

# WORLD GOLD FORUM



## United States' Leading Silver Producer

April 13, 2021



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) the ability of our assets to overcome challenges of COVID-19; (ii) ability to achieve forecast silver and gold production, costs, cash and all in sustaining cost, after by-product credit and sustaining capital estimates at Greens Creek, Casa Berardi, Lucky Friday, San Sebastian and in Nevada and capital expenditures; (iii) Casa Berardi can improve the mill operations and increase reliability, throughput and cash flow and significantly reduce costs, and will see better production in 2021; (iv) Lucky Friday will nearly double 2020 silver production in 2021; (v) the ability of the Company to maintain its strong liquidity and balance sheet; (vii) the company has low capital requirements in the future. The material factors or assumptions used to develop such forward-looking statements or forward-looking information include that the Company’s plans for development and production will proceed as expected and will not require revision as a result of risks or uncertainties, whether known, unknown or unanticipated, to which the Company’s operations are subject.

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) 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; (ix) counterparties performing their obligations under hedging instruments and put option contracts; (x) sufficient workforce is available and trained to perform assigned tasks; (xi) weather patterns and rain/snowfall within normal seasonal ranges so as not to impact operations; (xii) relations with interested parties, including Native Americans, remain productive; (xiii) economic terms can be reached with third-party mill operators who have capacity to process our ore; (xiv) maintaining availability of water rights; (xv) factors do not arise that reduce available cash balances, (xvi) there being no material increases in our current requirements to post or maintain reclamation and performance bonds or collateral related thereto, and (xvii) the Company’s plans for refinancing its high yield notes proceeding as expected.

# CAUTIONARY STATEMENTS (cont'd)



## **Cautionary Statement Regarding Forward Looking Statements (Cont'd)**

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, including put option contracts; (x) our plans for improvements at our Nevada operations, including at Fire Creek, are not successful; (xi) our exploration discoveries at Nevada and other properties do not result into mineable resources (xii) we take a material impairment charge on our Nevada operations; and (xiii) we are unable to remain in compliance with all terms of the credit agreement in order to maintain continued access to the revolver (xiv) we will continue to generate free cash flow in 2021 (xv) our initiatives at Casa to reduce costs and external spend, increase underground productivity will yield results. For a more detailed discussion of such risks and other factors, see the Company's 2019 Form 10-K, filed on February 10, 2020, with the Securities and Exchange Commission (SEC), as well as the Company's other SEC filings, including the Company's 2020 10-K filed on February 18, 2021. 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 Note Regarding Estimates of Measured, Indicated and Inferred Resources**

The disclosures herein regarding mineral reserves and resources are as of December 31, 2020. For disclosures prior to January 1, 2021, the 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 prior to January 1, 2021, SEC guidelines generally prohibited U.S. registered companies from including in their filings with the SEC. 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](http://www.sec.gov).

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

Kurt D. Allen, MSc., CPG, Director - Exploration of Hecla Limited and Keith Blair, MSc., CPG, Chief Geologist of Hecla Limited, who serve 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 news release, including with respect to the newly acquired Nevada projects. 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 December 31, 2018, 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 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 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. 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.

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 the Casa Berardi Mine. 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, 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.

# Hecla: Unique Precious Metals Miner

# WHY INVEST IN HECLA?

Hecla is unique to other silver miners, ETFs and physical silver

- Primarily U.S based operations – the right jurisdiction for risk and ESG
- Two of the largest and highest-grade silver mines in the world
  - Silver dominates reserves and cash flow
  - Long-lived mines with decades ahead of us
- Silver production is growing
- Consistent dividend payments and only dividend linked to silver price
- Brand value – 130 years and over 50 years on NYSE



# ESG IS BUILT IN OUR CULTURE BUT IS STILL IMPROVING

Primary operations in the U.S. and Canada provides the strongest ESG commitment



## Best Jurisdiction To Protect The Environment

- Completed reclamation of 97% of the Troy Tailings Facility returning lands to productive uses such as wildlife habitat
  - State released nearly \$8M in financial assurance
- Advanced “Zero-Discharge” water reduction program at Lucky Friday
- Green house gas emissions decreased 35% from 2019



## Best Jurisdictions To Care For Workers' Health & Safety

- Lowest AIFR in company history—73% reduction over the last six years
  - 2020 ended with AIFR of 1.22
- Industry leading COVID-19 response
  - **Greens Creek: 5-day quarantine and 3 PCR tests before at site – 5,137 tests, 29 positives identified, 1 on site with no spread**
- “Take It Home” Safety campaign integrating our every day – every shift – home safe



# ESG IS BUILT IN OUR CULTURE BUT IS STILL IMPROVING

Primary operations in the US and Canada provides the strongest ESG commitment



## Best Jurisdictions For A Collaborative Social Engagement

- Signed Collaboration Agreement with Pikogan First Nation at Casa Berardi Mine
- Initiated a buy local voucher program in partnership with community chambers of commerce to support local vendors during the economic difficulties caused by COVID-19
- Furthered local education through financial donations and partnerships with the Pathways to Mining Careers program in Alaska, the Hecla-Quebec Global Development Fund and the James Bay Vocational Training Center



