Risk Factors Comparison 2024-02-15 to 2023-02-17 Form: 10-K

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The following is a summary of the principal risks that could adversely affect our business, operations and financial results. These risks are described in more detail under Item 1A. Risk Factors of this report. Financial Risks • A substantial or extended decline in metals prices would have a material adverse effect on us. • An extended decline in metals prices, an increase in operating or capital costs or treatment charges, mine accidents or closures, increasing regulatory obligations, or our inability to convert resources or exploration targets to reserves may cause us to record write- downs, which could negatively impact our results of operations. • We have a substantial amount of debt that could impair our financial health and prevent us from fulfilling our obligations under our existing and future indebtedness. • We have had losses that could reoccur in the future. Our ability to recognize the benefits of deferred tax assets related to net operating loss carryforwards and other items is dependent upon future cash flows and taxable income. • Our accounting and other estimates may be imprecise. • Commodity and currency risk management activities could prevent us from realizing possible revenues or lower costs or expose us to losses. Operation, Climate, Development, Exploration and Acquisition Risks • Natural disasters, public health crises ~~(including COVID- 19)~~ , political crises, and other catastrophic events or other events outside of our control may materially and adversely affect our business or financial results ~~. • The COVID- 19 virus pandemic may heighten other risks~~ . • Our operations are subject to a range of risks related to climate change and transitioning the business to meet regulatory, societal and investor expectations for operating in a low- carbon economy • Mining accidents or other adverse events at an operation could decrease our anticipated production or otherwise adversely affect our operations. Our operations may be adversely affected by risks and hazards associated with the mining industry that may not be fully covered by insurance. • Efforts to expand the finite lives of our mines may not be successful or could result in significant demands on our liquidity, and our costs of development of new orebodies and other capital costs may be higher than estimated. Our ~~ore~~ **mineral** reserve and resource estimates may be imprecise. • Our ability to market our metals production depends on the availability of smelters and / or refining facilities, and our operations and financial results may be affected by the disruptions or unavailability of such facilities. Shortages of critical parts and equipment may adversely affect our development projects. • We derive a significant amount of revenue from a relatively small number of customers. • Certain of our mines and exploration properties are located on land that is or may become subject to competing title claims and / or claims of cultural significance. • We may be subject to a number of unanticipated risks related to inadequate infrastructure. • We face inherent risks in acquisitions of other mining companies or properties that may adversely impact our growth strategy. The properties we **have acquired or** may acquire ~~, including our recent acquisition of Keno Hill,~~ may not produce as expected, and we may be unable to accurately determine reserve potential or identify associated liabilities. We may be unable to successfully integrate the operations of the properties we acquire ~~, including Keno Hill~~ . We may not realize all of the anticipated benefits from our acquisitions ~~, including~~ **. These risks continue to apply to** our ~~recent~~ **Keno Hill unit which we acquired through our 2022** acquisition of Alexco Resource Corp **.** (" Alexco") **, which has not yet achieved profitability** . • Issues we have faced at certain segments could require us to write- down the **carrying value of** associated long- lived assets. We could face similar issues at our other operations. • We face risks relating to transporting our products from our mines, as well as transporting employees and materials at our Greens Creek, Casa Berardi and Keno Hill sites. Legal, Regulatory and Compliance Risks • Our operations are subject to complex, evolving and increasingly stringent environmental laws and regulations. Compliance with environmental regulations, and litigation based on such laws and regulations, involves significant costs and can threaten existing operations or constrain expansion opportunities. Mine closure and reclamation regulations impose substantial costs on our operations and include requirements that we provide