San Sebastian: Hecla's Next Mine

Denver Gold Forum

September 21, 2015



Cautionary Statements

Cautionary Statement Regarding Forward Looking Statements,

Statements made or information provided in this presentation that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of Canadian securities laws. Words such as “may”, “will”, “should”, “expects”, “intends”, “projects”, “believes”, “estimates”, “targets”, “anticipates” and similar expressions are used to identify these forward-looking statements. Such forward-looking statements or forward-looking information include statements or information regarding estimates of mining, grade, recovery, free cash flow generation, mine life, IRR, ability to reactivate existing mill permits, production of silver, gold and silver equivalent ounces, ability to begin mining by year end, and the ability to mine the high-grade ore. 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.

Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those projected, anticipated, expected or implied. These risks and uncertainties include, but are not limited to, metals price volatility, volatility of metals production and costs, litigation, regulatory and environmental risks, operating risks, project development risks, political risks, labor issues, ability to raise financing and exploration risks and results. Refer to the Company's Form 10-K and 10-Q reports for a more detailed discussion of factors that may impact expected future results. The Company undertakes no obligation and has no intention of updating forward-looking statements other than as may be required by law.

Cautionary Note Regarding Estimates of Measured, Indicated and Inferred Resources

The United States Securities and Exchange Commission (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.

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

Phillipe Lebleu P.Eng (mining), Allen Anderson, P.E. (metallurgy) and Keith Blair, C.P.G (resource modelling), are QP’s, as set out in National Instrument 43-101 (NI 43-101) and have supervised the preparation of the scientific and technical information concerning Hecla’s San Sebastian project. Information regarding data verification, surveys and investigations, quality assurance program and quality control measures and a summary of sample, analytical or testing procedures is contained in “Technical Report for the San Sebastian Ag-Au Property, Durango, Mexico for Hecla Mining Company” to be completed within 45 days, (the “Technical Report”) which is being prepared for Hecla Mining Company.(“the Issuer”). Also included in this technical report is a description of the key assumptions, parameters and methods used to estimate the project’s economics 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. Copies of this report will be available under Hecla's profile on SEDAR at www.sedar.com.

Cautionary Note Regarding Non-GAAP measures

Cash cost per ounce of silver and gold, net of by-product credits and adjusted EBITDA represent non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of each of these non-GAAP measures to GAAP measures can be found in the Appendix.

A Leading Silver, Gold, Base Metals Producer

Quality mining assets	➢ Three producing mines in North America ➢ Strong margins in both silver and gold ➢ Diversified, long-life revenue streams
Generates cash flow	➢ $56.7M free cash flow[1] from mines in past 4 quarters after invested $116M in capital
Solid growth profile	➢ Reserve growth, production growth ➢ New mine at San Sebastian expected by year end
Strong financial position	➢ Strong liquidity and capital structure
Operating experience	➢ Track record of mining excellence

1. Free cash flow is a non-GAAP measure calculated as cash flows from operations less capital expenditures. See slide 18 for calculation of free cash flows from our operating mines.

Our Mission

To Create long-term value for shareholders from mining silver, gold and associated base metals