## Best Jurisdictions For Governance

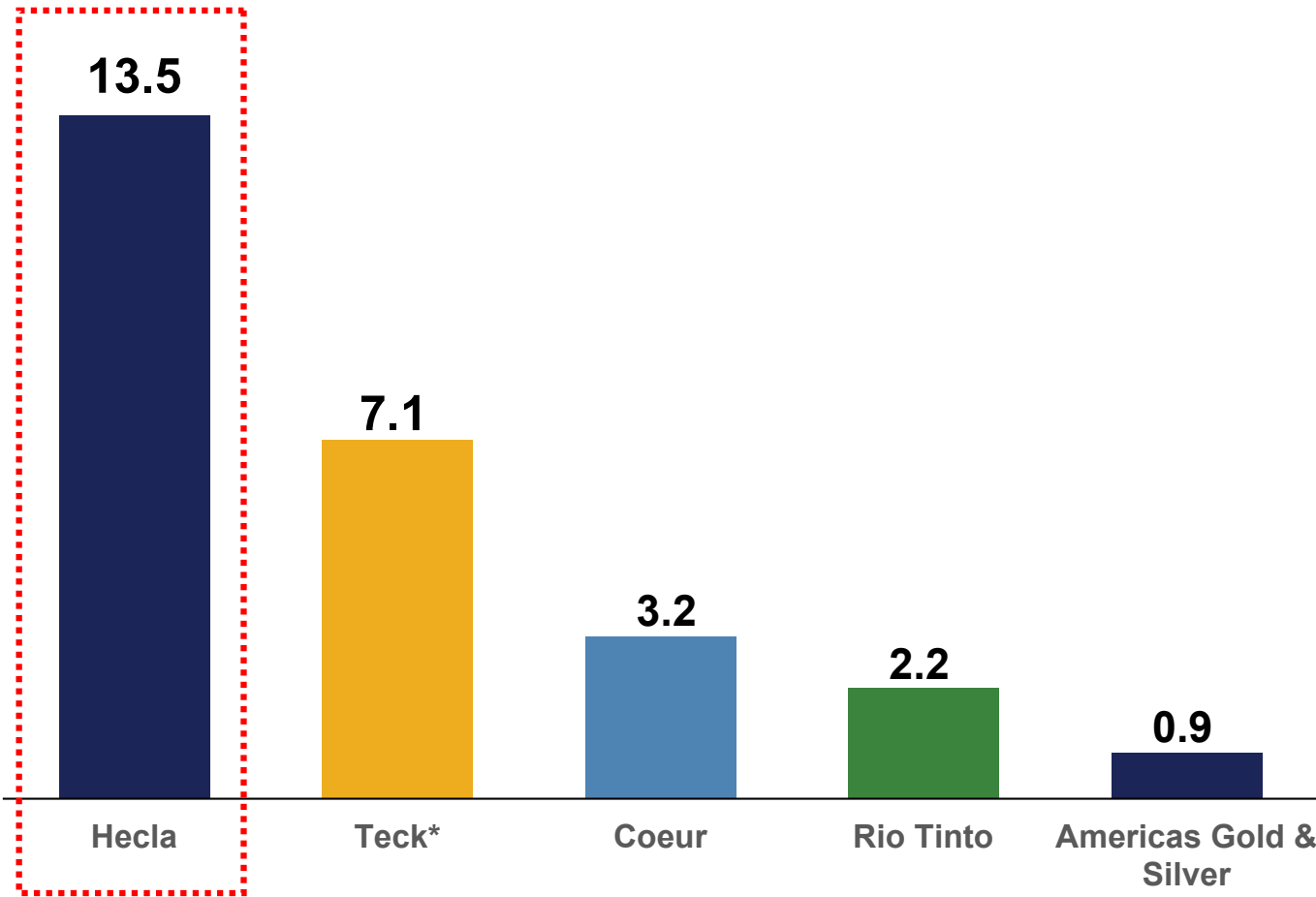
- Approved and published a human rights statement consistent with UN Universal Declaration on Human Rights
- Increased ESG disclosure around the Sustainability Accounting Standards Board (SASB) metals and mining metrics and benchmarked against the Task Force on Climate-Related Financial Disclosures (TCFD)

# HECLA MINES A THIRD OF ALL SILVER PRODUCED IN THE USA

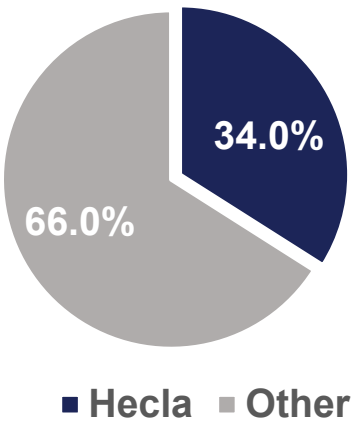
Half of the world's production is from Mexico, Peru and China; U.S. production is scarce



