



December 20, 2017

Dear Bargaining Unit Employee,

Since the strike began in March 2017, there have been 21 negotiation sessions. The additional sessions have produced a much different proposed CBA. We submitted a revised final offer last week and I wanted you to understand how this offer differs from our previous offer.

But first, to set the record straight, the Union has misled the labor force by stating the terms offered by the Company “have not changed” since the strike began. This is simply not true. The following are some examples of areas in which the Company has changed its position, and reached agreement with the Union:

- Reached agreement to **increase** call out pay
- Reached agreement to **increase** the recall period from three months to two years
- Reached agreement to **increase** the weekly pay for short term disability
- Reached agreement to **increase** the vacation time awarded each year and agreed to increase the value of the vacation time awarded

In addition to the changes above, the Company has included in our updated final offer:

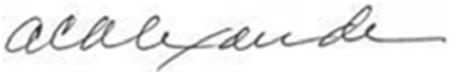
- Offered to declare Christmas as a non-production day unless employees volunteer
- Offered to limit work days to 12 hour schedules for all mine, mill, and maintenance work
- Offered to convert the at-risk silver premium to base wages, and included a provision where the Company will assure all permanent employees’ base wages will be equal to or greater than their 2016 wage rate plus \$6 per hour for one year, to allow time to climb within the wage progression system
- Offered two personal leave days

The Company also offered a very significant change to Job Bidding/Job Posting. During a mediation session in late November, the mediator recognized that article as the core issue on which the labor dispute is based. The mediator asked if Hecla would consider making a very significant change in its position and offer to meet in the middle. The mediator’s suggestion was for the Company to drop its entire proposal on the subject, and instead offer to convert to a system already in use at another mine represented by the United Steel Workers (“USW”). The Company agreed and advised the mediator it would be willing to use either the Stillwater or Galena system. The USW represents both mines and has agreed to both systems. Unfortunately, the Union promptly rejected the idea.

Nevertheless, we felt the mediator's suggestion had merit and thought it was a way of providing both sides much of what each wanted. The idea would have provided the Union a system they have accepted at similar mines. The Job Bidding/Job Posting language included in our revised offer is similar to that which was in the offer in January of this year, but it does include certain changes suggested by the Union.

A copy of our revised offer is enclosed, and it is also accessible on our web page at www.hecla-mining.com. Our hope is the Union will allow you, its members, to vote your conscience through a secret ballot process.

Sincerely,

A handwritten signature in black ink, appearing to read "Clayr Alexander", with a stylized flourish at the end.

Clayr Alexander