



STONEGATE
CAPITAL PARTNERS

March 19, 2019

Laura S. Engel, CPA
laura@stonegateinc.com
214-987-4121

MARKET STATISTICS

| | |
|-----------------------------|---------------|
| Exchange / Symbol | NYSE: HL |
| Price: | \$2.40 |
| Market Cap (\$mm): | \$1,159.2 |
| Shares Outstanding (mm): | 483.0 |
| Float (%): | 98.7% |
| Volume (3 month avg. - mm): | 5.8 |
| 52 week Range: | \$2.17-\$4.15 |
| Industry: | Mining |

CONDENSED BALANCE SHEET

(\$mm, except per share data)

| | |
|----------------------|------------|
| Balance Sheet Date: | 12/31/2018 |
| Cash and ST Inv: | \$27.4 |
| Cash/Share: | \$0.06 |
| Debt: | \$532.8 |
| Equity (Book Value): | \$1,691.0 |
| Equity/Share: | \$3.50 |

CONDENSED INCOME STATEMENTS

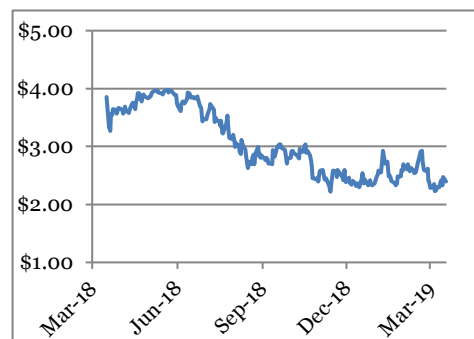
(\$mm, except per share data)

| FY - 12/31 | Revenue | Income | Adjusted EBITDA | EPS |
|------------|---------|----------|-----------------|----------|
| FY16 | \$646.0 | \$61.6 | \$242.0 | \$0.16 |
| FY17 | \$577.8 | \$(28.5) | \$187.0 | \$(0.07) |
| FY18 | \$567.1 | \$(26.6) | \$101.2 | \$(0.06) |

LARGEST SHAREHOLDERS

| | |
|------------------------------------|------------|
| Van Eck Associates Corp. | 60,487,000 |
| The Vanguard Group, Inc. | 43,771,300 |
| Dimensional Fund Advisors, LP | 36,181,900 |
| Blackrock, Inc. | 32,792,100 |
| State Street Global Advisors, Inc. | 15,441,400 |
| State of New Jersey Common Pension | 9,400,000 |
| Waterton Global Resource Mgmt. | 7,955,600 |
| Ceredex Value Advisors, LLC | 7,011,400 |
| Northern Trust Global Investments | 5,671,700 |
| Global X Management Company, LLC | 5,639,800 |

STOCK CHART



COMPANY DESCRIPTION

Hecla Mining Company is a leading precious metals producer specializing in silver and gold mining. The Company discovers, acquires, develops and produces unrefined precipitate and bullion bars (doré), which is further refined and sold to precious metals traders, as well as lead, zinc and bulk concentrates sold to custom smelters and brokers. Hecla operates silver mines in Alaska, Idaho, and Mexico, as well as gold mines in Nevada and Quebec, Canada. The Company has grown through acquisitions over the years and also has an active exploration and development program in place to grow its reserve levels for future production throughout North America. Hecla was founded in 1891 and is headquartered in Coeur d'Alene, Idaho, with a sister office in Vancouver, B.C. As last reported, the Company employs approximately 1,700 worldwide.

SUMMARY

- As part of a defined strategy for creating shareholder value, Hecla focuses on long-lived, low-cost mines for its portfolio that will generate returns over decades, as opposed to just the near-term.
- The mining industry for precious and base metals is highly competitive as well as highly regulated; Hecla operates in low-risk and mining-friendly jurisdictions with a North American focused asset portfolio, minimizing the geopolitical risk that some of its peers are facing abroad.
- As of 12/31/18, Hecla reported record reserve levels, detailing 191M oz. of silver (8% increase over PY), 2.9M oz. of gold (26% increase over PY), 932,000 tons of zinc (11% increase over PY) and 774,000 tons of lead (5% over PY); these reserves for silver, gold and lead are the highest in Hecla's 128-year history.
- At the close of 2018, the Company was operating 5 producing mining units spread throughout the US, Canada and Mexico – Greens Creek, Lucky Friday, San Sebastian, Casa Berardi, as well as its recent Nevada acquisition.
- Hecla closed on its most recent purchase of the Klondex Mines, Ltd. in July 2018, adding three high-grade gold mines in Nevada, and integration and optimization has been ongoing; this covers more than 110 square miles situated in a historically prolific mining jurisdiction.
- Management is focused on continued exploration and development in target areas where the Company believes there are untapped reserves, with several projects underway.
- Hecla is at the forefront of innovation and technological advancements within the mining industry; investing in and creating these next-generation mines has increased output as well as reserves, improved margins, extended lives of current mines, improved productivity, and increased safety underground.
- Hecla has been improving its liquidity as well as leverage metrics over the past several fiscal years. The Company reported 2018 revenues of \$567M vs. \$578M for the prior year, with record gold sales for FY18 at slightly higher realized gold prices, but that was offset by reduced silver production and lower silver sales with lower realized silver prices for 2018.
- Significant upside exists as the Company has prepared a new mine plan for Greens Creek that increases revenue while decreasing cost; also, Hecla is conducting a bulk sample in Mexico that could extend the mine life and has secured a third-party mill, and it is in the permitting process for Rock Creek and Montanore projects in Montana. Finally, the Company believes there is substantial upside for Fire Creek and Hatter Graben in Nevada.
- Workers at Lucky Friday remain on strike (since March 2017); during this period, Hecla is conducting limited production while waiting for the arrival of the Remote Vein Miner machine in 2019.

