March 2017

NYSE:HL

# Deutsche Bank Basic Materials 1x1 Day

## Our Strategy Has Worked



## Cautionary Statements

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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. Such forward-looking statements may include, without limitation: (i) estimates of future production and sales, including as a result of the #4 Shaft Project; (ii) estimates of future costs and cash cost, after by-product credits per ounce of silver/gold, including the expected cost of the #4 Shaft project; (iii) guidance for 2017 for silver and gold production, silver equivalent production, cash cost, after by-product credits, capital expenditures and pre-development and exploration expenditures (which assumes metal prices of gold at $1,150/oz., silver at $14.50/oz., zinc at $1.30/lb. and lead at $1.05/lb. and USD/CAD assumed to be $0.75, USD/MXN assumed to be $0.06); (iv) expectations regarding the development, growth and exploration potential of the Company's projects; (v) expectations of adding reserves and resources; (vi) expected level of hydroelectric usage at Greens Creek; (vii) the possibility of increasing production due to accessing higher grade material and surface pits at Casa Berardi; (viii) possible strike extensions of veins at San Sebastian and estimates of mining, grade, recovery, free cash flow, mine life, IRR, ability to reactivate existing mill permits, production of silver, gold and silver equivalent ounces, ability to extend mine life past 18 months; (ix) the ability to permit and bring Rock Creek into production in 10-15 years; (x) expectations of grade increases at depth at Lucky Friday and (xi) estimates or expectations of future events or results are based upon certain assumptions, which may prove to be incorrect. 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 Canadian dollar to the U.S. dollar, 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; and (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. Where the Company 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." Such risks include, but are not limited to gold, silver and other metals price volatility, operating risks, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, community relations, conflict resolution and outcome of projects or oppositions, litigation, political, regulatory, labor and environmental risks, and 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. For a more detailed discussion of such risks and other factors, see the Company's 2016 Form 10-K, filed on February 23, 2017 with the Securities and Exchange Commission (SEC), as well as 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-loo king statements" is at investors' own risk.

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

Dean McDonald, PhD. P.Geo., Senior Vice President - Exploration of Hecla Mining Company, who serves 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. 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 March 28, 2013, 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 March 31, 2014 (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 8k 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. Copies of these technical reports are available under Hecla's and Aurizon's profiles on SEDAR at www.sedar.com. The Casa Berardi Technical Report was reviewed by Dr. McDonald on behalf of Hecla. To the best of Hecla's knowledge, information and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources and mineral reserves for Casa Berardi in this document inaccurate or misleading.

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.

# Why Invest in Hecla?

*Consistent strategy creates value*

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### 1. N.A. Silver & Gold Exposure

- Silver reserves 172.3 Moz
- Gold reserves 2 Moz
- Significant zinc and lead exposure

### 2. Strong 2016; Better margins in 2017

- Record $646 M Revenue
- Record 46.1 Moz AgEq[1] Production
- All 4 mines performing strongly

*Metal price assumptions: Au $1,150/oz, Ag $14.50/oz, Zn $0.75/lb, Pb $0.80lb, USD/CAD assumed at $0.75, USD/MXN at $0.06

### 3. Operating & Financial Leverage

- **Flexibility**: High grade/low cash costs
- **Improving credit metrics:** $500 M HY (6.875%, 2021)
- **Financial discipline**: Did not write off assets or dilute shareholders to pay down debt

### 4. Low Cost, High Return Growth

- **San Sebastian** (+1000% IRR)*
- **Casa Berardi** (90% IRR)** EMCP pits in production
- **Lucky Friday** #4 Shaft operational

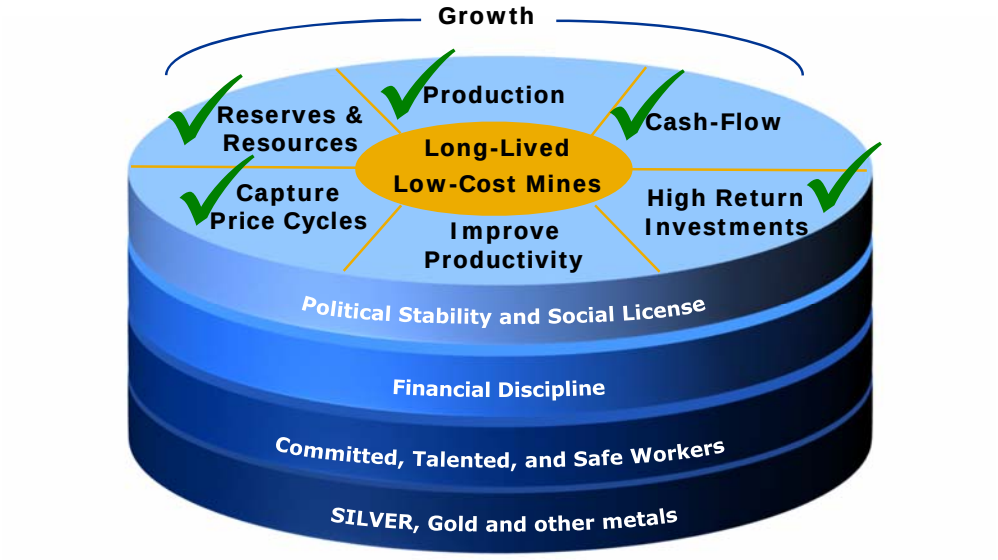
*At current prices
**Report prepared for the Company's use by Mine Development Association dated 06/26/15



# Strategy Created Per Share Value In 2016

*Execution was very strong and took advantage of rising prices*

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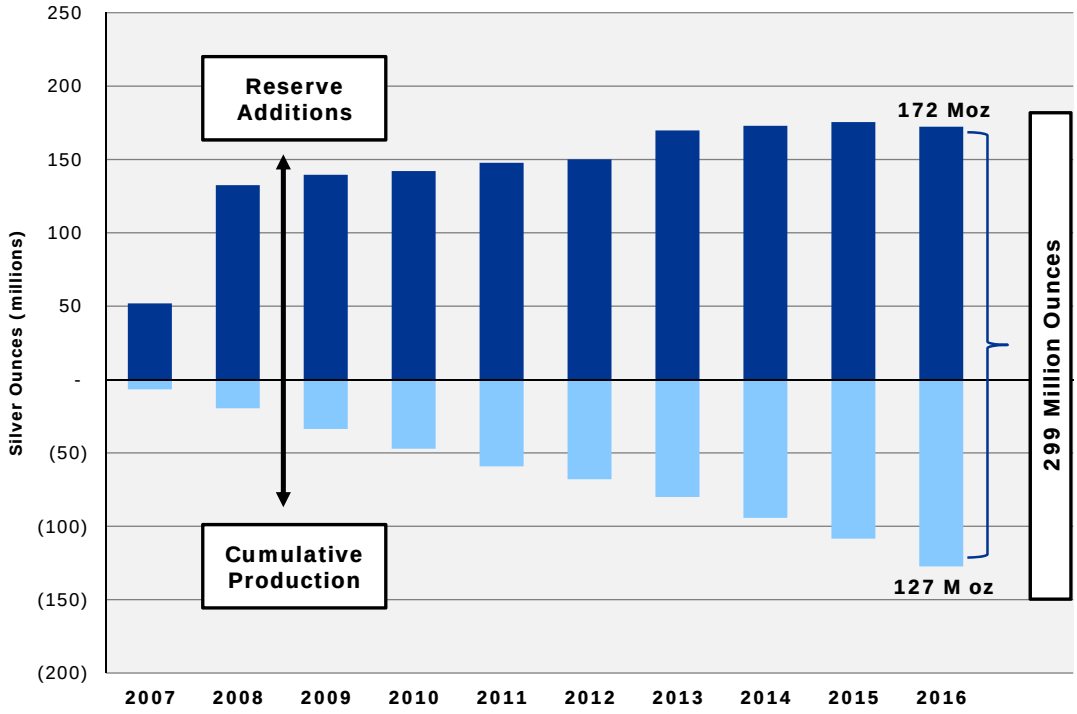



**LONG TERM GOALS: Investment Grade & S&P 500 Listing**

# Added 299 Moz of Reserves Over Past 10 Years

*Unchanged reserve despite replacing record production and lowest exploration budget since 2009*

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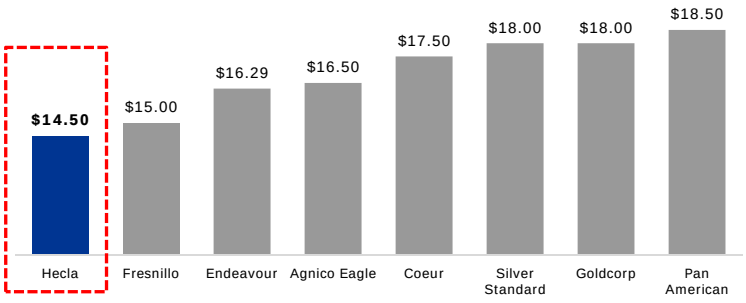




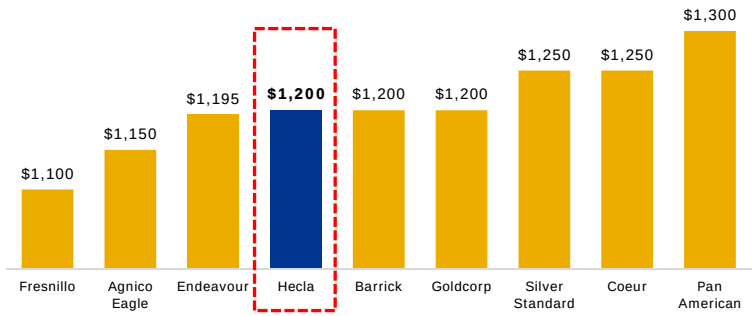

# Gold & Silver 2016 Reserve Prices

*Hecla's price assumption assures high margin ounces*

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| Year | HL Reserve Prices |
|---|---|
| 2012 | $26.50 |
| 2013 | $20.00 |
| 2014 | $17.25 |
| 2015 | $14.50 |
| 2016 | $14.50 |




| Year | HL Reserve Prices |
|---|---|
| 2012 | $1,400 |
| 2013 | $1,300 |
| 2014 | $1,225 |
| 2015 | $1,100 |
| 2016 | $1,200 |

Source: Public Disclosures

# Two Of The Ten Highest Grade Mines In The World

*Lucky Friday not far behind*

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MINING.com Vladimir Basov | Jan. 29, 2017, 3:47 PM

## These 10 mines have the world's most valuable ore

Top 10 mining operations handling most expensive tonnes of ore

| Operation | Country | Major Owner(s) | Metal | Ore reserves value, USD/t | Metals contribution to Ore value, % | Mining method |
|---|---|---|---|---|---|---|
| Cigar Lake | Canada | Cameco | U | 8,430 | U-100 | UG |
| McArthur River | Canada | Cameco | U | 5,523 | U-100 | UG |
| Fire Creek | USA | Klondex | Au, Ag | 1,638 | Au-98.9 Ag-1.1 | UG |
| Macassa (South Mine) | Canada | Kirkland Lake | Au | 883 | Au-100 | UG |
| Sudbury | Canada | KGHM | Cu, Au, Ni, PGM | 846 | Cu-54.8 Ni-18 Pd-14 Pt-8.4 Au-4.8 | UG |
| San Sebastian | Mexico | Hecla | Ag, Au, Pb, Zn | 817 | Au-35.9 Ag-64.1 | OP |
| Aviayakan | Russia | Polymetal | Au, Ag | 770 | Au-86.9 Ag-13.1 | OP |
| Toguraci | Indonesia | Newcrest | Au, Ag | 760 | Au-97.4 Ag-2.6 | UG |
| Tambomayo | Peru | Buenaventura | Au, Ag, Pb, Zn | 655 | Au-56.1 Ag-24.2 Pb-7.1 Zn-12.6 | UG |
| Greens Creek | USA | Hecla | Au, Ag, Pb, Zn | 646 | Au-18.6 Ag-35.9 Pb-10.8 Zn-34.7 | UG |

Source: IntelligenceMine

**6.** San Sebastian | Mexico | Hecla

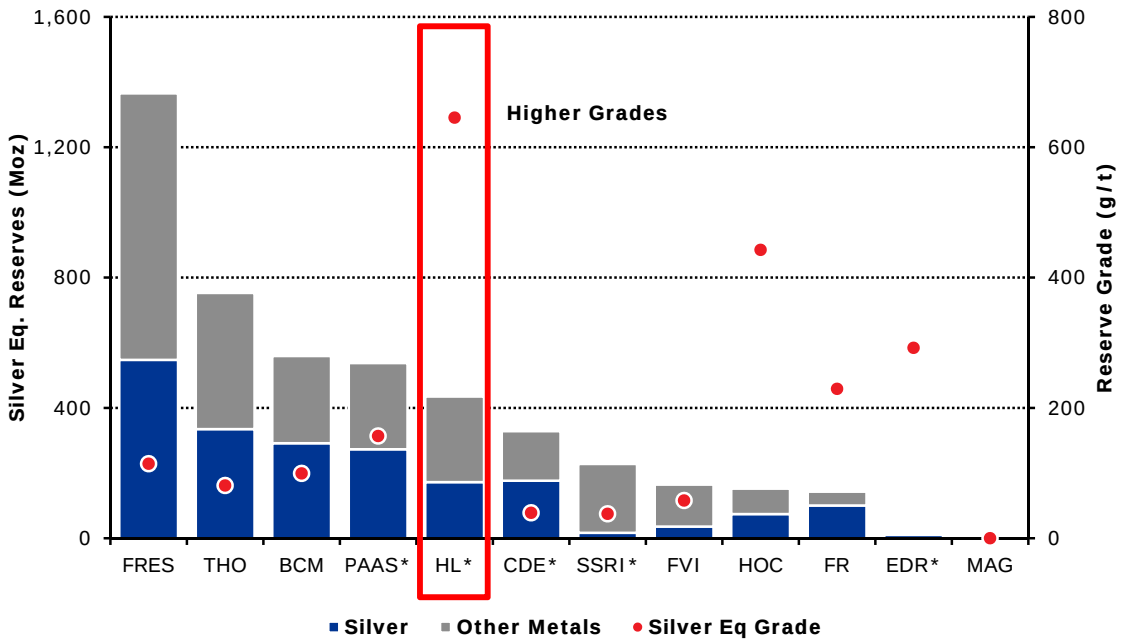
**10.** Greens Creek | USA | Hecla



# Higher Grade Mines Than Peers

*BMO silver coverage, silver equiv. reserves vs. grade*

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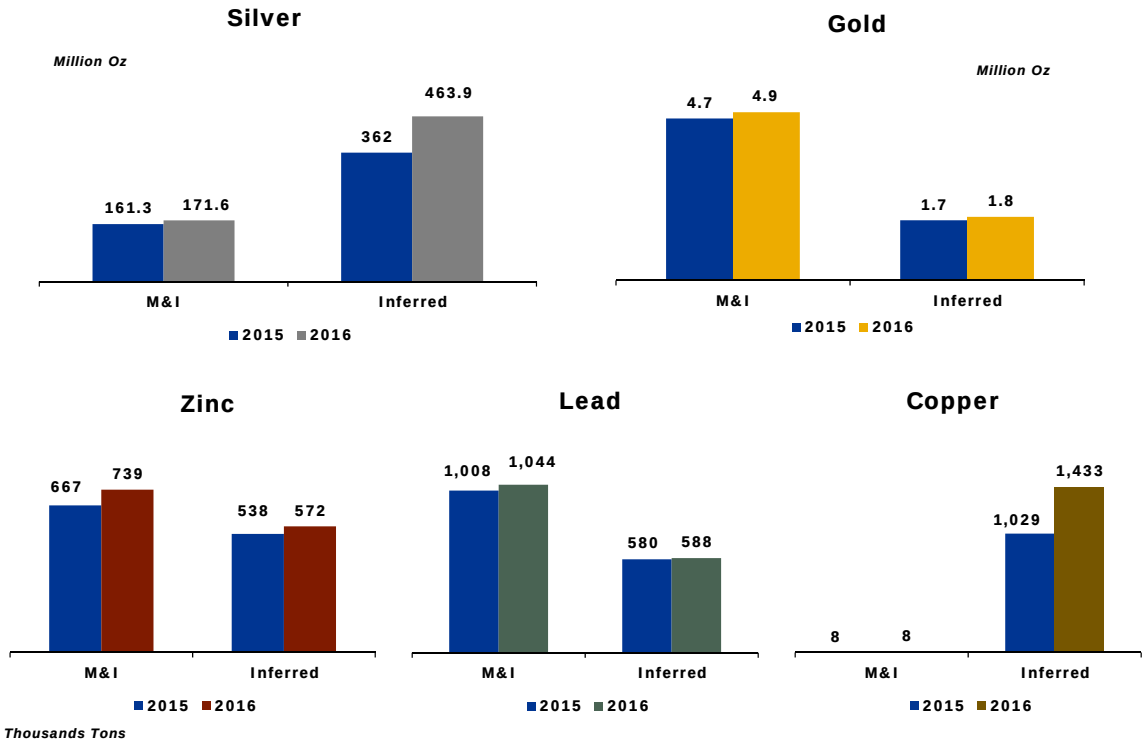

**Reserve and resource update released for 2016.*

Source: BMO Capital Markets

# Significant Resource Growth

*28% growth in inferred silver ounces positions Hecla for strong future reserve growth*

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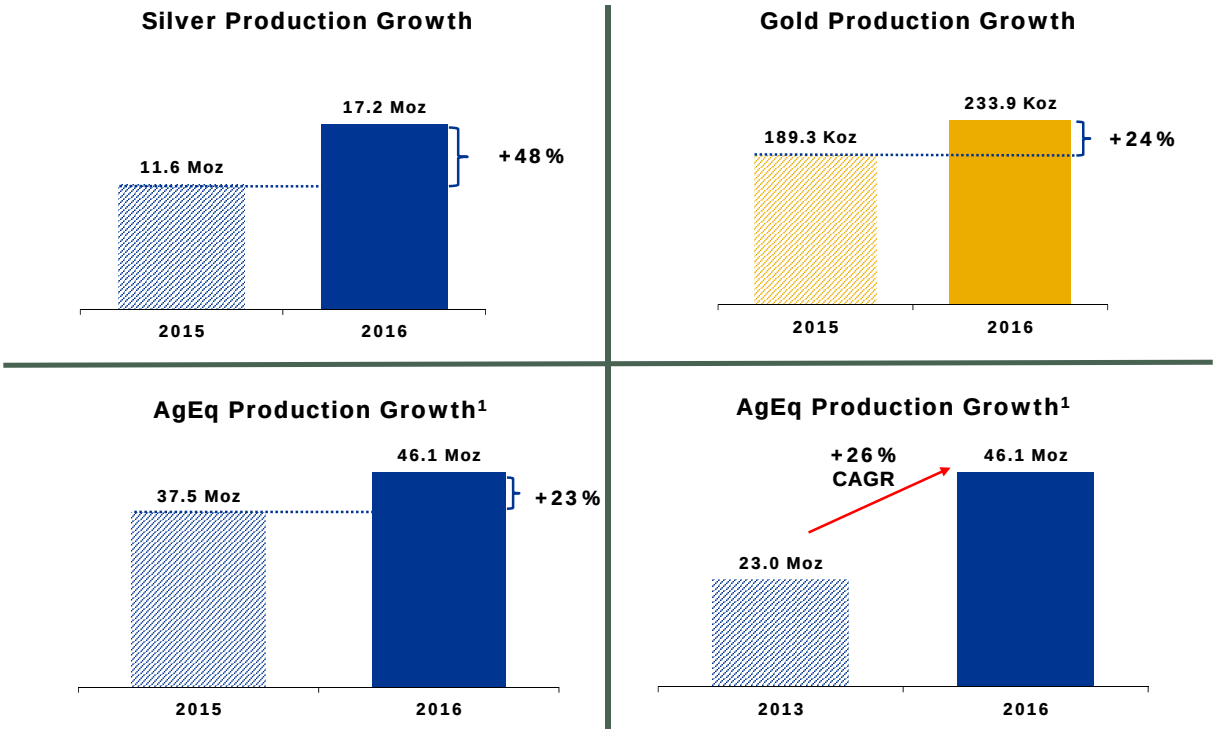





# Record Production is Organic

*Every mine contributes; high return investments*

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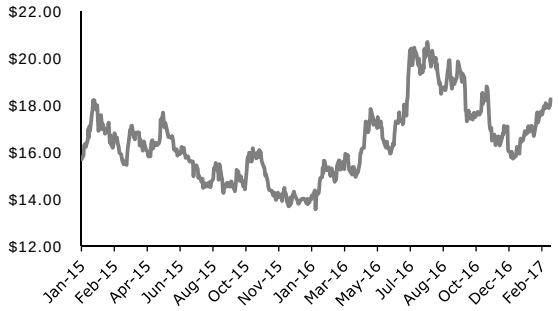


# Captured Higher Prices with Growing Production

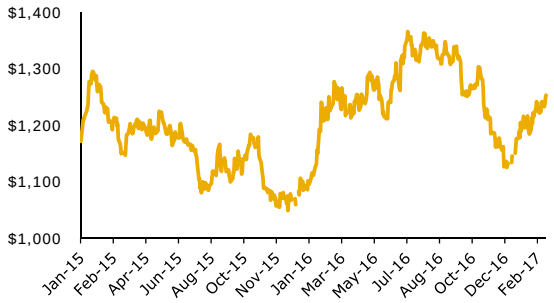
*Base metals in 2nd half of 2016 and possibly 2017*

