expenses				
General and administrative	31,538	34,201	45,040	35,611
Exploration	17,698	17,745	14,720	23,510
Pre-development	1,969	6,375	5,832	5,448
Research and development	-	-	243	3,276
Other operating expenses	2,270	3,581	3,006	2,538
Gain on disposition of PP&E and mineral interests	-	-	-	(6,042)
Lucky Friday suspension-related costs	-	-	-	21,301
Provision for closed operations and environmental matters	10,098	12,220	5,721	6,701
Total other operating expenses	63,573	74,122	74,562	92,343
Income (loss) from operations	**21,628**	**(35,611)**	**116,944**	**64,643**
Other income / (expense)				
Gain (Loss) on disposal of investments	-	(44)	-	(166)
Unrealized income (loss) on investments	(3,224)	(3,333)	(177)	(247)
Gain (Loss) on derivative contracts	9,134	8,252	4,423	(21,250)
Net foreign exchange loss	11,535	24,551	(2,926)	(10,300)
Interest and other income	286	916	507	1,692
Interest expense, net	(26,775)	(25,389)	(21,796)	(38,012)
Total other income / (expense):	(9,044)	4,953	(19,969)	(68,283)
Pre-tax income (loss)	**12,584**	**(30,658)**	**96,975**	**(3,640)**
Income taxes (expense)	5,240	(56,310)	(27,428)	(19,879)
Net income (loss)	**$ 17,824**	**$ (86,968)**	**$ 69,547**	**(23,519)**
Preferred stock dividends	(552)	(552)	(552)	(552)
Net income (loss) to common	**$ 17,272**	**$ (87,520)**	**$ 68,995**	**(24,071)**
Basic EPS (loss)	**$ 0.05**	**$ (0.23)**	**$ 0.18**	**$ (0.06)**
Diluted EPS (loss)	**$ 0.05**	**$ (0.23)**	**$ 0.18**	**$ (0.06)**
Weighted average number of common shares outstanding - basic	353,442	373,954	386,416	397,394
Weighted average number of common shares outstanding - diluted	357,435	373,954	389,322	397,394
EBITDA	132,762	75,878	232,412	180,705
Adjusted EBITDA	137,727	81,303	238,839	187,028

Margin Analysis

	FY 2014	FY 2015	FY 2016	FY 2017
Cost of sales and other direct production costs	60.8%	66.2%	52.5%	54.0%
Depreciation, depletion, and amortization	22.2%	25.1%	17.9%	20.1%
Gross margin	17.0%	8.7%	29.6%	27.2%
General and administrative	6.3%	7.7%	7.0%	6.2%
Exploration	3.5%	4.0%	2.3%	4.1%
Pre-development	0.4%	1.4%	0.9%	0.9%
Operating margin	4.3%	-8.0%	18.1%	11.2%
Pre-tax margin	2.5%	-6.9%	15.0%	-0.6%
Net income margin	3.6%	-19.6%	10.8%	-4.1%
EBITDA margin	26.5%	17.1%	36.0%	31.3%

Source: Company Reports, Stonegate Capital Partners

STONEGATE CAPITAL PARTNERS

SIGNIFICANT EVENTS

January 2018 – San Sebastian transitions from open pit to underground mine
August 2017 – Hecla secures mill at San Sebastian through 2020
March 2017 – Unionized employees at Lucky Friday vote against contract offer and go on strike (still in effect)
January 2017 – Shaft #4 project completed and commissioned at Lucky Friday, providing access to deeper levels
January 2017 – Began work on new underground decline and rehabilitation of historical underground workings at San Sebastian mine
September 2016 – Company acquires Montanore as part of Mines Management purchase
May 2016 – Hecla enters into $100M senior secured revolving credit facility with 3-year term
February 2016 – ATM programs begins with approval for up to $75M
December 2015 – Commenced ore production at San Sebastian in Mexico
June 2015 – Rock Creek acquired as part of Revett Mining Company, Inc. purchase
2014 – An additional $6.5M in notes issued
2013 - $500M in senior notes issued and due 2021 at 6.875% and used to fund acquisition (June 2013) of Aurizon Mines Ltd., gaining Casa Berardi mines and others in Quebec, Canada
2012 – Company's Board approves stock repurchase program up to 20M shares
2006 – Hecla incorporated in Delaware
1999 – San Sebastian asset acquired through purchase of Monarch assets
1993 – Series B Preferred Stock is issued
1989 – Greens Creek interest acquired with mine in production (1993 – 1996 temporary care and maintenance period)
1958 – Lucky Friday becomes 100% owned and in production (2012 year off for rehabilitation)
1891 – Hecla Mining Company begins operations

CORPORATE GOVERNANCE

Phillips S. Baker, Jr. - President, Chief Executive Officer and Director - Phillips S. Baker, Jr., has been Hecla's Chief Executive Officer since May 2003 and a director since November 2001. Prior to that, Mr. Baker held a variety of other positions with Hecla starting in 2001. Prior to joining Hecla, Mr. Baker served as Vice President and Chief Financial Officer of Battle Mountain Gold Company and before that was CFO at Pegasus Gold Inc. Mr. Baker is currently Chairman of the Board for the National Mining Association. He has over 30 years of mining experience.

Lindsay A. Hall – Senior Vice President and Chief Financial Officer - Lindsay A. Hall was appointed Hecla's Senior Vice President and Chief Financial Officer in July 2016. Prior to joining Hecla, Mr. Hall was Chief Financial Officer and Executive Vice President of Goldcorp Inc. Before that Mr. Hall served as Chief Financial Officer and Executive Vice President for Placer Dome. He has over 30 years of natural resources experience.

Lawrence P. Radford – Senior Vice President of Operations - Lawrence P. Radford was appointed Hecla's Senior Vice President - Operations in July 2013, and prior to that was Vice President - Operations. Prior to joining Hecla, Mr. Radford was Vice President of South American Operations for Kinross Gold Corporation. Before that he was General Manager for Barrick Gold Corporation at its Cowal operation (a gold mining operation) in West Wyalong, NSW, Australia. He has over 30 years of mining experience.

Board of Directors:

Theodore Crumley – *Chairman of the Board*

Phillips S. Baker, Jr. – *CEO, President and Director*

Catherine J. Boggs – *Director*

George R. Johnson – *Independent Director*

George R. Nethercutt, Jr. – *Independent Director*

Stephen F. Ralbovsky – *Independent Director*

Terry V. Rogers – *Independent Director*

Charles B. Stanley - *Independent Director*

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