

# SHAREHOLDER ALERT: Pomerantz Law Firm Reminds Shareholders with Losses on their Investment in Hecla Mining Company of Class Action Lawsuit and Upcoming Deadline - HL

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NEW YORK, July 16, 2019 - Pomerantz LLP announces that a class action lawsuit has been filed against [Hecla Mining Company](#) ("Hecla Mining" or the "Company") (NYSE: HL) and certain of its officers. The class action, filed in United States District Court, for the Southern District of New York, and indexed under 19-cv-05719, is on behalf of a class consisting of all persons and entities other than Defendants who purchased or otherwise acquired Hecla securities between March 19, 2018 and May 8, 2019, both dates inclusive (the "Class Period"), seeking to recover damages caused by Defendants' violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

If you are a shareholder who purchased Hecla securities during the class period, you have until July 23, 2019, to ask the Court to appoint you as Lead Plaintiff for the class. A copy of the Complaint can be obtained at [www.pomerantzlaw.com](http://www.pomerantzlaw.com). To discuss this action, contact Robert S. Willoughby at [rswilloughby@pomlaw.com](mailto:rswilloughby@pomlaw.com) or 888.476.6529 (or 888.4-POMLAW), toll-free, Ext. 9980. Those who inquire by e-mail are encouraged to include their mailing address, telephone number, and the number of shares purchased.

[Click here for information about joining the class action]

Hecla purports to discover, acquire, develop, and produce silver, gold, lead, and zinc. The Company produces lead, zinc, and bulk concentrates, which Hecla sells to custom smelters and brokers, and unrefined precipitate and bullion bars (doré) containing gold and silver, which are further refined before sale to precious metals traders. Prior to the start of the Class Period, the Company was organized and managed in four segments that encompassed its operating units: the Greens Creek, Lucky Friday, Casa Berardi, and San Sebastian units.

On March 19, 2018, Hecla announced it was acquiring three high-grade Nevada gold mines through the acquisition of [Klondex Mines Ltd.](#) ("Klondex") for a mix of cash and stock worth \$462 million. Defendant Phillips S. Baker, Jr., Hecla's President and Chief Executive Officer, represented that "Klondex's three operating mines & Fire Creek, Midas and Hollister & are some of the highest-grade gold mines in the world" and that "[a]fter extensive due diligence, we see significant opportunity to improve costs, throughput and recoveries over time with our expertise." Fire Creek, which started production in 2014, was the primary driver of the acquisition. Hollister was important for the prospective development and mining of the Hatter Graben, a large system of veins Hecla said it could reach from Hollister. Midas was an older mine that had been in production for decades but was still purportedly providing production and cash flow.

After the acquisition closed in July 2018, the Company's Nevada operations became a fifth operating segment.

The complaint alleges that throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operational and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that during the Class Period, Defendants falsely and misleadingly represented that the Nevada operations would be "accretive" and cash flow positive, or at the very least "self-funding", but this was not true. As admitted by the Defendants at the end of the Class Period, the Defendants knew from their extensive due diligence that the Nevada mines faced many undisclosed material problems that would prevent the operations from being cash flow positive,

or even cash flow neutral. Specifically, Defendants were aware from their extensive due diligence that the Nevada operations had material problems in terms of excessive water, equipment availability, achieving enough development to have consistent production, and lack of characterization of ore types, among other things.

On May 9, 2019, Hecla shocked investors when, before the market opened, the Company issued a press release entitled "Hecla Reports First Quarter Results . . . Nevada operations under review" (the "May 9 Press Release"), in which the Company disclosed a "comprehensive review" of its Nevada operations that it characterized during the ensuing conference call as "really just asking the question, are we going to get the return for the investment we're making." Defendants admitted that the Nevada operations suffered from negative cash flow and other negative operating metrics, such that Defendants were not sure if Hecla would ever get a positive return on its investment in the Nevada operations and might, in fact, write off the Nevada operations. Additionally, the Company reported a net loss of over \$25 million for the first quarter of 2019 based in large part on a gross loss of \$13.8 million from its Nevada operations.

On May 9, 2019, following the disclosures that the Nevada operations were cash flow negative and subject to a comprehensive review to determine the best path forward given the Nevada operations' poor economics, including the possibility of an impairment charge, the price of Hecla's common stock declined by 23.5% over two trading days, from a closing price of \$2.04 per share on May 8, 2019, to close at \$1.56 per share on May 10, 2019.

The Pomerantz Firm, with offices in New York, Chicago, Los Angeles, and Paris, is acknowledged as one of the premier firms in the areas of corporate, securities, and antitrust class litigation. Founded by the late Abraham L. Pomerantz, known as the dean of the class action bar, the Pomerantz Firm pioneered the field of securities class actions. Today, more than 80 years later, the Pomerantz Firm continues in the tradition he established, fighting for the rights of the victims of securities fraud, breaches of fiduciary duty, and corporate misconduct. The Firm has recovered numerous multimillion-dollar damages awards on behalf of class members. See [www.pomerantzlaw.com](http://www.pomerantzlaw.com).

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