We believe that certain near-term catalysts could drive share price appreciation for HL investors, including, but not limited to: continued ramp up of gold production at Fire Creek in Nevada, ending of the strike at Lucky Friday, increases in gold, silver, lead and zinc pricing, exploration discoveries, additional progress with permitting for Rock Creek and Montanore, as well as further increases in the level of Hecla's reserves.

COMPANY OVERVIEW

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

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

Exhibit 1: Snapshot of Hecla's Operations as of Q318



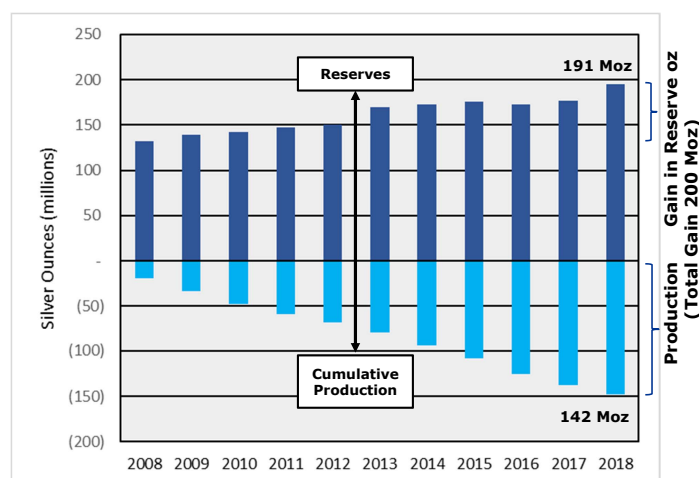
Source: Company Reports

During Q318, the Company closed on its most recent acquisition of the Klondex Mines, adding three high-grade gold mines in Nevada that cover more than 110 square miles situated in a historically prolific mining jurisdiction with great potential to increase gold production. Hecla took possession of the assets in July 2018, and integration and optimization of these mines has been ongoing.

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

For 2018, Hecla reported silver production of 10.4M oz. for the year, as well as gold production of 262K oz., zinc production of 56K tons and lead production of 20K tons. Hecla is currently the #1 primary silver and #3 lead and zinc producer in the U.S.

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



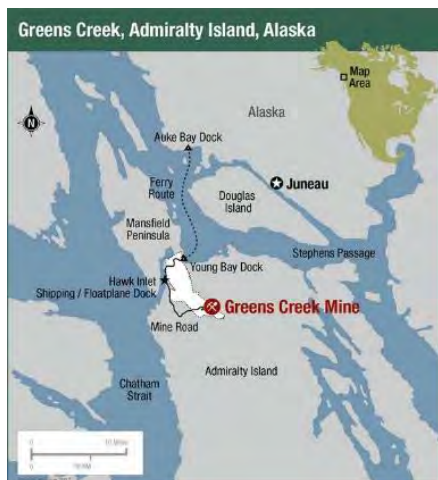
Source: Company Reports

As of year-end 2018, Hecla detailed silver reserves of 191M oz., gold reserves of 2.9M oz., as well as 932K tons of lead and 774K tons of zinc. These levels set new records for the highest in the Company's 128-year history, and the increase for 2018 is also the highest for Hecla in any given year thus far.

MINING PORTFOLIO

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

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



As last reported, Greens Creek produced approximately 2.2M oz. of silver and 13.1K oz. of gold in Q418, and estimates for the 2019 year are 7.7M oz. of silver and 50K oz. of gold. A new mine plan at Greens Creek has moved high-grade mineralization earlier into the mine plan, expanding the mine’s resources based on known mineralized trends (expect mine life to extend to 2030). A NI 43-101 Technical Report is expected by April 2019. Notably, Greens Creek contributed over \$84M in free cash flow in 2018.