financial assurance supporting those obligations. These costs could significantly increase and we might not be able to provide financial assurance. • We are required to obtain governmental permits and other approvals in order to conduct mining operations. We face substantial governmental regulation, including the Mine Safety and Health Act, various environmental laws and regulations and the 1872 Mining Law. Additionally, new federal ~~and~~ **,** state **, provincial, territorial and first nations** laws, regulations and initiatives could impact our operations. • We are currently involved in ongoing legal disputes. Legal challenges could prevent our projects in Montana from ever being developed. The titles to some of our properties may be defective or challenged. • Our environmental and asset retirement obligations may exceed the provisions we have made. Risks Relating to Our Common Stock and Our Indebtedness • We may be unable to generate sufficient cash to service all of our debt and meet our other ongoing liquidity needs and may be forced to take other actions to satisfy our obligations, which may be unsuccessful. • The price of our stock has a history of volatility and could decline in the future. We may not be able to pay common or preferred stock dividends in the future. The issuance of additional shares of our preferred or common stock in the future could adversely affect holders of common stock. • Our existing stockholders are effectively subordinated to the holders of our 7. 25 % Senior Notes due February 15, 2028 (" Senior Notes "). • The provisions in our certificate of incorporation, our by- laws and Delaware law could delay or deter tender offers or takeover attempts. The terms of our debt impose restrictions on our operations. PART I Item 1. Business For information regarding the organization of our business segments and our significant customers, see Note ~~3~~ **4** of Notes to Consolidated Financial Statements. Information set forth in Items 1A and 2 below are incorporated by reference into this Item 1. Introduction Hecla Mining Company and its subsidiaries have provided precious and base metals to the U. S. and the world since 1891 (in this report, " we " or " our " or " us " refers to Hecla Mining Company and our affiliates and subsidiaries, unless the context requires otherwise). We discover, acquire and develop mines and other mineral interests and produce and market (i) concentrates containing silver, gold ~~, lead~~ and ~~zinc~~ **other metals** , (ii) carbon material containing silver and gold, and (iii) unrefined doré containing silver and gold. In doing so, we intend to manage our business activities in a safe, environmentally responsible and cost- effective manner. The silver, zinc and precious metals concentrates and carbon material we produce are sold to custom smelters, metal traders and third- party processors, and the unrefined doré we produce is sold to refiners or further refined before sale of the metals to traders. We are organized and managed in five segments that encompass our operating mines and significant assets being Greens Creek, Lucky Friday, Keno Hill, Casa Berardi and the Nevada Operations. Our current business strategy is to focus our financial and human capital in the following areas: • Developing the ~~recently acquired~~ Keno Hill properties located in the Yukon Territory, Canada • ~~Rapidly responding to the threats from the COVID- 19 pandemic to protect our workforce, operations and communities while maintaining liquidity. •~~ Operating our properties safely, **and** in an environmentally responsible ~~,~~ and cost- effective manner. • Maintaining and investing in exploration and pre-development projects in the vicinities of mining districts and projects we believe to be under- explored and under- invested: Greens Creek on Alaska' s Admiralty Island located near Juneau; North Idaho' s Silver Valley in the historic Coeur d' Alene Mining District; the silver- producing district near Durango, Mexico; in the vicinity of our Casa Berardi mine and the Heva-Hosco project in the Abitibi region of northwestern Quebec, Canada; our projects in the Keno Hill mining district in the Yukon Territory, Canada; our projects located in three districts in Nevada; northwestern Montana; the Creede district of southwestern Colorado; the Kinskuch project in British Columbia, Canada; and the Republic mining district in Washington state. • Improving operations at each of our mines, which includes incurring costs for new technologies and equipment. • Expanding our proven and probable reserves, minerals resources and production capacity at our properties. • Conducting our business with financial stewardship to preserve our financial position in varying metals price and operational