



# HECLA MINING COMPANY

**United States' Largest  
Silver Producer**

**Annual Meeting of Shareholders  
May 26, 2022**



**RESPONSIBLE. SAFE. INNOVATIVE.**

# CAUTIONARY STATEMENTS



## Cautionary Statement Regarding Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbor created by such sections and other applicable laws, including Canadian securities laws. When a forward-looking statement expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, such statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements. Forward-looking statements often address our expected future business and financial performance and financial condition and often contain words such as “anticipate,” “intend,” “plan,” “will,” “could,” “would,” “estimate,” “should,” “expect,” “believe,” “project,” “target,” “indicative,” “preliminary,” “potential” and similar expressions. Forward-looking statements in this presentation may include, without limitation: (i) Company will be able to mitigate inflationary effects on costs successfully, (ii) Lucky Friday production will exceed 1 million ounce sin the next three quarters, and; (ii) mine-specific and Company-wide 2022 estimates of future production, sales, costs of sales and cash cost and AISC per ounce (in each case after by-product credits), as well as Company-wide estimated spending on capital, exploration and pre-development for 2022. The material factors or assumptions used to develop such forward-looking statements or forward-looking information include that the prices assumed in the calculation of cash cost and AISC will occur and the Company’s plans for development and production will proceed as expected and will not require revision as a result of risks or uncertainties, whether known, unknown or unanticipated, to which the Company’s operations are subject.

Estimates or expectations of future events or results are based upon certain assumptions, which may prove to be incorrect, which could cause actual results to differ from forward-looking statements. Such assumptions, include, but are not limited to: (i) there being no significant change to current geotechnical, metallurgical, hydrological and other physical conditions; (ii) permitting, development, operations and expansion of the Company’s projects being consistent with current expectations and mine plans; (iii) political/regulatory developments in any jurisdiction in which the Company operates being consistent with its current expectations; (iv) the exchange rate for the USD/CAD and USD/MXN, being approximately consistent with current levels; (v) certain price assumptions for gold, silver, lead and zinc; (vi) prices for key supplies being approximately consistent with current levels; (vii) the accuracy of our current mineral reserve and mineral resource estimates; (viii) there being no significant changes to Company plans for 2022 and beyond due to COVID-19 or any other public health issue, including, but not limited to with respect to availability of employees, vendors and equipment; (ix) 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; (x) counterparties performing their obligations under hedging instruments and put option contracts; (xi) sufficient workforce is available and trained to perform assigned tasks; (xii) weather patterns and rain/snowfall within normal seasonal ranges so as not to impact operations; (xiii) relations with interested parties, including Native Americans, remain productive; (xiv) maintaining availability of water rights; (xv) factors do not arise that reduce available cash balances; and (xvi) there being no material increases in our current requirements to post or maintain reclamation and performance bonds or collateral related thereto.

In addition, material risks that could cause actual results to differ from forward-looking statements include, but are not limited to: (i) gold, silver and other metals price volatility; (ii) operating risks; (iii) currency fluctuations; (iv) increased production costs and variances in ore grade or recovery rates from those assumed in mining plans; (v) community relations; (vi) conflict resolution and outcome of projects or oppositions; (vii) litigation, political, regulatory, labor and environmental risks; (viii) exploration risks and results, including that mineral resources are not mineral reserves, they do not have demonstrated economic viability and there is no certainty that they can be upgraded to mineral reserves through continued exploration; (ix) the failure of counterparties to perform their obligations under hedging instruments; (x) we take a material impairment charge on our Nevada operations; and (xi) we are unable to remain in compliance with all terms of the credit agreement in order to maintain continued access to the revolver. For a more detailed discussion of such risks and other factors, see the Company’s 2021 Form 10-K, filed on February 23, 2022, 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-looking statements” is at investors’ own risk.

