

Hecla Mining Company Announces Partial Redemption Notice of 7.25% Senior Notes

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Strategic financing approach minimizing shareholder dilution and allowing for acceleration of value enhancing opportunities

[Hecla Mining Company](#) (NYSE:HL) announces the issuance of a notice of partial redemption for \$212 million of its outstanding \$475 million 7.25% Senior Notes due 2028 (the "Notes").

Strategic Capital Optimization

During and following the end of the second quarter 2025, Hecla utilized its At-The-Market ("ATM") financing facility to sell approximately 36 million common shares at an average price of \$6.10 per share to raise the proceeds to fund the partial redemption of the Notes. This strategic use of the ATM minimizes shareholder dilution compared to traditional equity financing methods, which typically entail large discounts to the share price, while strengthening the Company's balance sheet.

Pursuant to the terms of the indenture governing the Notes, the redemption price will equal 101.813% of the principal amount of Notes redeemed. The redemption is expected to occur on or about August 19, 2025, and will be effected on a pro rata basis. This news release does not constitute a Notice of Redemption of the Notes. If you hold Notes, please refer to the Notice of Redemption for redemption instructions and other information regarding the partial redemption of the Notes.

In addition to the partial redemption of the Notes, subsequent to quarter end, the Company repaid in full from free cash flow generation its CAD\$50 million Senior Notes issued in 2020 to Investissement Quebec, an arm of the Quebec government.

"This financing strategy demonstrates our commitment to prudent capital management while positioning Hecla for sustained value creation," said Rob Krmarov, President and CEO of Hecla Mining Company. "By reducing our debt burden through this efficient capital raise, we're enhancing financial flexibility and creating opportunities for strategic reinvestment in our business to accelerate investments in our potential high-return growth opportunities."

Reinvestment in Value Creation

The interest savings from this debt reduction strengthens the Company's balance sheet while enabling strategic reinvestment into the highest return opportunities across its portfolio of projects. Capital will be directed toward three key areas that meet the Company's rigorous return criteria: optimizing production at current operations, expanding high-potential exploration programs, and advancing priority development projects. These targeted investments are designed to accelerate value creation from our existing asset base for sustained long-term growth.

The Company's mining operations are demonstrating their ability to produce strong free cash flow at today's robust metal prices. If metals prices continue at these levels, the Company expects future free cash flow generation to be sufficient to meet debt service requirements and support continued value-enhancing activities. In addition, proceeds from any future asset divestitures would also be available for further balance sheet strengthening and potential further debt reduction.

Balanced Financial Approach

This balanced capital allocation approach allows the Company to optimize its capital structure while maintaining operational flexibility and pursue growth opportunities in an accelerated manner. The financing strategy reflects the Company's commitment to operational excellence and strategic development initiatives that drive shareholder value.

"Our strong operational free cash flow generation provides us with the financial foundation to both service our debt and invest in growth," added Russell D. Lawlar, Senior Vice President and Chief Financial Officer. "The utilization of our ATM facility to reduce debt positions us well for the future and allows us to capitalize on opportunities within our portfolio, while minimizing dilution to our shareholders."

ABOUT HECLA

Founded in 1891, Hecla Mining Company (NYSE: HL) is the largest silver producer in the United States and Canada. In addition to operating mines in Alaska, Idaho, and Quebec, Canada, the Company is developing a mine in the Yukon, Canada, and owns a number of exploration and pre-development projects in world-class silver and gold mining districts throughout North America.

Cautionary Statement Regarding Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbor created by such sections and other applicable laws, including 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. Such forward-looking statements may include, without limitation: (i) expected timing of the redemption of the Notes; (ii) expected free cash flow generation and uses thereof; (iii) the Company's ability to satisfy its future debt service obligations, including statements regarding future metals pricing; (iv) expected reduction in debt and strengthening of the Company's balance sheet; and (v) expected future opportunities, including high-return growth opportunities and other value creation opportunities. The material factors or assumptions used to develop such forward-looking statements or forward-looking information include that the Company's plans for development and production will proceed as expected and will not require revision as a result of risks or uncertainties, whether known, unknown or unanticipated, to which the Company's operations are subject. Estimates or expectations of future events or results are based upon certain assumptions, which may prove to be incorrect, which could cause actual results to differ from forward-looking statements. Such assumptions, include, but are not limited to: (i) there being no significant change to current geotechnical, metallurgical, hydrological and other physical conditions; (ii) permitting, development, operations and expansion of the Company's projects being consistent with current expectations and mine plans; (iii) political/regulatory developments in any jurisdiction in which the Company operates being consistent with its current expectations; (iv) the exchange rate for the USD/CAD being approximately consistent with current levels; (v) certain price assumptions for gold, silver, lead and zinc; (vi) prices for key supplies being approximately consistent with current levels; (vii) the accuracy of our current mineral reserve and mineral resource estimates; (viii) there being no significant changes to the availability of employees, vendors and equipment; (ix) the Company's plans for development and production will proceed as expected and will not require revision as a result of risks or uncertainties, whether known, unknown or unanticipated; (x) counterparties performing their obligations under hedging instruments and put option contracts; (xi) sufficient workforce is available and trained to perform assigned tasks; (xii) weather patterns and rain/snowfall within normal seasonal ranges so as not to impact operations; (xiii) relations with interested parties, including First Nations and Native Americans, remain productive; (xiv) maintaining availability of water rights; (xv) factors do not arise that reduce available cash balances; and (xvi) there being no material increases in our current requirements to post or maintain reclamation and performance bonds or collateral related thereto. In addition, material risks that could cause actual results to differ from forward-looking statements include but are not limited to: (i) gold, silver and other metals price volatility; (ii) operating risks; (iii) currency fluctuations; (iv) increased production costs and variances in ore grade or recovery rates from those assumed in mining plans; (v) community relations; and (vi) litigation, political, regulatory, labor and environmental risks. For a more detailed discussion of such risks and other factors, see the Company's 2024 Form 10-K filed on February 13, 2025, 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.

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