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



introduction of a Remote Vein Miner in late 2019, which cuts the rock instead of drilling and blasting. Supervisors will conduct limited silver production to help minimize the financial cost of the strike.

Miners have met with Hecla representatives more than 20 times since March 13, 2017. A Revised Final Offer (RFO) was presented on 12/15/17, and there have been a few negotiating sessions since then with little progress. On May 4, 2018, Hecla notified the Union that due to the impasse, portions of the RFO were being implemented, effective immediately. The primary issue surrounding the strike is the Union’s desire to continue to allow the miners with the highest seniority to determine where and with whom they will work, regardless of the needs of the mine; this is the last hard rock mine in the U.S. that has such an outdated system. Whereas the Company would like to be able to operate the mine in a more productive and safe manner, improving on its margin and profitability, which is the lowest amongst Hecla’s silver mines

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



In Q418, Casa Berardi produced 35.9K oz. of gold and has estimates for 2019 of 150K oz. of gold. The majority of the tonnage came from the underground vs. open pit, and the Company notes that this mine has increased throughput of more than 100% since acquisition. We also note that the Casa Berardi mine generated over \$43M in free cash flow in FY18. Recently, Hecla’s exploration efforts have confirmed discovery of new open pitable material (as well as expansion opportunities for planned pits) and new high-grade lenses underground, and gold reserves have been increased by more than 400,000 ounces. A NI 43-101 Technical Report is expected by April 2019.

At Casa Berardi, the automated 985 drift project continues with the autonomous haul truck running better and with higher availability than originally anticipated. And a second 40-ton Sandvik autonomous haul truck was also delivered Q418; operating two autonomous trucks is expected to result in operating savings of several million dollars a year per management.

San Sebastian – San Sebastian, situated in Durango, Mexico, is 100% owned by the Company (acquired 1999). San Sebastian is a high-grade silver and gold mine sourced in recent years from a series of shallow open pits; however, the mine transitioned in January 2018 from an open pit to an underground mine (was an underground producing mine from 2001 – 2005).



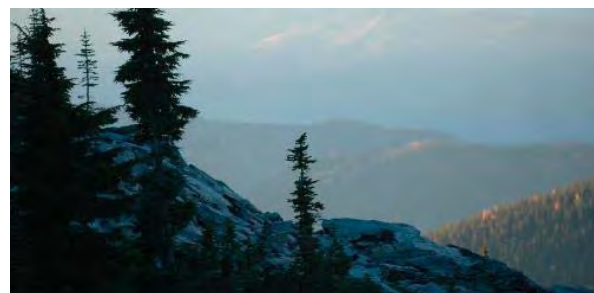
The Company also has an oxide mill leased through 2020 (recently extended last year) but expects to progress the mine life beyond this timeframe through continuing upgrades. Because of the use of the third-party mill and contract miners, San Sebastian has very low capital requirements yet generates healthy free cash flow. Also, Hecla recently announced securing a second mill with Excellon to process sulphide material for a five year term, which is extendable another two years after that. Upon successful completion of a bulk sample from the polymetallic Hugh Zone in 1H19, the Company could begin mining sulphide ore by 2020, offering the potential of running the oxide and sulphide mills concurrently, increasing production and cash flow. The polymetallic material could add 5 or more years to the mine life.

San Sebastian produced 2.0M oz. of silver in 2018 and 15.0K oz. of gold; 2.0M oz. of silver are expected in FY19 as well as 14K oz. of gold. Based on current estimates, the expected remaining mine life of San Sebastian is ~2 years.

Rock Creek and Montanore – The Company acquired Montanore as part of the Mines Management, Inc. purchase in 2016; it is situated adjacent to the Rock Creek project, which was acquired in 2015. Rock Creek and Montanore, located in northwest Montana, just 50 air miles from Hecla's Lucky Friday mine, are two of the largest undeveloped, world-class silver/copper deposits in the U.S. Both are in the permitting process. Rock Creek expects to see a final Record of Decision in the near-term for advancing the project's evaluation phase. Montanore was permitted in 2015, but as directed by a recent court decision, is being re-permitted to authorize the evaluation phase. This revised approval is anticipated for 1H2019. Both mines are expected to be long-lived silver/copper mines, and the two

combined could produce as much metal annually as all of Hecla does now. Estimates are for mining to begin at some point in the early 2020's.