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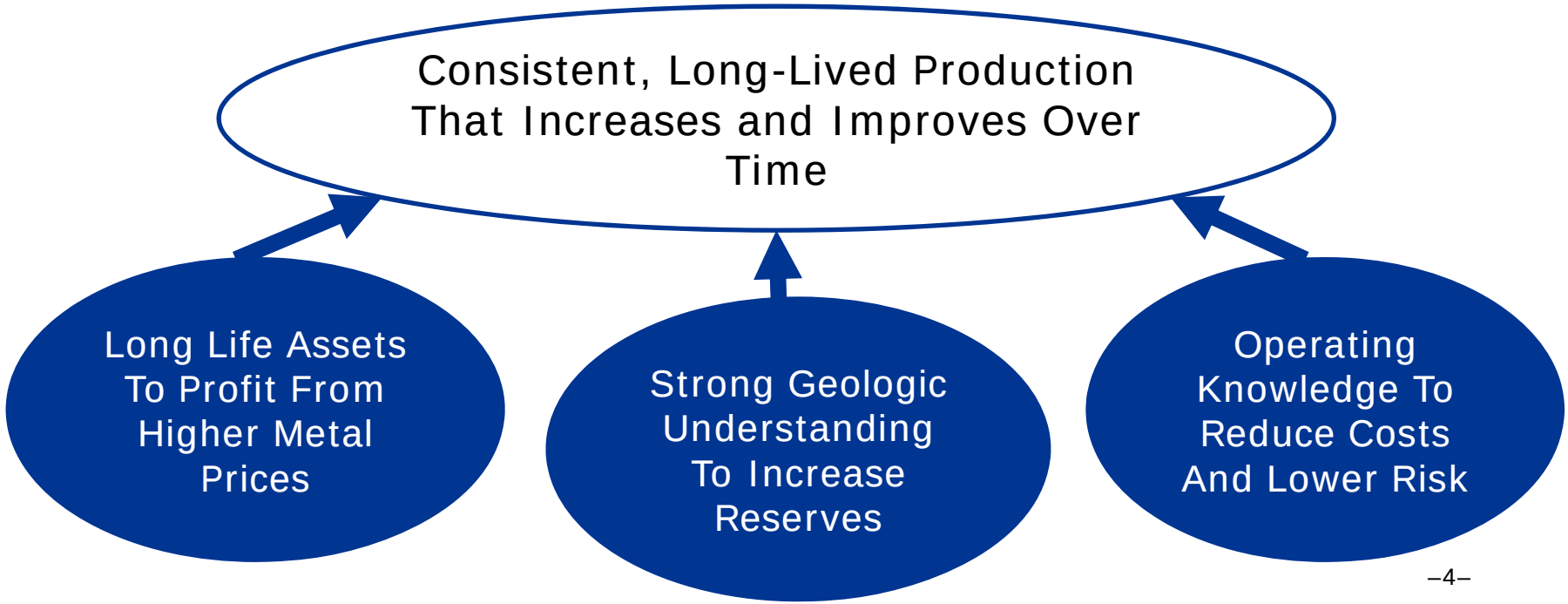
Our Strategy



North American Focused Asset Portfolio

Operations in Low-Risk + Mining-Friendly Jurisdictions

- ★ Corporate Offices
- ◆ Operating mines
- ■ Pre-development
- ▫ Exploration project