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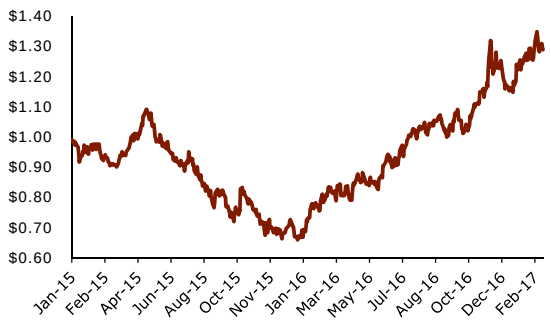
**Silver Price**



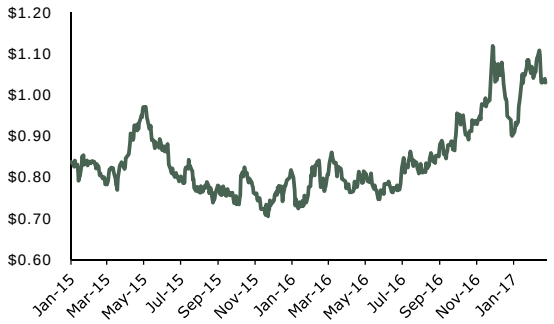

**Gold Price**




**Zinc Price**




**Lead Price**




Source: Bloomberg

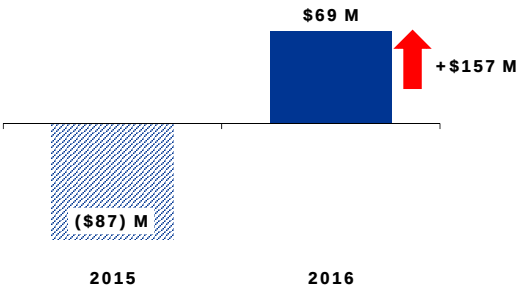


# Improving Financial Metrics

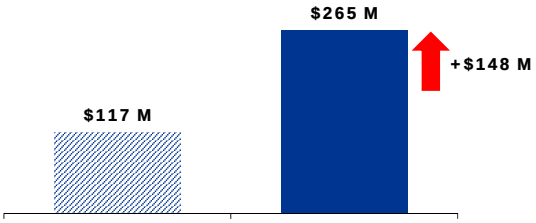
*Debt metrics improved organically*

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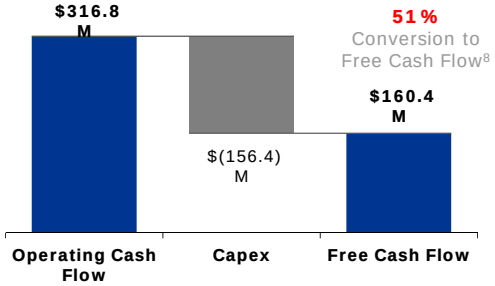
**Net Income**



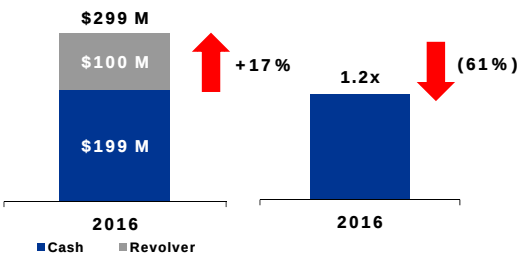

**Adjusted EBITDA[2]: A Record Year**




**2016 Mine Cash Flow Generation**




**Increasing Liquidity & Decreasing Debt Metrics**

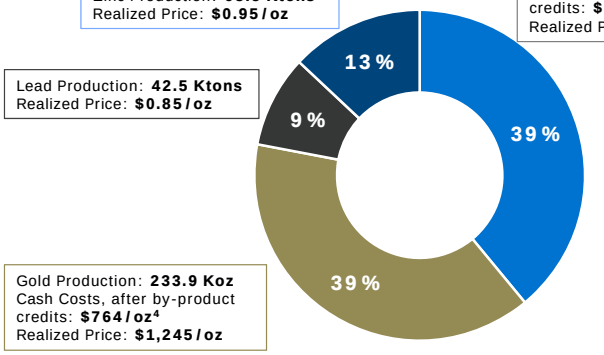


# Diversified Revenue Stream 2016

*Mitigates risk and enhances economics*

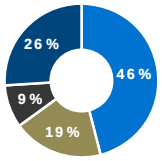
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## #1 Silver and #3 Lead and Zinc Producer in the U.S.

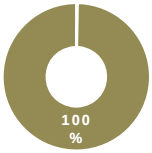



**2016 Margins**
Silver Margin: **$14.06/oz**
Gold Margin: **$481/oz**

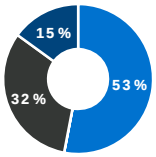
**Greens Creek**
**40%** of
Total Revenue



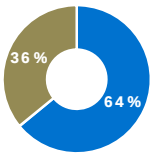

**Casa Berardi**
**27%** of
Total Revenue




**Lucky Friday**
**15%** of
Total Revenue




**San Sebastian**
**18%** of
Total Revenue



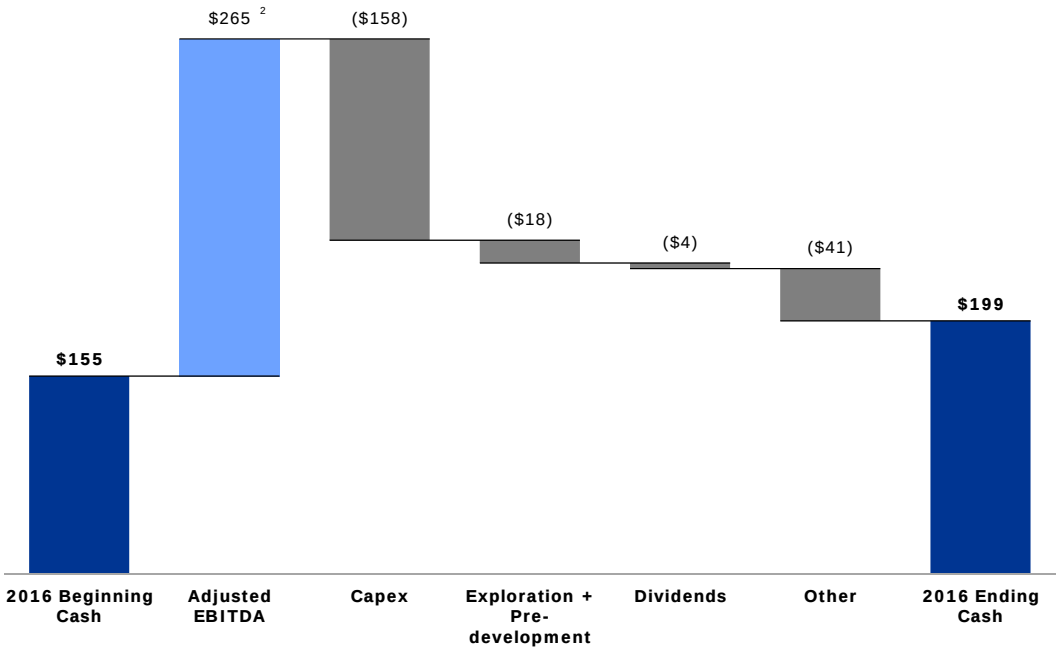



# 2016 Waterfall Chart

*Increasing cash balances*

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**Numbers in millions (USD)**



# Focused On Improving The Financial Position

*Brings lots of flexibility for the 2021 debt maturity*

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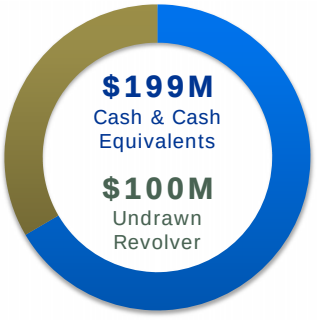
### Improving financial flexibility

- $299 M of liquidity at end of 2016
- $225M in 2016 operating cash flow
- $44M in 2016 free cash flow[8]

### Capital Discipline

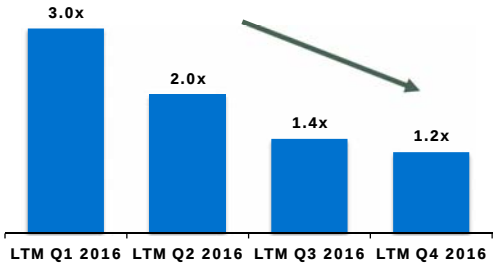
- Net Debt/LTM* Adj. EBITDA = 1.2x
- Lower cost of capital through improving credit metrics
  - Current Cost of Capital: 8.4%**
  - Desired State of Cost of Capital: 4.8% (Newmont***)

### $299 M Liquidity




### Net Debt/LMT Adj. EBITDA[3]

**61% decrease from Q1/16**




*LTM = last twelve months
**Source: Bloomberg. Assumes Cost of Equity: 9.3%, After-tax Cost of Debt 4.8%, Equity Weight: 78.9%, Debt Weight: 20.8%
***Source: Bloomberg. Assumes Cost of Equity: 5.5%. After-tax Cost of Debt 2.3%, Equity Weight: 78.8%, Debt Weight: 21.2%

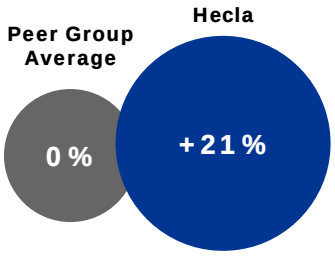


# Strategy Has Grown Per Share Metrics

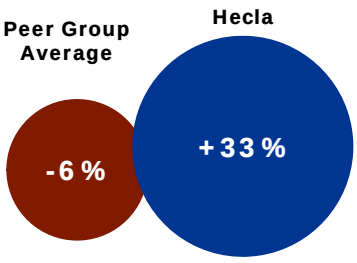
*Strong operations combined with disciplined share issuance*

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### Silver Equivalent Production Per Share 2012-2016 CAGR



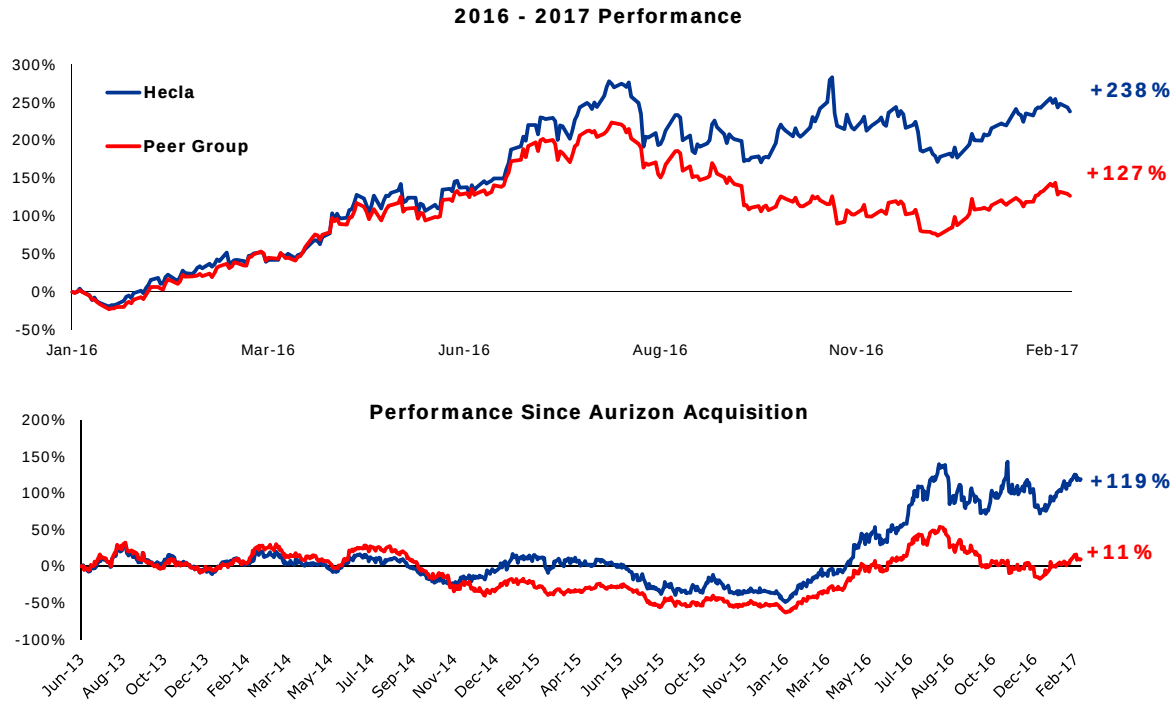

### Operating Cash Flow Per Share 2012-2016 CAGR



# Share Price Reflects Successful Execution of the Strategy

*Our strategy remains consistent: And it works!*

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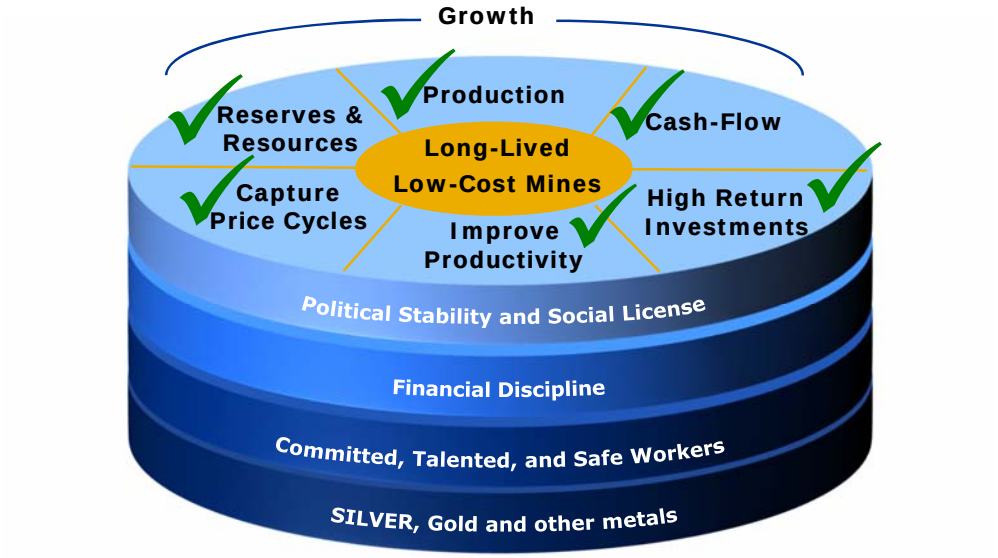

Peers Include: Silver Standard, First Majestic, Coeur Mining, Pan American Silver and Tahoe; January 4, 2016 – February 14, 2017; June 28, 2013 – February 14, 2017



# Continuing To Execute The Strategy

*Expect good per share results*

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**LONG TERM GOALS: Investment Grade & S&P 500 Listing**

# North American Focused Asset Portfolio

*Operations in low-risk & mining-friendly jurisdictions*

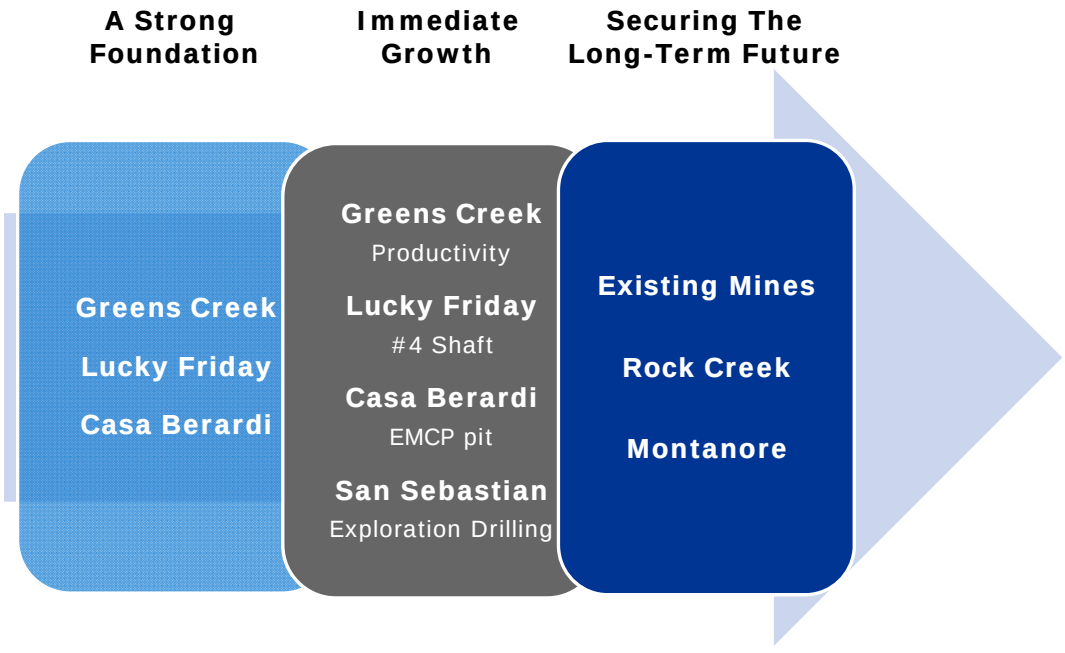
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# A Roadmap for Further Value and Growth Creation

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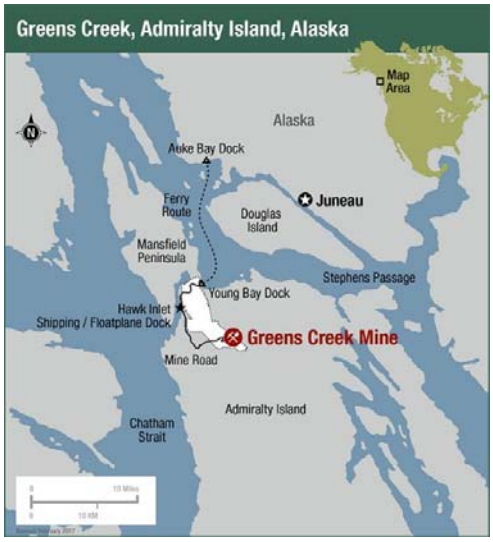


# Greens Creek

*Consistent low-cost production in a wilderness area / National Monument*

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| | Q4 2016 | 2016 | 2017E |
|---|---|---|---|
| **Silver Production (Moz)** | 2.2 | 9.3 | 7.4 - 8.0 |
| **Gold Production (koz)** | 14 | 54 | 54 – 60 |
| **Cost of Sales** | $44.3 M | $191.3 M | $228 M |
| **Cash cost, after by-product credits, per silver oz[4]** | $1.19/oz | $3.84/oz | $2.50/oz |
| **All in Sustaining Cash Costs (AISC), after by-product Credits[5]** | $7.03/oz | $9.42/oz | $9.50/oz |

| | |
|---|---|
| **2017E Sustaining Capital** | $45.5 M |
| **FCF 2016[8]** | $85.1 million |
| **FCF To Date** | $1 billion |



# Innovation at Work

*$200k investment in the teleremote LHD for 2% more tons*

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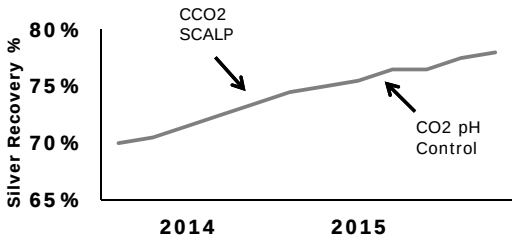




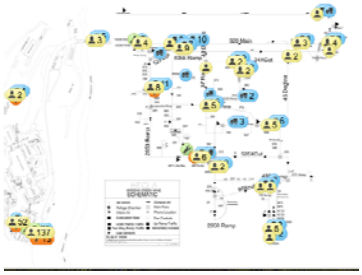
# Continuing To Increase Recoveries & Productivity

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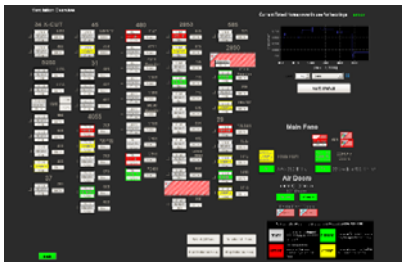
**Average Recoveries Have Increased 7% Adding $100 M Value, Multiple Projects In Process**