# CAUTIONARY STATEMENTS (cont'd)



## **Cautionary Note Regarding Reserves and Resources**

This presentation uses the terms “mineral resources,” “measured mineral resources,” “indicated mineral resources” and “inferred mineral resources.” Mineral resources that are not mineral reserves do not have demonstrated economic viability. You should not assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. Further, inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically, and an inferred mineral resource may not be considered when assessing the economic viability of a mining project, and may not be converted to a mineral reserve. On October 31, 2018, the SEC adopted new mining disclosure rules (“S-K 1300”) that is more closely aligned with current industry and global regulatory practices and standards, including National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) which we comply with because we also are a “reporting issuer” under Canadian securities laws. While S-K 1300 is more closely aligned with NI 43-101 than the prior SEC mining disclosure rules, there are some differences. NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource and reserve estimates contained in this presentation have been prepared in accordance with NI 43-101, as well as S-K 1300. Investors are urged to consider closely the disclosure in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021 available at [www.sec.gov](http://www.sec.gov).

## **Cautionary Statements to Investors on Reserves and Resources**

This news release uses the terms “resource.” Mineral resources that are not mineral reserves do not have demonstrated economic viability. You should not assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. Further, inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically, and an inferred mineral resource may not be considered when assessing the economic viability of a mining project, and may not be converted to a mineral reserve. On October 31, 2018, the SEC adopted new mining disclosure rules (“S-K 1300”) that is more closely aligned with current industry and global regulatory practices and standards, including National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) which we comply with because we also are a “reporting issuer” under Canadian securities laws. While S-K 1300 is more closely aligned with NI 43-101 than the prior SEC mining disclosure rules, there are some differences. NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource and reserve estimates contained in this press release have been prepared in accordance with NI 43-101, as well as S-K 1300.

## **Qualified Person (QP)**

Kurt D. Allen, MSc., CPG, VP - Exploration of Hecla Mining Company and Keith Blair, MSc., CPG, Chief Geologist of Hecla Limited, who serve as a Qualified Person under S-K 1300 and NI 43-101, supervised the preparation of the scientific and technical information concerning Hecla’s mineral projects in this news release. Technical Report Summaries (each a “TRS”) for each of the Company’s material properties are filed as exhibits 96.1, 96.2 and 96.3 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, and are available at [www.sec.gov](http://www.sec.gov). 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 its TRS and in a NI 43-101 technical report titled “Technical Report for the Greens Creek Mine” effective date December 31, 2018, and for the Lucky Friday Mine are contained in its TRS and in its 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 its TRS and in its technical report titled “Technical Report on the mineral resource and mineral reserve estimate for Casa Berardi Mine, Northwestern Quebec, Canada” effective date December 31, 2018 (the “Casa Berardi Technical Report”), and for the San Sebastian Mine, Mexico, are contained in a technical report prepared for Hecla titled “Technical Report for the San Sebastian Ag-Au Property, Durango, Mexico” effective date September 8, 2015. Also included in each TRS and the four technical reports is a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources and a general discussion of the extent to which the estimates may be affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant factors. Information regarding data verification, surveys and investigations, quality assurance program and quality control measures and a summary of sample, analytical or testing procedures for the Fire Creek Mine are contained in a technical report prepared for Klondex Mines, dated March 31, 2018; the Hollister Mine dated May 31, 2017, amended August 9, 2017; and the Midas Mine dated August 31, 2014, amended April 2, 2015. Copies of these technical reports are available under Hecla’s and Klondex’s profiles on SEDAR at [www.sedar.com](http://www.sedar.com). Mr. Allen and Mr. Blair reviewed and verified information regarding drill sampling, data verification of all digitally collected data, drill surveys and specific gravity determinations relating to all the mines. The review encompassed quality assurance programs and quality control measures including analytical or testing practice, chain-of-custody procedures, sample storage procedures and included independent sample collection and analysis. This review found the information and procedures meet industry standards and are adequate for Mineral Resource and Mineral Reserve estimation and mine planning purposes.

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

Cash cost per ounce of silver and gold, after by-product credits, EBITDA, adjusted EBITDA, All-in Sustaining Costs, after by-product credits, realized silver margin, 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.

