

Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization, the most Comparable GAAP measurement to Cash Costs, After By-Product Credits, per Silver Ounce for Greens Creek, Lucky Friday and San Sebastian¹

(dollars and ounces in thousands, except per ounce)

	2013	2014	2015	2016
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	\$ 242,588	\$ 267,536	\$ 260,498	\$ 298,740
Depreciation, depletion and amortization	(63,098)	(72,936)	(67,815)	(68,156)
Treatment costs	76,824	82,639	80,239	84,535
Change in product inventory	246	1,649	(1,632)	(1,429)
Reclamation and other costs	<u>(2,100)</u>	<u>(2,046)</u>	<u>(1,319)</u>	<u>(5,406)</u>
Cash costs, before by-product credits ²	254,460	276,842	269,971	308,284
By-product credits	<u>(193,496)</u>	<u>(223,654)</u>	<u>(202,357)</u>	<u>(255,171)</u>
Cash cost, after by-product credits	<u>\$ 60,964</u>	<u>\$ 53,188</u>	<u>\$ 67,614</u>	<u>\$ 53,113</u>
Divided by silver ounces produced	8,907	11,065	11,562	17,144
Cash cost before by-product credits, per silver ounce	\$ 28.56	\$ 25.02	\$ 23.35	\$ 17.98
By-product credits per silver ounce	<u>\$ (21.72)</u>	<u>\$ (20.21)</u>	<u>\$ (17.50)</u>	<u>\$ (14.88)</u>
Cash cost, after by-product credits, per silver ounce	<u>\$ 6.84</u>	<u>\$ 4.81</u>	<u>\$ 5.85</u>	<u>\$ 3.10</u>

⁽¹⁾ Commercial production began at the San Sebastian unit in the fourth quarter of 2015.

⁽²⁾ Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, net of by-product revenues earned from all metals other than the primary metal produced at each unit.

Reconciliation of Cost of Sales and Other Direct Production Costs and Depreciation, Depletion and Amortization, the most Comparable GAAP measurement to Cash Costs, After By-Product Credits, per Gold Ounce for Casa Berardi¹

(dollars thousands, except per ounce)

	2013	2014	2015	2016
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	\$ 73,855	\$ 148,043	\$ 144,558	\$ 155,711
Depreciation, depletion and amortization	(18,030)	(38,198)	(43,674)	(47,312)
Treatment costs	268	564	670	1,264
Change in product inventory	3,766	(3,151)	(1,970)	2,890
Reclamation and other costs	<u>(142)</u>	<u>(820)</u>	<u>(455)</u>	<u>(459)</u>
Cash costs, before by-product credits ²	59,717	106,438	99,129	112,094
By-product credits	<u>(262)</u>	<u>(464)</u>	<u>(457)</u>	<u>(572)</u>
Cash cost, after by-product credits	<u>\$ 59,455</u>	<u>\$ 105,974</u>	<u>\$ 98,672</u>	<u>\$ 111,522</u>
Divided by gold ounces produced	62,532	128,244	127,891	145,975
Cash cost before by-product credits, per gold ounce	\$ 954.98	\$ 829.97	\$ 775.11	\$ 767.90
By-product credits per gold ounce	<u>\$ (4.19)</u>	<u>\$ (3.62)</u>	<u>\$ (3.57)</u>	<u>\$ (3.92)</u>
Cash cost, after by-product credits, per gold ounce	<u>\$ 950.79</u>	<u>\$ 826.35</u>	<u>\$ 771.54</u>	<u>\$ 763.98</u>

⁽¹⁾ June 1, 2013, Hecla completed the acquisition of Aurizon Mines Ltd., which gave the company 100% ownership of the Casa Berardi mine in Quebec, Canada. The information presented for 2013 reflects our ownership of Casa Berardi commencing as of that date. The primary metal produced at Casa Berardi is gold, with a by-product credit for the value of silver production.

⁽²⁾ Includes all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, processing and other plant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, net of by-product revenues earned from all metals other than the primary metal produced at each unit.