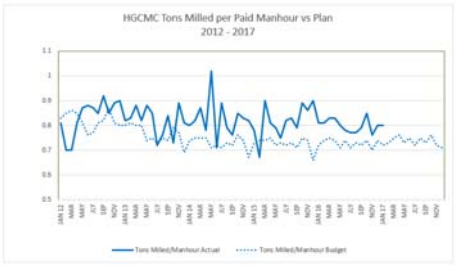

**Improving Mining Based On Data**



**Ventilation on Demand Will Be Fully Functioning in 2017**



**Focus On Productivity Of Our Labor**

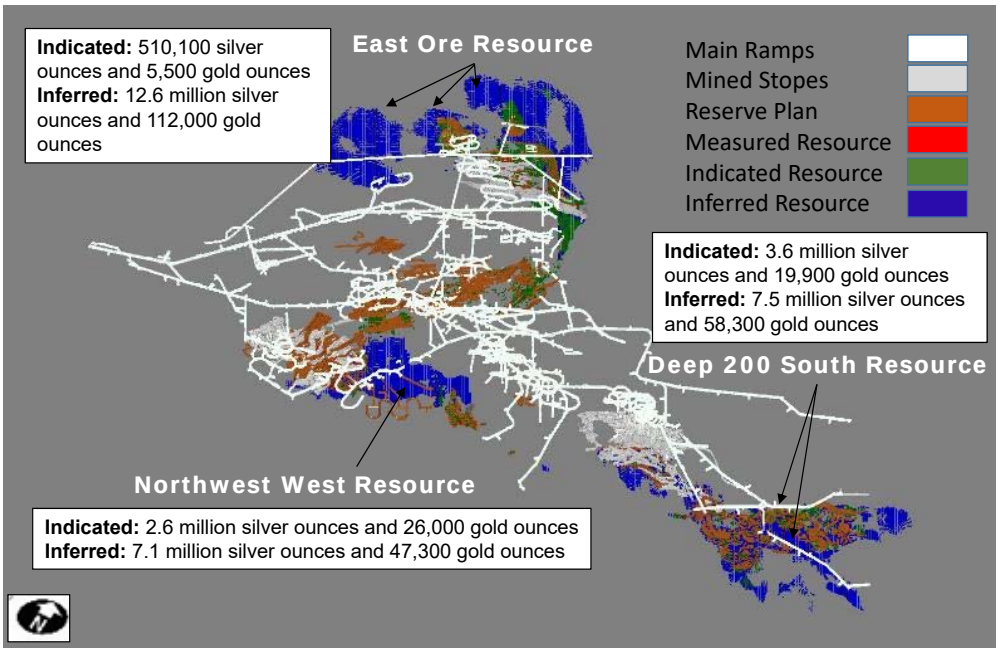





# Resource Conversion to Reserves

*80% historic resource conversion rate to reserves*

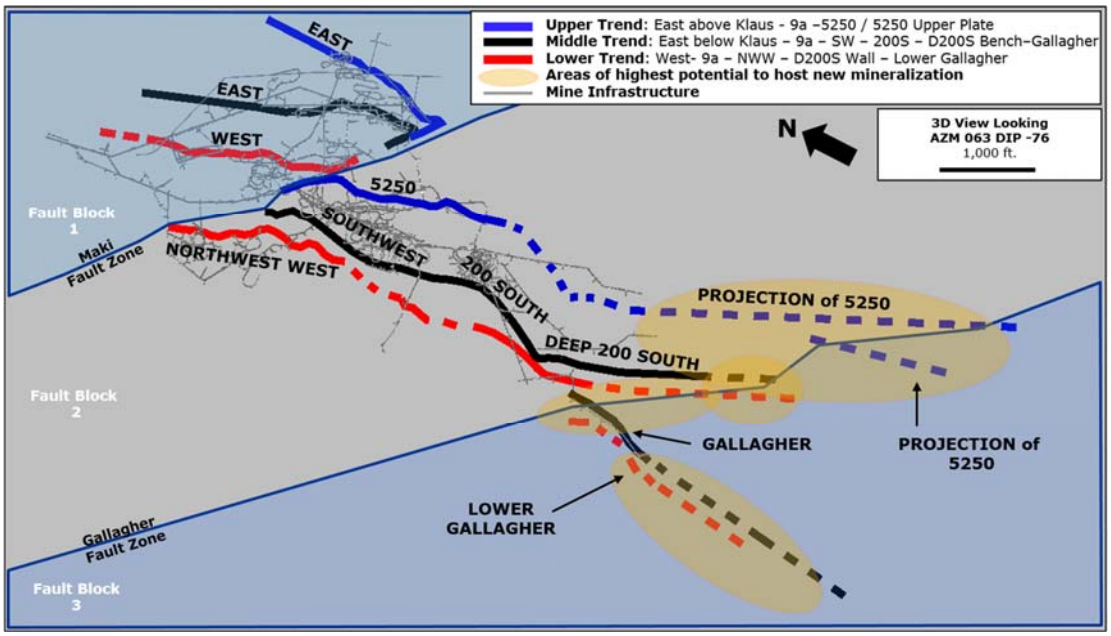
NYSE:HL



# Three Trends In Three Fault Blocks

*Targets up and down plunge and in the 3rd fault block*

NYSE:HL

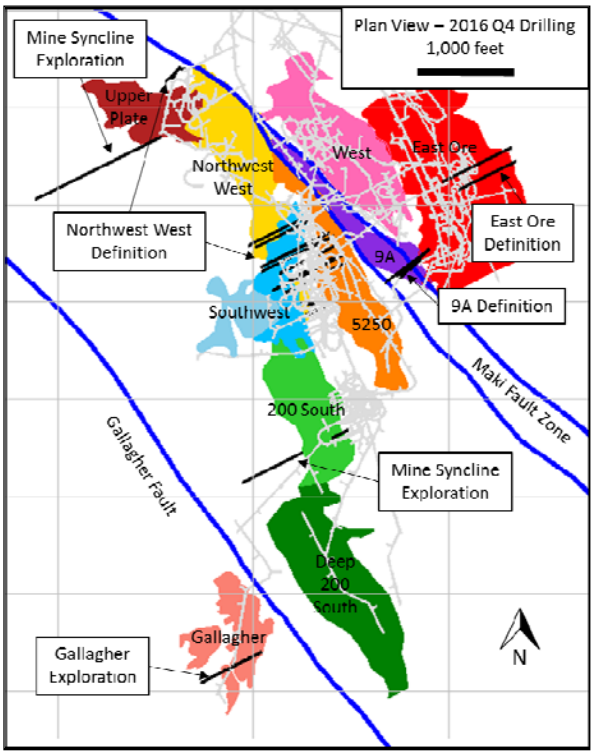





# Still Finding New Target Areas

*Mine syncline has potential for a large area from Northwest to 200 South*

NYSE:HL

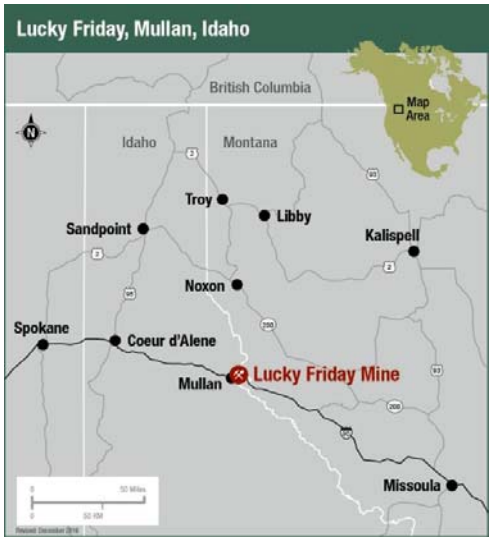


# Lucky Friday

*Positioned for growth and longevity*

NYSE:HL






| | Q4 2016 | 2016 | 2017E |
|---|---|---|---|
| **Silver Production (Moz)** | 874 koz | 3.6 | 3.6 - 4.1 |
| **Cost of Sales** | $19.5 M | $76.2 M | $94 M |
| **Cash cost, after by-product credits, per silver oz[4]** | $7.50/oz | $8.89/oz | $6.00/oz |
| **All In Sustaining Cash Costs (AISC), after by-product credits[5]** | $18.51/oz | $20.66/oz | $12.50/oz |

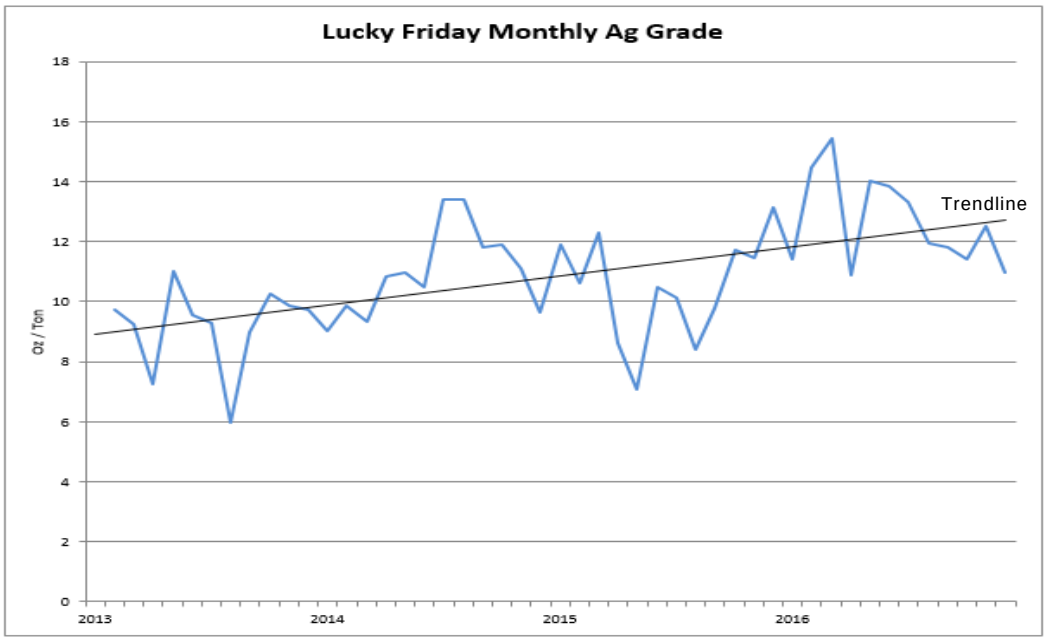
| | |
|---|---|
| **2017E Sustaining Capital** | $23 M |
| **2P Reserves** | 77.8 Moz silver @ 16.1 oz/t Ag |
| **M+I Resources** | 133 Moz silver @ 6.2 oz/t Ag |



# Lucky Friday Grade Improving With Depth

*Trend expected to continue in the future*

NYSE:HL

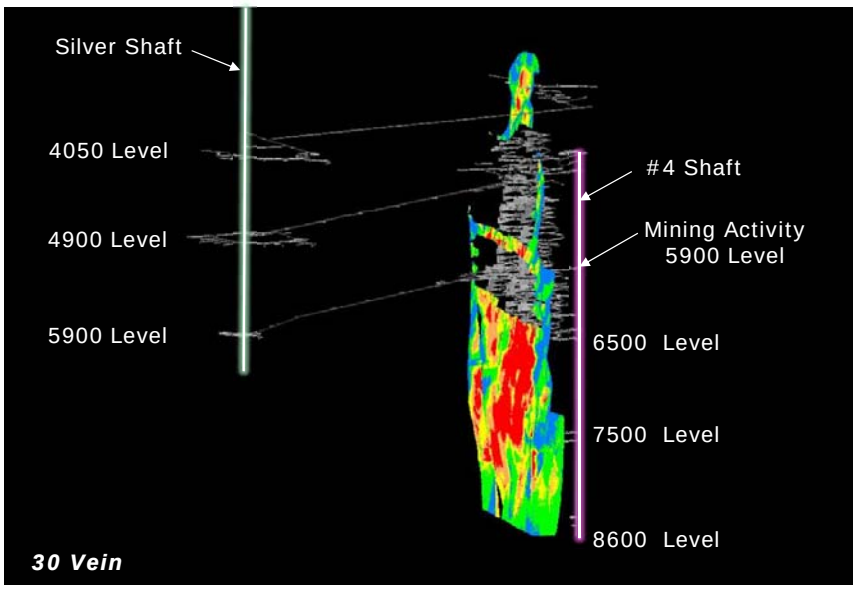


# #4 Shaft

*Increasing grade with depth*

NYSE:HL

- Shaft is now operational
- Production growth expected from higher-grade ore at depth




ORE GRADE VALUES
*AgEq Grade (opt)

- > 24
- 18 - 24
- 12 - 18
- 6 - 12
- < 6

*Dec. 31, 2015*

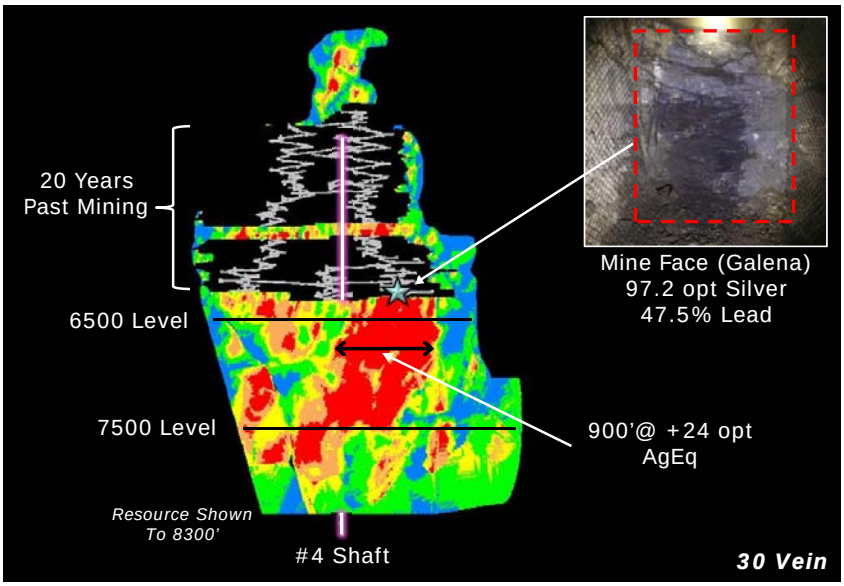
*Ag Equivalent Values Based Upon: Resource Prices $20.00/oz Ag, $0.90/lb Pb, $0.90/lb Zn



# #4 Shaft

*Gives access to the expanding high-grade zone at Lucky Friday*

NYSE:HL




ORE GRADE VALUES
*AgEq Grade (opt)

- > 24
- 18 - 24
- 12 - 18
- 6 - 12
- < 6

*Dec. 31, 2015*

*Ag Equivalent Values Based Upon: Resource Prices $20.00/oz Ag, $0.90/lb Pb, $0.90/lb Zn

# #4 Shaft

*Now operational*

NYSE:HL







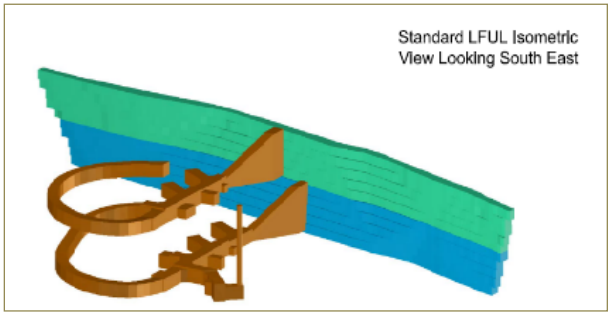

# Lucky Friday - New Mining Technique

*Increase cash flows, lower development*

NYSE:HL

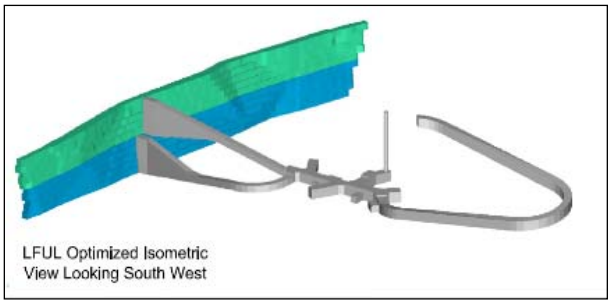
**Standard LFUL:**

- Current approach
- 5 cuts per ramp




**Optimized LFUL:**

- New approach
- 10 cuts per ramp
- Lower development expenditure
- Stopes turn around faster



# Lucky Friday: Testing Battery Powered LHD

*Technology could reduce ventilation needs vs diesel*

NYSE:HL









# Casa Berardi

*Making a good mine great*

NYSE:HL



| | Q4 2016 | 2016 | 2017E |
|---|---|---|---|
| **Gold Production (koz)** | 42 | 146 | 150 – 165 |
| **Cost of Sales** | $49.1 M | $155.7 M | $170 M |
| **Cash cost, after by-product credits, per gold oz[4]** | $800/oz | $764/oz | $800/oz |
| **All In Sustaining Cash Costs (AISC), after by-product credits[5]** | $1,247/oz | $1,244/oz | $1,150/oz |

| | |
|---|---|
| **2017E Sustaining Capital** | $50 M |
| **2P Reserves** | 1.3 Moz gold @ 0.13 oz/t gold |
| **M+I Resources** | 1.5 Moz gold @ 0.11 oz/t gold |

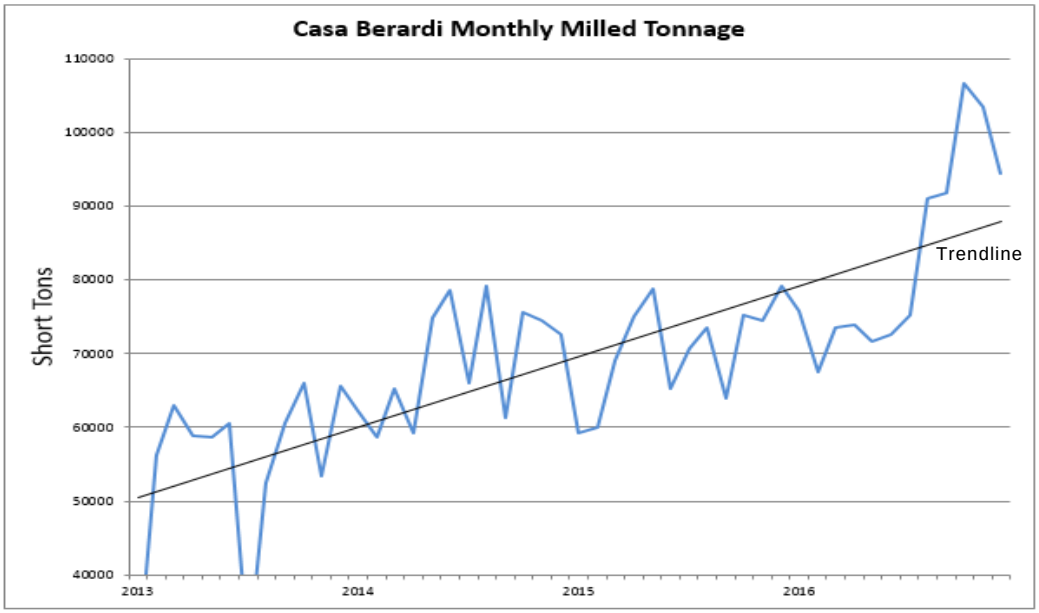



| | Underground | Open Pit |
|---|---|---|
| **Tons Milled** | 850,688 | 146,900 |
| **Gold Grade (oz/t)** | 0.18 | 0.07 |
| **Gold Production** | 137.5 koz | 8.5 koz |

# Casa Berardi

*Increased throughput*

NYSE:HL



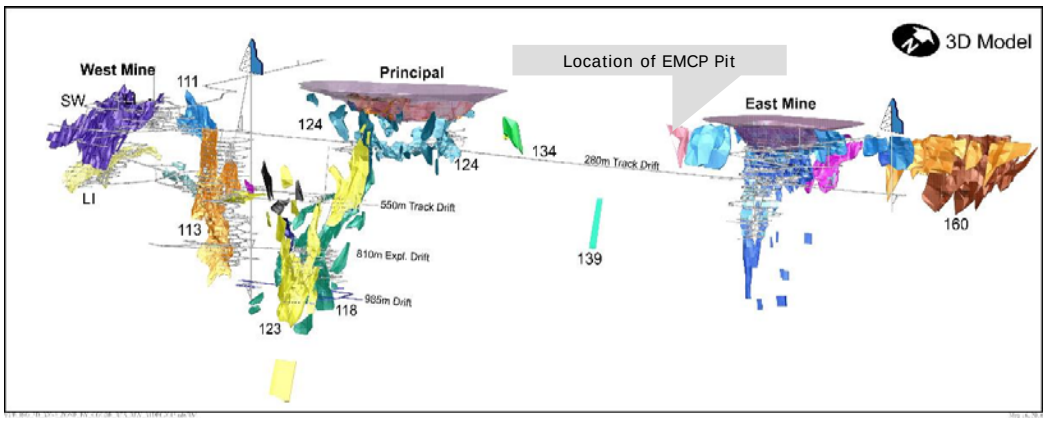



# EMCP Pit is Transforming Casa Berardi

*Creating value*

NYSE:HL

- **Optimizing the mill**: **~2,300** tpd (2015A) to ~**3,400** tpd (2017E), adds **5,000** Au oz (2016E) and **30,000** Au oz (2017E)
- **Increasing operating flexibility:** More consistent operations
- **Strong Returns**: IRR of **90%**[1]



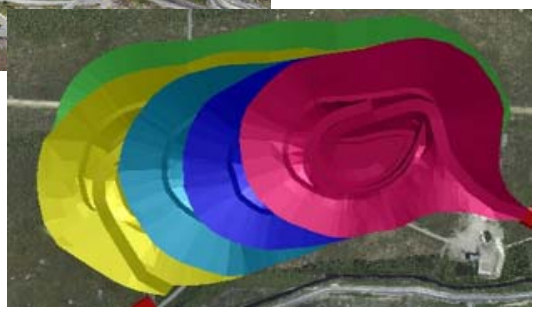

Report prepared for the Company's use by Mine Development Association dated 06/26/15.