# 130 YEARS OF TIME-TESTED SUCCESS

High-grade, low-cost silver mines: Foundations of a solid present and a strong future



**Low Operating  
Risk Portfolio  
with a U.S.,  
Canada Focus**

- 130 years old, 80 years of mining at the Lucky Friday
- Largest silver and third largest zinc producer in the U.S.
- Among the top 15 largest silver producers in the world
- Largest silver reserve base in the U.S.
- Mining in the best countries, states, and provinces\*

**Best in Class  
Silver Assets**

- Low capital requirements, high margin generation even at low silver prices
- Decades of mining at current operations

**Brand Value &  
Balance Sheet  
Strength**

- Over 50 years at NYSE
- Solid balance sheet with \$212 million in cash, built on cash flow generation



\* Source – Fraser Institute Annual Survey of Mining Companies 2021

NYSE: HL

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# RIGHT JURISDICTION, METALS AND MINES

## World's Best Silver Mines



### **Greens Creek: Largest silver mine in the U.S.**

- Since 1987: Generated \$2.6 billion in cash flow from operations and \$1.7 billion in free cash flow; \$185 million in free cash flow in 2021
- Reserve life of 14 years, had a reserve mine life of 7 years at startup – 35 years ago



### **Lucky Friday: 80 years old with the best years ahead**

- UCB's success and higher grades at depth position Lucky Friday to be a flagship asset for the next decade
- Reserve life of 17 years, 6 consecutive quarters of free cash flow generation



### **Casa Berardi: Diversified operations and metals**

- Production optimization achieved, focus on costs
- Consistent free cash flow generation
- Reserve life of 14 years, an additional 1.8 million ounces in M&I and Inferred



# OUR ENVIRONMENTAL FOOTPRINT IS SMALL

Metals we produce are essential to a low carbon future

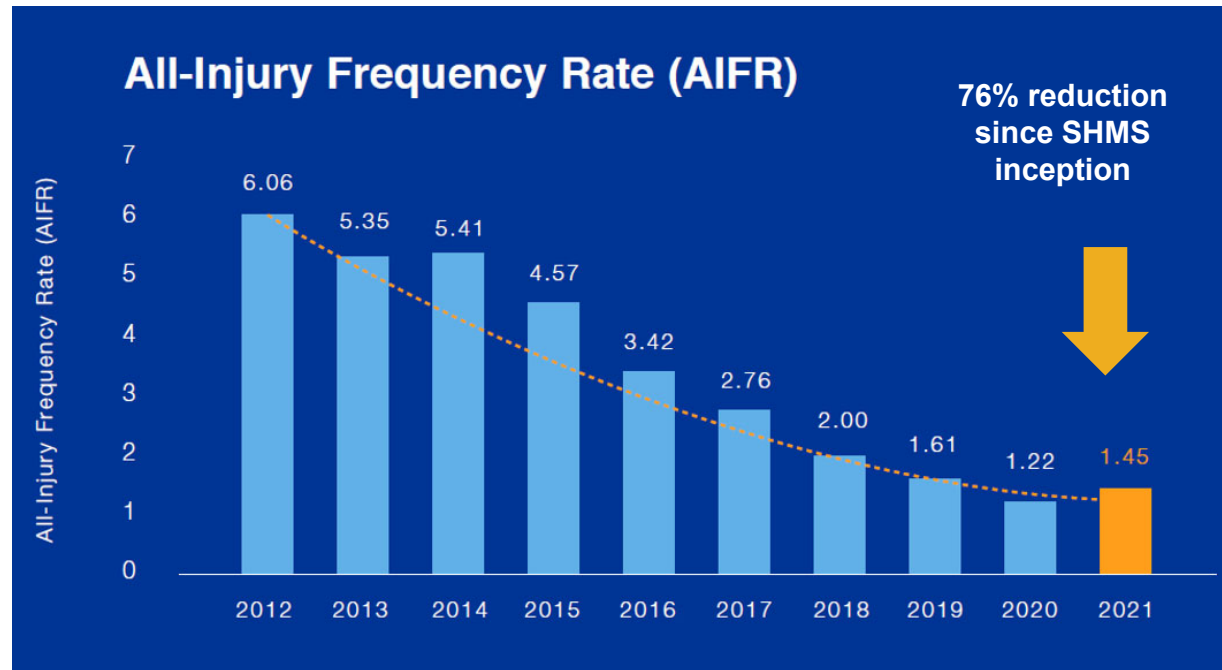


- Largest producer of silver and 3<sup>rd</sup> largest zinc producer in the U.S. Both the metals -
  - Are vital for renewable energy and decarbonization of our society
  - Have diverse uses in solar panels, electric vehicles, and galvanization of steel
- We strive to keep our environmental footprint small
  - 44% reduction in GHG emissions from 2019 baseline
  - Achieved net zero on Scope 1 and 2 emissions in 2021