Exhibit 3: Outlook for Rock Creek and Montanore



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

**Record of Decision

Source: Company Reports

Nevada Operations - Hecla closed on the Klondex acquisition and took possession of the assets in July 2018 for total consideration valued at \$407.7M; the purchase includes three high-grade gold mines in Nevada, situated in one of the best mining districts in the world. The mines bring immediate production and cash flow, and management notes substantial opportunity for improvement in the mines' productivity and consistency;



moving forward, Hecla is operating the mines and mill as one unit with a focus on production levels that generate margins and profitability as adjustments are made. Of the three mines, Fire Creek has the best margin and thus has been the initial priority.

The Nevada operations produced 88.2K oz. of silver in Q418 and 19.1K oz. of gold. Updates for the Klondex assets include:

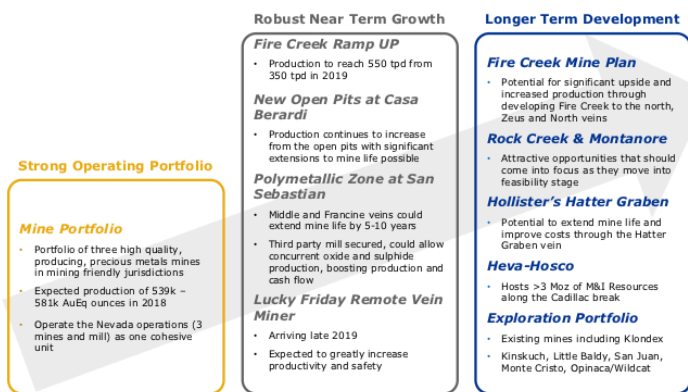
- At Fire Creek the development rate continues to increase, which should allow the mine to have more operating consistency as production increases
- With the Hatter Graben decline about 15% complete, it is expected that drilling could start soon between the Hollister mine area and Hatter Graben
- Production at the Midas mine has wound down as reserves are exhausted; personnel and machinery have been relocated to Hollister and Fire Creek
- At the Midas mill, improvements include construction of a new tailings facility, installation of new sampling equipment, and completion of CIL circuit to improve recoveries for processing Hollister ore
- Rehab work has been done on mine access at Fire Creek as well as roadways, and improvements in the development rates have been seen
- For FY19, production of 78K oz. of gold is expected, as the development rate increases and enables an increase in throughput

The Company continues to explore the opportunities offered by the 110 square mile package included in the Klondex purchase.

GROWTH STRATEGY

Hecla Mining Company's strategy is to continue to grow and strengthen its results and reserves through acquisitions, further operational efficiencies and continued development.

Exhibit 4: Roadmap for Value and Growth Creation



Source: Company Reports

The Company acquired Rock Creek in 2015 and Montanore in 2016, adding two significant silver/copper assets to the portfolio, both of which are moving forward in the permitting/pre-development phases. San Sebastian was being mined for high-grade silver and gold from a series of shallow pits over a two-year period, and in January 2018, Hecla transitioned to underground mining at the site. Lucky Friday #4 Shaft has become operational

and should extend the mine life for an additional 20 – 30 years. Casa Berardi has increased throughput at the mill and received permitting to potentially increase more in the future. And as previously mentioned, Hecla closed on the Klondex Mines, Ltd. purchase in July 2018, an acquisition that includes three high-grade gold mines in Nevada and more than 110 square miles along significant structural trends of a historically prolific mining jurisdiction.

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

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

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

Hecla has introduced considerable innovation into its other mines as well. In particular, Casa Berardi has been Wi-Fi’d and has an automated haulage drift at the 985 level in which the first automated haulage truck is in operation, and the second one arrived in Q418. The mine also features computer guided drills and rock breakers that are operated from surface. At Lucky Friday, the Company has tested battery powered equipment and is collaborating on the development of a Remote Vein Miner (RVM) which is designed to cut the rock, rather than drilling and blasting, increasing productivity and improving safety in this very deep mine; the arrival of the RVM is expected late 2019, and it will undergo testing in 2020. If the mine remains on strike at that time, the RVM might first go to Nevada where it will be tested in mine development.

INDUSTRY OVERVIEW

The global recovery in the mining and metals industry has moderated, and metals prices have recently weakened. Despite this, companies are focusing on reinvesting, modernizing and expanding with excess cash. Prior to this, mining companies were passing recent years of downturn attempting to improve balance sheets and to pay off debt from the boom years before, many selling off assets to do so.

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

Success will be driven by continued innovation, increasing mine safety, and increasing productivity. The acquisition of the high-grade Nevada assets will grow production, cash flow, and further strengthen the Company.

Exhibit 5: Historical Pricing for Silver and Gold

All Data Silver Price in USD/oz



All Data Gold Price in USD/oz



Source: *Silverprice.org, Goldprice.org*

RECENT RESULTS

Below we outline quarterly results detail for Q418 vs. Q417.