# Multiple Stage Pits Move Cash Flow Forward

*New permit increases throughput*

NYSE:HL





**Previous Permit:**

- 1,100,000 tonnes per year (1,213,000 tons)

**New Permit:**

- 1,250,000 tonnes per year (1,378,000 tons)



# Investing in Productivity Improvements

NYSE:HL

**Automated Shaft and Rock Breakers**

- $200K investment
- Internally sourced
- Increases efficiency



**Jumbo/Stope Drill Automation: Drilling During Shift Change**

- Adds 15M/day
- Increased drilling accuracy
- 2 automated drills in operation
- 1 stope drill



**Trailer Cage Doubles Number of Crew per Hoist**

- Attaches under conveyance
- Can transport twice as many crew per skip



**Automated Haulage 985 Project**

- Lower op cost
- Lower capital (fewer trucks)
- Increases efficiency

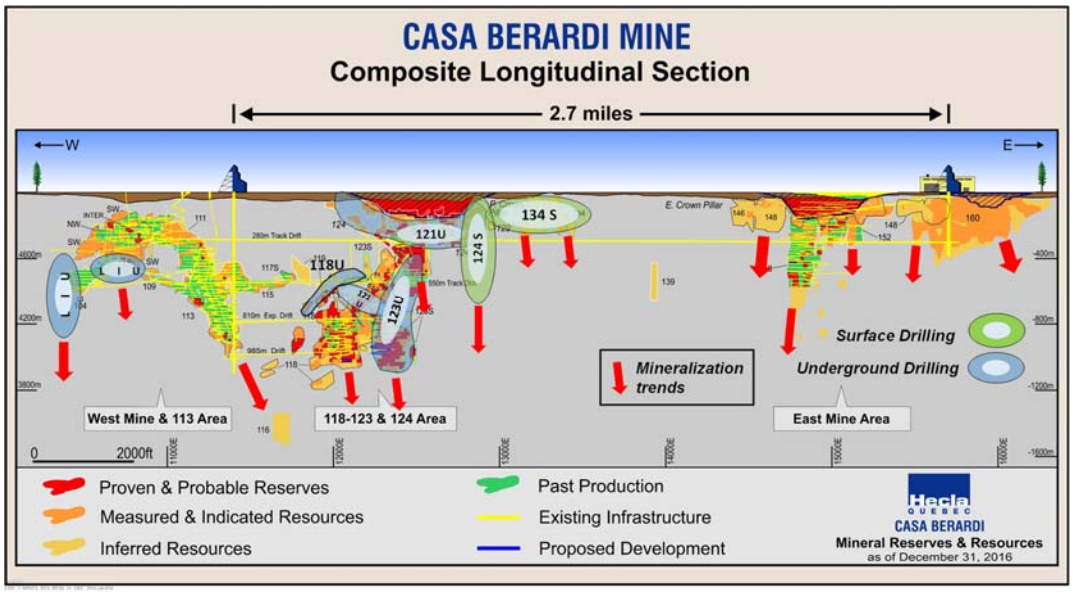


The system at Barrick's Williams Mine

# Twelve Drills For Surface and Underground Targets

*$5 Million of exploration planned in 2017*

NYSE:HL

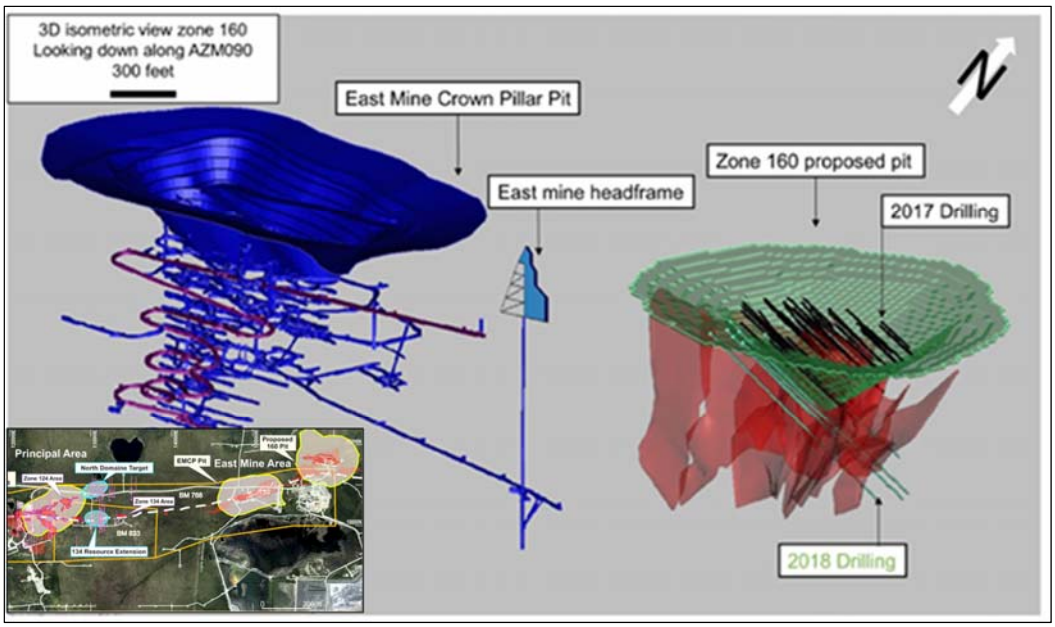





# Casa Berardi

*An example of the long-term potential of Casa*

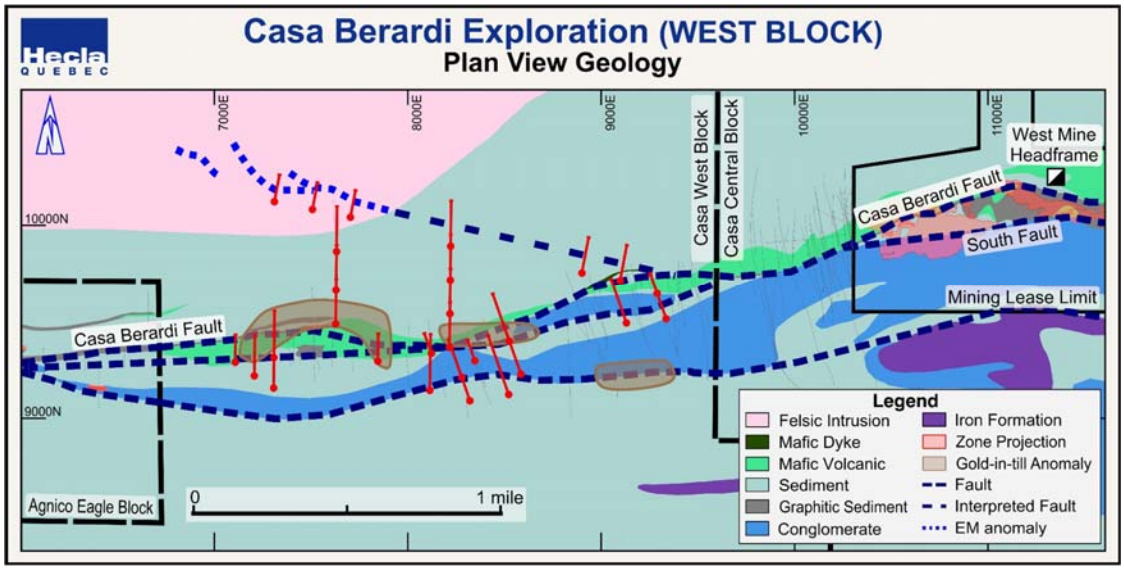
NYSE:HL



# Casa Berardi

*Drilling the west extensions of the Casa Berardi fault and splays*

NYSE:HL



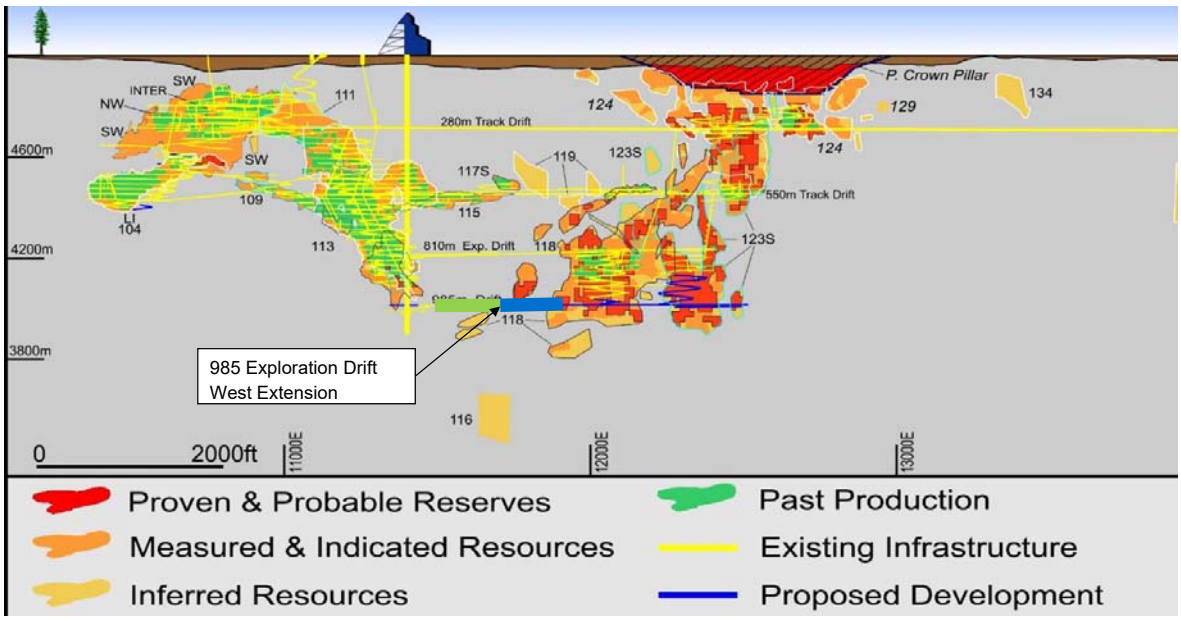



# 985 Automation Will Happen in 2017

*Two 40 tonne Sandvik trucks should save $5M, lessons for other operations*

NYSE:HL

- 123 & 118 Lower

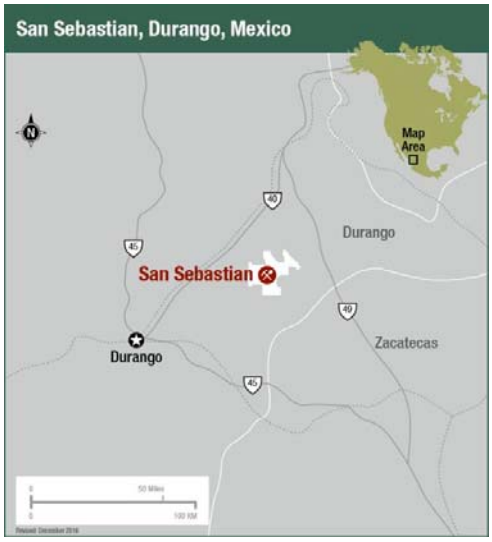


# San Sebastian

*Just-in-time mining; looking to make it a long-term mine*

NYSE:HL






| | Q4 2016 | 2016 | 2017E |
|---|---|---|---|
| **Silver Production (Moz)** | 860 koz | 4.3 | 3.0 – 3.4 |
| **Gold Production (koz)** | 7 | 34 | 21 – 25 |
| **Cost of Sales** | $7.8 M | $31.2 M | $36 M |
| **Cash cost, after by-product credits, per silver oz[4]** | $(3.13)/oz | $(3.35)/oz | $0.00/oz |
| **All In Sustaining Cash Costs (AISC), after by-product credits[5]** | $(0.66)/oz | $(1.99)/oz | $2.00/oz |

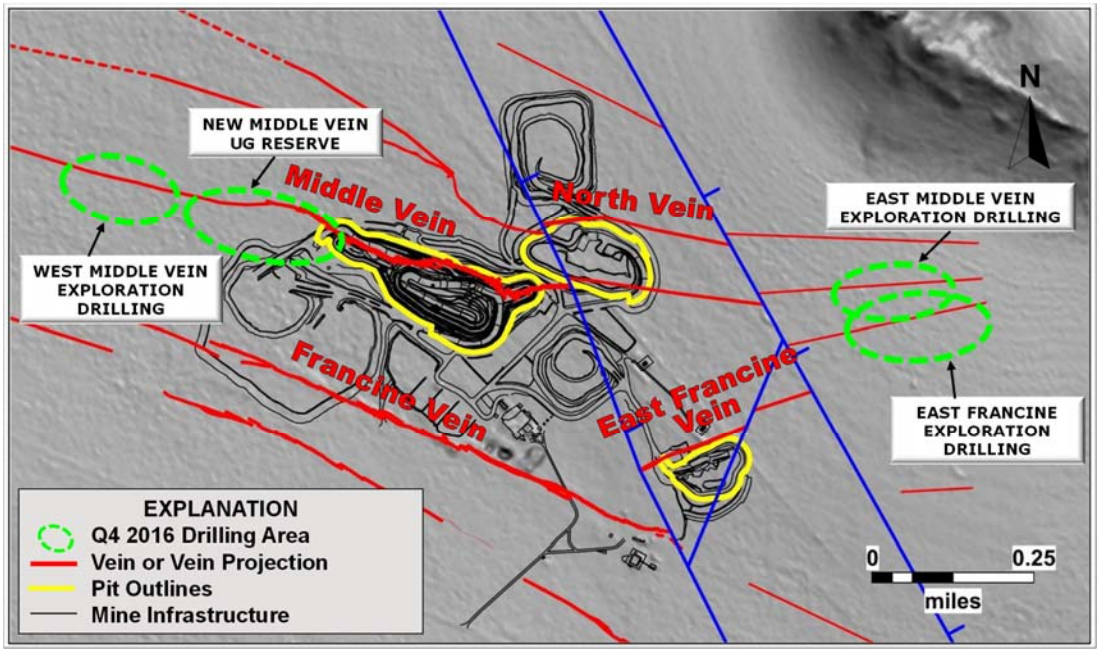
| | |
|---|---|
| **2017E Sustaining Capital** | $1.5 M |
| **2P Reserves** | 5.6 Moz silver @ 17.2 oz/t Ag |
| **M+I Resources** | 8.3 Moz silver @ 5.4 oz/t Ag |



# San Sebastian

*Current open pits and mine life extensions*

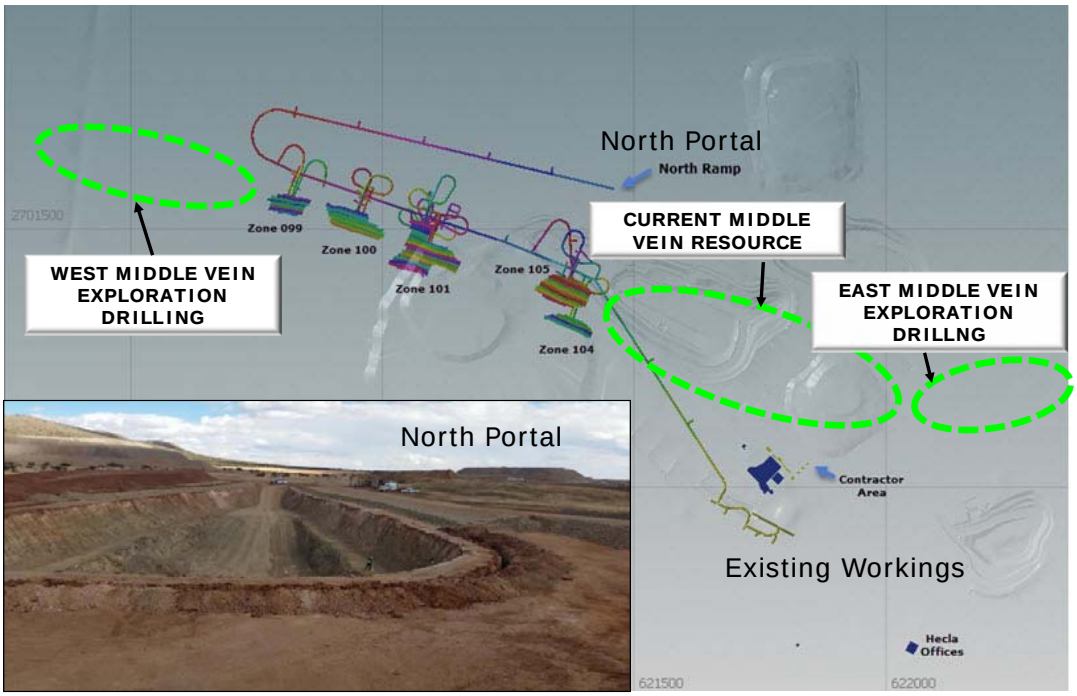
NYSE:HL



# 2018 Underground Design and Exploration

*Location of mineral resource and exploration areas*

NYSE:HL

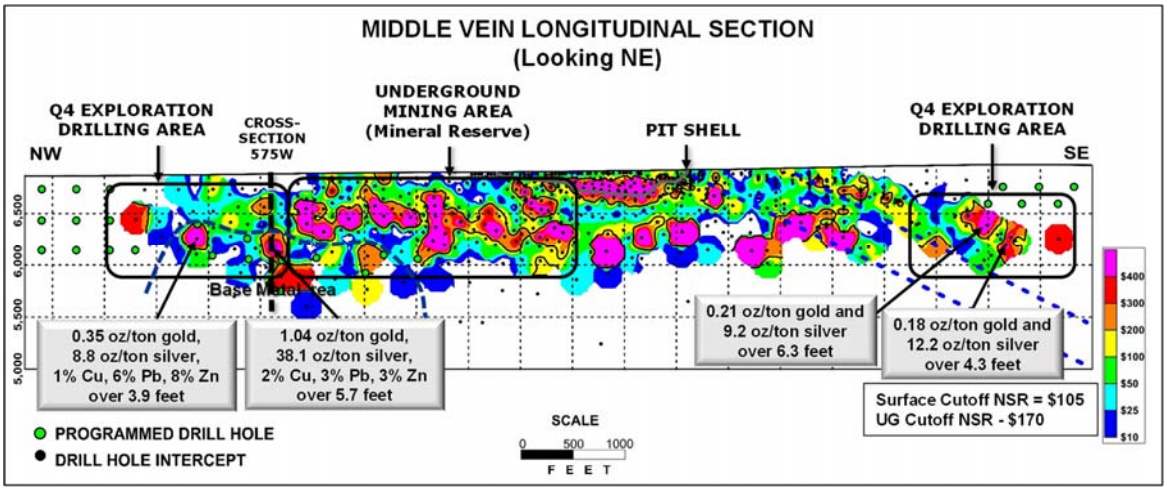





# San Sebastian

*Middle vein - new reserve and exploration extensions*

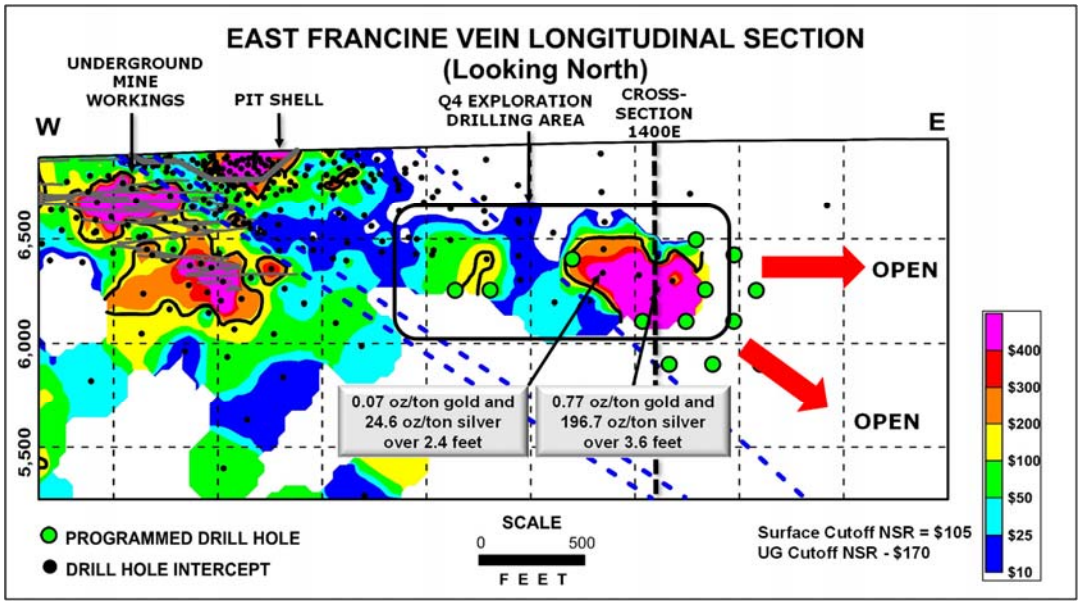
NYSE:HL



# San Sebastian

*New discovery at east extension of Francine vein*

NYSE:HL



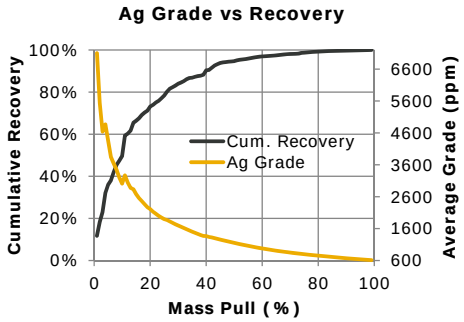


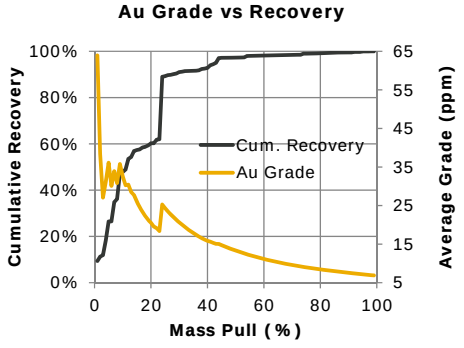

# How Else Does San Sebastian Become Sustainable?

*Ore sorting is a potential way of upgrading the ore*

NYSE:HL

- Initial results indicate a reduction of mass by 60% while maintaining 90% of the silver and 93% of the gold values
- Approximately 10% of the ore is minus 1 inch and will not be sorted
- Could make 40% of the current resource economic