# HECLA IS AMONG THE SAFEST MINING COMPANIES

Implemented NMA's CORESafety in 2012, became industry leader



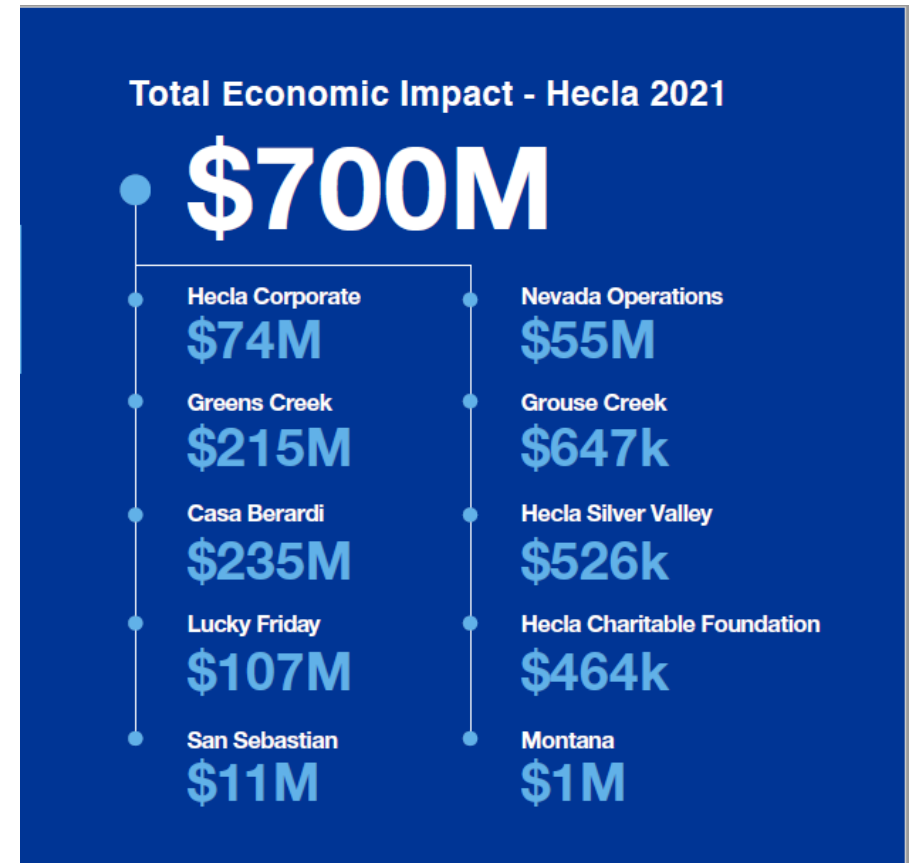
- **~49,000 hours** of safety and health training in 2021
- **Reduced AIFR by 76%** since 2012
- Hecla 1.45 rate in 2021 is **30% better** than national average

# HECLA CHANGES LIVES

Largest private employer within the communities we operate, jobs and benefits that last a lifetime