environments. • Advancing permitting at our Montana exploration project. • Continuing to seek opportunities to acquire and invest in mining and exploration properties and companies. Metals Prices Our operating results are substantially dependent upon the prices of silver, gold, lead and zinc, which can fluctuate widely. The volatility of such prices is illustrated in the following table, which sets forth our average realized prices and the high, low and average daily closing market prices for silver, gold, lead and zinc over the last three years. The sources for the market prices are the London Market Fixing prices from the London Bullion Market Association for silver and gold and the Cash Official prices from the London Metals Exchange for lead and zinc. Silver (per oz.): Realized average $ **23. 33 $** 21. 53 $ 25. 24 ~~$ 21. 15~~ Market average $ **23. 39 $** 21. 75 $ 25. 17 ~~$ 20. 51~~ Market high $ 26. **03 $ 26.** 36 $ 28. 48 ~~$ 28. 89~~ Market low $ **20. 09 $** 17. 81 $ 21. 53 ~~$ 12. 01~~ Gold (per oz.): Realized average $ 1, **939 $ 1,** 803 $ 1, 796 ~~$ 1, 757~~ Market average $ 1, **943 $ 1,** 801 $ 1, 800 ~~$ 1, 770~~ Market high $ 2, **049 $ 2,** 053 $ 1, 940 ~~$ 2, 067~~ Market low $ 1, **811 $ 1,** 622 $ 1, 684 ~~$ 1, 474~~ Lead (per lb.): Realized average $ 1. **03 $ 1.** 01 $ 1. 03 ~~$ 0. 84~~ Market average $ 0. **97 $ 0.** 98 $ 1. 00 ~~$ 0. 83~~ Market high $ 1. **06 $ 1.** 15 $ 1. 14 ~~$ 0. 96~~ Market low $ 0. **90 $ 0.** 80 $ 0. 86 ~~$ 0. 72~~ Zinc (per lb.): Realized average $ 1. **35 $ 1.** 41 $ 1. 44 ~~$ 1. 03~~ Market average $ 1. **20 $ 1.** 58 $ 1. 36 ~~$ 1. 03~~ Market high $ **1. 59 $** 2. 05 $ 1. 73 ~~$ 1. 29~~ Market low $ 1. **01 $ 1.** 23 $ 1. 15 ~~$ 0. 80~~ The prices of silver, gold, lead and zinc are affected by numerous factors beyond our control. See Item 1A. Risk Factors – A substantial or extended decline in metals prices would have a material adverse effect on us for information on a number of the factors that can impact prices of the metals we produce. Our ~~2022~~ **2023** ~~realized average prices for all metals we sell, were lower compared to 2021 except for gold. In 2021, the~~ realized average prices for all metals we sold **, except zinc,** were higher compared to ~~2020~~ **2022 . In 2022, realized average prices for all metals we sold, except gold, were lower compared to 2021** . We are unable to predict fluctuations in prices for metals and have limited control over the timing of our concentrate shipments which impacts our realized prices. However, we utilize financially- settled forward contracts for the metals we produce with the objective of managing the exposure to changes in prices of those metals contained in our concentrate shipments between the time of sale and final settlement. In addition, at times we utilize a similar program to manage the exposure to changes in prices of zinc and lead ~~(but not silver and gold)~~ contained in our forecasted future concentrate shipments. See Note ~~9~~ **10** of Notes to Consolidated Financial Statements for more information on our base and precious metal forward contract programs. A comprehensive discussion of our financial results for the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , individual operation performance and other significant items can be found in Item 7. Management' s Discussion and Analysis of Consolidated Financial Condition and Results of Operations, as well as the Consolidated Financial Statements and Notes thereto. Products and Segments Our segments are differentiated by geographic region. We produce zinc, silver and precious metals flotation concentrates at Greens Creek and silver and zinc flotation concentrates at Lucky Friday, each of which we sell to custom smelters and metal traders. The flotation concentrates produced at Greens Creek and Lucky Friday contain payable silver, zinc and lead, and at Greens Creek they also contain payable gold. At Greens Creek, we also produce gravity concentrate containing payable silver, gold and lead. Unrefined bullion (doré) is produced from the gravity concentrate by a third- party processor, and shipped to a refiner before sale of the metals to precious metal traders. **While** ~~We expect that~~ Keno Hill ~~, when in~~ **has not yet reached commercial** ~~production~~ **productions** ~~will~~ **levels, it is currently in ramp-up and** ~~produce~~ **producing** silver and zinc flotation concentrates. We also produce unrefined gold and silver bullion bars (doré) and loaded carbon and precipitates at Casa Berardi, which are shipped to refiners before sale of the metals to precious metal traders. At times, we sell loaded carbon and precipitates directly to refiners. Payable metals are those included in our products which we are paid for by smelters, metal