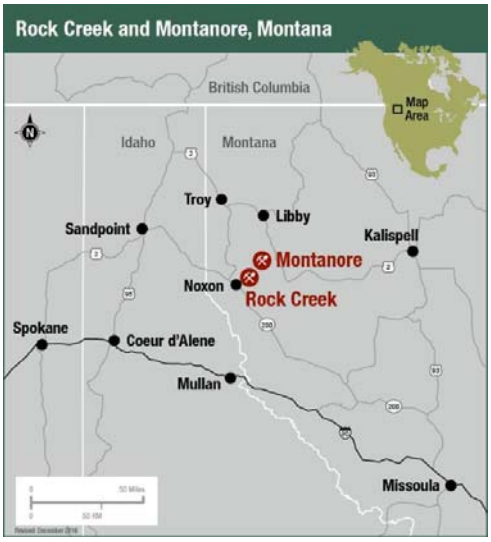



# Rock Creek & Montanore

*Securing Hecla's long-term future*

NYSE:HL






| | 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* |
| **Well located:** | 50 miles from Lucky Friday | |
| **Large land position:** | Good exploration potential | |

* Record of Decision



# Rock Creek & Montanore Silver Resources

*Larger than Hecla's silver reserves*

NYSE:HL

| Total Hecla | Rock Creek | Montanore |
|---|---|---|
| (proven & probable) | (inferred resource) | (inferred resource) |
| 172.3 million oz. Silver | 148.1 million oz. Silver | 183.4 million oz. Silver |
| | 1.3 billion lbs. Copper | 1.5 billion lbs. Copper |

# Interior Secretary Has Unique Experience

*Former Montana Congressman, geologist, knows the project*

NYSE:HL

### Ryan Zinke

- US Representative for Montana since 2015 (former state Senator)
- Geologist from Whitefish, Montana
- Has visited our sites
- Strong supporter of economic development in NW Montana
- Oversees US Fish and Wildlife Service; key agency involved in permitting these projects
- Oversees Bureau of Land Management; controls the US mineral estates





# Rock Creek & Montanore:

*2017 activities focused on advancing permitting*

NYSE:HL

### Rock Creek

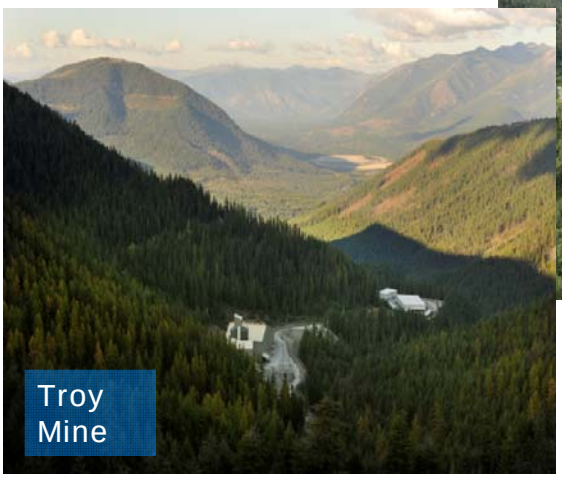
- Project Schedule
- Mine Plan
- Project Cost Estimating and Financial Modeling
- Continued Environmental Monitoring
- Continue to work with agencies on Final SEIS

### Montanore

- Project Schedule
- Mine Plan
- Project Cost Estimating and Financial Modeling
- Continued Environmental Monitoring
- Update Plan of Operations for evaluation phase to reflect Record of Decisions
- Developing required monitoring and mitigation plans (including Grizzly bear)
- Continue to work on associated permits (e.g., MPDES permit renewal)
- Update the required financial assurance

# Greens Creek Experience Great Asset for Montana Project Development

NYSE:HL









# Environmentally Sensitive Mining

*Version 1.0 - Greens Creek*

NYSE:HL

**Brown Bear**





**Salmon**



**Water- Windfall Harbour**

# Environmentally Sensitive Mining

*Version 2.0 Rock Creek & Montanore*

NYSE:HL

Grizzly







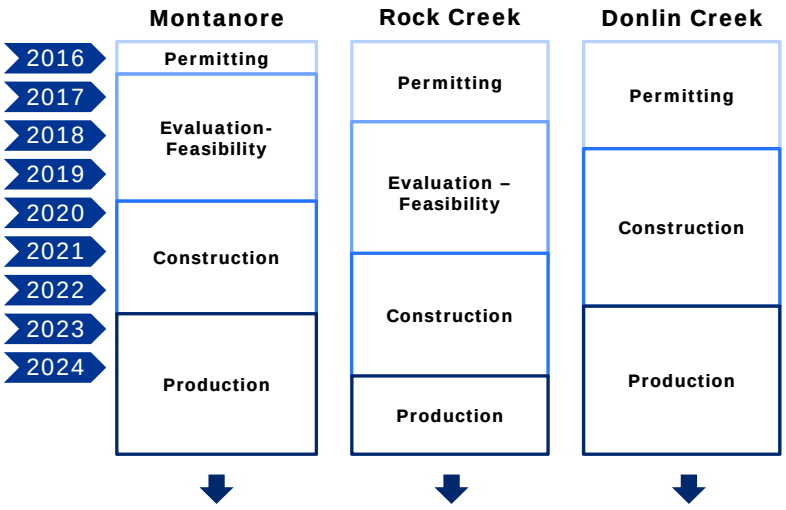

Bull Trout



# Similar Development Project Timelines

*Production in mid 2020's*

NYSE:HL

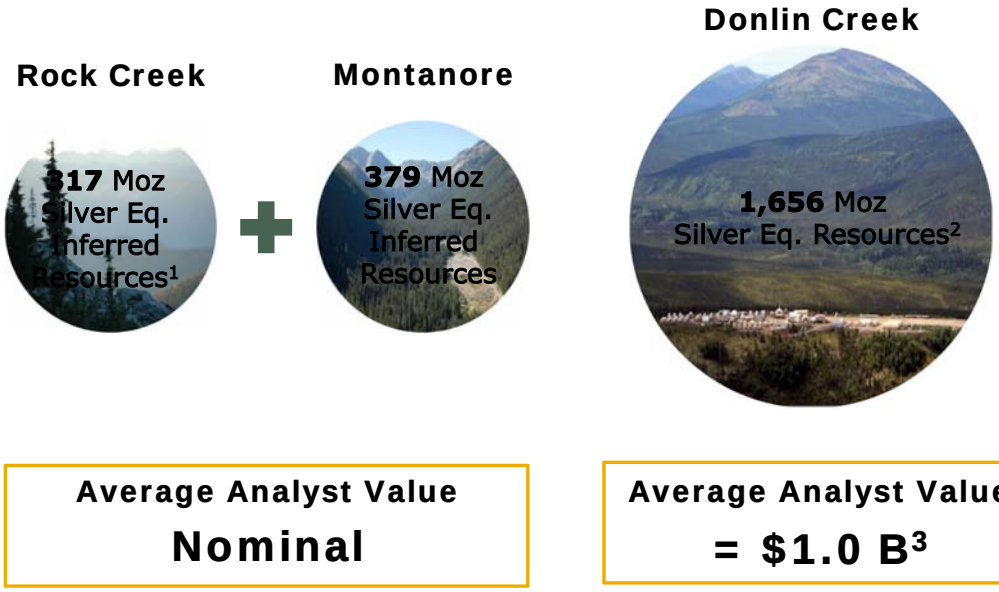



- Montanore litigation between permitting and evaluation and construction could delay development schedule
- Rock Creek potential litigation could delay project development timelines
- Donlin Creek permitting estimate from COE web page

# Resources Are As Much As Hecla's Reserves

*Together are 40% the metal of Donlin Creek – significant unrealized value*

NYSE:HL




**Average Analyst Value**
**Nominal**

**Average Analyst Value**
**= $1.0 B[3]**

1. Silver equivalent calculated using average prices for 2016
2. Resources inclusive of reserves; 50% of resources owned by NOVAGOLD
3. Donlin Creek Value: Average of JP Morgan and RBC in November 2016 – 5% NAV



# 2017 AgEq Outlook In-Line With 2016

*Lower cost per silver ounce and capital expenditure, better margins*

NYSE:HL

## Production Outlook

| | Silver Production (Moz) | Gold Production (Koz) | Silver Equivalent (Moz)[7] | Gold Equivalent (koz)[7] |
|---|---|---|---|---|
| **Greens Creek** | 7.4 – 8.0 | 54 - 60 | 22.8 – 23.9 | 322 - 336 |
| **Lucky Friday** | 3.6 – 4.1 | - | 8.1 – 8.6 | 114 - 121 |
| **San Sebastian** | 3.0 – 3.4 | 21 -25 | 4.5 – 5.2 | 63 - 73 |
| **Casa Berardi** | - | 150 – 165 | 11.0 – 11.8 | 155 - 165 |
| **Total** | **14.0-15.5** | **230 - 250** | **46.5 – 49.4** | **655 - 696** |

## Cost Outlook

| | Costs of Sales (million) | Cash cost, after by-product credits, per silver / gold ounce[4] | AISC, after by-product credits, per produced silver / gold ounce[5] |
|---|---|---|---|
| **Greens Creek** | $228 (silver) | $2.50 (silver) | $9.50 (silver) |
| **Lucky Friday** | $94 (silver) | $6.00 (silver) | $12.00 (silver) |
| **San Sebastian** | $36 (silver) | $(0.00) (silver) | $2.00 (silver) |
| **Total Silver** | **$358 (silver)** | **$2.75 (silver)** | **$11.50 (silver)** |
| **Casa Berardi** | $170 (gold) | $800.00 (gold) | $1,150 (gold) |
| **Total Gold** | **$170 (gold)** | **$800.00 (gold)** | **$1,150 (gold)** |

## Capital and Exploration Outlook

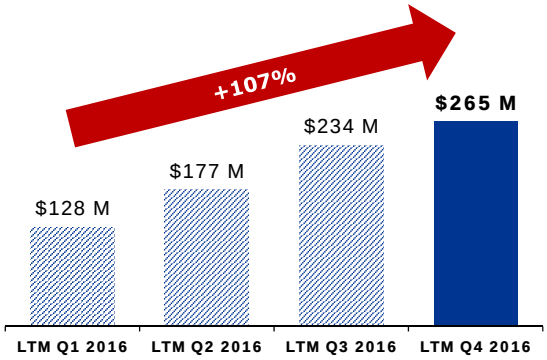
| | |
|---|---|
| **2017E capital expenditures[6]** (excluding capitalized interest) | $120-125 Million |
| **2017E exploration expenditures[6]** (includes corporate development) | $20-25 million |
| **2017E pre-development expenditures[6]** | $5 Million |

# Improving Debt Metrics

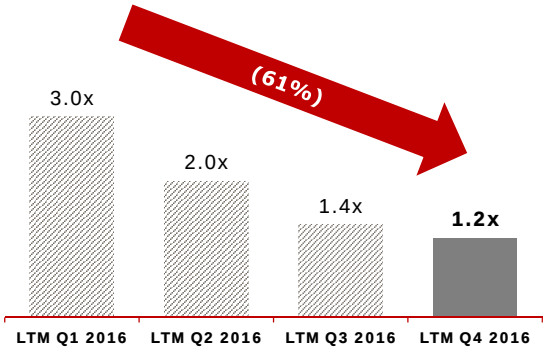
*2016 net income increased to $70M*

NYSE:HL

**LTM* Adjusted EBITDA[2]**




**Net Debt/LTM Adjusted EBITDA[3]**




- Total liquidity ~$300 m
- $506 M high yield notes due 2021

* LTM = Last twelve months



# Priority Uses for Growing Cash Flow

*Prioritize investment of cash flows to generate highest possible returns*

NYSE:HL

## Creating Shareholder Value




**Organic Growth Projects:**

- San Sabastian: ROIC= +1,000%
- Casa Berardi EMCP: IRR = +90%
- Greens Creek Recovery Improvements: IRR = +600%

# Continuing to Execute the Strategy

*Expect good per share results*

NYSE:HL




**LONG TERM GOALS: Investment Grade & S&P 500 Listing**

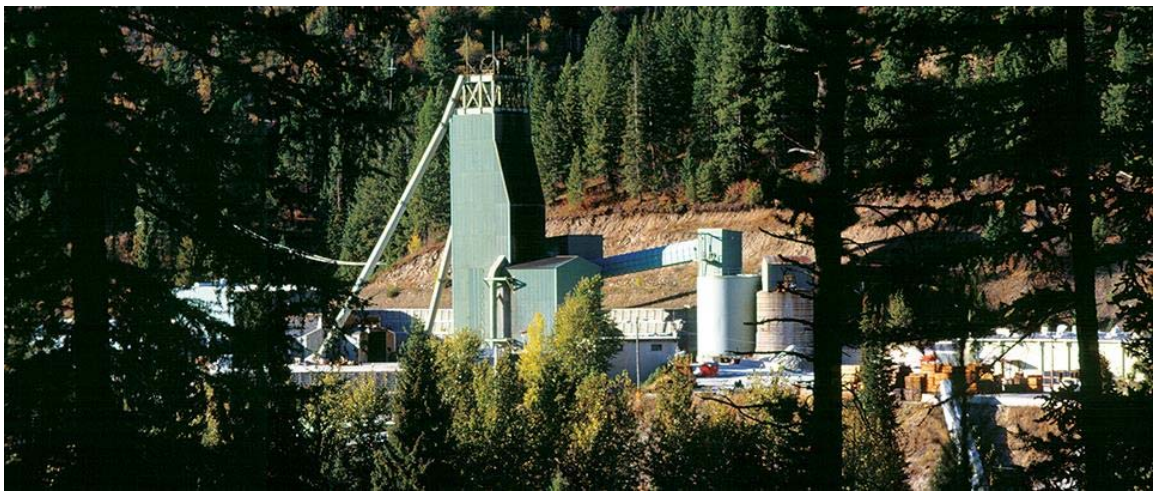


# Thank you

*4 Shaft now operational*

NYSE:HL





# Appendix



# Endnotes



1. Silver equivalent is calculated using the average market prices for the time period noted.
2. This release refers to a non-GAAP measure of adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), which is a measure of our operating performance. Adjusted EBITDA is calculated as net income (loss) before the following items: interest expense, income tax provision, depreciation, depletion, and amortization expense, exploration expense, pre-development expense, acquisition costs, interest and other income (expense), foreign exchange gains and losses, gains and losses on derivative contracts, unrealized gains on investments, provisions for environmental matters, stock-based compensation, and provisional price gains and losses. Management believes that, when presented in conjunction with comparable GAAP measures, adjusted EBITDA is useful to investors in evaluating our operating performance.
3. Net debt to adjusted EBITDA is a non-GAAP measurement, a reconciliation of adjusted EBITDA and net debt to the closest GAAP measurements of net income (loss) and debt can be found at the end of the release. It is an important measure for management to measure relative indebtedness and the ability to service the debt relative to its peers. It is calculated as total debt outstanding less total cash on hand divided by adjusted EBITDA.
4. Cash cost, after by-product credits, per silver and gold ounce represents a non-GAAP measurement, a reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization (sometimes referred to as "cost of sales" in this release), can be found at the end of the release. It is an important operating statistic that management utilizes to measure each mine's operating performance. It also allows the benchmarking of performance of each mines versus those of our competitors. As a primary silver mining company, management also uses the statistic on an aggregate basis - aggregating the Greens Creek, Lucky Friday and San Sebastian mines - to compare performance with that of other primary silver mining companies. With regard to Casa Berardi, management uses cash cost, after by- product credits, per gold ounce to compare its performance with other gold mines. Similarly, the statistic is useful in identifying acquisition and investment opportunities as it provides a common tool for measuring the financial performance of other mines with varying geologic, metallurgical and operating characteristics. In addition, the Company may use it when formulating performance goals and targets under its incentive program.
5. All in sustaining cost (AISC), after byproduct credits, is a non-GAAP measurement, a reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization, the closest GAAP measurement, can be found in the appendix. AISC, after by-product credits, includes cost of sales and other direct production costs, expenses for reclamation and exploration, and sustaining capital costs at the mines sites. AISC, after by-product credits for our consolidated silver properties also includes corporate costs for all general and administrative expenses, exploration and sustaining capital which support the operating properties. AISC, after by-product credits, is calculated net of depreciation, depletion, and amortization and by-product credits. 2017E refers to Hecla's estimates for 2017. Current GAAP measures used in the mining industry, such as cost of goods sold, do not capture all the expenditures incurred to discover, develop and sustain silver and gold production. Management believes that all in sustaining costs is a non-GAAP measure that provides additional information to management, investors and analysts to help in the understanding of the economics of our operations and performance compared to other producers and in the investor's visibility by better defining the total costs associated with production. Similarly, the statistic is useful in identifying acquisition and investment opportunities as it provides a common tool for measuring the financial performance of other mines with varying geologic, metallurgical and operating characteristics. In addition, the Company may use it when formulating performance goals and targets under its incentive program
6. 2017E refers to Hecla's estimates for 2017.
7. Expectations for 2017 includes silver, gold, lead and zinc production from Lucky Friday, Greens Creek, San Sebastian and Casa Berardi converted using Au $1,225/oz, Ag $17.25/oz, Zn $1.30/lb, Pb $1.05/lb.
8. Free Cash Flow is a non-GAAP measure calculated as Operating Cash Flow (GAAP) less Capex (GAAP). Cash flow conversion calculated as Free Cash Flow from mines divided by Operating Cash Flow.

# Items of Note

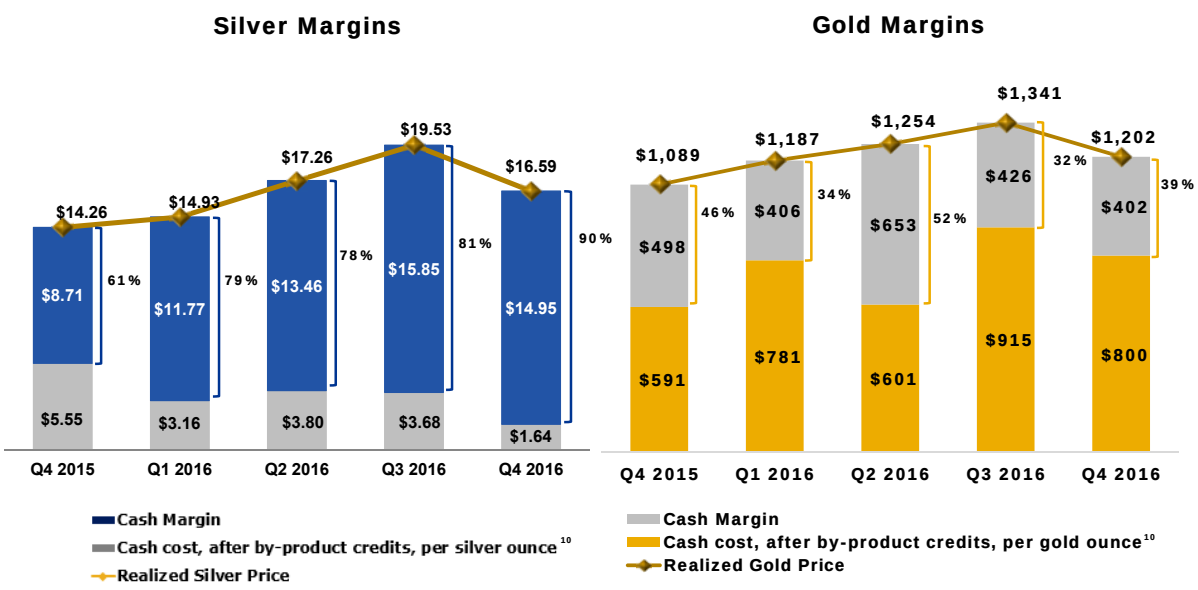
NYSE:HL

- Expect to begin depreciating the #4 Shaft in Q2
  - Total depreciation for 2017 estimated to be $143 million
- G&A increased in 2016 due to accrual for the Annual Incentive Plan and Long Term Incentive Plan based on strong performance against long-term goals and against peers
- Have begun reporting AISC on a produced (contained) basis
  - We believe it is closest to our previous disclosure and most meaningful for a concentrate producer such as Hecla



# Silver and Gold Margin Expansion

NYSE:HL

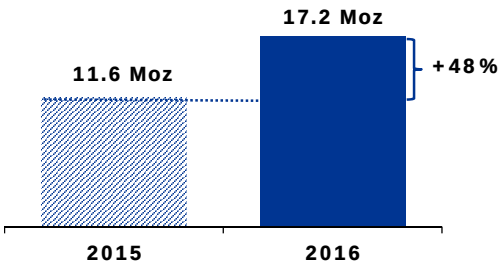


# Strong Financial Performance in 2016

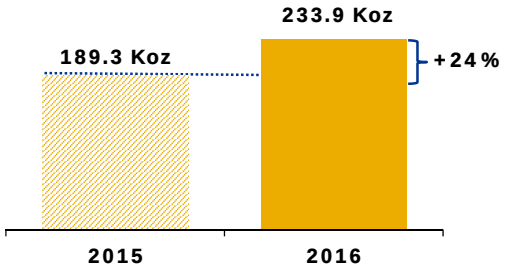
*It all starts with record production*

NYSE:HL

### Silver Production




### Gold Production




| | 2016 | 2015 |
|---|---|---|
| Revenue | **$646.0 M** | $443.6 M |
| Cash provided by operating activities | **$225.3 M** | $106.4 M |
| Cost of sales and other direct production costs and depreciation, depletion and amortization - Silver | **$298.7 M** | $260.5 M |
| Cost of sales and other direct production costs and depreciation, depletion and amortization - Gold | **$155.7 M** | $144.6 M |
| Cash cost, after by-product credits, per silver oz[4] | **$3.10/oz** | $5.85/oz |
| Cash cost, after by-product credits, per gold oz[4] | **$764/oz** | $772/oz |

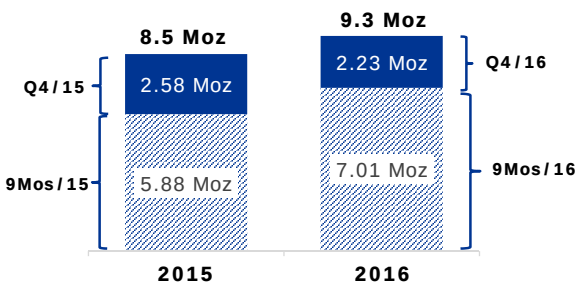


# Strong 2016 Production

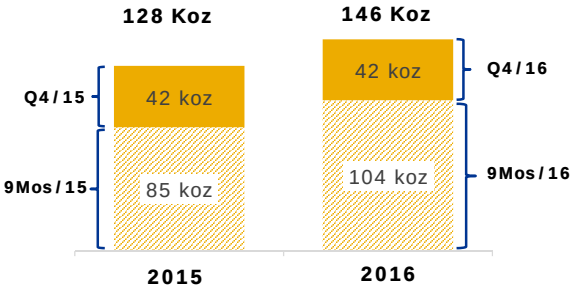
*AgEq production up 23% over 2015*

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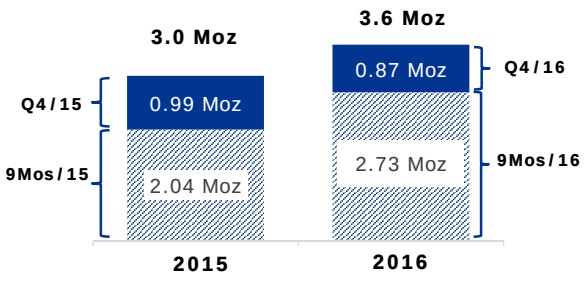
### Greens Creek Silver Up 10% YTD



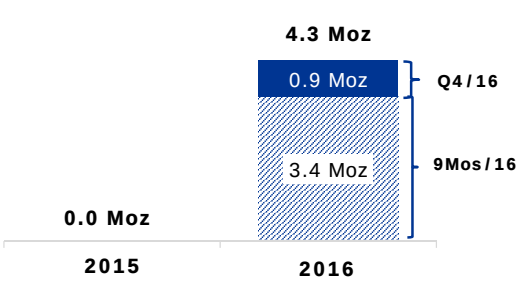

### Casa Berardi Gold Up 14% YTD




### Lucky Friday Silver Up 19% YTD




### San Sebastian Silver Production*




*San Sebastian began production in December 2015.

