

[Hecla Mining Company](#) ("Hecla") is providing an update regarding its investment in common shares ("Shares") and warrants of Dolly Varden Silver Corporation (the "Issuer").

On July 26, 2016, Hecla's indirect wholly owned subsidiary 1080980 B.C. Ltd. (the "Offeror"), formally terminated its take-over offer (the "Offer") commenced on July 8, 2016, for all of the issued and outstanding Shares not already owned by Hecla and its affiliates. No Shares were tendered or taken up under the Offer.

As of July 25, 2016, Hecla, through its wholly owned subsidiary Hecla Canada Ltd. ("Hecla Canada"), controlled 2,620,291 Shares and 1,250,000 warrants. Each warrant entitles Hecla Canada to acquire one additional Share at a price of \$0.30 per Share and is exercisable for a period ending September 30, 2018. Assuming exercise of only the Warrants held by Hecla Canada, Hecla owned and controlled 3,870,291 Shares, or approximately 19.8% of the Shares on a partially diluted basis.

As of July 26, 2016, pursuant to the ancillary rights agreement between Hecla Canada and the Issuer made September 4, 2012 (the "ARA"), Hecla Canada acquired from the Issuer, in a private placement, an additional 1,857,796 Shares and 101,762 warrants entitling Hecla Canada to acquire upon exercise one Share at an exercise price of \$0.70 per Share for a period of two years from the date of issuance. The Shares that were acquired were purchased at a price of \$0.62 each for an aggregate purchase price of \$1,151,833.52. The warrants that were acquired were purchased at a price of \$0.43 each for an aggregate purchase price of \$43,757.66. Therefore, the total purchase price for all of the securities acquired was \$1,195,591.18.

As a consequence, Hecla, through Hecla Canada, now controls 4,478,087 Shares, 1,250,000 warrants entitling the holder to acquire upon exercise one Share at an exercise price of \$0.30 per Share, and 101,762 warrants entitling the holder to acquire upon exercise one Share at an exercise price of \$0.70 per Share. Assuming exercise of only the warrants held by Hecla Canada, Hecla owns and controls an aggregate of 5,829,849 Shares, or approximately 18.5% of the Shares on a partially diluted basis.

As a result of the termination of the Offer, the support agreements made between Hecla Canada and each of Robert Gipson and Nellie Gipson, who are registered and beneficial holders of in aggregate 2,500,000 Shares and 1,250,000 warrants, have also been terminated.

Hecla and its affiliates intend to hold their Shares and warrants for investment purposes. Hecla and its affiliates may, depending on market and other conditions, increase or decrease their holdings of Shares and warrants or other securities of the Issuer, whether in the open market, by privately negotiated agreements or otherwise.

Hecla may also from time to time exercise its rights under the ARA to maintain its pro-rata shareholding in the Issuer.

Hecla's head office is at 6500 North Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408. The Issuer's address is 970 - 800 West Pender Street, Vancouver, British Columbia V6C 2V6.

About Hecla

Founded in 1891, [Hecla Mining Company](#) (NYSE:HL) is a leading low-cost U.S. silver producer with operating mines in Alaska, Idaho and Mexico, and is a growing gold producer with an operating mine in Quebec, Canada. The Company also has exploration and pre-development properties in six world-class silver and gold mining districts in the U.S., Canada, and Mexico, and an exploration office and investments in early-stage silver exploration projects in Canada.

Cautionary Note Regarding Forward-Looking Statements

Statements made or information provided in this news release that are not historical facts, such as anticipated production, sales of assets, exploration results and plans, costs, and prices or sales performance are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of Canadian securities laws. Words such as "may," "will," "should," "expects," "intends," "projects," "believes," "estimates," "targets," "anticipates" and similar expressions are used to identify these forward-looking statements. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those projected, anticipated, expected or implied. These risks and uncertainties include, but are not limited to, metals price volatility, volatility of metals production and costs, litigation, regulatory and environmental risks, operating risks, project development risks, political risks, labor issues, ability to raise financing and exploration risks and results. Refer to the Company's Form 10-K and 10-Q reports for a more detailed discussion of factors that may impact expected future results. The Company undertakes no obligation and has no intention of updating forward-looking statements other than as may be required by law.

Contact

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