Exhibit 6: Q4 2018 Year-over-year Analysis

| Hecla Mining Company and Subsidiaries Consolidated Statements of Income (in thousands \$, except per sh. amounts) Fiscal Year: December | | | | |
|---|--------------------|--------------------|-----------------|---|
| | Q4 2017 | Q4 2018 | Variance | |
| Sales of products | 160,113 | 136,520 | (23,593) | Lower sales for Q418 were mainly due to lower silver production due to lower grades and production at San Sebastian, alongside lower average silver prices, partially offset by higher gold production at Casa Berardi due to higher throughput, plus the addition of the Nevada operations |
| Cost of sales and direct production costs | 80,190 | 102,192 | | |
| Depreciation, depletion, and amortization | 33,613 | 35,593 | | |
| Gross (loss) profit | 46,310 | (1,265) | (47,575) | Cash costs, after by-product credits, increased per silver and gold ounce for the current quarter. Most notably, Greens Creek reported cash cost, after by-product credits, per silver ounce of \$1.79 in Q418 vs. \$0.66 in Q417; it was also reported that at Casa Berardi, cash cost, after by-product credits, per gold ounce was \$940 in Q418 vs. \$719 in Q417. At San Sebastian, cash cost, after by-product credits, increased per silver ounce from (\$3.80) in Q417 to \$14.78 in Q418 |
| | 28.9% | -0.9% | | |
| Other operating expenses | 23,371 | 23,190 | (181) | Comparable with noted differences year-over-year on timing of suspension costs recognized in the 4th quarter, as well as funds spent on exploration and pre-development this year vs. last (more spent on Nevada and Quebec in current year quarter) and higher R&D expense in the previous year 4th quarter related to the RVM project |
| Income (loss) from operations | 22,939 | (24,455) | 8,924 | While interest expense was similar Q418 vs. Q417, a slight loss was recorded on base metals derivative contracts Q418, but results included foreign exchange gains of \$7.5m reported Q418, a significant increase over Q417 |
| Total other income / (expense) | (13,379) | (4,455) | 43,744 | Significantly higher tax provisions for 2017 were the result of changes in the US tax code and the resulting revaluation of a deferred tax asset, the current income and also mining taxes in Mexico |
| Pre-tax income (loss) | 9,560 | (28,910) | | |
| Income taxes (expense) | (38,527) | 5,217 | | |
| Net income (loss) | (28,967) | (23,693) | | |
| Preferred stock dividends | (138) | (138) | | |
| Net income (loss) to common | \$ (29,105) | \$ (23,831) | | |
| Diluted EPS (loss) | \$ (0.07) | \$ (0.05) | | |
| Fully diluted weighted-average shares outstanding | 399,133 | 480,572 | | |

Source: Company Reports, Stonegate Capital Partners

Adjusted EBITDA decreased in Q418 to \$28.1M vs. \$71.1M for the prior year period as a result of the Company's higher exploration spending and lower production for the quarter. Casa Berardi and Greens Creek continue to be the "economic engines" of Hecla, allowing investments in the Company's other mines to increase reserves, reduce operational costs and extend mine lives. And management noted that its Nevada operations are progressing with further development and the implementation of processes to increase throughput and make the mines more efficient.

Exhibit 7: Historical Cost Comparisons

| | Q417 | Q418 | 2016 | 2017 | 2018 |
|---|-------------|------------|------------|-------------|------------|
| Cash cost, after by-product credits, per silver oz. | \$(0.55)/oz | \$4.01/oz | \$3.10/oz | \$(0.01)/oz | \$1.08/oz |
| Cash cost, after by-product credits, per gold oz. | \$719/oz | \$1048/oz | \$764/oz | \$820/oz | \$871/oz |
| All in sustaining cost (AISC), after by-product credits, per silver oz. | \$7.23/oz | \$13.53/oz | \$11.68/oz | \$7.86/oz | \$11.44/oz |
| All in sustaining cost (AISC), after by-product credits, per gold oz. | \$1039/oz | \$1582/oz | \$1244/oz | \$1174/oz | \$1226/oz |

Source: Company Reports

CATALYSTS FOR HECLA

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

1. Continued integration and optimization of high-grade Nevada gold mines and mill from Klondex Mines, Ltd.
2. New mine plan at Greens Creek to move revenues forward and reduce development investment, increasing the NAV of the mine considerably
3. Focus on low cash cost and AISC driving cash flows higher
4. Increasing silver, gold, zinc and lead prices, given current geopolitical climate and global supply concerns
5. Additional increases in silver and gold reserves using industry-leading conservative price assumptions
6. Permitting progress at Rock Creek and Montanore
7. Further increases in mill throughput and gold production at Casa Berardi
8. Extension of mine life at San Sebastian through the discovery of more high-grade material
9. Resolution of the strike at Lucky Friday and introduction of the Remote Vein Miner machine