# A History of Beating Forecasts

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| | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|
| Silver Production (M oz) | MET<br>8-9E 8.9A | BEAT<br>9-10E 11.1A | BEAT<br>10-11E 11.6A | BEAT<br>15.75E 17.2A |
| Gold Production (K oz) | BEAT<br>60E[1] 62.5A[1] | BEAT<br>180E 187A | BEAT<br>185E 189A | BEAT<br>233E 234A |
| Cash cost, after by-product credits, per silver oz | MISS<br>$5.00E $6.84A | BEAT<br>$5.00E $4.81A | BEAT<br>$6.00E $5.85A | BEAT<br>$4.75E $3.10A |
| Capital Expenditures (M) | BEAT<br>$178E $154A | BEAT<br>$150E $132A | BEAT<br>$150E $141A | MISS<br>$150E $158A |

1. Based on half year production from Casa Berardi; Acquired Aurizon Mines in July 2013



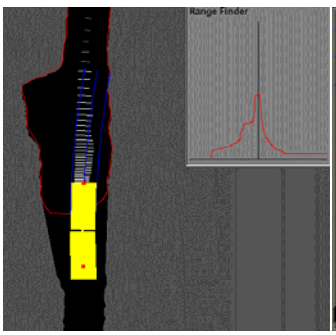
# RCT Truck Guidance

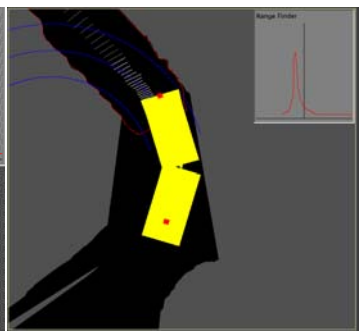
NYSE:HL






- Install Progress
  - Fully installed on truck 4213
  - Commissioning of system complete
  - Training of operators to start soon
  - Able to run in mainline and ramps
- Operator assist system
  - Not Autonomous
  - System controls throttle, brakes, and steering
  - Utilizes forward and reverse laser scanners to profile tunnel

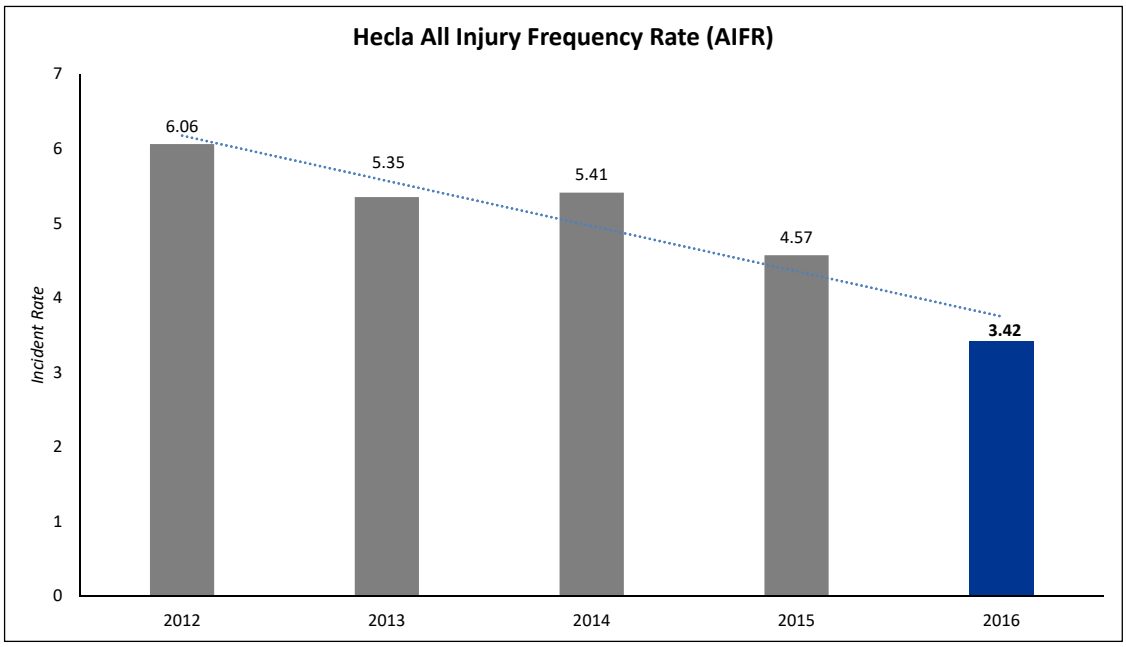


# Safety First

*First hardrock mining company to complete NMA CORESafety program*

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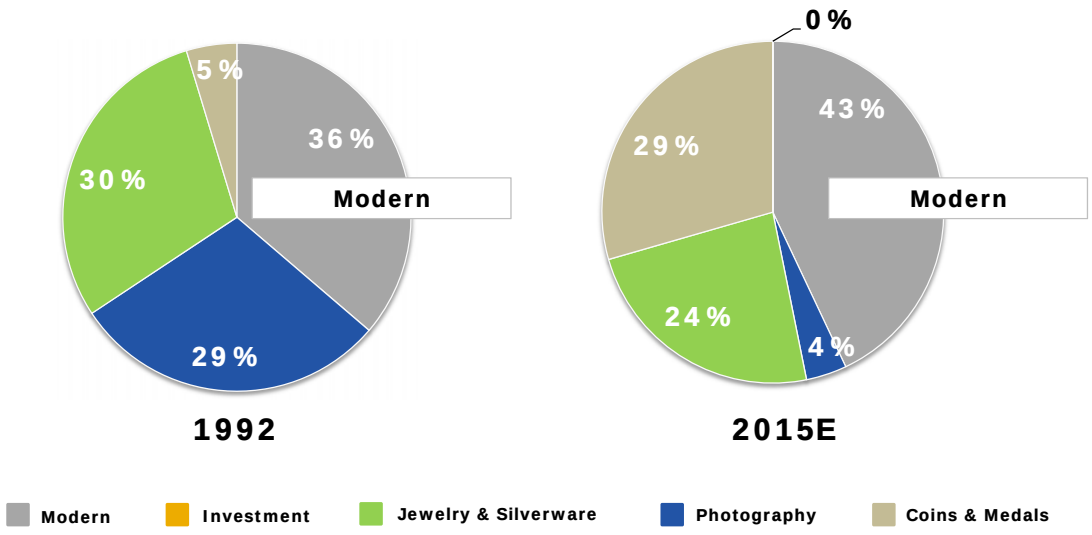





# Increasing Share of Modern Demand

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Modern demand increased from 260 Moz in 1992 to 544 Moz in 2014, an increase of 109%, and an annualized increase of 4.0%

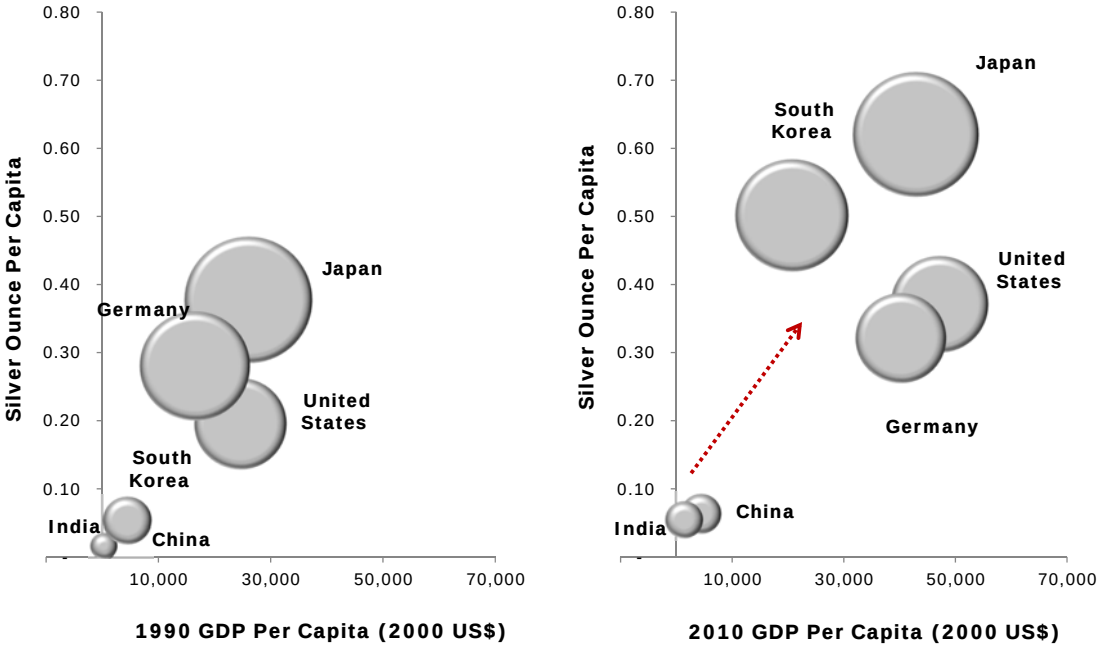



Source - GFMS

# Silver Consumption per Capita Increases

NYSE:HL

## Increasing Silver Consumption Per Person in China and India

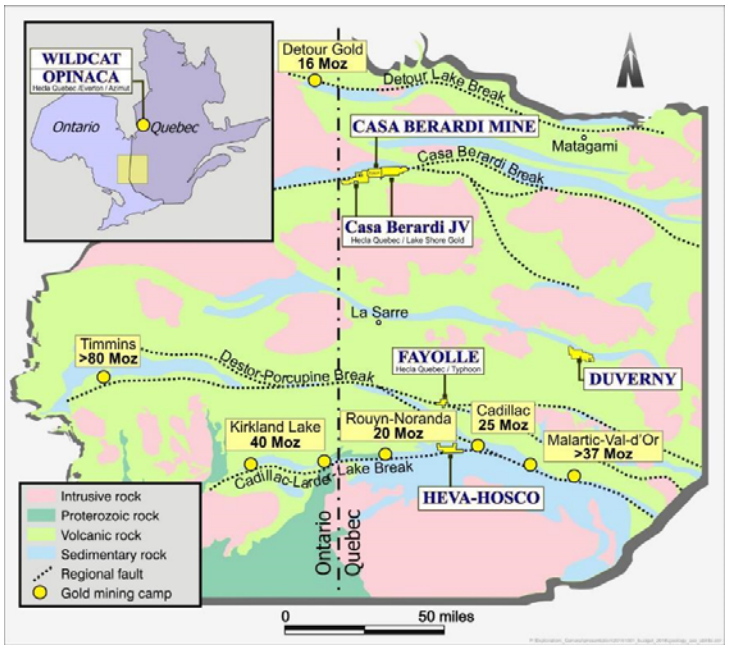



Source – World Bank, GFMS 2011
*Size of bubbles indicate relative consumption per person*



# Advancing Quebec Exploration Projects

NYSE:HL

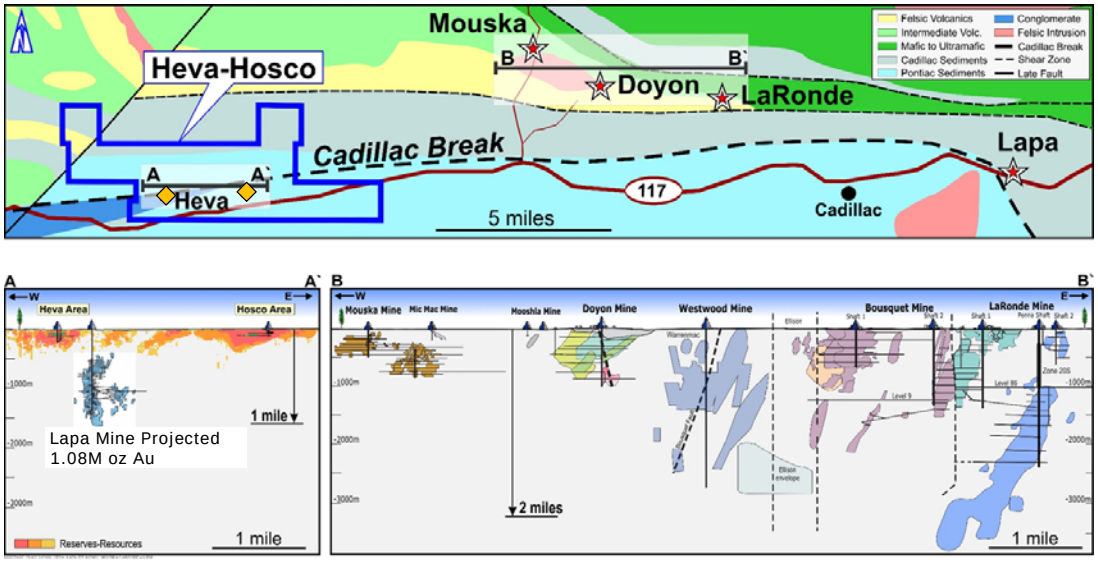



| PROPERTY | COMMENTS |
|---|---|
| CASA BERARDI JV | 50:50 Joint Venture with Lake Shore Gold Corp. |
| OPINACA | CDN$0.7 M to spend by Nov 2017 for earning a 50% interest from Everton Resources Inc. and Azimut Exploration Inc. |
| WILDCAT | 100% Hecla Québec.<br>1.0% NSR to Everton on 246 claims. |
| HEVA-HOSCO | 100% Hecla Quebec.<br>0.5% to 2.0% NSR over 90% of the property. |
| FAYOLLE | 50:50 Joint Venture with Typhoon Exploration Inc. |
| DUVERNY | 100% Hecla Quebec. |

# Heva-Hosco on the Famous Cadillac Break

*Exploring for the deeper trend mineralization*

NYSE:HL

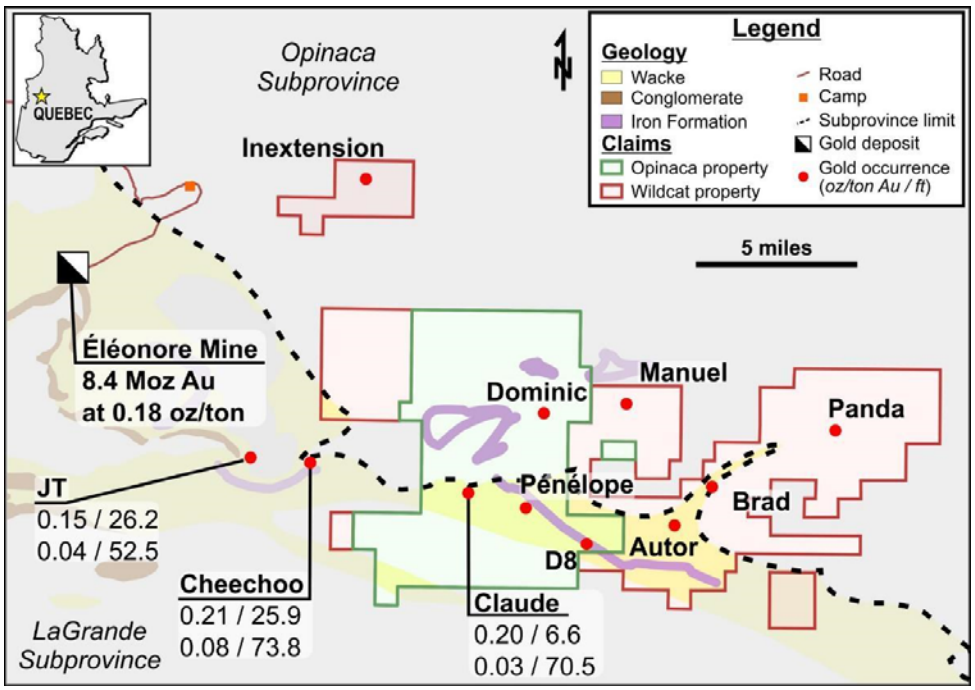





# Opinaca / Wildcat

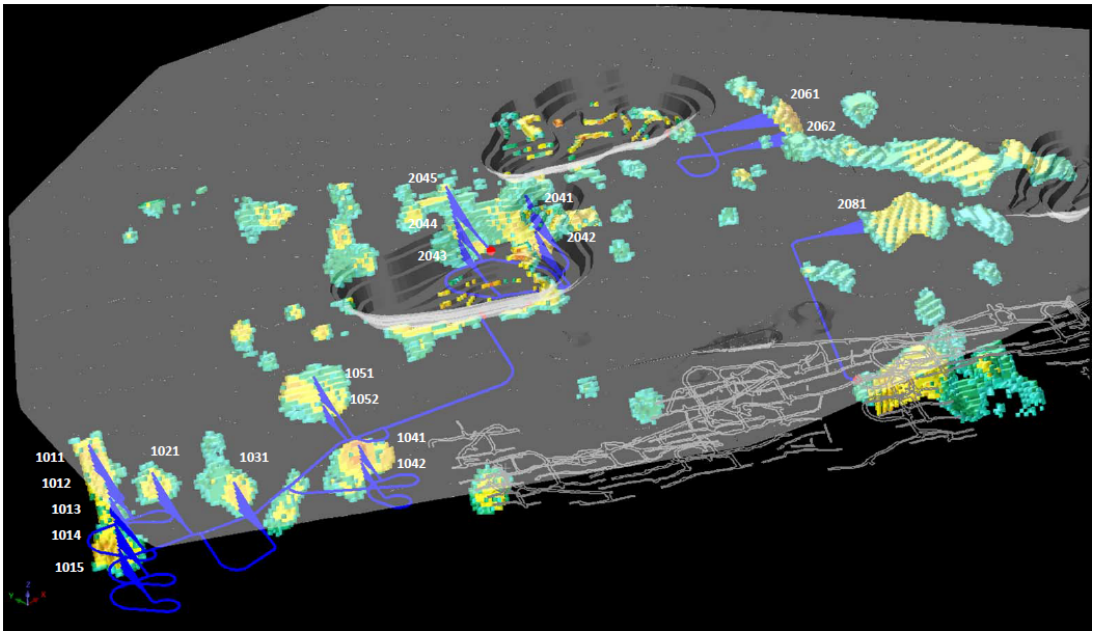
*In the shadow of Eleonore*

NYSE:HL



# Focusing on Potential High-Grade Underground Zones

NYSE:HL






# Proven & Probable Mineral Reserves

*(on Dec. 31, 2016 unless otherwise noted)*

NYSE:HL

| Proven Reserves | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Asset | Tons (000) | Silver (oz/ton) | Gold (oz/ton) | Lead % | Zinc % | Silver (000 oz) | Gold (000 oz) | Lead Tons | Zinc Tons | Copper Tons |
| Greens Creek (a) | 9 | 15.5 | 0.09 | 2.5 | 6.6 | 140 | 1 | 230 | 600 | - |
| Lucky Friday (a) | 3,308 | 17.5 | - | 10.4 | 3.3 | 57,925 | - | 345,360 | 110,400 | - |
| Casa Berardi (1) | 2,575 | - | 0.11 | - | - | - | 272 | - | - | - |
| San Sebastian (a) | 43 | 23.4 | 0.19 | - | - | 1,008 | 8 | - | - | - |
| **Total**..... | 5,935 | | | | | 59,073 | 281 | 345,590 | 111,000 | - |

| Probable Reserves | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Asset | Tons (000) | Silver (oz/ton) | Gold (oz/ton) | Lead % | Zinc % | Silver (000 oz) | Gold (000 oz) | Lead (Tons) | Zinc (Tons) | Copper Tons |
| Greens Creek (a) | 7,585 | 11.7 | 0.09 | 2.9 | 7.6 | 88,729 | 672 | 217,050 | 575,530 | - |
| Lucky Friday (a) | 1,542 | 12.9 | - | 7.9 | 2.8 | 19,912 | - | 121,640 | 43,410 | - |
| Casa Berardi (1) | 7,752 | - | 0.13 | - | - | - | 1,037 | - | - | - |
| San Sebastian (a) | 283 | 16.2 | 0.10 | - | - | 4,593 | 29 | - | - | - |
| **Total**..... | 17,162 | | | | | 113,233 | 1,738 | 338,690 | 618,940 | - |

| Proven and Probable Reserves | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Asset | Tons (000) | Silver (oz/ton) | Gold (oz/ton) | Lead % | Zinc % | Silver (000 oz) | Gold (000 oz) | Lead (Tons) | Zinc (Tons) | Copper Tons |
| Greens Creek (a) | 7,594 | 11.7 | 0.09 | 2.9 | 7.6 | 88,869 | 673 | 217,280 | 576,130 | - |
| Lucky Friday (a) | 4,850 | 16.1 | - | 9.6 | 3.2 | 77,837 | - | 467,000 | 153,810 | - |
| Casa Berardi (1) | 10,327 | - | 0.13 | - | - | - | 1,309 | - | - | - |
| San Sebastian (a) | 326 | 17.2 | 0.11 | - | - | 5,600 | 37 | - | - | - |
| **Total**..... | 23,096 | | | | | 172,306 | 2,019 | 684,280 | 729,940 | - |

