

[Hecla Mining Company](#) (NYSE:HL) ("Hecla") announced today that a wholly owned subsidiary of Hecla ("Hecla Sub") has entered into a credit agreement (the "Credit Agreement") with [Dolly Varden Silver Corp.](#) ("Dolly Varden") and another significant shareholder of Dolly Varden, Robert L. Gipson, as lenders (the "Lenders") providing for a senior, non-revolving secured loan (the "Loan") of CDN\$1,500,000. Pursuant to the Credit Agreement, Hecla Sub will act as agent on behalf of the Lenders and the Lenders have severally and not jointly agreed to advance CDN\$750,000 each to Dolly Varden. An additional CDN\$500,000 may be made available to Dolly Varden in the discretion of the Lenders, and in that event, each Lender will have the option to advance its pro rata share of such additional amount. The net proceeds of the Loan will be used by Dolly Varden for: (i) exploration of the Dolly Varden project in north-western British Columbia; and (ii) working capital purposes.

Pursuant to the Credit Agreement, the Loan will be secured by promissory notes and first ranking security over all of Dolly Varden's assets. The Loan will bear interest at a rate of 5% per annum, will be repayable after one year and may be repaid earlier with no penalty.

In connection with the Credit Agreement, and as consideration for the advance of its portion of the Loan, Hecla has acquired control over 1,250,000 warrants of Dolly Varden (the "Warrants"), constituting 50% of the Warrants issued by Dolly Varden pursuant to the Credit Agreement. Each Warrant entitles the holder to acquire one common share of Dolly Varden at a price of \$0.30 per share and is exercisable for a period of three years from the date of issuance.

The 1,250,000 common shares underlying the Warrants, if the Warrants are exercised and such shares are issued, would represent 6.4% of the outstanding common shares of Dolly Varden. Hecla currently exercises control over 2,620,291 common shares of Dolly Varden, representing approximately 14.3% of the outstanding common shares of Dolly Varden. Assuming the exercise of only the Warrants that are held by Hecla Sub, Hecla would exercise control over 3,870,291 common shares of Dolly Varden or approximately 19.8% of Dolly Varden's common shares.

The Warrants have been acquired by Hecla for investment purposes. Hecla does not have any present intention to acquire ownership of, or control over, additional securities of Dolly Varden. It is the intention of Hecla to evaluate its investment in Dolly Varden on a continuing basis and such holdings may be increased or decreased in the future.

In completing this investment Hecla is relying on Subsection 2.3(1) of Canadian National Instrument 45-106 – Prospectus and Registration Exemptions as Hecla is an accredited investor. For the purposes of Canadian National Instrument 62-103, the address of Hecla is 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho, 83815, USA.

About Hecla Mining Company

[Hecla Mining Company](#) (NYSE:HL) is a leading low-cost U.S. silver producer with operating mines in Alaska and Idaho, and is a 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 Statements

Statements made which are not historical facts, such as regarding any increase in the amount of the Loan and exercise of the Warrants, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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, environmental and litigation risks, operating risks, project development risks, political and regulatory 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. Hecla undertakes no obligation and has no intention of updating forward-looking statements other than as may be required by law.

For further information, or to obtain a copy of the early warning report filed in connection with Hecla's holdings in Dolly Varden, please contact:

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