BALANCE SHEETS

Hecla Mining Company and Subsidiaries

Consolidated Balance Sheets (in thousands \$)

Fiscal Year: December

| ASSETS | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|--|---------------------|---------------------|---------------------|---------------------|
| Current Assets | | | | |
| Cash | \$ 155,209 | \$ 169,777 | \$ 186,107 | \$ 27,389 |
| ST investments | - | 29,117 | 33,758 | - |
| Accounts receivable, trade | 13,490 | 20,082 | 14,805 | 4,184 |
| Accounts receivable other, net | 27,859 | 9,967 | 17,385 | 21,634 |
| Inventory - concentrates, dore, and stockpiled ore | 22,441 | 25,944 | 29,366 | 53,172 |
| Materials and supplies | 23,101 | 24,079 | 26,100 | 34,361 |
| Other current assets | 27,433 | 12,125 | 13,715 | 23,410 |
| Total Current Assets | 269,533 | 291,091 | 321,236 | 164,150 |
| Non-current restricted cash and investments | 2,514 | 7,202 | 8,593 | 7,608 |
| Properties, plants, equipment and mineral interests, net | 1,896,811 | 2,032,685 | 1,999,311 | 2,520,004 |
| Non-current deferred incomes taxes | 36,589 | 35,815 | 1,509 | 1,987 |
| Other non-current assets | 16,478 | 4,884 | 14,509 | 10,195 |
| Total Assets | \$ 2,221,925 | \$ 2,371,677 | \$ 2,345,158 | \$ 2,703,944 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | |
| Current Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 51,277 | \$ 60,064 | \$ 46,549 | \$ 77,861 |
| Accrued payroll and related benefits | 27,563 | 36,515 | 31,259 | 30,034 |
| Accrued taxes | 8,915 | 9,061 | 5,919 | 7,727 |
| Current portion of capital leases | 8,735 | 5,653 | 5,608 | 5,264 |
| Current portion of accrued reclamation and closure costs | 20,989 | 5,653 | 6,679 | 3,410 |
| Current portion of debt | 2,721 | 470 | - | - |
| Other current liabilities | 6,884 | 8,809 | 16,116 | 11,898 |
| Total Current Liabilities | 127,084 | 126,225 | 112,130 | 136,194 |
| Long-Term Liabilities | | | | |
| Capital leases | 8,841 | 5,838 | 6,193 | 7,871 |
| Accrued reclamation and closure costs | 74,549 | 79,927 | 79,366 | 104,979 |
| Long-term debt | 500,199 | 500,979 | 502,229 | 532,799 |
| Non-current deferred tax liability | 119,623 | 122,855 | 124,352 | 173,537 |
| Non-current pension liability | 46,513 | 44,491 | 46,628 | 47,711 |
| Other non-current liabilities | 6,190 | 11,518 | 12,983 | 9,890 |
| Total Long-Term Liabilities | 755,915 | 765,608 | 771,751 | 876,787 |
| Stockholders' Equity | | | | |
| Preferred stock | 39 | 39 | 39 | 39 |
| Common stock | 95,219 | 99,806 | 100,926 | 121,956 |
| Capital surplus | 1,519,598 | 1,597,212 | 1,619,816 | 1,880,481 |
| Accumulated deficit | (232,565) | (167,437) | (218,089) | (248,308) |
| Accumulated other comprehensive loss | (32,631) | (34,602) | (23,373) | (42,469) |
| Less treasury stock | (10,734) | (15,174) | (18,042) | (20,736) |
| Total Stockholders' Equity | 1,338,926 | 1,479,844 | 1,461,277 | 1,690,963 |
| Total Liabilities and Stockholders' Equity | \$ 2,221,925 | \$ 2,371,677 | \$ 2,345,158 | \$ 2,703,944 |
| Ratios | | | | |
| Liquidity | | | | |
| Current Ratio | 2.1x | 2.3x | 2.9x | 1.2x |
| Quick Ratio | 1.5x | 1.8x | 2.2x | 0.4x |
| Working Capital | \$142,449 | \$164,866 | \$209,106 | \$27,956 |
| Leverage | | | | |
| Debt To Equity | 37.6% | 33.9% | 34.4% | 31.5% |
| Debt To Capital | 27.3% | 25.3% | 25.6% | 24.0% |

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENTS

Hecla Mining Company and Subsidiaries

Consolidated Statements of Income (in thousands \$, except per share amounts)