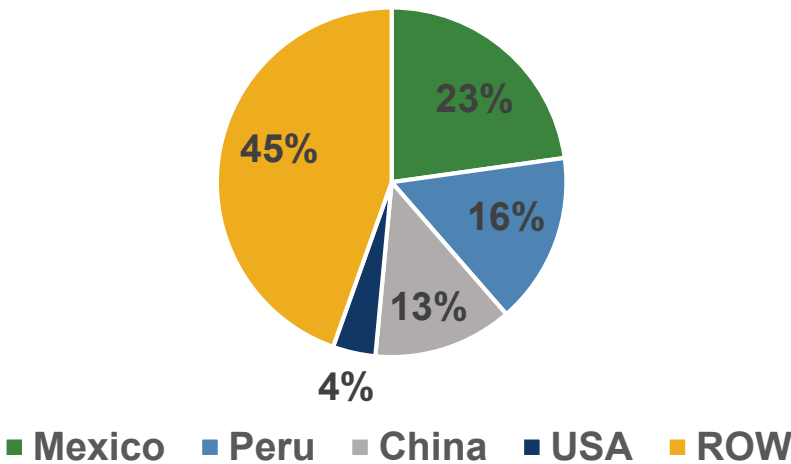
2020 U.S. Silver Production)  
(Moz)