traders and refiners. Our segments as of December 31, ~~2022~~ **2023** included: • Greens Creek located on Admiralty Island, near Juneau, Alaska. Greens Creek is 100 % owned and has been in production since 1989. • Lucky Friday located in northern Idaho. Lucky Friday is 100 % owned and has been a producing mine for us since 1958. ~~Unionized employees at Lucky Friday were on strike from mid- March 2017 until early January 2020, resulting in limited production during that time. Re- staffing of the mine and ramp- up activities were substantially completed, and the mine returned to full production in the fourth quarter of 2020. •~~ Keno Hill located in the Keno Hill Silver District in Canada' s Yukon Territory. Keno Hill is 100 % owned and was acquired as part of our acquisition of Alexco ~~on~~ **in** September ~~7,~~ 2022. ~~We are currently developing Keno Hill and anticipate it being in production~~ **Production ramp- up commenced** in **June** ~~the third quarter of~~ 2023. • Casa Berardi located in the Abitibi region of northwestern Quebec, Canada. Casa Berardi is 100 % owned and has been in production since late 2006. • The Nevada Operations **is** located in northern Nevada. Nevada Operations is 100 % owned and consists of four land packages in northern Nevada totaling approximately 110 square miles and containing four previously- operating mines with a history of high- grade gold production: Fire Creek, Hollister, Midas and Aurora. As discussed in Item 7. Management' s Discussion and Analysis of Consolidated Financial Condition and Results of Operations- Nevada Operations, ~~in the second quarter of 2019, we ceased development to access new~~ production **was suspended** ~~areas at our Nevada Operations until completion of studies and test work, including the results of the mining and processing of a bulk sample of refractory ore through a third party ore processing agreement in the first nine months of 2021, resulting in, among other changes, suspension of production~~ in the second half of 2021. During ~~the second half of~~ 2022, we mined **and sold** remnant refractory underground ore **from our stockpile** . San Sebastian in Mexico was also considered a segment prior to 2021. Production ceased in the fourth quarter of 2020, and exploration activities are currently ongoing. San Sebastian' s activity for all periods presented in this Annual Report on Form 10- K is included in" other". The contributions to our ~~consolidated~~ **total metals** sales by our significant operations in ~~2022~~ **2023** were ~~46~~ **53** . ~~6~~ **7** % from Greens Creek, ~~32~~ **24** . ~~7~~ **9** % from Casa Berardi ~~and 20~~ **, 16** . ~~6~~ **3** % from Lucky Friday **and 5. 0 % from Keno Hill. Lucky Friday' s production for 2023 was impacted by an underground fire in the secondary egress in August, which suspended production for the remainder of 2023** . Governmental Regulation The following is a summary of governmental regulation compliance areas which we believe are significant to our business and may have a material effect on our consolidated financial statements, earnings and / or competitive position. Health and Safety We are subject to the regulations of the Mine Safety and Health Administration (" MSHA ") in the United States, the Commission of Labor Standards, Pay Equity and Occupational Health and Safety in Quebec, Workers' Safety and Compensation Board in the Yukon and the Mexico Ministry of Economy and Mining, and work with these agencies to address issues outlined in any investigations and inspections and continue to evaluate our safety practices. We strive to achieve excellent mine safety and health performance, and attempt to implement reasonable best practices with respect to mine safety and emergency preparedness. Achieving and maintaining compliance with regulations will be challenging and may increase our operating costs. See Human Capital- Health and Safety below and Item 1A. Risk Factors – We face substantial governmental regulation, including the Mine Safety and Health Act, various environmental laws and regulations and the 1872 Mining Law. Environmental Our operations are subject to various environmental laws and regulations at the federal and state / provincial level. Compliance with environmental regulations, and litigation based on environmental laws and regulations, involves significant costs and can threaten existing operations or constrain expansion opportunities **. For example, since acquiring the Keno Hill mine in September 2022, the site has experienced permit exceedances involving the quality of water discharged into the environment. We are working to assess the existing infrastructure and implement improvements to the environmental management system that was put in place by