Fiscal Year: December

| | FY 2016 | FY 2017 | FY 2018 |
|--|------------------|------------------|--------------------|
| Sales | | | |
| Sales of products | \$ 645,957 | \$ 577,775 | \$ 567,137 |
| Total sales | 645,957 | 577,775 | 567,137 |
| Cost of sales | | | |
| Cost of sales and other direct production costs | 338,325 | 304,727 | 353,994 |
| Depreciation, depletion, and amortization | 123,631 | 120,599 | 134,044 |
| Total cost of sales | 461,956 | 425,326 | 488,038 |
| Gross profit | 184,001 | 152,449 | 79,099 |
| Other operating expenses | | | |
| General and administrative | 45,040 | 35,611 | 36,542 |
| Exploration | 14,720 | 23,510 | 35,695 |
| Pre-development | 3,137 | 5,448 | 4,887 |
| Research and development | 243 | 3,276 | 5,441 |
| Other operating expenses | 3,153 | 2,513 | 1,596 |
| Gain on disposition of PP&E and mineral interests | (147) | (6,042) | (2,793) |
| Lucky Friday suspension-related costs | - | 21,301 | 20,693 |
| Acquisition costs | 2,695 | 25 | 10,045 |
| Provision for closed operations and environmental matters | 5,721 | 6,701 | 6,119 |
| Total other operating expenses | 74,562 | 92,343 | 118,225 |
| Income (loss) from operations | 109,439 | 60,106 | (39,126) |
| Other income / (expense) | | | |
| Gain (Loss) on disposal of investments | - | (166) | (34) |
| Unrealized income (loss) on investments | (177) | (247) | (2,816) |
| Gain (Loss) on derivative contracts | 4,423 | (21,250) | 40,253 |
| Net foreign exchange loss | (2,737) | (9,680) | 10,310 |
| Interest and other income | 507 | 1,692 | (907) |
| Interest expense, net | (21,796) | (38,012) | (40,944) |
| Total other income / (expense): | (19,780) | (67,663) | 5,862 |
| Pre-tax income (loss) | 89,659 | (7,557) | (33,264) |
| Income taxes (expense) | (28,090) | (20,963) | 6,701 |
| Net income (loss) | \$ 61,569 | (28,520) | \$ (26,563) |
| Preferred stock dividends | (552) | (552) | (552) |
| Net income (loss) to common | \$ 61,017 | (29,072) | \$ (27,115) |
| Basic EPS (loss) | \$ 0.16 | \$ (0.07) | \$ (0.06) |
| Diluted EPS (loss) | \$ 0.16 | \$ (0.07) | \$ (0.06) |
| Weighted average number of common shares outstanding - basic | 386,416 | 397,394 | 433,419 |
| Weighted average number of common shares outstanding - diluted | 389,322 | 397,394 | 433,419 |
| EBITDA | 233,070 | 180,705 | 94,918 |
| Adjusted EBITDA | 242,045 | 187,028 | 101,196 |
| Margin Analysis | | | |
| Cost of sales and other direct production costs | 52.4% | 54.0% | 62.4% |
| Depreciation, depletion, and amortization | 19.1% | 20.9% | 23.6% |
| Gross margin | 28.5% | 26.4% | 13.9% |
| General and administrative | 7.0% | 6.2% | 6.4% |
| Exploration | 2.3% | 4.1% | 6.3% |
| Pre-development | 0.5% | 0.9% | 0.9% |
| Operating margin | 16.9% | 10.4% | -6.9% |
| Pre-tax margin | 13.9% | -1.3% | -5.9% |
| Net income margin | 9.5% | -4.9% | -4.7% |
| EBITDA margin | 36.1% | 31.3% | 16.7% |

Source: Company Reports, Stonegate Capital Partners

SIGNIFICANT EVENTS

February 2019 – Company reports record gold, silver and lead reserves, the largest in its 128-year history and the largest increase in any single year

November 2018 – Hecla reports the largest quarterly exploration program in the Company's history; there were up to 20 drills at 10 properties and 5 operating mines, all in North America

July 2018 – Company closes on acquisition of Klondex Mines, Ltd., adding 3 high-grade mines in Nevada

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

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

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

March 2017 – Unionized employees at Lucky Friday vote against contract offer and go on strike (still in effect)

January 2017 – Shaft #4 project completed and commissioned at Lucky Friday, providing access to deeper levels

January 2017 – Began work on new underground decline and rehabilitation of historical underground workings at San Sebastian mine

September 2016 – Company acquires Montanore as part of Mines Management purchase

May 2016 – Hecla enters into \$100M senior secured revolving credit facility with 3-year term