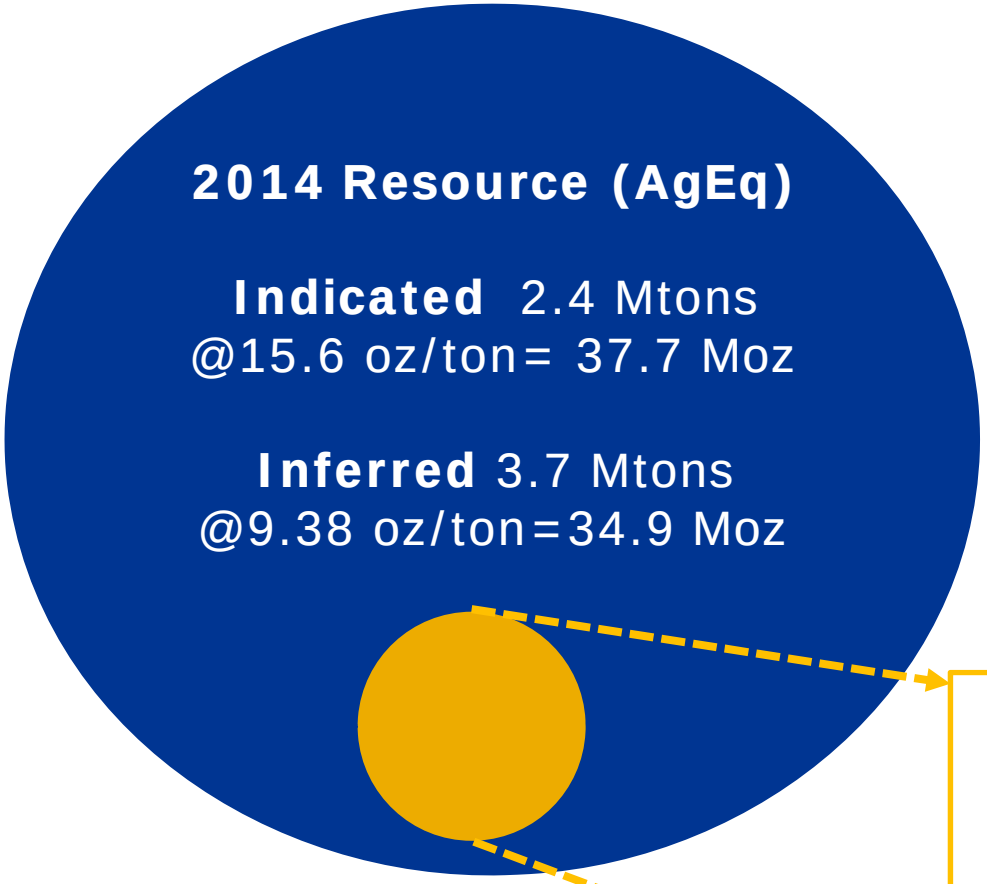


San Sebastian: Hecla's Next Mine…A History

- **1999** Acquired (Monarch Resource Investments)
- 40,324 ha of 31 contiguous mining concessions in Durango, Mexico
- **2001 – 2005** Mined 11.6 M oz Ag and 177,541 oz Au
- **2006-2012** General exploration
- **2014** Faulted offset of Francine Vein discovered
- **2014** Indicated resource up 46%, Inferred up 18%
- **2015** Positive PEA, construction decision
- **2015** Mining planned by year end



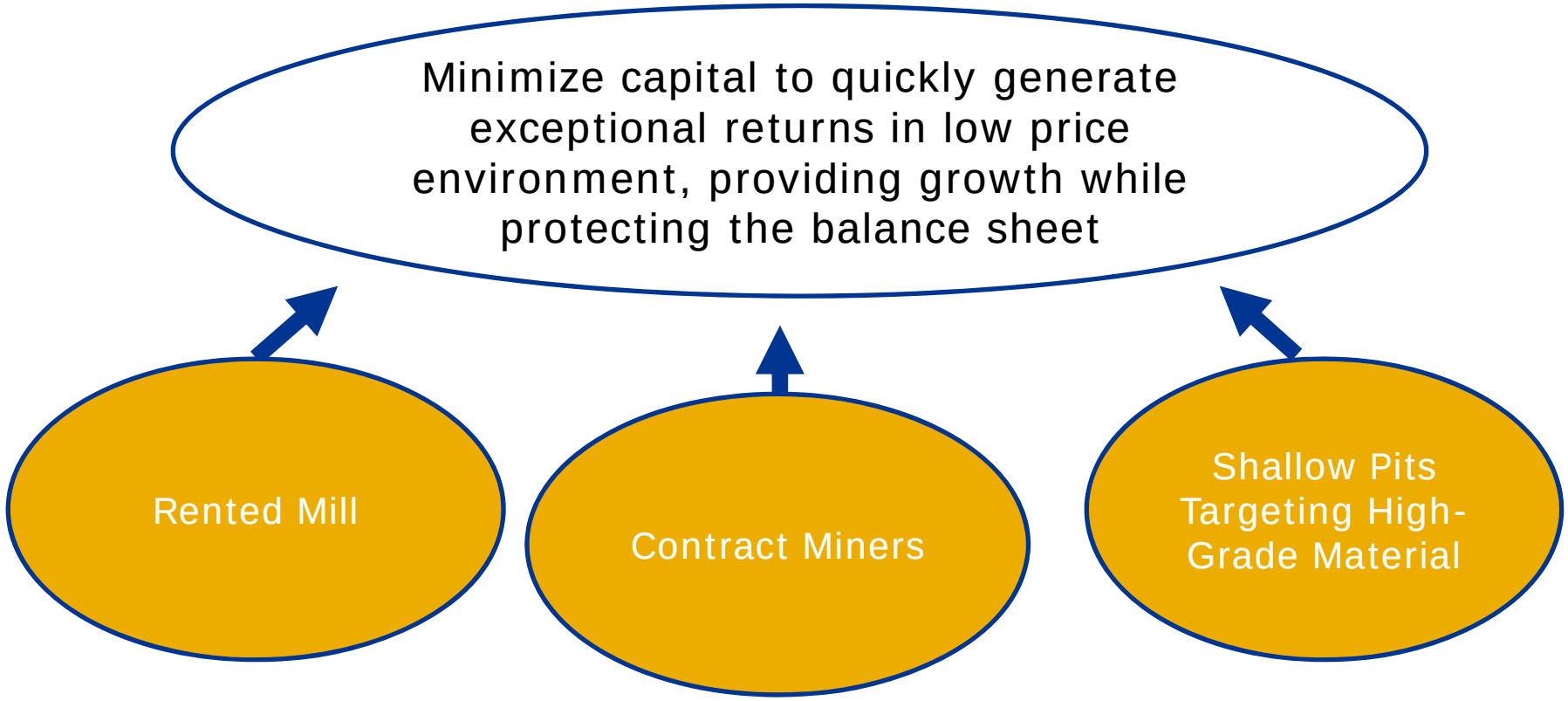
PEA Targets Only 10% of a Growing Resource



