

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 Sebastian

(dollars and ounces in thousands, except per ounce)

	2016	2017	2018	2019	2020
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	\$ 298,740	\$ 240,610	\$ 241,631	\$ 278,849	\$ 297,935
Depreciation, depletion and amortization	(68,156)	(61,468)	(52,125)	(58,534)	(64,713)
Treatment costs	84,535	53,718	39,820	52,131	81,999
Change in product inventory	(1,429)	(449)	3,142	(3,092)	(3,161)
Reclamation and other costs	(5,406)	(4,298)	(4,470)	(4,411)	(3,080)
Exclusion of Lucky Friday costs	-	-	(7,247)	(19,346)	(31,442)
Cash costs, before by-product credits ¹	308,284	228,113	220,751	245,897	277,538
Total by-product credits	(255,171)	(228,267)	(210,024)	(211,375)	(207,501)
Cash cost, after by-product credits	\$ 53,113	\$ (154)	\$ 10,727	\$ 34,522	\$ 70,037
Divided by silver ounces produced	17,144	12,449	9,990	11,759	12,280
Cash cost before by-product credits, per silver ounce	\$ 17.98	\$ 18.33	\$ 22.10	\$ 20.91	\$ 22.60
By-product credits per silver ounce	\$ (14.88)	\$ (18.34)	\$ (21.02)	\$ (17.98)	\$ (16.90)
Cash cost, after by-product credits, per silver ounce	\$ 3.10	\$ (0.01)	\$ 1.08	\$ 2.93	\$ 5.70

⁽¹⁾ 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 Ounce¹

(dollars thousands, except per ounce)

	2016	2017	2018	2019	2020
Costs of sales and other direct production costs and depreciation, depletion and amortization (GAAP)	\$ 155,711	\$ 184,716	\$ 246,407	\$ 371,018	\$ 248,235
Depreciation, depletion and amortization	(47,312)	(59,131)	(81,919)		(92,417)
Treatment costs	1,264	2,432	2,158	2,034	2,636
Change in product inventory	2,890	1,466	8,343	(12,379)	18,095
Reclamation and other costs	(459)	(476)	(1,512)	(2,534)	(1,751)
Exclusion of Nevada Operations costs	-	-	-	-	(13,511)
Cash costs, before by-product credits ²	112,094	129,007	173,477	217,155	161,287
Total by-product credits	(572)	(614)	(3,109)	(3,430)	1,040
Cash cost, after by-product credits	\$ 111,522	\$ 128,393	\$ 170,368	\$ 213,725	\$ 160,153
Divided by gold ounces produced	146	157	196	200	153
Cash cost before by-product credits, per gold ounce	\$ 767.90	\$ 824.00	\$ 877.00	\$ 1,083.00	\$ 1,052.00
By-product credits per gold ounce	\$ (3.92)	\$ (4.00)	\$ (16.00)	\$ (17.00)	\$ (7.00)
Cash cost, after by-product credits, per gold ounce	\$ 763.98	\$ 820.00	\$ 871.00	\$ 1,066.00	\$ 1,045.00

⁽¹⁾ July 20, 2018, Hecla completed the acquisition of Klondex Mines, which gave the company 100% ownership of the Fire Creek, Hollister and Midas mines in Nevada. The information presented for 2018 reflects our ownership of the Nevada operations commencing as of that date. The primary metal produced at the Nevada operations 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.