Hecla's Share of U.S. Production



3 Countries Produce 50% of World Production  
U.S. Produces 4%

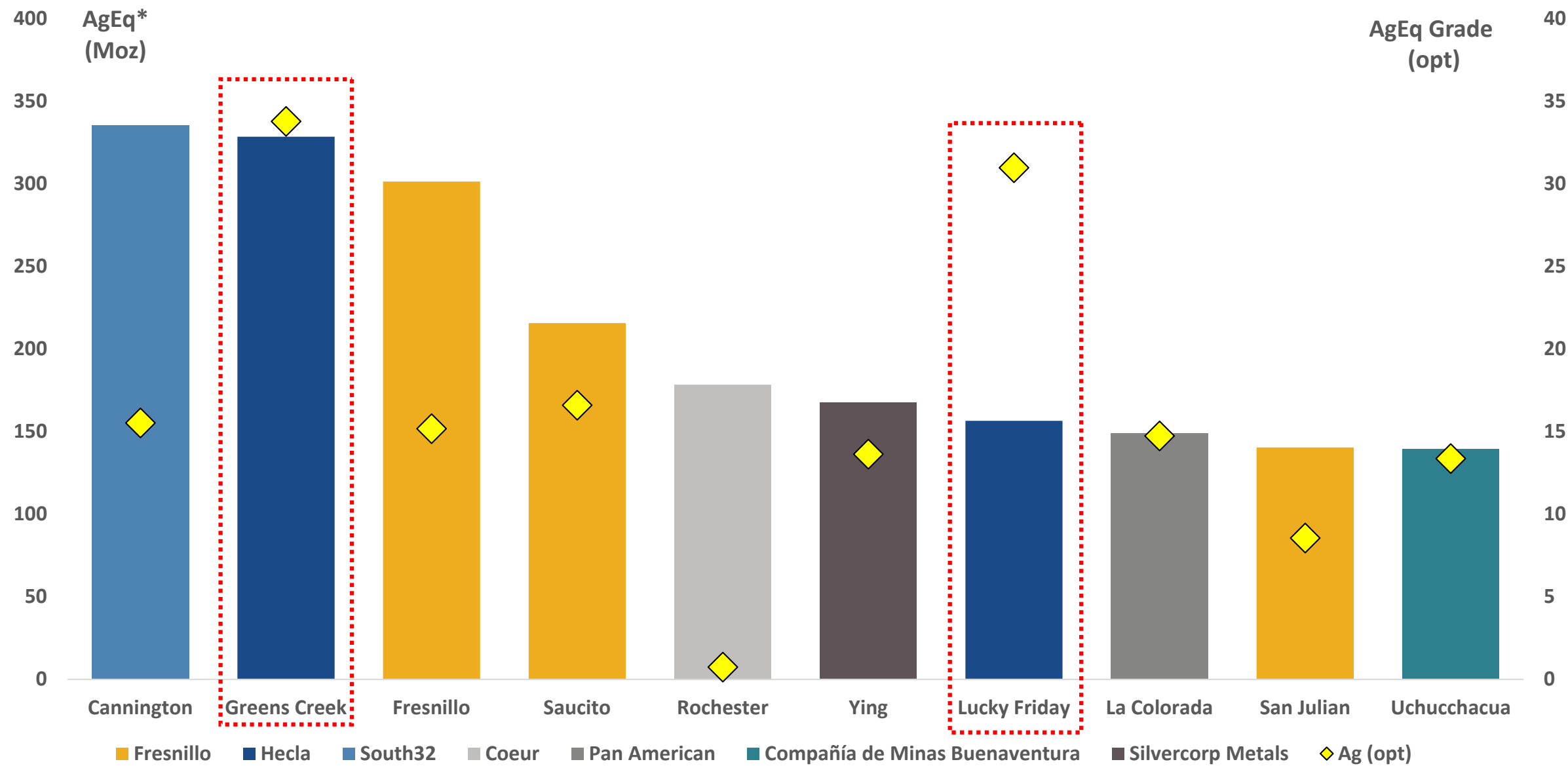


Source: Silver Institute; Company Reports  
\* 2019 Teck production



# HIGH-GRADE SILVER MINES OF SIZE ARE SCARCE

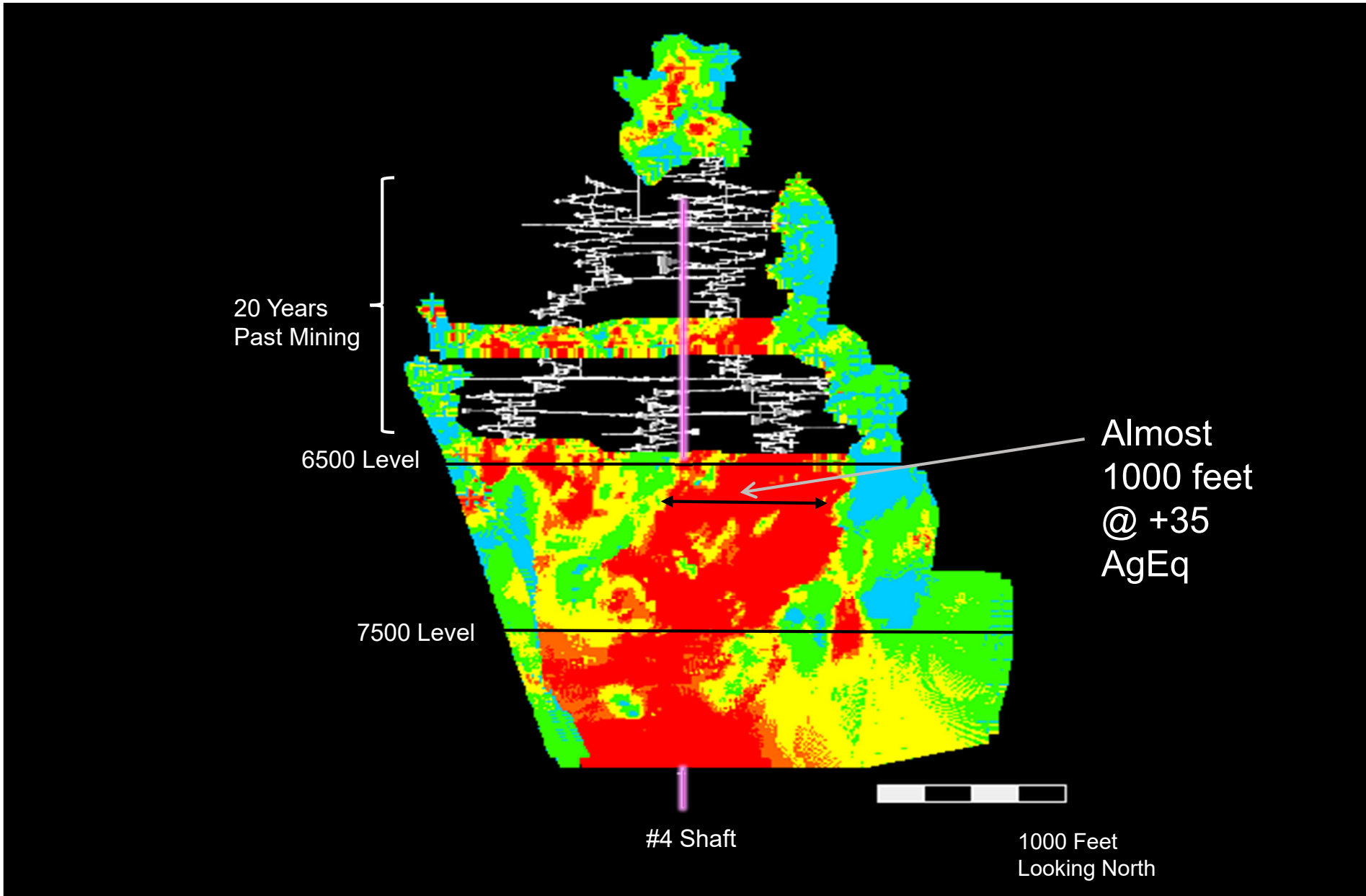
Hecla's world's second and seventh largest silver mines have the highest silver equivalent grade



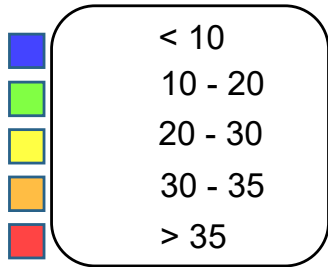
\*AgEq based on equivalency factors of 82 Au, 6 Cu, 20 Pb, 17 Zn  
Source: S&P Global Market Intelligence

# HECLA IS INCREASING SILVER PRODUCTION

Lucky Friday production doubled over last year, expected to double again in 2021 and 60% more within 3 years