Potential 100 Moz AgEq Resource

Current mine plan (PEA) based on 273 Ktons at a grade of 29.8 AgEq oz/t, or 8.1 Moz AgEq

Our Strategy At San Sebastian



PEA Shows Robust Cash Flow and IRR

Shallow, high-grade open pits beginning year end 2015	
Silver equivalent production (18 months)	**8,138,740 ounces**
Capital (rented mill)	**$5.8 million**
Cash cost, after by-product credits, per silver ounce	**$5.49**
Total after tax cash flow (5% discount)	**$43 million**
IRR	**404%**
PEA to be completed before end of October	

1. The PEA is preliminary in nature, and is based on a mineral resource estimate that includes inferred mineral resources (approximately 10% of projected production) that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The PEA is being completed by AMC Mining Consultants (Canada) Ltd and will be completed by the end of October. The final numbers for the PEA are still being generated but the Company is confident that any changes will not materially affect the potential viability of the project.
2. Results in this table assume $1,103/oz gold and $15.53/oz silver prices and a 12.5 Peso/Dollar exchange rate.
3. Cash cost, after by-product credits, per silver ounce represents a non-GAAP measurement, and the most comparable GAAP measures are cost of sales and other direct production costs and depreciation, depletion and amortization.

Production Decision On PEA Results

- We have mined these veins before (2001-2005)
  - Was the highest grade mine in Mexico at the time
  - Have operated the Velardeña mill previously
  - Have relationships with local landowners
- Low capital requirement expected
  - $5.8 Million
- High-grade material leads to strong cash generation potential
  - 0.14 oz/ton Au, 23.9 oz/ton Ag
- Shallow pits reduce stripping costs
  - Expect to mine ore within weeks of startup
- Have a good geological understanding
  - Expect further discoveries on the project
- Site has existing infrastructure (power, roads, buildings)
- Existing tax losses minimize tax burden

