



**MARKET STATISTICS**

<b>Exchange / Symbol</b>	NYSE: HL
<b>Price:</b>	\$3.96
<b>Market Cap (\$mm):</b>	\$1,586.5
<b>Shares Outstanding (mm):</b>	400.6
<b>Float (%):</b>	99%
<b>Volume (3 month avg. - mm):</b>	4.1
<b>52 week Range:</b>	\$3.25-\$6.01
<b>Industry:</b>	Mining

**CONDENSED BALANCE SHEET**

(\$mm, except per share data)

<b>Balance Sheet Date:</b>	3/31/2018
<b>Cash and ST Inv:</b>	\$246.9
<b>Cash/Share:</b>	\$0.62
<b>Debt:</b>	\$533.6
<b>Equity (Book Value):</b>	\$1,494.5
<b>Equity/Share:</b>	\$3.73

**CONDENSED INCOME STATEMENTS**

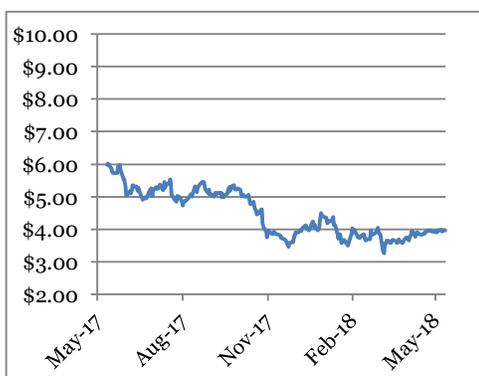
(\$mm, except per share data)

FY - 12/31	Revenue	Income	Adjusted EBITDA	EPS
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)
Q118	\$139.7	\$8.2	\$41.1	\$0.02

**LARGEST SHAREHOLDERS**

Van Eck Associates Corp.	41,746,900
The Vanguard Group, Inc.	34,408,400
Dimensional Fund Advisors, LP	33,648,800
Blackrock, Inc.	25,841,100
State Street Global Advisors, Inc.	15,768,900
State of New Jersey Common Pension	10,100,000
Ceredex Value Advisors LLC	7,197,500
Northern Trust Global Investments	4,774,500
Global X Management Company, LLC	4,204,200
BNY Mellon Asset Management	3,863,300

**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, with a sister office in Vancouver, B.C. The Company employs approximately 1,400+ worldwide.

**SUMMARY**

- As part of a defined strategy for creating shareholder value, Hecla 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.
- As of 12/31/17, Hecla 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); these 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.
- Additionally, an agreement to purchase Klondex Mines, Ltd. near the end of Q218 has been announced that includes three high-grade gold mines in Nevada; this covers more than 110 square miles situated in a historically prolific mining jurisdiction with great potential to increase reserves.
- Hecla is at the forefront of innovation and technological advancements within the mining industry; investing in and creating these next-generation mines has increased output as well as reserves, improved margins, extended lives of current mines, improved productivity, and increased safety underground.
- 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 expects delivery of a Remote Vein Miner in 2019 at Lucky Friday, which could revolutionize how the mine operates; also, Hecla began mining underground at San Sebastian recently (also secured a second mill for 5 years), and is in the permitting process for Rock Creek and Montanore projects in Montana. Finally, the Company expects to close on the Klondex purchase in the near-term.
- Workers at Lucky Friday remain on strike (since March 2017); during this period, Hecla is taking the opportunity 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, the Klondex acquisition, 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

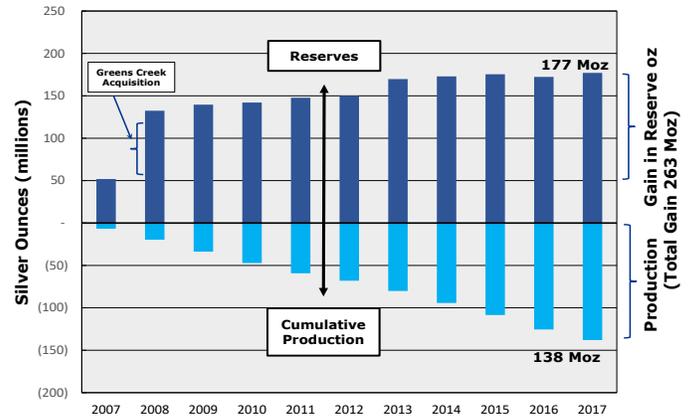


### Source: Company Reports

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. For Q118, the Company report 2.5M oz. of silver and 57,808 oz. of gold produced. Hecla is currently the #1 silver and #3 lead and zinc producer in the U.S.