the previous owners. As part of this process, we have submitted plans to the Yukon Department of Energy, Mines and Resources to upgrade the water treatment plan at the Bermingham mine within our Keno Hill operations. We are committed to making changes to ensure compliance with our authorizations and all environmental regulations. See Note 16 of Notes to Consolidated Financial Statements for more information on permit issues at Keno Hill. Keno Hill is located at a site in the Yukon Territory where extensive historical mining activity occurred. The mining claims and rights that comprise our Keno Hill mine are owned by two of our indirect, wholly- owned subsidiaries, Alexco Keno Hill Mining Company and Elsa Reclamation & Development Company Ltd. (" ERDC "). ERDC and Alexco are parties to the Amended and Restated Subsidiary Agreement (" ARSA ") dated July 18, 2013, among them and Her Majesty the Queen in right of Canada (" Canada ") which addresses the pre- existing environmental condition and the environmental care and maintenance and reclamation of the historical Keno Hill site. Under the ARSA and related documents, ERDC, as a paid contractor for the Yukon Government, is responsible for the development and eventual implementation of the district wide reclamation and closure plan (" Reclamation Plan ") which addresses the historic environmental liabilities of the district from past mining activities pre-dating Alexco' s and Hecla' s acquisition of the Keno Hill project, as well as for carrying out care and maintenance at various locations within the historical Keno Hill site until the Reclamation Plan is implemented (Hecla' s predecessor, Alexco, previously deposited CDN $ 10 million in a trust which funds ERDC' s maximum contribution toward implementing the Reclamation Plan, and agreed to a 1. 5 % net smelter royalty capped at CAD $ 4 million, of which approximately CAD $ 1. 2 million paid or accrued for as of December 31, 2023). ERDC receives agreed- to commercial contractor rates when retained by Canada to provide environmental services in the historical Keno Hill site outside the scope of care and maintenance and closure and reclamation planning under the ARSA (in the latter case, for which ERDC receives an annual fee of $ 900, 000 from Canada, adjustable for material changes in scope). The potential liabilities associated with the pre- existing environmental conditions at Keno Hill are indemnified by Canada under the terms and conditions of the ARSA, subject to the requirement for ERDC to develop, permit, and implement the Reclamation Plan, or if Hecla and the Government agree to transfer portions of the historic area to active mining operations within the Keno Hill unit, then such indemnification ceases to the extent of such transferred area. Completing the Reclamation Plan is expected to take approximately 5 more years and is estimated to cost approximately $ 140 million over that time, for which we expect ERDC to be reimbursed for all material costs incurred. However, we are at risk for any variance in timing between expending funds by ERDC and reimbursement by Canada, as well as for any disputed or otherwise non- reimbursed costs (for example if ERDC were to act outside of the scope of the ARSA). In addition, ERDC is responsible for sharing with Canada (i) under certain circumstances, care and maintenance costs pending implementation of the Reclamation Plan, (ii) detailed design and engineering costs to support the Reclamation Plan and (iii) under certain circumstances, post active reclamation costs (i. e. in the event Hecla has brought a historical area with pre- existing environmental conditions into active operations at the Keno Hill unit), which, in each case and in the aggregate, we do not anticipate will have a material impact on our financial results as a whole** . Mine closure and reclamation regulations impose substantial costs on our operations and include requirements that we provide financial assurance supporting those obligations. We currently have $ ~~192~~ **195** . ~~7~~ **4** million of financial assurances, primarily in the form of surety bonds, for reclamation company- wide. We anticipate approximately $ ~~12~~ **13. 5** million in expenditures in ~~2023~~ **2024** for environmental permit compliance and idle property management. We also plan to invest approximately $ ~~2~~ **5. 