Renting Velardeña Mill Lowers Requirement for Capital

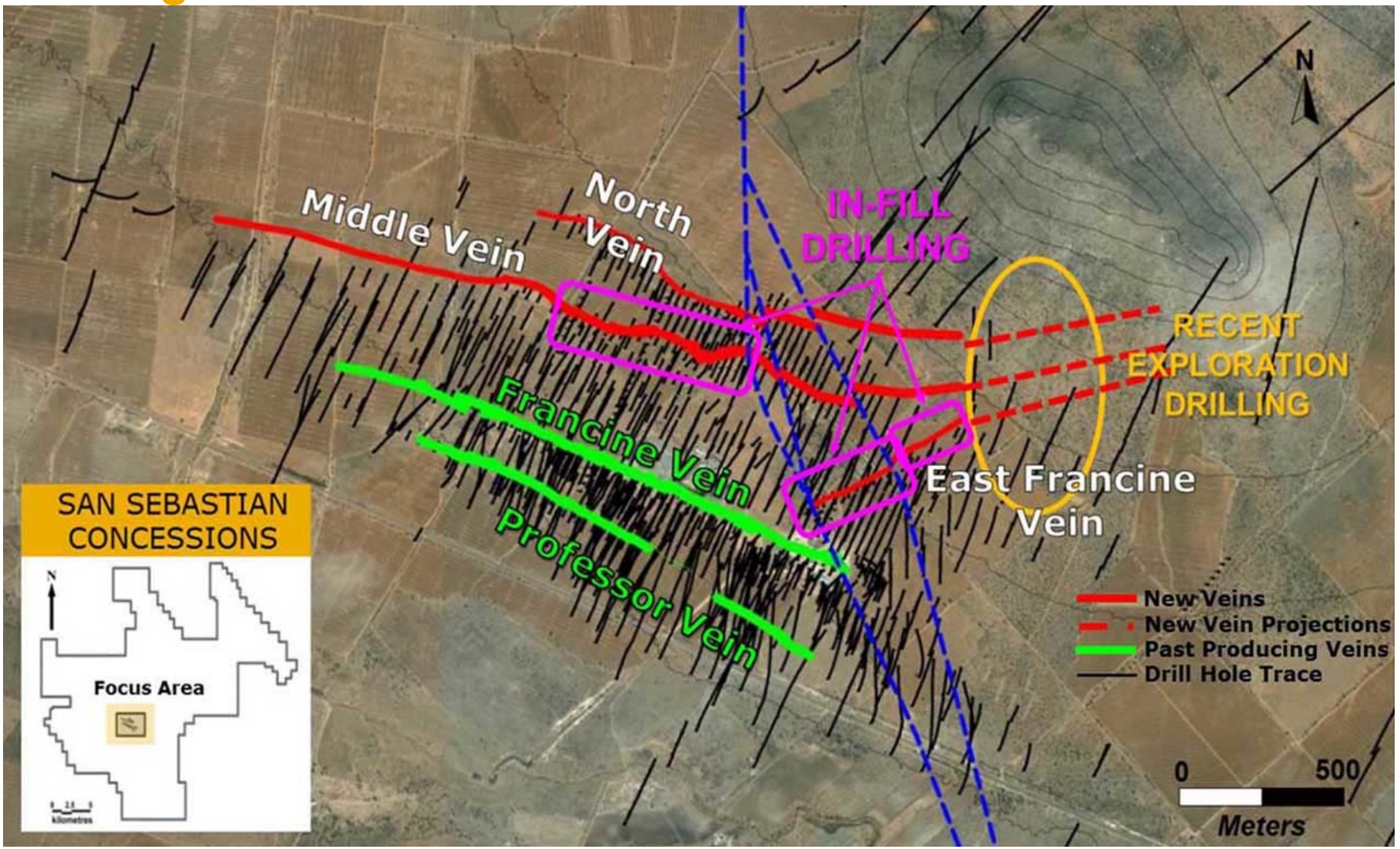


Hecla previously owned and operated the Velardeña mill

- Eliminates need to build new mill
- 18 month rental, could extend up to another 12 months
- Located 100 miles away, transportation costs reasonable
- Low risk: Hecla has experience operating this mill
- A very conventional circuit:
  Crush, grind, leach, CCD, Merrill-Crowe precipitation, refining (doré)[1]

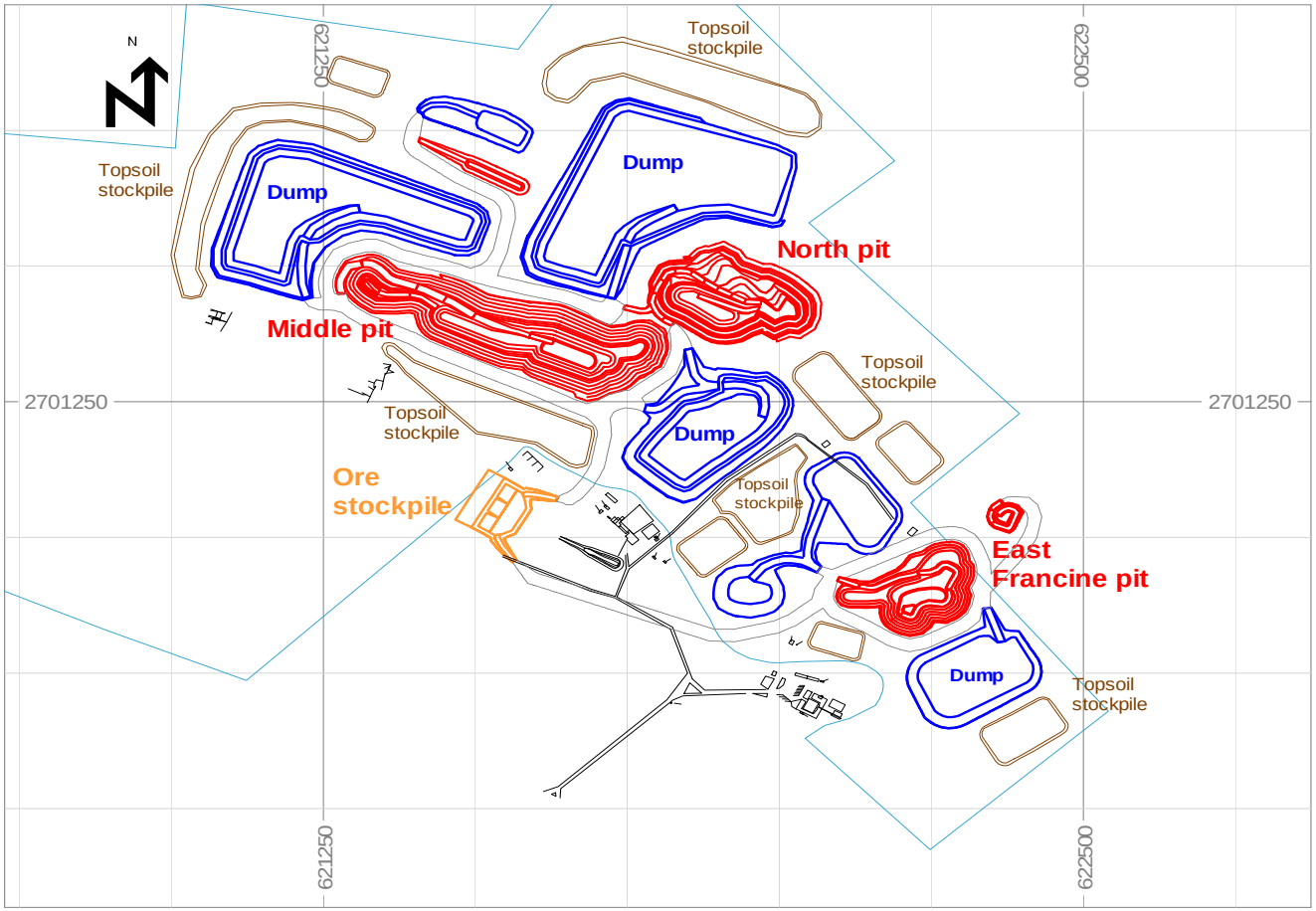
[1]CCD (counter current decantation). Merrill-Crowe precipitation (filters the leach solution)