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



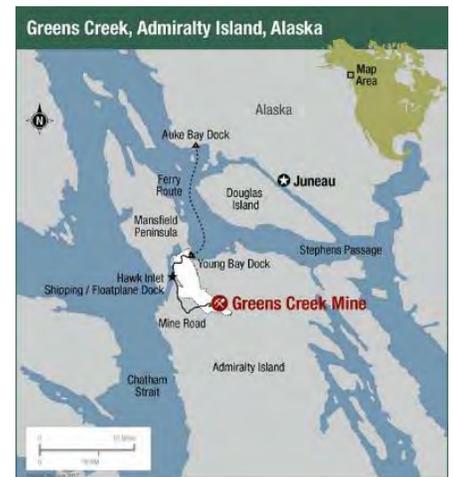
### Source: Company Reports

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 1.9M oz. of silver and 13.1K oz. of gold in Q118, and 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. Notably, Greens Creek contributed over \$101M in free cash flow in 2017.

**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 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. With 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 innovations.

Miners have met with Hecla representatives more than 20 times since March 13, 2017. A Revised Final Offer (RFO) was presented on 12/15/17, and there have been a few negotiating sessions since then with little progress. On May 4, 2018, Hecla notified the Union that due to the impasse, portions of the RFO were being implemented, effective immediately. 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. In late 2019, the Company takes delivery of a Remote Vein Miner machine, which cuts the rock instead of drilling and blasting, and is expected to increase safety and profitability at the mine.

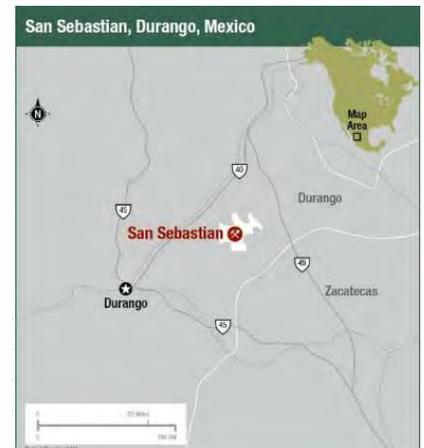
In Q118, the mine produced 100K oz. of silver, and no estimates are being given for silver in 2018 due to the salaried workers conducting limited production and capital projects.

**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 Q118, Casa Berardi produced 40.2K oz. of gold and has estimates for 2018 of 155 – 160K oz. of gold. The majority of the tonnage came from the underground vs. open pit, and the mill recorded its highest quarterly throughput ever. We note that 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 San Sebastian, 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 512K oz. of silver in Q118 and 4.5K 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 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 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
<b>Potential Mine Life</b>	20-30 years each	
<b>Hecla stock acquisition cost</b>	\$19 M	\$54 M
<b>Big potential</b>	148.1 Moz Ag / 1.3 Blbs Cu	183.4 Moz Ag / 1.5 Blbs Cu
<b>Advanced permitting</b>	SEIS	Final EIS, RODs**

\*\*Record of Decision

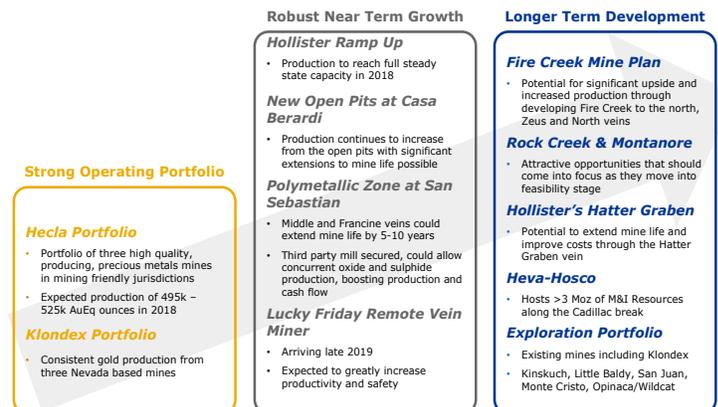
Source: Company Reports

### 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 just announced an agreement to acquire Klondex Mines, Ltd. around the end of the second quarter 2018, an acquisition that includes three high-grade gold mines in Nevada; this includes more than 110 square miles along significant structural trends of a historically prolific mining jurisdiction.