30 Vein - \*AgEq Grade (opt)

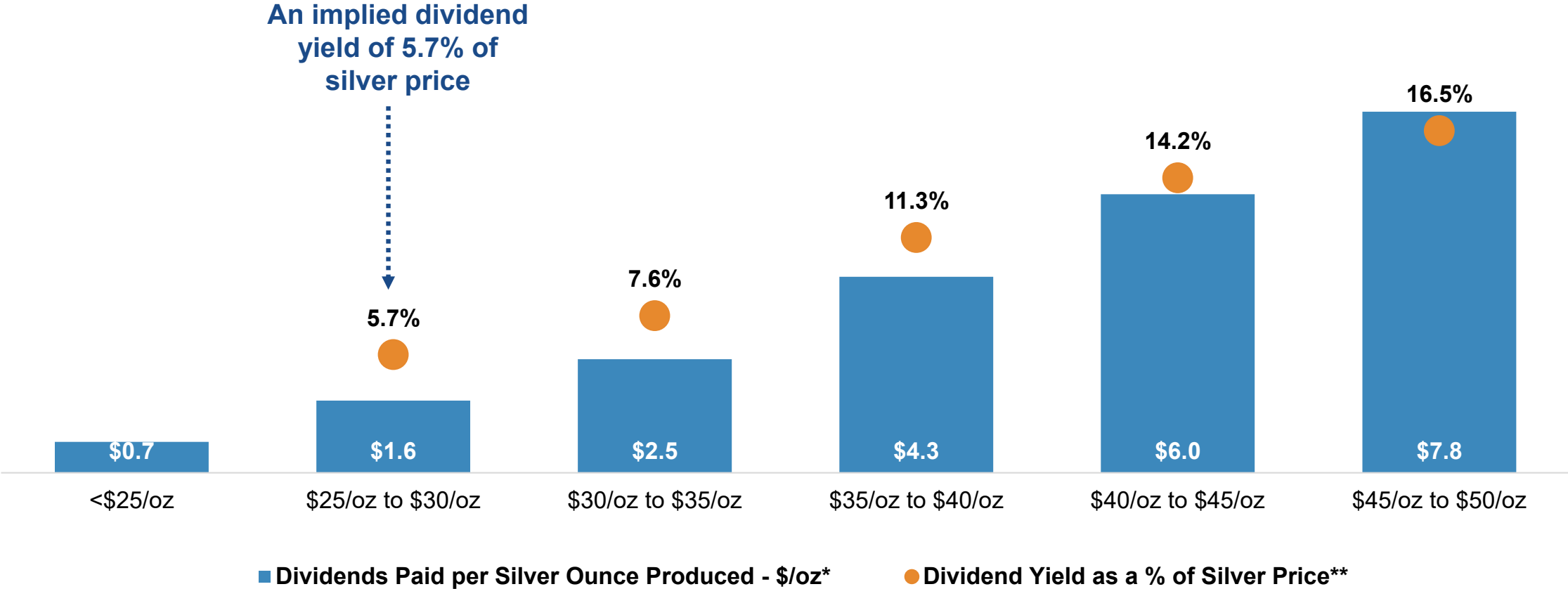


Oct. 12, 2020

*\*Ag Equivalent Values Based on metal prices of \$16.50/oz Ag, \$0.85/lb Pb, and \$1.00/lb Zn  
\*\* Cutoff grade 11 AgEq  
\*\*\* 2020 average grade 25 AgEq*

# DIVIDEND YIELD INCREASES WITH SILVER PRICES

More cash returned to shareholders as dividend yield increases synchronously with silver prices



Dividends Paid →

<\$25/oz	\$25 - \$30/oz	\$30 - \$35/oz	\$35 - \$40/oz	\$40 - \$45/oz	\$45 - \$50/oz
\$8 mm	\$19 mm	\$30 mm	\$51 mm	\$72 mm	\$94 mm