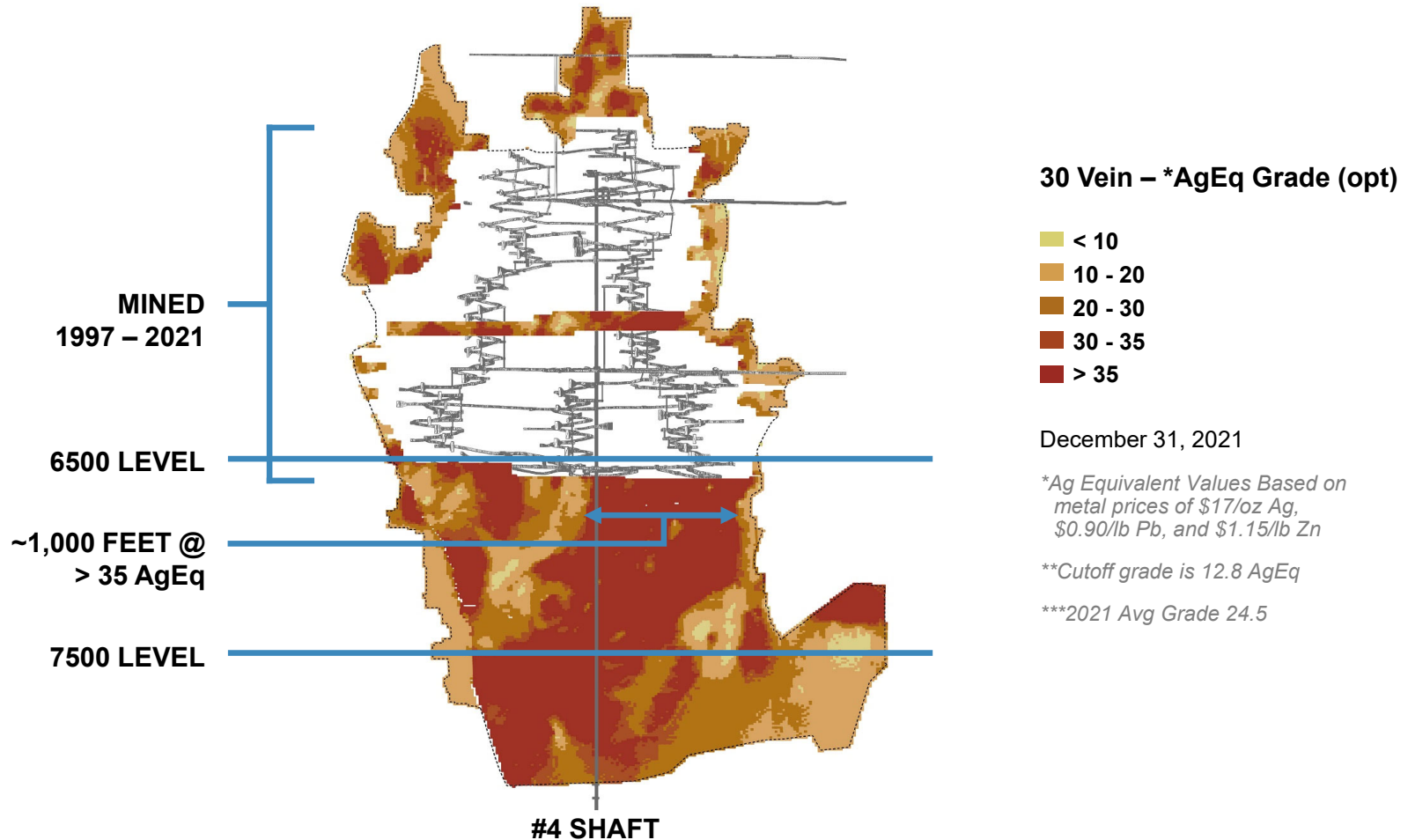
- Total economic impact of **\$700 million in 2021**
- More than \$845K in scholarships and donations
- More than a living wage – longevity, benefits
- Support for communities during COVID-19:
  - Food, personal protective equipment, supplies, and financial assistance
  - “Hecla Bucks” for Hecla employees to use at local businesses
- Hecla Charitable Foundation has provided **\$4+ million to area non-profits**