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 Remote Vein Miner (RVM) which is designed to cut the rock, rather than drilling and blasting, increasing productivity and improving safety in this very deep mine; the arrival of the RVM is expected late 2019.

## 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 U.S. 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

All Data Silver Price in USD/oz



### All Data Gold Price in USD/oz



Source: *Silverprice.org, Goldprice.org*

## RECENT RESULTS

For Q118, Hecla reported a decrease in sales of approximately \$2.8M, or 2% over the prior year's quarter, while reporting gross profit percentage of approximately 27.8%, an improvement over last year's Q117 gross profit of 24.5%. Below we provide additional detail for Q118 vs. Q117.

### 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				
	Q1 2017	Q1 2018	Variance	
Sales of products	142,544	139,709	(2,835)	Sales for Q1 2018 were most affected by lower quantities of silver, lead and zinc sold due to lower production of those metals, partially offset by higher gold volume; Hecla saw higher average realized prices for gold, lead and zinc, offset by lower average realized prices for silver when compared to Q1 2017
Cost of sales and direct production costs	78,676	72,869		
Depreciation, depletion, and amortization	28,952	28,054		
<b>Gross (loss) profit</b>	<b>34,916</b>	<b>38,786</b>	<b>3,870</b>	While the Company saw increased gross profit at the Greens Creek and Casa Berardi units in Q118, these amounts were reduced by lower margins at the San Sebastian and Lucky Friday mines
	24.5%	27.8%		
Other operating expenses	19,045	26,837	7,792	The increase over the prior year's quarter was principally due to approx. \$5M in Lucky Friday suspension costs (vs. \$1.6M), exploration costs of \$7.4M (vs. \$4.5M) and acquisition costs of \$2.5M (vs. \$27K), partially offset by reduced G&A expense
<b>Income (loss) from operations</b>	<b>15,871</b>	<b>11,949</b>	<b>15,167</b>	Hecla recognized higher interest costs in Q1 2018 as well as gains (vs. Q117 losses) on both derivative contracts and foreign exchange
Total other income / (expense)	(18,108)	(2,941)	(29,839)	The tax benefit in the 2017 period was primarily the result of a change in income tax position relating to the timing of deduction for #4 Shaft development costs at Lucky Friday
<b>Pre-tax income (loss)</b>	<b>(2,237)</b>	<b>9,008</b>		
Income taxes (expense)	29,071	(768)		
<b>Net income (loss)</b>	<b>26,834</b>	<b>8,240</b>		
Preferred stock dividends	(138)	(138)		
<b>Net income (loss) to common</b>	<b>\$ 26,696</b>	<b>\$ 8,102</b>		
<b>Diluted EPS (loss)</b>	<b>\$ 0.07</b>	<b>\$ 0.02</b>		
Fully diluted weighted-average shares outstanding	398,149	401,923		

Source: *Company Reports, Stonegate Capital Partners*

It is notable that the margins remained strong even given the situation at Lucky Friday, and Hecla still reported a 95% silver cash margin, which is one of the industry's highest. Hecla continues to see reductions in AISC costs, after by-product credits for gold and silver per ounce.

**Exhibit 7: Historical Cost Comparisons**

	2017	2016	Q118
Cash cost, after by-product credits, per silver oz.	\$(0.01)/oz	\$3.10/oz	\$(3.35)/oz.
Cash cost, after by-product credits, per gold oz.	\$820/oz	\$764/oz	\$827/oz.
All in sustaining cost (AISC), after by-product credits, per silver oz.	\$7.86/oz	\$11.68/oz	\$5.66/oz.
All in sustaining cost (AISC), after by-product credits, per gold oz.	\$1174/oz	\$1244/oz	\$1086/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
8. Acquisition of 3 high-grade Nevada gold mines under Klondex Mines, Ltd. purchase

