Lucky Friday #4 Shaft Challenges and Possibilities

MINExpo 2016

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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. 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 2015 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 $1,225/oz., silver at $17.25/oz., znc at $0.90/lb, and lead at $0.95/lb, and US dollar/Canadian dollar at $0.91); (iv) expectations regarding the development, growth and exploration potential of the Company's projects; (v) expectations of growth; (vi) expected level of hydroelectric usage at Greens Creek; (vii) the possibility of increasing production due to accessing higher grade material at Casa Berardi and possible strike extensions; (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 begin mining by year end; (ix) estimates or expectations of future events or results are based upon certain assumptions, which may prove to be incorrect; (x) the ability to Permit and bring Rock Creek into production in 10-15 years; and (xi) expectations of grade increases at depth at Lucky Friday and the ability to complete the #4 Shaft project by Q4 2016 within the $225 Million budget. 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 third quarter 2015 Form 10-Q and 2014 Form 10-K, filed on November 4, 2015 and February 18, 2013, respectively, 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 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 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 entitled "Technical Report for the San Sebastian Ag-Au Property, Durango, Mexico" effective date September 8-K 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 Austin'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 represents non-U.S. Generally Accepted Accounting Principles (GAAP) measurement. A reconciliation of this non-GAAP measure to the most comparable GAAP measurement can be found in the Appendix.
The Lucky Friday Mine Location
Lucky Friday #4 Shaft

- Winze, access via Silver Shaft
- Circular, concrete lined, 18-ft finished diameter
- Collar at 4940L (5,901-ft below surface)
- 3 production levels
  - 6500L (7,460-ft below surface)
  - 7500L (8,466-ft below surface)
  - 8300L (9,293-ft below surface)
- Bottom at 8620L (9,589-ft below surface)
Challenges and Possibilities

• Significant challenges
  • Complex logistics
  • Ground pressure induced stresses
  • High rock temperatures

• Great possibilities
  • 20 years+ mine life
  • Highest historical yearly production
  • Lower cost exploration

• Core Value Propositions
  • Persistence
  • Perspective
  • Position
Challenges and Possibilities
Overcame Complex Logistics

• North American based procurements

• Surface to 4,900 feet below surface via Silver Shaft
  • No interruption to production operations
  • Maximum cross section size possible is 6-ft by 6-ft

• Silver Shaft to #4 Shaft
  • 5,000 feet lateral transport
  • Numerous corners, 22 feet smallest radius

• Severely limited storage underground, just in time deliveries
Successful Concrete Supply and Transport

- Concrete produced on site with a dedicated project batch plant
- Transported on surface with ready mix trucks
- Delivered 4,900 feet underground via a drilled/cased borehole
- Transported 5,000 feet laterally via 5 CY trucks
- Transferred to concrete buckets for transport down #4 Shaft
- Mix designs required timing for transport
Ground Pressure Induced Stress

- Concrete cracking above 7500L (8,465-ft below surface)
- Vertical stress ≈ 10,000-psi
- Maximum horizontal stress ≈ 15,000-psi
- Increased ground support length and density
- Steel liner plate used to reinforce concrete lining
- Continued cracking below 7500 required liner replacement
Liner Damage – North Shaft Wall

Hanging Rod
Liner Repairs

Steel Liner Plate

Demolition and Replacement

Steel Liner Plate

Change to elliptical cross-section

Instrumentation
Investigate Elliptical Excavation

- Previous experience demonstrated long axis perpendicular to bedding more stable
- Elliptical excavation first proposed for shaft excavations in 1970’s
- UDEC program from Itasca used to analyze elliptical shape
  - Simulated thinly-spaced beds oriented east-west
  - Maximum principal stress oriented N40W
  - Modeled at 15,000 psi
Results showed an elliptical-shaped movement zone

- 6-ft deep ellipse ends
- North and south sides of shaft
Elliptical Excavation Implemented

- Decision made to change to elliptical excavation based on modeling
- Had to be within capabilities of equipment
  - Reach of shaft jumbo and mucker
  - Processes ground support, station construction and concrete
- Time and cost of additional excavation and concrete examined
  - 15% additional excavation volume
  - 15% additional concrete
  - 11% increase in shaft wall area to be supported
Elliptical Excavation & Concrete Liner
Successful Elliptical Excavation Implementation

- 968-ft of shaft mined since change to elliptical shape
- The 8300 station has been mined at 9,293-ft below surface
- The 8380 station has been mined at 9,374-ft below surface
- The shaft bottom 8620 Level has been mined at 9,589-ft below surface
- Pressures and deformations have not exceeded liner strength
- No damage to the liner or shaft/station intersections
• Virgin rock temperatures typically exceed 150 degrees F

• Transitioned to use of less heat sensitive blasting products

• Centrally located refrigeration plant
  • 972 tons of refrigeration
  • Work place temperatures typically 80 degrees F

• Air Coolers
  • 5900L permanent
  • 5900L, 6500L, and 7500L for shaft/station work
Great Possibilities & Increased Value

- Total Hecla Ag ounces since 1891 – 400 million in 125 years
- Total Lucky Friday Ag ounces since 1942 – 160 million in 75 years
- Total LF Ag ounces from 4 Shaft – 20 years + mine life
  - Proven and Probable Reserves – 78.7 million ounces
  - Measured and Indicated Resources – 128.1 million ounces
- Exploration drilling from 7500L
  - Increased mine life beyond 20 years+
  - Increased Ag production above reserves and resources
  - Delivering on our Core Value Propositions
  - Persistence
  - Perspective
  - Position
Thank you!