# LUCKY FRIDAY ON TRACK TO BE 5 Moz/YR PRODUCER

Higher grades at depth are supported by success of UCB mining method

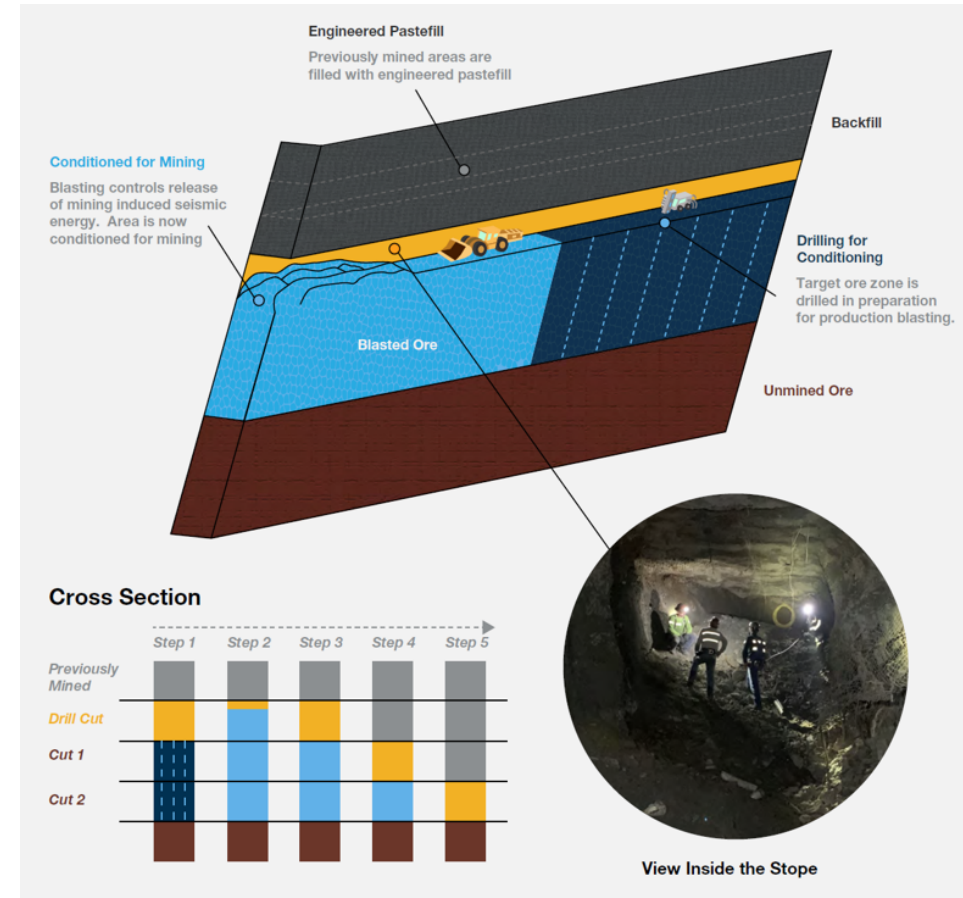


# UNDERHAND CLOSED BENCH MINING METHOD

Large scale blasting proactively manages seismic risk and increases throughput



- The UCB method uses advanced drilling and blasting techniques to proactively fragment the mineralized ore zone
  - Safer: miners work below engineered backfill and above a de-stressed zone
  - More Productive: larger equipment, less work by handheld equipment, more task-based mining
- Allows for greater control of the release of seismic energy, resulting in improved safety
- Dilution is controlled by bolting the ribs as mining advances
- Larger equipment improves productivity, reducing unit costs
- Patent pending