5** million for on- going reclamation works at the former Troy Mine in Montana. The projected remaining cost for reclamation at the site is included in our accrued reclamation and closure costs liability. See Item 1A. Risk Factors – We face substantial governmental regulation, including the Mine Safety and Health Act, various environmental laws and regulations and the 1872 Mining Law; Our operations are subject to complex, evolving and increasingly stringent environmental laws and regulations; Compliance with environmental regulations, and litigation based on such regulations, involves significant costs and can threaten existing operations or constrain expansion opportunities; Our environmental and asset retirement obligations may exceed the provisions we have made; and New federal and state laws, regulations and initiatives could impact our operations. Licenses, Permits and Claims / Concessions We are required to obtain various licenses and permits to operate our mines and conduct exploration and reclamation activities. See Item 1A. Risk Factors – We are required to obtain governmental permits and other approvals in order to conduct mining operations. We can only engage in exploration at our San Sebastian (Mexico), Hatter Graben (Nevada) and ~~Montanore~~ **Libby Exploration** (Montana) projects if we are successful in obtaining necessary permits. Similarly, mining at our planned open pits at Casa Berardi requires permits we don' t yet have. And in February 2022, we submitted letters to the United States Forest Service (" USFS") withdrawing from its consideration the former Plan of Operations for each of the Rock Creek and **Libby Exploration (formerly known as** Montanore **)** projects in Montana. A new Plan of Operations for the ~~Montanore site~~ **Libby Exploration project** limited to underground exploration and evaluation activities ~~only~~ was submitted to the USFS **is currently under** ~~and~~ - **an** ~~accepted for review in April 2022. These actions reflect our consolidated ownership of Montanore and Rock Creek and new ideas that we bring rather than the separate ownership and ineffective strategies of Rock Creek and Montanore' s prior owners. Upon successful completion of the~~ Environmental Assessment ~~process~~ **review (" EA ")** under the National Environmental Policy Act (" NEPA ") **. These actions reflect our consolidated ownership of the two projects and new ideas that we bring, rather than the separate ownership and ineffective strategies of the projects' prior owners. Upon successful completion of the EA process under the NEPA** , and if subsequent data collection and analysis activities suggest development of a mine is feasible, then it is anticipated that a new Plan of Operations for the construction and development of a mine at the ~~Montanore~~ **Libby Exploration** site would be submitted for approval. While no activities beyond care and maintenance are currently proposed for Rock Creek, mineral and other property rights there should not be impacted by our current focus on evaluation of the ~~Montanore~~ **Libby Exploration** site **. We are party to a Comprehensive Cooperation and Benefits Agreement (" CCBA ") with the First Nation of Na- Cho Nyäk Dun (" FNNND ") that recognizes the rights, obligations, and opportunities of the two parties. Individual chapters in the CCBA include Hecla' s ongoing obligations to consult with FNNND and annual financial contributions, including for FNNND expense reimbursement, education and training, and wealth sharing. The wealth sharing component has not yet been agreed to, but we expect to resume negotiations in the near future and / or upon Keno Hill reaching commercial production, and such arrangement could have a material impact on Keno Hill' s profitability** . See Item 1A. Risk Factors – We are required to obtain governmental permits and other approvals in order to conduct mining operations and Legal challenges could prevent our projects in Montana from ever being developed. In addition, our operations and exploration activities at **Keno Hill and the Yukon,** Casa Berardi and San Sebastian are conducted pursuant to claims or concessions granted by the host government, and otherwise are subject to claims renewal and minimum work commitment requirements, which are subject to certain political risks associated with foreign operations. See Item 1A. Risk Factors – Our foreign activities are subject to additional inherent risks **., Our operations and properties in Canada expose us to additional political risksand Certain of our mines and exploration properties are located on land that is or may become subject to traditional territory, title claims and / or claims of cultural significance, and such claims and the attendant obligations of the federal government to those tribal communities and stakeholders may affect our current and future operations** . Taxes and Royalties We are subject to various taxes and government royalties in the jurisdictions where we operate, including those specific to mining activities. These include: federal income taxes; state / provincial income taxes; county / city and bureau property taxes and sales and use tax in the