**BALANCE SHEETS**

<b>Hecla Mining Company and Subsidiaries</b>				
<b>Consolidated Balance Sheets (in thousands \$)</b>				
<b>Fiscal Year: December</b>				
<b>ASSETS</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Q1 2018</b>
<b>Current Assets</b>				
Cash	\$ 155,209	\$ 169,777	\$ 186,107	\$ 212,569
ST investments	-	29,117	33,758	34,358
Accounts receivable, trade	13,490	20,082	14,805	19,713
Accounts receivable other, net	27,859	9,967	17,385	19,293
Inventory - concentrates, dore, and stockpiled ore	22,441	25,944	28,455	37,024
Materials and supplies	23,101	24,079	26,100	25,779
Other current assets	27,433	12,125	13,715	17,369
<b>Total Current Assets</b>	<b>269,533</b>	<b>291,091</b>	<b>320,325</b>	<b>366,105</b>
Non-current restricted cash and investments	2,514	7,202	8,593	8,657
Properties, plants, equipment and mineral interests, net	1,896,811	2,032,685	2,020,021	2,008,704
Non-current deferred incomes taxes	36,589	35,815	1,509	671
Other non-current assets	16,478	4,884	14,509	13,954
<b>Total Assets</b>	<b>\$ 2,221,925</b>	<b>\$ 2,371,677</b>	<b>\$ 2,364,957</b>	<b>\$ 2,398,091</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 51,277	\$ 60,064	\$ 46,549	\$ 51,636
Accrued payroll and related benefits	27,563	36,515	31,259	21,420
Accrued taxes	8,915	9,061	5,919	7,273
Current portion of capital leases	8,735	5,653	5,608	5,669
Current portion of accrued reclamation and closure costs	20,989	5,653	6,679	8,315
Current portion of debt	2,721	470	-	-
Other current liabilities	6,884	8,809	16,116	21,621
<b>Total Current Liabilities</b>	<b>127,084</b>	<b>126,225</b>	<b>112,130</b>	<b>115,934</b>
<b>Long-Term Liabilities</b>				
Capital leases	8,841	5,838	6,193	7,094
Accrued reclamation and closure costs	74,549	79,927	79,366	78,887
Long-term debt	500,199	500,979	502,229	533,566
Non-current deferred tax liability	119,623	122,855	121,546	116,866
Non-current pension liability	46,513	44,491	46,628	48,459
Other non-current liabilities	6,190	11,518	12,983	2,784
<b>Total Long-Term Liabilities</b>	<b>755,915</b>	<b>765,608</b>	<b>768,945</b>	<b>787,656</b>
<b>Stockholders' Equity</b>				
Preferred stock	39	39	39	39
Common stock	95,219	99,806	100,926	101,290
Capital surplus	1,519,598	1,597,212	1,619,816	1,626,298
Accumulated deficit	(232,565)	(167,437)	(195,484)	(187,092)
Accumulated other comprehensive loss	(32,631)	(34,602)	(23,373)	(26,767)
Less treasury stock	(10,734)	(15,174)	(18,042)	(19,267)
<b>Total Stockholders' Equity</b>	<b>1,338,926</b>	<b>1,479,844</b>	<b>1,483,882</b>	<b>1,494,501</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 2,221,925</b>	<b>\$ 2,371,677</b>	<b>\$ 2,364,957</b>	<b>\$ 2,398,091</b>
<b>Ratios</b>				
<b>Liquidity</b>				
Current Ratio	2.1x	2.3x	2.9x	3.2x
Quick Ratio	1.5x	1.8x	2.2x	2.5x
Working Capital	\$142,449	\$164,866	\$208,195	\$250,171
<b>Leverage</b>				
Debt To Equity	37.6%	33.9%	33.8%	35.7%
Debt To Capital	27.3%	25.3%	25.3%	26.3%