\* Assumes 12 million ounces of silver production

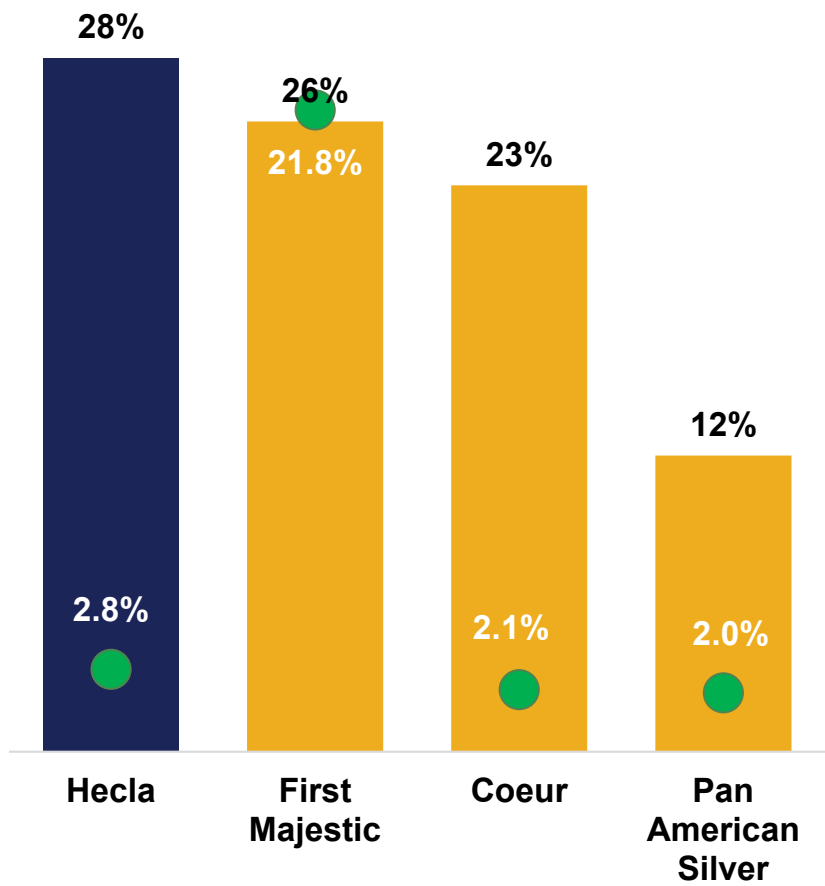
\*\* Dividend yield as a basis of silver price calculated as: Dividend Paid per ounce of Silver/Silver Price (Average of the range, for example: \$27.50/oz used for \$25-\$30/oz range)

# REDDIT SILVER SQUEEZE DEMONSTRATED BRAND VALUE

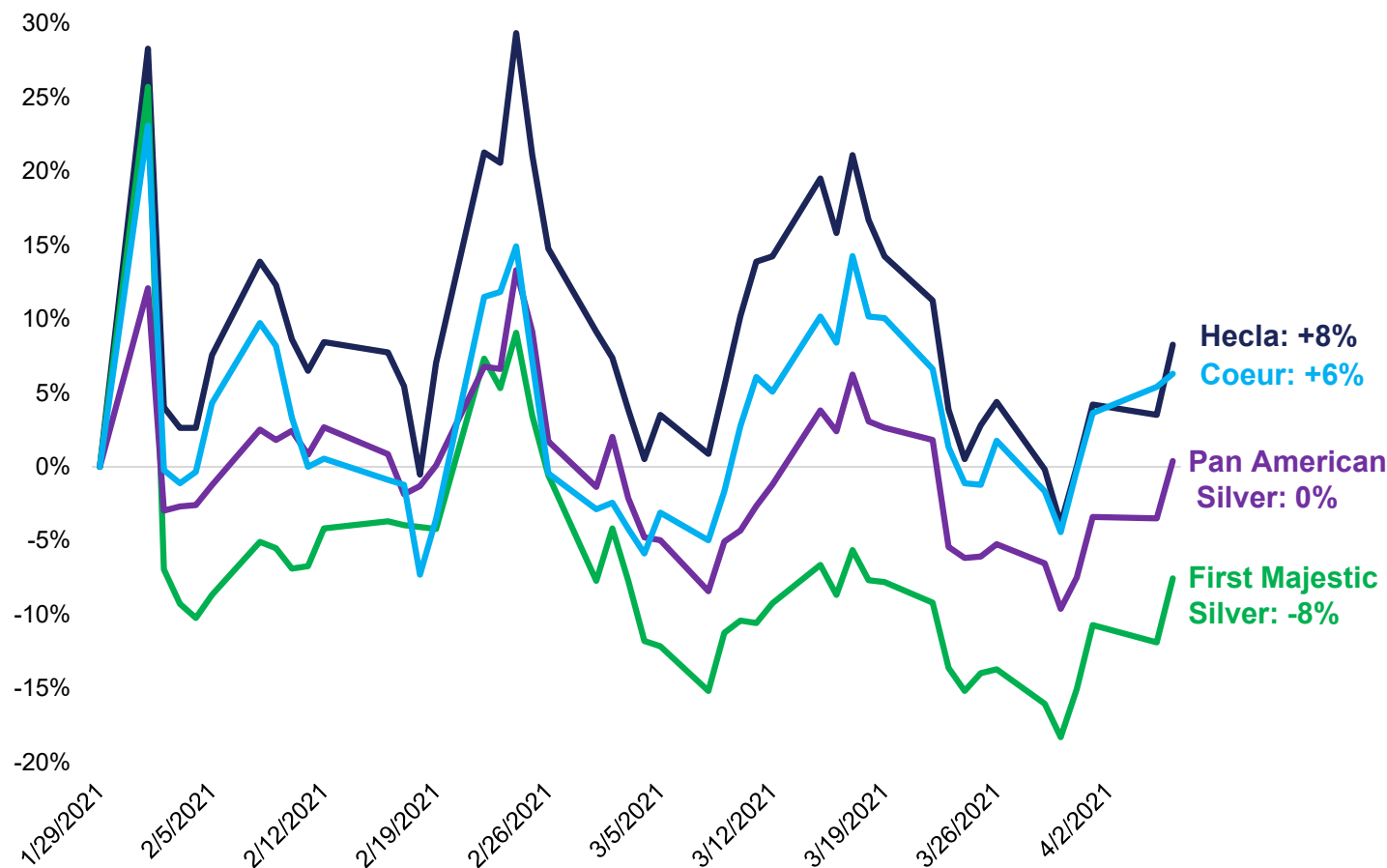
Highest performer with a small short position and continued outperformance