U. S.; goods and services tax in Canada; value added tax in Mexico; mining- specific taxes in Alaska, Idaho, Nevada **,** Quebec and the Yukon; and mining royalties in Alaska, Nevada and ~~Mexico~~ **Canada** . Accrual and payment of taxes and accounting for deferred taxes can involve significant estimates and assumptions and can have a material impact on our consolidated financial statements. Tax rates and the calculations of taxes can change significantly and are influenced by changes in political administrations and other factors. See Item 1A. Risk Factors – Our accounting and other estimates may be imprecise; Our ability to recognize the benefits of deferred tax assets related to net operating loss carryforwards and other items is dependent on future cash flows ~~and~~ **generating** taxable income; Our foreign activities are subject to additional inherent risks; and We face substantial governmental regulation, including the Mine Safety and Health Act, various environmental laws and regulations and the 1872 Mining Law. Also, see Note ~~6~~ **7** of Notes to Consolidated Financial Statements for more information on income and mining taxes. Physical Assets Our business is capital intensive and requires ongoing capital investment for the replacement, modernization and expansion of equipment and facilities and to develop new mineral reserves. At December 31, ~~2022~~ **2023** , the book value of our properties, plants, equipment and mineral interests, net of accumulated depreciation, was approximately $ 2. ~~6~~ **7** billion. For more information see Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations. We maintain insurance policies against property loss and business interruption. However, such insurance contains exclusions and limitations on coverage, and there can be no assurance that claims would be paid under such insurance policies in connection with a particular event. **And when we do experience insurable losses – such as with the fire at the Lucky Friday in August and September of 2023 – it can take a long period of time before we receive any or all insurance proceeds.** See Item 1A. Risk

Factors – Our operations may be adversely affected by risks and hazards associated with the mining industry that may not be fully covered by insurance. As of December 31, ~~2022~~ **2023** , we ~~employed~~ **had** approximately 1, ~~850~~ **775 employees** , of which approximately ~~950~~ **990** were employed in the United States, ~~850~~ **765** in Canada, and ~~30~~ **20** in Mexico. The vast majority of our employees are full- time. Approximately **260** ~~15 %~~ of our employees **at the Lucky Friday** were covered by a collective bargaining agreement. The attraction, development and retention of people is critical to delivering our business strategy. Key areas of focus for us include: The safety and health of our employees is of paramount importance. Our goal is to achieve world-class safety and health performance by promoting a deeply rooted value- based culture of safety and utilizing technology and innovation to continually improve the safety at our operations. We know that employees' and contractors' safety awareness is fundamental to making our workplace as safe as possible. Therefore, we invest in training and workforce development programs that focus on safety first. All employees **and contractors** receive training that complies with or exceeds the applicable safety and health regulations as set by the governing body in the jurisdiction in which each operation is located. As part of our commitment to safety, we track a variety of safety performance indicators, including injuries, near misses, observations, and equipment damages. Our goal is to reduce safety incidents. Our All Injury Frequency Rate (" AIFR ") is calculated as the number of incidents in the period multiplied by 200, 000 hours and divided by the number of hours worked in the period. Company- wide, our AIFR ~~dropped by 77 % from 2014 to 2022, which~~ was **1** ~~the lowest in our company' s history~~ . **45** ~~During fiscal year 2020, we launched a proactive response to the escalating COVID- 19 outbreak and temporarily suspended operations at our Casa Berardi mine, starting at the end of March, and at our San Sebastian mine, in early April, due to government mandated closures. Those sites returned to full operations in mid- April and early- May, respectively. To mitigate the impact of COVID- 19, we have taken precautionary measures, including implementing very detailed corporate and site- specific plans in February and early March 2020. Our plans included being flexible and quickly adapting to changing circumstances and government mandates. Even before mining was deemed an essential industry in the United States, we implemented