Significant Discoveries



Preliminary Mine Layout

Plan View

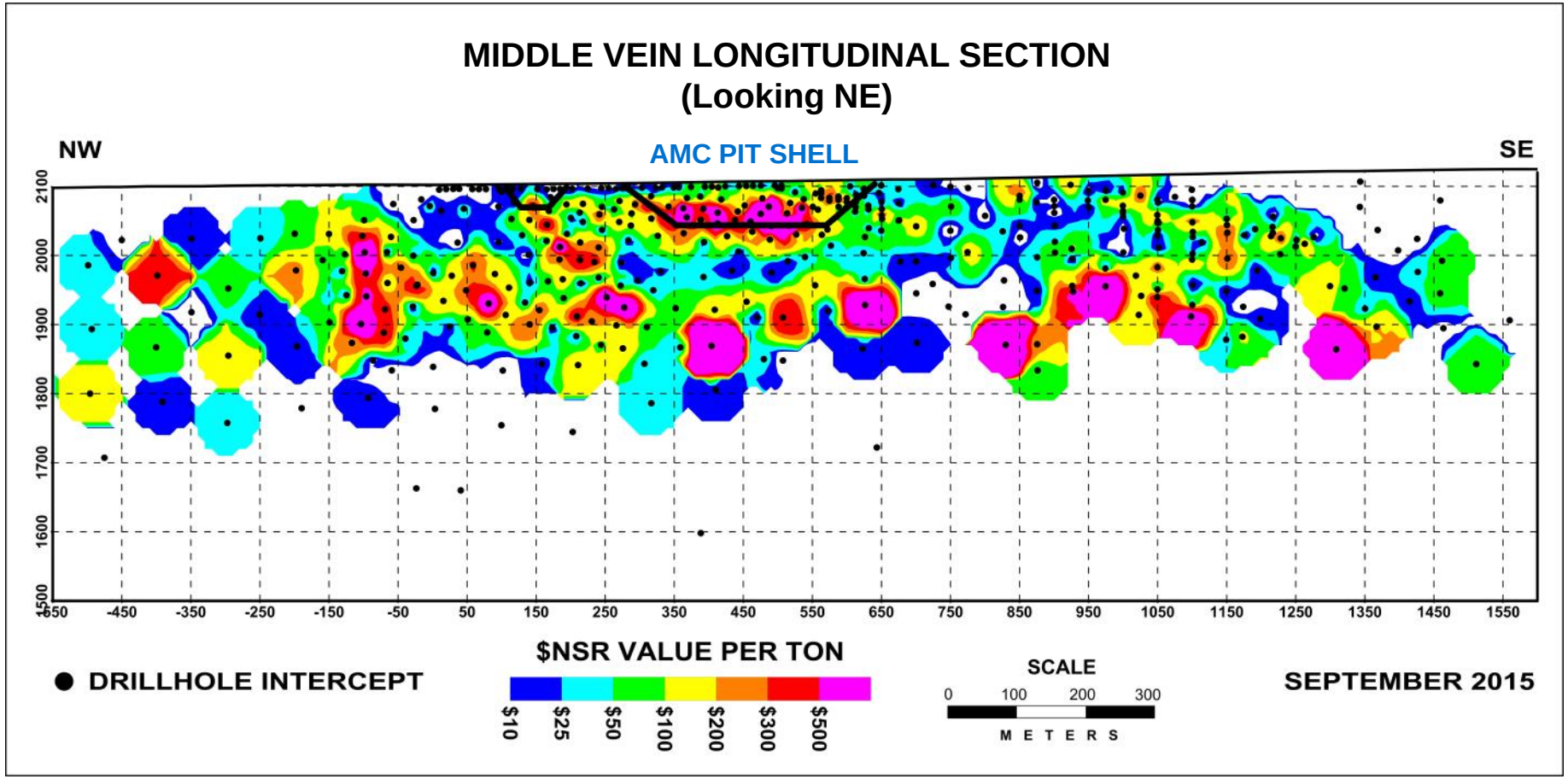


Upside Potential Beyond PEA

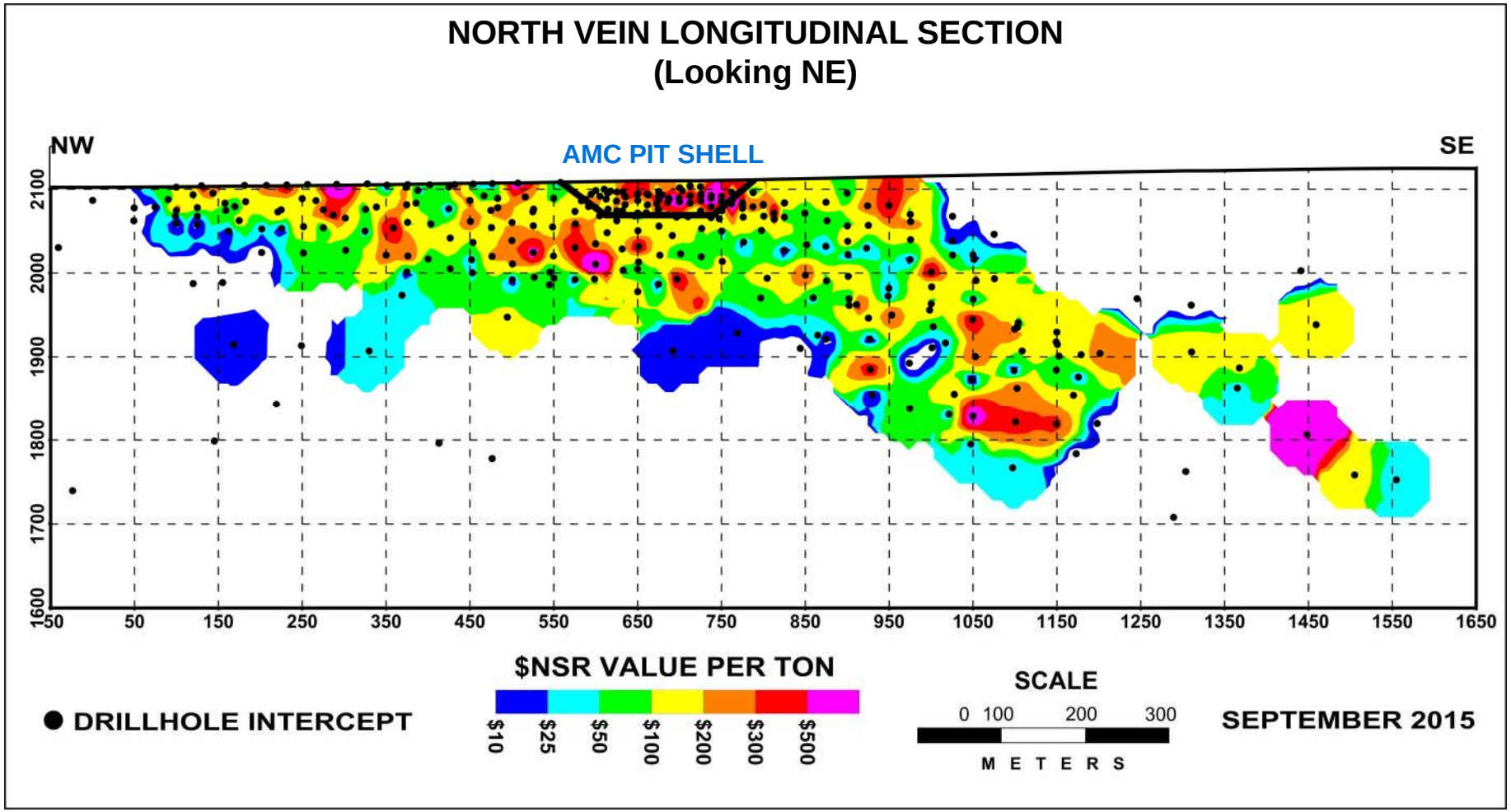
- 2015 exploration drilling continues to identify vein extensions
- 2015 in-fill drilling increasing some vein widths and grade
- Potential to secure additional third-party mill capacity
- Expect to increase resource at year end; potential to extend mine life
- Strong confidence that additional veins will be discovered
- Impact of stronger USD/weaker Peso
  - PEA rate of 12.5 Peso/USD vs 16.6 currently
- Underground mining potential
  - 320k tons @about 27 AgEq oz/ton identified
  - High grade intersections at depth
  - Some existing workings