[a] Mineral reserves are based on $1200 gold, $14.50 silver, $0.90 lead, $1.05 zinc, unless otherwise stated.
[1] Mineral reserves are based on $1200 gold and a US$/CAN$ exchange rate of 1:1.4 Reserve diluted to an average of 34.7% to minimum width of 9.8 feet (3 m)
Open pit mineral reserves of the Principal Mine were estimated in February 2011 by BBA Inc. based on $950 gold and a US$/CAN$ exchange rate of 1:1. Reserve diluted to 10%
*Technical Report on the Pre-Feasibility Study for the Casa Berardi Principal Zone Open-Pit Project, La Sarre, Quebec, February 2011*
*Prepared by: Patrice Live, Eng. - BBA Inc.; Amanda Fitch, Jr. Eng. - BBA Inc.; Andre Allaire, Eng., M. Eng., Ph.D. - BBA*

# Measured and Indicated Mineral Resources

*(on Dec. 31, 2016 unless otherwise noted)*

NYSE:HL

| Measured Resources | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Asset | Tons (000) | Silver (oz/ton) | Gold (oz/ton) | Lead % | Zinc % | Silver (000 oz) | Gold (000 oz) | Lead (Tons) | Zinc (Tons) | Copper Tons |
| Greens Creek (b) | - | - | - | - | - | - | - | - | - | |
| Lucky Friday (2)(b) | 14,698 | 6.3 | - | 4.2 | 2.3 | 92,178 | - | 610,550 | 344,890 | - |
| Casa Berardi (3) | 2,108 | - | 0.16 | - | - | - | 340 | - | - | - |
| San Sebastian (4)(b) | - | - | - | - | - | - | - | - | - | - |
| Heva (5) | 5,480 | - | 0.06 | - | - | - | 304 | - | - | - |
| Hosco (5) | 33,070 | - | 0.04 | - | - | - | 1,296 | - | - | - |
| Rio Grande Silver (6)(b) | - | - | - | - | - | - | - | - | - | - |
| Star (7)(a) | - | - | - | - | - | - | - | - | - | - |
| **Total**..... | 55,355 | | | | | 92,178 | 1,940 | 610,550 | 344,890 | - |

| Indicated Resources | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Asset | Tons (000) | Silver (oz/ton) | Gold (oz/ton) | Lead % | Zinc % | Silver (000 oz) | Gold (000 oz) | Lead (Tons) | Zinc (Tons) | Copper Tons |
| Greens Creek (b) | 1,785 | 10.8 | 0.09 | 3.1 | 7.8 | 19,320 | 154 | 55,980 | 139,660 | - |
| Lucky Friday (2)(b) | 6,801 | 6.0 | - | 4.2 | 2.2 | 40,853 | - | 282,790 | 146,550 | - |
| Casa Berardi (3) | 11,220 | - | 0.10 | - | - | - | 1,128 | - | - | - |
| San Sebastian (4)(b) | 1,530 | 5.4 | 0.07 | - | - | 8,285 | 114 | 14,620 | 19,050 | 8,420 |
| Heva (5) | 5,570 | - | 0.07 | - | - | - | 369 | - | - | - |
| Hosco (5) | 31,620 | - | 0.04 | - | - | - | 1,151 | - | - | - |
| Rio Grande Silver (6) | 516 | 14.8 | - | 2.1 | 1.1 | 7,620 | - | 10,760 | 5,820 | - |
| Star (7)(b) | 1,126 | 2.9 | - | 6.2 | 7.4 | 3,301 | - | 69,900 | 83,410 | - |
| **Total**..... | 60,167 | | | | | 79,379 | 2,917 | 434,050 | 394,490 | 8,420 |

| Measured & Indicated Resources | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Asset | Tons (000) | Silver (oz/ton) | Gold (oz/ton) | Lead % | Zinc % | Silver (000 oz) | Gold (000 oz) | Lead (Tons) | Zinc (Tons) | Copper Tons |
| Greens Creek (b) | 1,785 | 10.8 | 0.09 | 3.1 | 7.8 | 19,320 | 154 | 55,980 | 139,660 | - |
| Lucky Friday (2)(b) | 21,499 | 6.2 | - | 4.2 | 2.3 | 133,031 | - | 893,340 | 491,440 | - |
| Casa Berardi (3) | 13,327 | - | 0.11 | - | - | - | 1,468 | - | - | - |
| San Sebastian (4)(b) | 1,530 | 5.4 | 0.07 | - | - | 8,285 | 114 | 14,620 | 19,050 | 8,420 |
| Heva (5) | 11,050 | - | 0.06 | - | - | - | 672 | - | - | - |
| Hosco (5) | 64,690 | - | 0.04 | - | - | - | 2,447 | - | - | - |
| Rio Grande Silver (6) | 516 | 14.8 | - | 2.1 | 1.1 | 7,620 | - | 10,760 | 5,820 | - |
| Star (7)(b) | 1,126 | 2.9 | - | 6.2 | 7.4 | 3,301 | - | 69,900 | 83,410 | - |
| **Total**..... | 115,522 | | | | | 171,557 | 4,856 | 1,044,600 | 739,380 | 8,420 |



# Inferred Mineral Resources

*(on Dec. 31, 2016 unless otherwise noted)*

NYSE:HL

| Inferred Resources | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Asset | Tons (000) | Silver (oz/ton) | Gold (oz/ton) | Lead % | Zinc % | Copper % | Silver (000 oz) | Gold (000 oz) | Lead (Tons) | Zinc (Tons) | Copper Tons |
| Greens Creek (b) | 3,397 | 11.9 | 0.08 | 2.9 | 7.2 | - | 40,253 | 285 | 98,380 | 243,220 | - |
| Lucky Friday (8)(b) | 4,427 | 7.7 | - | 5.6 | 2.0 | - | 34,032 | - | 247,260 | 87,240 | - |
| Casa Berardi (3) | 4,635 | - | 0.14 | - | - | - | - | 628 | - | - | - |
| San Sebastian (9) (b) | 2,817 | 5.5 | 0.03 | - | - | - | 15,413 | 89 | 22,960 | 32,670 | 19,220 |
| Heva (5) | 4,210 | - | 0.08 | - | - | - | - | 350 | - | - | - |
| Hosco (5) | 7,650 | - | 0.04 | - | - | - | - | 314 | - | - | - |
| Rio Grande Silver (10) | 3,078 | 10.7 | 0.01 | 1.3 | 1.1 | - | 3,097 | 36 | 40,990 | 34,980 | - |
| Star (11)(b) | 3,157 | 2.9 | - | 5.6 | 5.5 | - | 9,432 | - | 178,670 | 174,450 | - |
| Monte Cristo (12) | 913 | 0.3 | 0.14 | - | - | - | 271 | 131 | - | - | - |
| Rock Creek (13) | 97,573 | 1.5 | - | - | - | 0.7 | 148,094 | - | - | - | 655,070 |
| Montanore (14) | 112,185 | 1.6 | - | - | - | 0.7 | 183,346 | - | - | - | 759,420 |
| **Total**..... | 244,041 | | | | | | 463,938 | 1,833 | 588,260 | 572,560 | 1,433,710 |

(b) Mineral resources are based on $1350 gold, $21 silver, $0.95 lead, $1.10 zinc and $3.00 copper, unless otherwise stated.

(2) Measured and indicated resources from Gold Hunter and Lucky Friday vein systems are diluted and factored for expected mining recovery.

(3) Measured, indicated and inferred resources are based on $1,350 gold and a US$/CAN$ exchange rate of 1:1.4. Underground resources are reported at a minimum mining width of 6.6 to 9.8 feet (2 m to 3 m)
Open pit mineral resources of the Principal Mine were estimated in February 2011 by BBA Inc. based on $950 gold and a US$/CAN$ exchange rate of 1:1
*Technical Report on the Pre-Feasibility Study for the Casa Berardi Principal Zone Open-Pit Project, La Sarre, Quebec, February 2011*
*Prepared by: Patrice Live, Eng. - BBA Inc.; Amanda Fitch, Jr. Eng. - BBA Inc.; Andre Allaire, Eng., M. Eng., Ph.D. - BBA*
Open pit mineral resources of the 160 Zone were estimated by InnovExplo Inc., effective date 24 August, 2011, based on $1,250 gold and a US$/CAN$ exchange rate of 1:1, Resources diluted to 12%
*Preliminary Economic Assessment on the Casa Berardi Mine - Zone 160, May 4, 2012*
*Prepared by: Nathalie Gauthier, Eng., P.Eng., - InnovExplo; Gilles Carrier, Eng., Aurizon Mines Ltd.*

(4) Indicated resources reported at a minimum mining width of 6.6 feet (2 m) for Hugh Zone and 4.9 feet (1.5 m) for Andrea Vein, Middle Vein, and North Vein. East Francine resources reported at actual vein width.
San Sebastian Hugh Zone also contains 8,420 tons of copper at 1.7% Cu within 499,200 tons of indicated resource.

(5) Measured, indicated and inferred resources were estimated in by Goldminds Geoservices Inc. with effective date 12-July-2013, and are based on $1,300 gold and a US$/CAN$ exchange rate of 1:1.
The resources are in-situ without dilution and material loss.
*NI43-101 Technical Report, Mineral Resource Update, Heva-Hosco Gold Projects, Rouyn-Noranda, Quebec, Hecla Quebec, December 2013*
*Prepared by: Claude Duplessis, Eng. Project Manager - GoldMinds Geoservices Inc.; Maxime Dupéré, P.Geo - SGS Canada Inc. (Geostat)*

(6) Indicated resources reported at a minimum mining width of 6.0 feet for Bulldog; resources based on $26.5 Ag, $0.85 Pb, and $0.85 Zn

(7) Indicated resources reported at a minimum mining width of 4.3 feet.

(8) Inferred resources from Gold Hunter and Lucky Friday vein systems are diluted and factored for expected mining recovery.

(9) Inferred resources reported at a minimum mining width of 6.6 feet (2 m) for Hugh Zone and 4.9 feet (1.5 m) for Andrea Vein, Middle Vein, and North Vein. East Francine resources reported at actual vein width.
San Sebastian Hugh Zone also contains 19,220 tons of copper at 1.5% within 1,311,300 tons of inferred resource.

(10) Inferred resources reported at a minimum mining width of 6.0 feet for Bulldog, 5.0 feet for Equity & North Amethyst veins; resources based on $1400 Au, $26.5 Ag, $0.85 Pb, and $0.85 Zn.

(11) Inferred resources reported at a minimum mining width of 4.3 feet.

(12) Inferred resource reported at a minimum mining width of 5.0 feet; resources based on $1400 Au, $26.5 Ag.

(13) Inferred resource reported at a minimum thickness of 15 feet; Rock Creek also contains 655,070 tons of copper at 0.7% within stated inferred resource tonnage.
Inferred resources at Rock Creek adjusted given mining restrictions as defined by U.S. Forest Service - Kootenai National Forest in the June 2003 'Record of Decision, Rock Creek Project'.

(14) Inferred resource reported at a minimum thickness of 15 feet; Montanore also contains 759,420 tons of copper at 0.7% within stated inferred resource tonnage.
Inferred resources at Montanore adjusted given mining restrictions as defined by U.S. Forest Service, Kootenai National Forest, Montana DEQ in the December 2015 'Joint Final EIS, Montanore Project' and the February 2016 U.S Forest Service - Kootenai National Forest 'Record of Decision, Montanore Project'.

* Totals may not represent the sum of parts due to rounding

# 2006 – 2015 Reserve Table

NYSE:HL

| Proven Reserves | Tons | Silver (oz/ton) | Gold (oz/ton) | Silver (ounces) | Gold (ounces) |
|---|---|---|---|---|---|
| **2006 Proven Reserves** | | | | | |
| Greens Creek (29.73%) | - | - | - | - | - |
| Lucky Friday | 628,976 | 13.10 | - | 8,245,675 | - |
| **Probable Reserves** | | | | | |
| Greens Creek (29.73%) | 2,282,574 | 14.40 | 0.110 | 32,913,002 | 257,101 |
| Lucky Friday | 732,920 | 13.50 | - | 9,890,120 | - |
| **2007 Proven Reserves** | | | | | |
| Greens Creek (29.73%) | - | - | - | - | - |
| Lucky Friday | 760,700 | 12.30 | - | 9,324,800 | - |
| **Probable Reserves** | | | | | |
| Greens Creek (29.73%) | 2,513,700 | 13.70 | 0.110 | 34,497,800 | 270,000 |
| Lucky Friday | 680,000 | 11.90 | - | 8,065,200 | - |
| **2008 Proven Reserves** | | | | | |
| Greens Creek | - | - | - | - | - |
| Lucky Friday | 1,270,000 | 12.40 | - | 15,800,800 | - |
| **Probable Reserves** | | | | | |
| Greens Creek | 8,064,700 | 13.70 | 0.108 | 110,583,200 | 870,100 |
| Lucky Friday | 523,400 | 11.60 | - | 6,046,800 | - |
| **2009 Proven Reserves** | | | | | |
| Greens Creek | - | - | - | - | - |
| Lucky Friday | 1,358,200 | 12.30 | - | 16,640,300 | - |
| **Probable Reserves** | | | | | |
| Greens Creek | 8,314,700 | 12.10 | 0.102 | 100,973,300 | 847,400 |
| Lucky Friday | 1,577,000 | 13.90 | - | 21,947,600 | - |
| **2010 Proven Reserves** | | | | | |
| Greens Creek | - | - | - | - | - |
| Lucky Friday | 1,642,100 | 12.40 | - | 20,387,600 | - |
| **Probable Reserves** | | | | | |
| Greens Creek | 8,243,100 | 12.10 | 0.092 | 99,730,000 | 757,000 |
| Lucky Friday | 1,545,100 | 14.20 | - | 21,955,000 | - |

| 2011 Proven Reserves | Tons | Silver (oz/ton) | Gold (oz/ton) | Silver (ounces) | Gold (ounces) |
|---|---|---|---|---|---|
| Greens Creek | - | - | - | - | - |
| Lucky Friday | 2,345,500 | 12.60 | - | 29,573,900 | - |
| **Probable Reserves** | | | | | |
| Greens Creek | 7,991,000 | 12.30 | 0.093 | 98,383,300 | 742,400 |
| Lucky Friday | 1,345,300 | 14.70 | - | 19,746,200 | - |
| **2012 Proven Reserves** | | | | | |
| Greens Creek | 12,000 | 9.30 | 0.095 | 112,500 | 1,100 |
| Lucky Friday | 2,206,600 | 12.10 | - | 26,778,900 | - |
| **Probable Reserves** | | | | | |
| Greens Creek | 7,845,600 | 12.00 | 0.092 | 94,481,200 | 718,400 |
| Lucky Friday | 1,931,700 | 14.80 | - | 28,676,000 | - |
| **2013 Proven Reserves** | | | | | |
| Greens Creek | 14,000 | 12.90 | 0.130 | 182,000 | 2,000 |
| Lucky Friday | 3,708,000 | 12.10 | - | 44,892,000 | - |
| **Probable Reserves** | | | | | |
| Greens Creek | 7,783,000 | 11.90 | 0.090 | 92,338,000 | 711,000 |
| Lucky Friday | 2,698,000 | 12.00 | - | 32,352,000 | - |
| **2014 Proven Reserves** | | | | | |
| Greens Creek | 4,700 | 15.70 | 0.100 | 74,000 | 5,000 |
| Lucky Friday | 3,840,000 | 13.70 | - | 52,556,000 | - |
| **Probable Reserves** | | | | | |
| Greens Creek | 7,691,000 | 12.20 | 0.100 | 93,947,000 | 738,000 |
| Lucky Friday | 2,043,000 | 12.90 | - | 26,346,000 | - |
| **2015 Proven Reserves** | | | | | |
| Greens Creek | 10,000 | 20.80 | 0.120 | 210,000 | 1,000 |
| Lucky Friday | 3,510,000 | 16.50 | - | 57,961,000 | - |
| **Probable Reserves** | | | | | |
| Greens Creek | 7,204,000 | 12.30 | 0.090 | 88,523,000 | 676,000 |
| Lucky Friday | 1,557,000 | 13.30 | - | 20,721,000 | - |



# AISC Reconciliation

*Expecting lower AISC in 2017*

NYSE:HL

| *In thousands (except per ounce amounts)* | Total Silver Properties and Corporate<br>Year Ended December 31, 2016 | Estimate for 2017 |
|---|---|---|
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | **$ 298,740** | $ 357,400 |
| Depreciation, depletion and amortization | **(68,156)** | (101,400 |
| Treatment costs | **84,535** | 85,400 |
| Change in product inventory | **(1,429)** | 1,300 |
| Reclamation and other costs | **(1,724)** | — |
| Exploration | **7,669** | 11,400 |
| Sustaining capital | **90,716** | 70,500 |
| General and administrative expense | **45,040** | 35,000 |
| All-In Sustaining Costs, Before By-product Credits [1,2] | **455,391** | 459,600 |
| By-product credits | **(255,171)** | (299,400 |
| All-In Sustaining Costs, After By-product Credits | **$ 200,220** | $ 160,200 |
| Divided by silver ounces produced | **17,144** | 14,000 |
| All-In Sustaining Costs, Before By-product Credits, per Silver Ounce | **$ 26.56** | $ 32.83 |
| By-product credits per silver ounce | **$ (14.88)** | $ (21.39 |
| All-In Sustaining Costs, After By-product Credits, per Silver Ounce | **$ 11.68** | $ 11.44 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, before by-product revenues earned from all metals other than the primary metal produced at each unit. In addition, on-site exploration, reclamation, and sustaining capital costs are also included.
2. All-in sustaining costs, before by-product credits for our consolidated silver properties includes corporate costs for all general and administrative expenses and exploration and sustaining capital which support the operating properties.

# Cash Cost GAAP Reconciliation

NYSE:HL

**Reconciliation of cost of sales and other direct production costs and depreciation, depletion and amortization, the most comparable GAAP measurement, to cash cost, after by-product credits, per silver ounce, for Greens Creek, Lucky Friday & San Sebastian (dollars and ounces in thousands, except per ounce - unaudited)**

| | Q4 2016 | Q3/2016 | Q2/2016 | Q1/2016 | Q4/2015 |
|---|---|---|---|---|---|
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | $ 71,623 | $ 84,413 | $ 71,667 | $ 71,036 | $ 64,441 |
| Depreciation, depletion and amortization | (18,301) | (16,181) | (16,300) | (17,374) | (18,083) |
| Treatment costs | 21,950 | 20,673 | 20,527 | 20,963 | 22,495 |
| Change in product inventory | 4,013 | $ (9,523) | 2,122 | (1,959) | 3,412 |
| Reclamation and other costs | (1,439) | (1,571) | (1,369) | 605 | (397) |
| Cash Cost, Before By-product Credits | 77,846 | 77,811 | 76,647 | 75,979 | 71,868 |
| By-products credits | (71,322) | (61,942) | (60,577) | (61,330) | (51,683) |
| Cash cost, After By-product Credits | $ 6,524 | $ 15,869 | $ 16,070 | $ 14,649 | $ 20,185 |
| Divided by Silver Ounces Produced | 3,967 | 4,309 | 4,233 | 4,635 | 3,626 |
| Cash Cost, Before By-product Credits, per Silver Ounce | $ 19.62 | $ 18.06 | $ 18.11 | $ 16.39 | $ 19.79 |
| By-products credits per Silver Ounce | $ (17.98) | $ (14.38) | $ (14.31) | $ (13.23) | $ (14.24) |
| Cash Cost, After By-product Credits, per Silver Ounce | $ 1.64 | $ 3.68 | $ 3.80 | $ 3.16 | $ 5.55 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, net of by-product revenues earned from all metals other than the primary metal produced at each unit.