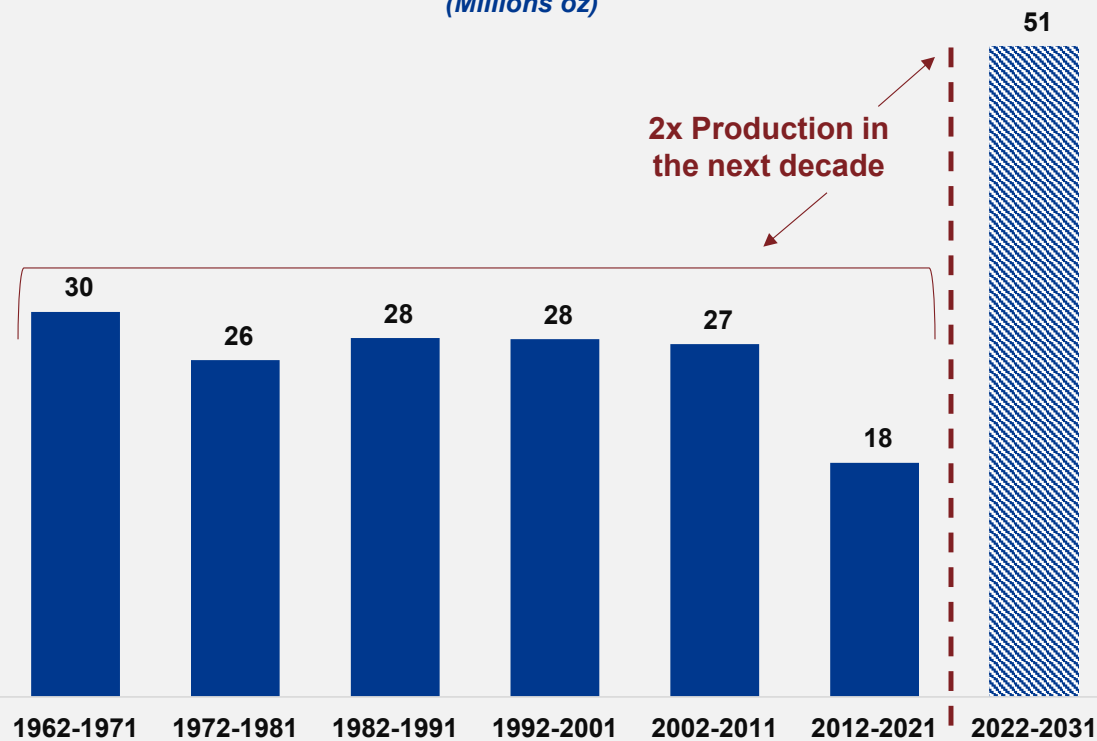


# LUCKY FRIDAY: POSITIONED FOR LONG-TERM VALUE

Average production of 5 Moz/YR from 2022-2031



**Lucky Friday: Silver Production by Decade\***  
(Millions oz)



NYSE: HL

\* Source: S-K 1300 Report for Lucky Friday, filed February 22, 2022



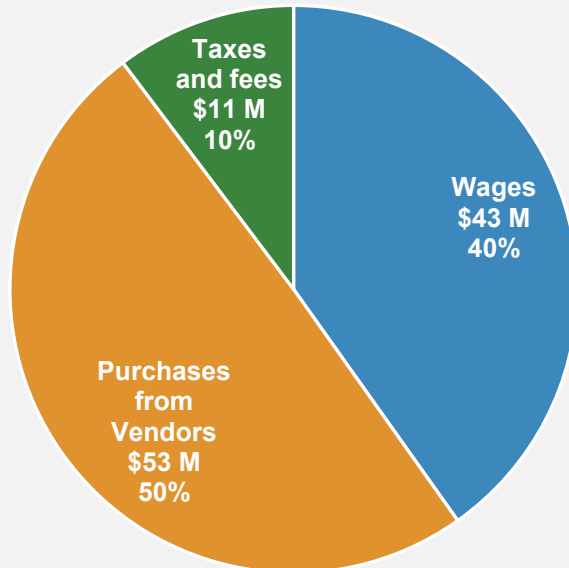
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# LUCKY FRIDAY: 2021 ECONOMIC IMPACT

Hecla is the largest private-sector employer and taxpayer in the Silver Valley



## Lucky Friday: Total Economic Impact in 2021 \$107 Million





# OUR COMMUNITY FOOTPRINT

A valued partner for 130 years



- 130 years of operations in the Silver Valley
- Hecla Charitable Foundation
  - \$2.2M in Idaho grants since 2008
  - \$100k to historic Wallace Pool Renovation
  - Annual funding of youth work programs in Wallace and Mullan
- Wallace Chamber “Buy Local” Program
  - \$150 in Hecla bucks to each employee to be used at local businesses during pandemic





# GENERATIONS OF EMPLOYMENT

Hecla takes pride in being integral to the communities



# RETIRING DIRECTORS

Term Ending at the 2022 Annual Meeting





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