



January 14, 2018

Letter To The Community

When the Lucky Friday Mine Union Workers review Hecla's last offer, here are some things I hope the Union workforce will consider:

From the start, the Union leadership and the Company have agreed the strike is not about money. Hecla's last proposal includes increased call out pay, increased weekly pay for short-term disability, increased vacation time awarded each year, and assures all permanent employees' base pay rates are equal to or greater than their 2016 base rate plus \$6 per hour for one year. This will allow employees time to advance and perhaps make even more within the wage progression system; a progression system that is already in place and working well in the mill and maintenance departments, and allows employees the opportunity to increase their base pay by learning additional skills.

We have listened to the Union's negotiating team and have offered to make Christmas a non-production holiday unless employees volunteer to work that day, and we have reinstated the two personal leave days. On average, employees would work three holidays per year.

Hecla attempted to shift the Union's way by offering a job bidding/job posting system the Union has accepted at other unionized mines (i.e., the Stillwater or the Galena Mine). Unfortunately, the Union quickly rejected this proposal because it wants the senior miners to retain the ability to dictate where and with whom they work. While the job bidding/job posting language included in our revised offer is similar to that which was offered in January 2017, it also includes certain changes proposed by the Union.

The Lucky Friday Mine has a great future ahead of it. Hecla is investing millions of dollars in capital and technologies to make the mine safer, more productive and sustainable. The contract we have proposed IS fair and competitive. We hope the workforce considers the contract's benefits and its similarity to other unionized mines so they can end the strike and get the mine back to full production, benefiting themselves, Hecla and the Silver Valley.

A handwritten signature in black ink, appearing to read "P. Baker", with a long horizontal flourish extending to the right.

Phillips S. Baker, Jr
President and CEO