Share Price Performance on February 1<sup>st</sup> & Shares Short as a % of Total Float\*



Share Price Performance on January 29<sup>th</sup> – April 6<sup>th</sup>



\*Source: Bloomberg, Share price performance shown as February 1<sup>st</sup> close over January 29<sup>th</sup> close

# A VERY SHORT HISTORY OF SILVER DEMAND

Despite declining photography demand, silver industrial and investment demand has been in a secular bull market since 2000 and is stronger in 2021 and the future



Five distinct periods of silver demand, three that are strengthening

- Monetary by governments (2000 BC to 1800 AD)
- Photographic (1900 to 1999)
- Industrial (1940 - )
- Investment (2000 - )
- Energy (2010 - )

	20 YEAR CHANGE IN DEMAND		
	Million Ounces		
	1999	2019	% Increase
Industrial	343	511	49%
Photography	246	34	-86%
Jewelery/Silverware	260	260	0%
Investment	26	268	931%
Total	875	1073	23%

If the decrease in photographic demand is removed, silver demand increases 441 million ounces or 61%

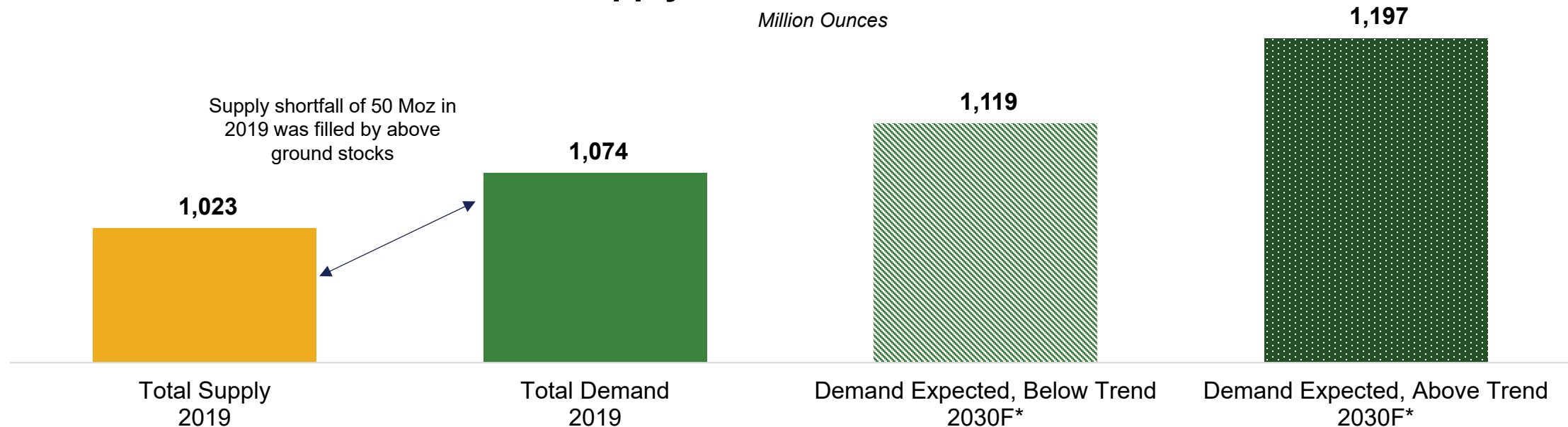
# SILVER – WIDENING GAP BETWEEN SUPPLY & DEMAND

Gap expected to increase with conservative demand assumptions

- 2019 saw a total supply of 1,023 Moz and total demand of 1,074 Moz
- This supply shortfall of 50 Moz of silver was filled by above ground stocks
- Silver's total demand in 2030 is expected to reach ~1,119 Moz (below trend) assuming 25% lower CAGR of industrial demand\* and no increase in silver's investment demand
- Supply needs to grow by ~95 Moz per year to meet the additional demand expected in 2030

## Silver Supply & Demand: 2019 and 2030F

Million Ounces



\* Demand assumptions: Base case: 1.5% per year growth in Industrial demand, Bull case: 3% CAGR for Industrial Demand. Investment demand, Jewelry & Silverware demand expected to stay at 2019 levels. CAGR for industrial demand over the past 20 years has been 2%.