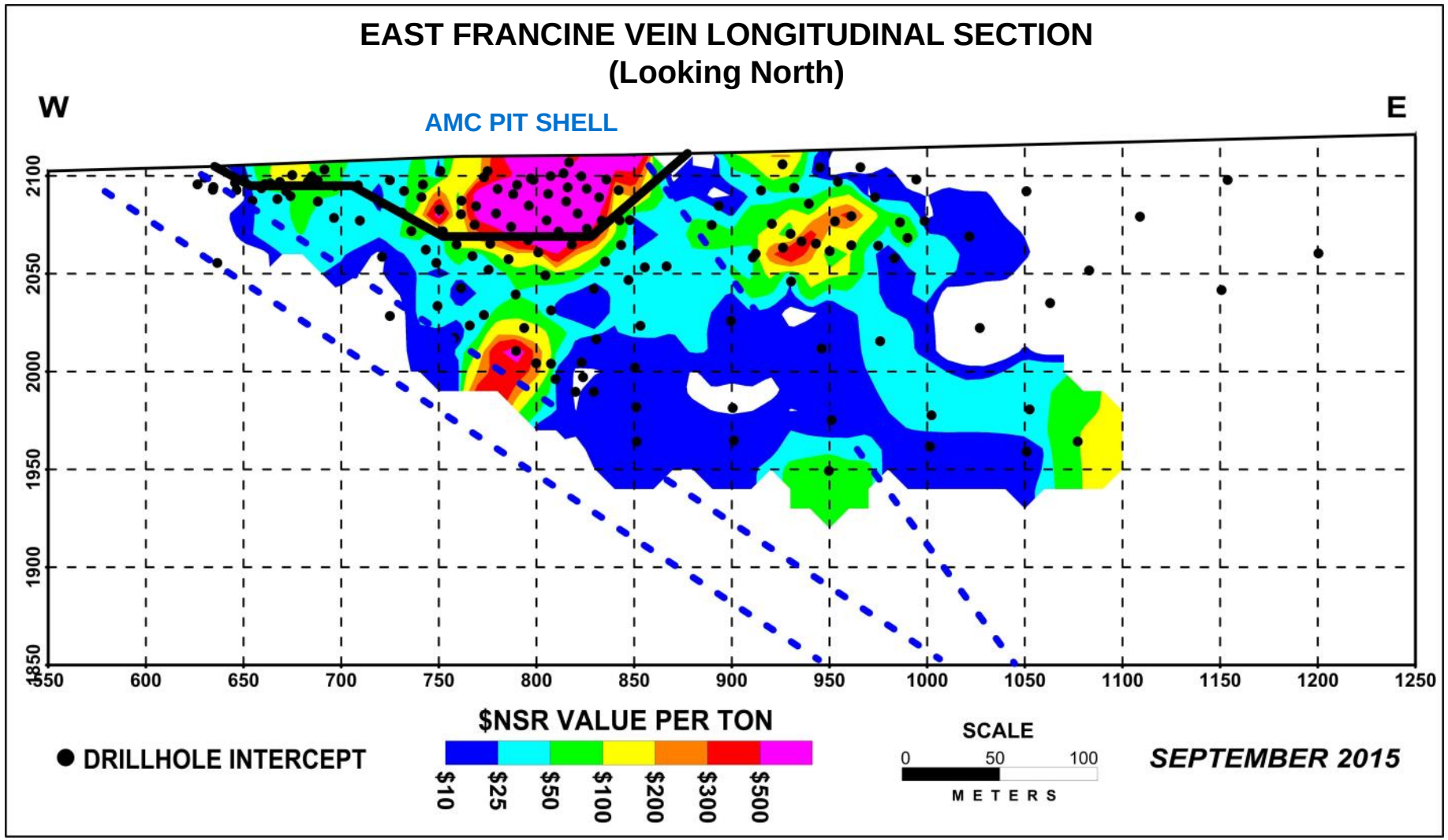
Upside at Middle Vein



Upside at North Vein



Upside at East Francine Vein



Thank you

Hecla Celebrates 50 Years on the NYSE – March 25, 2015