February 2016 – ATM programs begins with approval for up to \$75M

December 2015 – Commenced ore production at San Sebastian in Mexico

June 2015 – Rock Creek acquired as part of Revett Mining Company, Inc. purchase

2014 – An additional \$6.5M in notes issued

2013 - \$500M in senior notes issued and due 2021 at 6.875% and used to fund acquisition (June 2013) of Aurizon Mines Ltd., gaining Casa Berardi mines and others in Quebec

2012 – Board approves stock repurchase program up to 20M shares

2006 – Hecla incorporated in Delaware

1999 – San Sebastian asset acquired through purchase of Monarch assets

1993 – Series B Preferred Stock is issued

1989 – Greens Creek interest acquired with mine in production (1993 – 1996 temporary care and maintenance period)

1958 – Lucky Friday becomes 100% owned and in production (2012 year off for rehabilitation)

1891 – Hecla Mining Company begins operations

CORPORATE GOVERNANCE

Phillips S. Baker, Jr. - President, Chief Executive Officer and Director

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

Lindsay A. Hall – Senior Vice President and Chief Financial Officer

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

Lawrence P. Radford – Chief Operating Officer

Lawrence P. Radford was appointed Hecla's Chief Operating Officer in May 2018, and prior to that was Senior Vice President - Operations. Prior to joining Hecla, Mr. Radford was Vice President of South American Operations for Kinross Gold Corporation. Before that he was General Manager for Barrick Gold Corporation at its Cowal operation (a gold mining operation) in West Wyalong, NSW, Australia. He has over 30 years of mining experience.

Board of Directors:

Theodore Crumley – *Chairman of the Board*

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

Catherine J. Boggs – *Director*

George R. Johnson – *Independent Director*

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

Stephen F. Ralbovsky – *Independent Director*

Terry V. Rogers – *Independent Director*

Charles B. Stanley – *Independent Director*

IMPORTANT DISCLOSURES AND DISCLAIMERS

The following disclosures are related to Stonegate Capital Partners (SCP) research reports.

ANALYST DISCLOSURES

I, Laura S. Engel, CPA, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information included. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING, REFERRALS, AND FEES FOR SERVICE

SCP does not provide nor has it received compensation for investment banking services on the securities covered in this report. SCP does not expect to receive compensation for investment banking services on the securities covered in this report. SCP has a non-exclusive Advisory Services agreement to provide research coverage, retail and institutional awareness, and overall Investor Relations support and for which it is compensated \$3,000 per month. Stonegate Capital Markets (SCM) is an affiliate of SCP and a member of FINRA/SIPC. SCM may seek to receive future compensation for investment banking or other business relationships with the covered companies mentioned in this report. In certain instances, SCP has contracted with SCM to produce research reports for its client companies.

POLICY DISCLOSURES

SCP analysts are restricted from holding or trading securities in the issuers which they cover. SCP and SCM do not make a market in any security nor do they act as dealers in securities. Each SCP analyst has full discretion on the content and valuation discussion based on his or her own due diligence. Analysts are paid in part based on the overall profitability of SCP. Such profitability is derived from a variety of sources and includes payments received from issuers of securities covered by SCP for services described above. No part of analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in any report or article. No employee of SCP serves on the Company's Board of Directors. Research analyst and/or a member of the analyst's household do not own shares of this security. Research analyst and/or a member of the analyst's household do not serve as an officer, director, or advisory board member of the Company. This security is eligible for sale in one or more states. This security is subject to the Securities and Exchange Commission's Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities. SCP or its affiliates do not beneficially own 1% or more of an equity security of the Company. SCP does not have other actual, material conflicts of interest in the securities of the Company. Stonegate relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Stonegate does not offer or provide personalized advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions.

ADDITIONAL INFORMATION

Please note that this report was originally prepared and issued by SCP for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of SCP should seek the advice of their independent financial advisor prior to making any investment decision based on this report or for any necessary explanation of its contents. The information contained herein is based on sources that SCP believes to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of SCP and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein. The firm and/or its employees and/or its individual shareholders and/or members of their families and/or its managed funds may have positions or warrants in the securities mentioned and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the firm from time to time in the open market or otherwise. While SCP endeavors to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. All opinions are subject to change without notice, and SCP does not undertake to advise you of any such changes. Reproduction or redistribution of this report without the expressed written consent of SCP is prohibited. Additional information on any securities mentioned is available on request.

RATING & RECOMMENDATION

SCP does not rate the securities covered in its research. SCP does not have, nor has previously had, a rating for any securities of the Company. SCP does not have a price target for any securities of the Company.

CONTACT INFORMATION

Hecla Mining Company
Mike Westerlund, VP Investor Relations
6500 North Mineral Drive
Suite 200
Coeur d'Alene, ID 83815-9408
Phone: 208-769-4100
www.hecla-mining.com