# 1Q21 PRODUCTION AND CASH POSITION

As planned or better

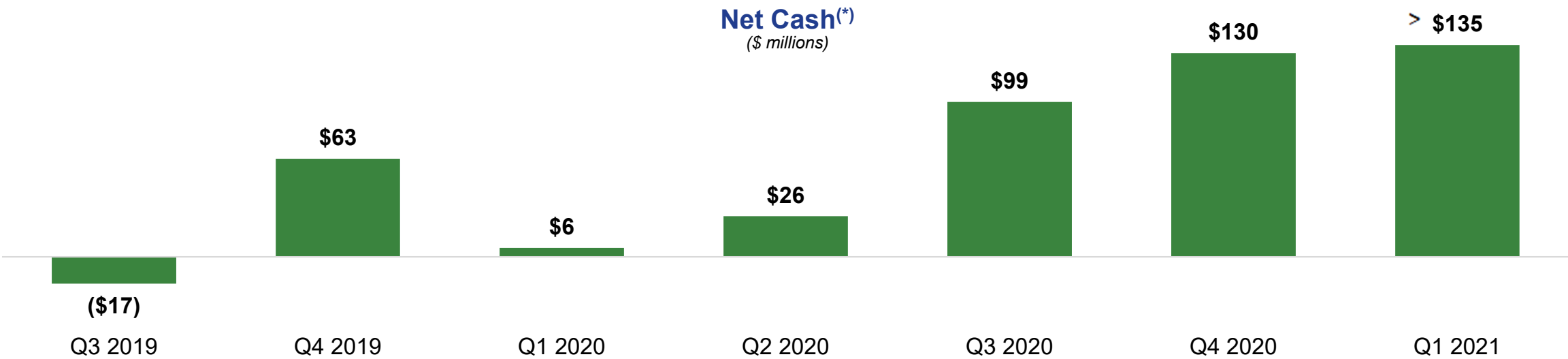


## Production

- Silver, lead and zinc production grew reflecting Lucky Friday at full production
- Gold production declined as less profitable production is wound down
- Nevada production will be completed in 2Q – guidance unchanged

## Cash Position

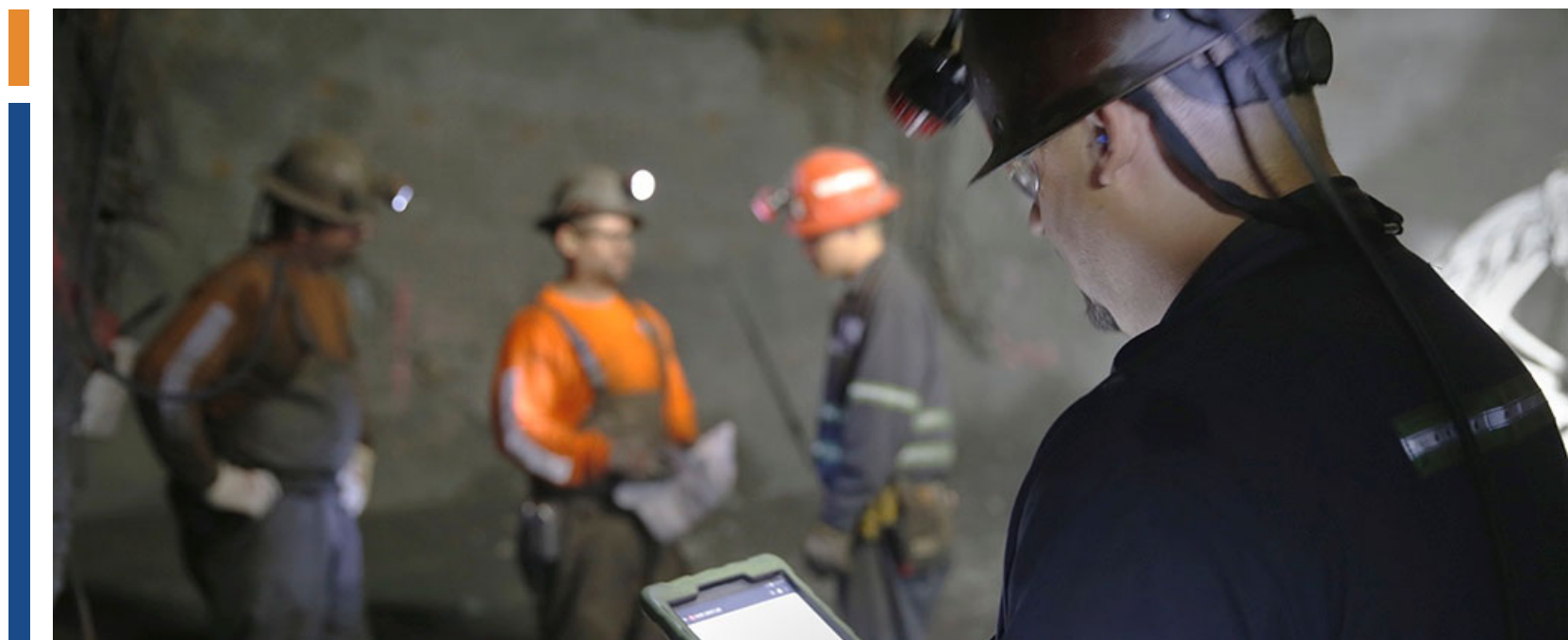
- Cash position exceeds \$135 million as of Q1/2021
- 4<sup>th</sup> consecutive quarter of free cash flow and cash balance
- 1Q/2021 affected by semi-annual interest payments (~\$18 million), incentive compensation and a buildup of working capital



# WORLD GOLD FORUM

END

April 13, 2021



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