Source: Company Reports, Stonegate Capital Partners

**INCOME STATEMENTS**

<b>Hecla Mining Company and Subsidiaries</b>				
<b>Consolidated Statements of Income (in thousands \$, except per share amounts)</b>				
<b>Fiscal Year: December</b>				
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Q1 2018</b>
<b>Sales</b>				
Sales of products	\$ 443,567	\$ 645,957	\$ 577,775	\$ 139,709
<b>Total sales</b>	<b>443,567</b>	<b>645,957</b>	<b>577,775</b>	<b>139,709</b>
Cost of sales				
Cost of sales and other direct production costs	293,567	338,983	304,727	72,869
Depreciation, depletion, and amortization	111,489	115,468	116,062	28,054
Total cost of sales	405,056	454,451	420,789	100,923
<b>Gross profit</b>	<b>38,511</b>	<b>191,506</b>	<b>156,986</b>	<b>38,786</b>
Other operating expenses				
General and administrative	34,201	45,040	35,611	7,735
Exploration	17,745	14,720	23,510	7,360
Pre-development	6,375	5,832	5,448	1,005
Research and development	-	243	3,276	1,436
Other operating expenses	3,581	3,006	2,538	3,022
Gain on disposition of PP&E and mineral interests	-	-	(6,042)	-
Lucky Friday suspension-related costs	-	-	21,301	5,017
Provision for closed operations and environmental matters	12,220	5,721	6,701	1,262
Total other operating expenses	74,122	74,562	92,343	26,837
<b>Income (loss) from operations</b>	<b>(35,611)</b>	<b>116,944</b>	<b>64,643</b>	<b>11,949</b>
Other income / (expense)				
Gain (Loss) on disposal of investments	(44)	-	(166)	-
Unrealized income (loss) on investments	(3,333)	(177)	(247)	310
Gain (Loss) on derivative contracts	8,252	4,423	(21,250)	4,007
Net foreign exchange loss	24,551	(2,926)	(10,300)	2,592
Interest and other income	916	507	1,692	(56)
Interest expense, net	(25,389)	(21,796)	(38,012)	(9,794)
Total other income / (expense):	4,953	(19,969)	(68,283)	(2,941)
<b>Pre-tax income (loss)</b>	<b>(30,658)</b>	<b>96,975</b>	<b>(3,640)</b>	<b>9,008</b>
Income taxes (expense)	(56,310)	(27,428)	(19,879)	(768)
<b>Net income (loss)</b>	<b>\$ (86,968)</b>	<b>\$ 69,547</b>	<b>(23,519)</b>	<b>\$ 8,240</b>
Preferred stock dividends	(552)	(552)	(552)	(138)
<b>Net income (loss) to common</b>	<b>\$ (87,520)</b>	<b>\$ 68,995</b>	<b>(24,071)</b>	<b>\$ 8,102</b>
<b>Basic EPS (loss)</b>	<b>\$ (0.23)</b>	<b>\$ 0.18</b>	<b>\$ (0.06)</b>	<b>\$ 0.02</b>
<b>Diluted EPS (loss)</b>	<b>\$ (0.23)</b>	<b>\$ 0.18</b>	<b>\$ (0.06)</b>	<b>\$ 0.02</b>
Weighted average number of common shares outstanding - basic	373,954	386,416	397,394	399,322
Weighted average number of common shares outstanding - diluted	373,954	389,322	397,394	401,923
EBITDA	75,878	232,412	180,705	40,003
Adjusted EBITDA	81,303	238,839	187,028	41,130
<b>Margin Analysis</b>				
Cost of sales and other direct production costs	66.2%	52.5%	54.0%	52.2%
Depreciation, depletion, and amortization	25.1%	17.9%	20.1%	20.1%
Gross margin	8.7%	29.6%	27.2%	27.8%
General and administrative	7.7%	7.0%	6.2%	5.5%
Exploration	4.0%	2.3%	4.1%	5.3%
Pre-development	1.4%	0.9%	0.9%	0.7%
Operating margin	-8.0%	18.1%	11.2%	8.6%
Pre-tax margin	-6.9%	15.0%	-0.6%	6.4%
Net income margin	-19.6%	10.8%	-4.1%	5.9%
EBITDA margin	17.1%	36.0%	31.3%	28.6%

Source: Company Reports, Stonegate Capital Partners

## SIGNIFICANT EVENTS

**March 2018** – Hecla receives CAD\$40M investment from Ressources Quebec; plans to acquire 3 high-grade Nevada Gold mines through purchase of Klondex Mines, Ltd. announced

**January 2018** – San Sebastian transitions from open pit to underground mine

**August 2017** – Hecla secures mill at San Sebastian through 2020 (with a second secured February 2018)

**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

**2012** –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 – Chief Operating Officer** - Lawrence P. Radford was appointed Hecla's Chief Operating Officer in May 2018, and prior to that was Senior 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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