# Cash Cost GAAP Reconciliation

NYSE:HL

**Numbers in thousands (USD)**

**Casa Berardi**

| | Q4 2016 | Q3/2016 | Q2/2016 | Q1/2016 | Q4/2015 |
|---|---|---|---|---|---|
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | $ 49,074 | $ 36,295 | $ 41,183 | $ 29,159 | $ 39,161 |
| Depreciation, depletion and amortization | (14,748) | (10,466) | (13,597) | (8,501) | (12,757) |
| Treatment costs | 637 | 218 | 238 | 171 | 221 |
| Change in product inventory | (1,323) | 3,460 | (2,366) | 3,118 | (1,409) |
| Reclamation and other costs | (117) | (114) | (116) | (111) | (109) |
| Cash Cost, Before By-product Credits (1) | 33,523 | 29,393 | 25,342 | 23,836 | 25,107 |
| By-products credits | (163) | (162) | (144) | (103) | (130) |
| Cash cost, After By-product Credits | $ 33,360 | $ 29,231 | $ 25,198 | $ 23,733 | $ 24,977 |
| Divided by Silver Ounces Produced | 41,693 | 31,949 | 41,955 | 30,378 | 42,282 |
| Cash Cost, Before By-product Credits, per Gold Ounce | $ 804 | $ 920 | $ 604 | $ 785 | $ 594 |
| By-products credits per Gold Ounce | $ (4) | $ (5) | $ (3) | $ (3) | $ (3) |
| Cash Cost, After By-product Credits, per Gold Ounce | $ 800 | $ 915 | $ 601 | $ 781 | $ 591 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, net of by-product revenues earned from all metals other than the primary metal.

# Cash Cost Reconciliation to GAAP

*Greens Creek*

NYSE:HL

**Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization (GAAP) to All-In Sustaining Costs, Before By-product Credits, per Ounce and All-In Sustaining Costs, After By-product Credits, per Ounce (non-GAAP)**

| *In thousands (except per ounce amounts)* | Greens Creek Unit | | | | |
|---|---|---|---|---|---|
| | Three Months Ended December 31, | | Year Ended December 31, | | Estimate for |
| | **2016** | 2015 | **2016** | 2015 | 2017 |
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | **$ 44,311** | $ 48,514 | **$ 191,297** | $ 195,276 | $ 228,100 |
| Depreciation, depletion and amortization | **(13,991)** | (15,164) | **(52,564)** | (56,553) | (67,800) |
| Treatment costs | **16,685** | 17,181 | **62,754** | 63,284 | 65,000 |
| Change in product inventory | **4,217** | 700 | **(1,866)** | (4,222) | 1,200 |
| Reclamation and other costs | **(500)** | (471) | **(2,327)** | (1,342) | (2,600) |
| Cash Cost, Before by-Product Credits [1] | **50,722** | 50,760 | **197,294** | 196,443 | 223,900 |
| By-product credits | **(48,064)** | (40,018) | **(161,782)** | (163,394) | (206,100) |
| Cash Cost, After By-product Credits | **$ 2,658** | $ 10,742 | **$ 35,512** | $ 33,049 | $ 17,800 |
| Divided by silver ounces produced | **2,233** | 2,568 | **9,254** | 8,452 | 7,400 |
| Cash Cost, Before By-product Credits, per Silver Ounce | **$ 22.71** | $ 19.77 | **$ 21.32** | $ 23.24 | $ 30.26 |
| By-product credits per silver ounce | **(21.52)** | (15.59) | **(17.48)** | (19.33) | (27.85) |
| Cash Cost, After By-product Credits, per Silver Ounce | **$ 1.19** | $ 4.18 | **$ 3.84** | $ 3.91 | $ 2.41 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, before by-product revenues earned from all metals other than the primary metal produced at each unit.



# AISC Reconciliation to GAAP

*Greens Creek*

NYSE:HL

**Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization (GAAP) to All-In Sustaining Costs, Before By-product Credits, per Ounce and All-In Sustaining Costs, After By-product Credits, per Ounce (non-GAAP)**

| *In thousands (except per ounce amounts)* | Greens Creek Unit | | |
|---|---|---|---|
| | Three Months Ended December 31, | Year Ended December 31, | Estimate for |
| | **2016** | **2016** | 2017 |
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | **$ 44,311** | **$ 191,297** | $ 228,100 |
| Depreciation, depletion and amortization | **(13,991)** | **(52,564)** | (67,800) |
| Treatment costs | **16,685** | **62,754** | 65,000 |
| Change in product inventory | **4,217** | **(1,866)** | 1,200 |
| Other costs | **171** | **392** | — |
| Exploration | **523** | **1,892** | 5,200 |
| Sustaining capital | **11,847** | **47,046** | 45,500 |
| All-In Sustaining Costs, Before by-Product Credits [1] | **63,763** | **248,951** | 277,200 |
| By-product credits | **(48,064)** | **(161,782)** | (206,100) |
| All-In Sustaining Costs, After By-product Credits | **$ 15,699** | **$ 87,169** | $ 71,100 |
| Divided by silver ounces produced | **2,233** | **9,254** | 7,400 |
| All-In Sustaining Costs, Before By-product Credits, per Silver Ounce | **$ 28.55** | **$ 26.90** | $ 37.46 |
| By-product credits per silver ounce | **$ (21.52)** | **$ (17.48)** | $ (27.85) |
| All-In Sustaining Costs, After By-product Credits, per Silver Ounce | **$ 7.03** | **$ 9.42** | $ 9.61 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, before by-product revenues earned from all metals other than the primary metal produced at each unit. In addition, on-site exploration, reclamation, and sustaining capital costs are also included.

2. All-in sustaining costs, before by-product credits for our consolidated silver properties includes corporate costs for reclamation, exploration, and pre-development.

# Cash Cost Reconciliation to GAAP

*Lucky Friday*

NYSE:HL

**Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization (GAAP) to All-In Sustaining Costs, Before By-product Credits, per Ounce and All-In Sustaining Costs, After By-product Credits, per Ounce (non-GAAP)**

| *In thousands (except per ounce amounts)* | Lucky Friday Unit | | | | |
|---|---|---|---|---|---|
| | Three Months Ended December 31, | | Year Ended December 31, | | Estimate for |
| | **2016** | 2015 | **2016** | 2015 | 2017 |
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | **$ 19,514** | $ 15,927 | **$ 76,210** | $ 65,222 | $ 93,800 |
| Depreciation, depletion and amortization | **(3,036)** | (2,919) | **(11,810)** | (11,262) | (23,700) |
| Treatment costs | **4,954** | 5,274 | **20,277** | 16,915 | 19,500 |
| Change in product inventory | **(60)** | 1,276 | **(1,162)** | 1,154 | (900) |
| Reclamation and other costs | **(265)** | 74 | **(822)** | 23 | — |
| Cash Cost, Before By-product Credits [1] | **21,107** | 19,632 | **82,693** | 72,052 | 88,700 |
| By-product credits | **(14,552)** | (10,737) | **(50,722)** | (38,035) | (67,200) |
| Cash Cost, After By-product Credits | **$ 6,555** | $ 8,895 | **$ 31,971** | $ 34,017 | $ 21,500 |
| Divided by silver ounces produced | **874** | 986 | **3,596** | 3,028 | 3,600 |
| Cash Cost, Before By-product Credits, per Silver Ounce | **$ 24.15** | $ 19.91 | **$ 23.00** | $ 23.79 | $ 24.64 |
| By-product credits per silver ounce | **(16.65)** | (10.89) | **(14.11)** | (12.56) | (18.67) |
| Cash Cost, After By-product Credits, per Silver Ounce | **$ 7.50** | $ 9.02 | **$ 8.89** | $ 11.23 | $ 5.97 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, before by-product revenues earned from all metals other than the primary metal produced at each unit.



# AISC Reconciliation to GAAP

*Lucky Friday*

NYSE:HL

**Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization (GAAP) to All-In Sustaining Costs, Before By-product Credits, per Ounce and All-In Sustaining Costs, After By-product Credits, per Ounce (non-GAAP)**

| *In thousands (except per ounce amounts)* | Lucky Friday Unit | | |
|---|---|---|---|
| | Three Months Ended December 31, **2016** | Year Ended December 31, **2016** | Estimate for 2017 |
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | **$ 19,514** | **$ 76,210** | $ 93,800 |
| Depreciation, depletion and amortization | **(3,036)** | **(11,810)** | (23,700) |
| Treatment costs | **4,954** | **20,277** | 19,500 |
| Change in product inventory | **(60)** | **(1,162)** | — |
| Other costs | **(39)** | **(101)** | — |
| Exploration | **76** | **76** | — |
| Sustaining capital | **9,318** | **41,536** | 23,000 |
| All-In Sustaining Costs, Before By-product Credits [1] | **30,727** | **125,026** | 112,600 |
| By-product credits | **(14,552)** | **(50,722)** | (67,200) |
| All-In Sustaining Costs, After By-product Credits | **$ 16,175** | **$ 74,304** | $ 45,400 |
| Divided by silver ounces produced | **874** | **3,596** | 3,600 |
| All-In Sustaining Costs, Before By-product Credits, per Silver Ounce | **$ 35.16** | **$ 34.77** | $ 31.28 |
| By-product credits per silver ounce | **$ (16.65)** | **$ (14.11)** | $ (18.67) |
| All-In Sustaining Costs, After By-product Credits, per Silver Ounce | **$ 18.51** | **$ 20.66** | $ 12.61 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, before by-product revenues earned from all metals other than the primary metal produced at each unit. In addition, on-site exploration, reclamation, and sustaining capital costs are also included.

2. All-in sustaining costs, before by-product credits for our consolidated silver properties includes corporate costs for reclamation, exploration, and pre-development.

# Cash Cost Reconciliation to GAAP

*San Sebastian*

NYSE:HL

**Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization (GAAP) to All-In Sustaining Costs, Before By-product Credits, per Ounce and All-In Sustaining Costs, After By-product Credits, per Ounce (non-GAAP)**

| In thousands (except per ounce amounts) | San Sebastian Unit | | | | |
|---|---|---|---|---|---|
| | Three Months Ended December 31, | | Year Ended December 31, | | Estimate for |
| | 2016 | 2015 | 2016 | 2015 | 2017 |
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | **$ 7,798** | $ — | **$ 31,233** | $ — | $ 35,500 |
| Depreciation, depletion and amortization | **(1,274)** | — | **(3,782)** | — | (10,000) |
| Treatment costs | **311** | 40 | **1,504** | 40 | 900 |
| Change in product inventory | **(144)** | 1,436 | **1,599** | 1,436 | 100 |
| Reclamation and other costs | **(674)** | — | **(2,257)** | — | (1,000) |
| Cash Cost, Before By-product Credits (1) | **6,017** | 1,476 | **28,297** | 1,476 | 25,500 |
| By-product credits | **(8,706)** | (928) | **(42,667)** | (928) | (26,100) |
| Cash Cost, After By-product Credits | **$ (2,689)** | $ 548 | **$ (14,370)** | $ 548 | $ (600) |
| Divided by silver ounces produced | **860** | 82 | **4,294** | 82 | 3,000 |
| Cash Cost, Before By-product Credits, per Silver Ounce | **$ 7.00** | $ 18.07 | **$ 6.59** | $ 18.07 | $ 8.50 |
| By-product credits per silver ounce | **(10.12)** | (11.36) | **(9.94)** | (11.36) | (8.70) |
| Cash Cost, After By-product Credits, per Silver Ounce | **$ (3.12)** | $ 6.71 | **$ (3.35)** | $ 6.71 | $ (0.20) |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, before by-product revenues earned from all metals other than the primary metal produced at each unit.



# AISC Reconciliation to GAAP

*San Sebastian*

NYSE:HL

**Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization (GAAP) to All-In Sustaining Costs, Before By-product Credits, per Ounce and All-In Sustaining Costs, After By-product Credits, per Ounce (non-GAAP)**

| In thousands (except per ounce amounts) | San Sebastian Unit | | |
|---|---|---|---|
| | Three Months Ended December 31, **2016** | Year Ended December 31, **2016** | Estimate for 2017 |
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | **$ 7,798** | **$ 31,233** | $ 35,500 |
| Depreciation, depletion and amortization | **(1,274)** | **(3,782)** | (10,000 |
| Treatment costs | **311** | **1,504** | 900 |
| Change in product inventory | **(144)** | **1,599** | 100 |
| Other costs | **(556)** | **(2,013)** | — |
| Exploration | **1,661** | **4,043** | 4,100 |
| Sustaining capital | **341** | **1,540** | 1,500 |
| All-In Sustaining Costs, Before By-product Credits (1,2) | **8,137** | **34,124** | 32,100 |
| By-product credits | **(8,706)** | **(42,667)** | (26,100 |
| All-In Sustaining Costs, After By-product Credits | **$ (569)** | **$ (8,543)** | $ 6,000 |
| Divided by silver ounces produced | **860** | **4,294** | 3,000 |
| All-In Sustaining Costs, Before By-product Credits, per Silver Ounce | **$ 9.46** | **$ 7.95** | $ 10.70 |
| By-product credits per silver ounce | **$ (10.12)** | **$ (9.94)** | $ (8.70 |
| All-In Sustaining Costs, After By-product Credits, per Silver Ounce | **$ (0.66)** | **$ (1.99)** | $ 2.00 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, before by-product revenues earned from all metals other than the primary metal produced at each unit. In addition, on-site exploration, reclamation, and sustaining capital costs are also included.

2. All-in sustaining costs, before by-product credits for our consolidated silver properties includes corporate costs for reclamation, exploration, and pre-development.

# Cash Cost Reconciliation to GAAP

*Casa Berardi*

NYSE:HL

**Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization (GAAP) to All-In Sustaining Costs, Before By-product Credits, per Ounce and All-In Sustaining Costs, After By-product Credits, per Ounce (non-GAAP)**

| *In thousands (except ounce and per ounce amounts)* | Casa Berardi Unit | | | | |
|---|---|---|---|---|---|
| | Three Months Ended December 31, | | Year Ended December 31, | | Estimate for |
| | **2016** | 2015 | **2016** | 2015 | 2017 |
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | **$ 49,074** | $ 39,161 | **$ 155,711** | $ 144,558 | $ 170,000 |
| Depreciation, depletion and amortization | **(14,748)** | (12,757) | **(47,312)** | (43,674) | (46,700) |
| Treatment costs | **637** | 221 | **1,264** | 670 | 600 |
| Change in product inventory | **(1,323)** | (1,409) | **2,890** | (1,970) | (1,400) |
| Reclamation and other costs | **(117)** | (109) | **(459)** | (455) | — |
| Cash Cost, Before By-product Credits [1] | **33,523** | 25,107 | **112,094** | 99,129 | 122,500 |
| By-product credits | **(163)** | (130) | **(572)** | (457) | (600) |
| Cash Cost, After by-product credits | **$ 33,360** | $ 24,977 | **$ 111,522** | $ 98,672 | $ 121,900 |
| Divided by gold ounces produced | **41,693** | 42,282 | **145,975** | 127,891 | 150,000 |
| Cash Cost, Before By-product Credits, per Gold Ounce | **$ 804.04** | $ 593.81 | **$ 767.90** | $ 775.11 | $ 817 |
| By-product credits per gold ounce | **(3.91)** | (3.07) | **(3.92)** | (3.57) | (4) |
| Cash Cost, After By-product Credits, per Gold Ounce | **$ 800.13** | $ 590.74 | **$ 763.98** | $ 771.54 | $ 813 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, before by-product revenues earned from all metals other than the primary metal produced at each unit.



# AISC Reconciliation to GAAP

*Casa Berardi*

NYSE:HL

**Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization (GAAP) to All-In Sustaining Costs, Before By-product Credits, per Ounce and All-In Sustaining Costs, After By-product Credits, per Ounce (non-GAAP)**

| *In thousands (except ounce and per ounce amounts)* | Casa Berardi Unit | | |
|---|---|---|---|
| | Three Months Ended December 31, | Year Ended December 31, | Estimate for |
| | **2016** | **2016** | 2017 |
| Cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) | **$ 49,074** | **$ 155,711** | $ 170,000 |
| Depreciation, depletion and amortization | **(14,748)** | **(47,312)** | (46,700) |
| Treatment costs | **637** | **1,264** | 600 |
| Change in product inventory | **(1,323)** | **2,890** | (1,400) |
| Reclamation and other costs | **(3)** | **(1)** | — |
| Exploration | **1,051** | **3,331** | 4,900 |
| Sustaining capital | **17,467** | **66,326** | 50,000 |
| All-In Sustaining Costs, Before By-product Credits [1] | **52,155** | **182,209** | 177,400 |
| By-product credits | **(163)** | **(572)** | (600) |
| All-In Sustaining Costs, After by-product credits | **$ 51,992** | **$ 181,637** | $ 176,800 |
| Divided by gold ounces produced | **41,693** | **145,975** | 150,000 |
| All-In Sustaining Costs, Before By-product Credits, per Gold Ounce | **$ 1,250.93** | **$ 1,248.22** | $ 1,183 |
| By-product credits per gold ounce | **$ (3.91)** | **$ (3.92)** | $ (4) |
| All-In Sustaining Costs, After By-product Credits, per Gold Ounce | **$ 1,247.02** | **$ 1,244.30** | $ 1,179 |

1. Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, before by-product revenues earned from all metals other than the primary metal produced at each unit. In addition, on-site exploration, reclamation, and sustaining capital costs are also included.

2. All-in sustaining costs, before by-product credits for our consolidated silver properties includes corporate costs for reclamation, exploration, and pre-development.

# Adjusted EBITDA Reconciliation and Net Debt Reconciliation to GAAP

NYSE:HL

Numbers in thousands (USD)

**Reconciliation of Net Income (Loss) (GAAP) to Adjusted EBITDA (non-GAAP)**

| | As of and for the Twelve Months Ended | | | | |
|---|---|---|---|---|---|
| | 31-Dec-16 | 30-Sep-16 | 30-Jun-16 | 31-Mar-16 | 31-Dec-15 |
| Net Income (Loss) | $ 69,574 | $ (13,676) | $ (49,355) | $(100,138) | $ (86,968) |
| Plus: Interest expense, net of amount capitalized | 21,796 | 22,694 | 23,737 | 24,908 | 25,389 |
| Plus/(Less): Income taxes | 27,428 | 83,106 | 68,153 | 56,525 | 56,310 |
| Plus: Depreciation, depletion and amortization | 115,468 | 113,259 | 114,841 | 112,110 | 111,489 |
| Plus: Exploration expense | 14,720 | 13,168 | 14,849 | 16,079 | 17,744 |
| Plus: Pre-development expense | 3,137 | 1,854 | 3,000 | 4,097 | 4,214 |
| Foreign exchange (gain) loss | 2,926 | 2,680 | (4,022) | (4,074) | (24,551) |
| Plus: Acquisition costs | 2,695 | 2,167 | 417 | 2,162 | 2,162 |
| Plus: Stock-based compensation | 5,932 | 5,950 | 6,378 | 5,537 | 5,425 |
| Plus/(Less): Losses (gains) on derivative contracts | (4,423) | (1) | (3,341) | (2,460) | (8,252) |
| Plus: Provision for closed operations and environmental matters | 4,813 | 4,693 | 3,785 | 12,257 | 12,046 |
| Plus/(Less): Provisional price (gains) losses | 918 | (449) | (627) | 985 | (634) |
| Other | (507) | (1,426) | (1,232) | 279 | 2,461 |
| **Adjusted EBITDA** | **$264,627** | **$234,019** | **$176,583** | **$ 128,267** | **$116,835** |
| Total debt | $512,940 | $515,757 | $517,283 | $ 518,231 | $520,496 |
| Less: Cash, cash equivalents, and short-term investments | 198,900 | 192,378 | 158,683 | 134,018 | 155,209 |
| Net debt | **$314,040** | **$323,379** | **$358,600** | **$ 384,213** | **$365,287** |
| **Net debt/LTM adjusted EBITDA** | **1.2x** | **1.4x** | **2.0x** | **3.0x** | **3.1x** |



# Greens Creek Free Cash Flow Reconciliation

NYSE:HL

| *Dollars are in thousands* | **1987-2016 Performance** |
|---|---|
| Gross Revenues | $4,961,131 |
| Treatment Charges | (958,927) |
| **Net Revenues** | **4,002,204** |
| Freight & Selling Expense | (195,474) |
| Net Smelter Return | 3,806,730 |
| Cost of Goods Sold | (1,775,194) |
| NonCash Costs | (612,052) |
| Exploration Expense | (80,785) |
| Gain/(Loss) of Sale of Assets | 1,020 |
| Curtailment, Standby & StartUp Costs | (28,816) |
| Alaska Mining License Tax | (57,296) |
| Other | 3,507 |
| **Net Profit/(Loss)** | **1,257,114** |
| Capital Expenditures | (788,423) |
| Asset Sales Proceeds | 3,085 |
| Lease Financing | 4,114 |
| Reclamation Expenditures | (7,216) |
| Working Capital | (18,894) |
| **Net Cash Flow** | **$1,060,812** |

Statistics from 1989 – 2015 on a 100% joint-venture basis (Hecla owned 29.7% until 2008)