procedures and policies to help keep our workers safe and ensure our supply chain, such as limiting site access, adopting social distancing, enhanced cleaning practices, implementing temperature testing, and quarantining protocols. We also commenced remote work protocols~~ for ~~those employees who wished to work remotely and could effectively do so. We took these actions to secure the safety of our employees, our vendors, and the communities in which our team members live and work, and to adhere to Centers for Disease Control recommendations. During 2022~~ **2023** ~~, we reduced activities under our COVID- 19 mitigation plans~~ . Compensation and Benefits We are among the largest private- sector employers in the communities in which we operate providing a compensation and benefits package that attracts, motivates, and retains employees. In addition to competitive base wages and incentive compensation, we offer retirement benefits, health insurance plans and paid time off. Retention and Employee Development We are committed to hiring talented people, developing effective leaders, providing an inclusive workplace and retaining a large portion of the workforce for long periods of time. The mining workforce of the future, like all industries, will see a continual change in the jobs and skill sets required as we adopt new technologies and make our workplace safer and more efficient. We are also committed to helping employees update their skills. For example, in conjunction with a trade school in Val- d' Or, Quebec, the leadership at our Casa Berardi mine has developed a customized training program for new and existing supervisors to develop their skills in the areas of leadership, communications, roles and responsibilities, and health and safety. In addition, we have long supported the Pathways to Mining Careers program, a career training partnership with the University of Alaska Southeast in Juneau. We also offer a reimbursement program to assist with educational expenses for employees who are interested in furthering their education. Advanced education can improve job performance and increase advancement opportunities for the employee, while providing flexibility to our company by increasing the employee' s knowledge base and skill set. Annual employee surveys are conducted to gauge employee concerns and morale. The results of the surveys, and any responsive measures, are shared with our board of directors. Strategic talent reviews and succession planning reviews are conducted periodically across all business areas, and our training programs are adapted accordingly. The Chief Executive Officer (" CEO "), senior level company leadership and board of directors periodically review Hecla' s top talent. Creating more opportunities for women and indigenous people ~~,~~ are among our priorities for employee development. We also strive to maintain an inclusive workplace ~~,~~ and provide periodic training to employees to help meet that goal. Our employees are required to abide by our Code of Conduct, which is provided to employees upon being hired and **thereafter** annually, and is available on our website, to promote the conduct of our business in a consistently legal and ethical manner. Among other provisions, the Code of Conduct reflects ~~that it is~~ our policy and practice not to discriminate against any employee because of race, color, religion, national origin, sex, sexual orientation, gender identity or expression, age, or physical or other disability. We expect our leaders to set the example by being positive role models and good mentors for our employees. ~~Our~~ **We employ our** Senior Vice President- Chief Administrative Officer ~~,~~ **who is** responsible for **developing and executing our** human ~~resources~~ **capital strategy. The position** is an executive- level position to reflect the priority we place on **utilizing** our human capital **resources** to meet our business strategy. Available Information Hecla Mining Company is a Delaware corporation. Our current holding company structure dates from the incorporation of Hecla Mining Company in 2006 and the renaming of our subsidiary (previously Hecla Mining Company) as Hecla Limited. Our principal executive offices are located at 6500 N. Mineral Drive, Suite 200, Coeur d' Alene, Idaho 83815- 9408. Our telephone number is (208) 769- 4100. Our web site address is www. hecla. com. **Information on our web site is not incorporated into this Annual Report on Form 10- K.** We file our annual, quarterly and current reports and any amendments to these reports with the SEC, copies of which are available on our website or from the SEC free of charge (www. sec. gov or 800- SEC- 0330). Our restated certificate of incorporation, bylaws, charters of our audit, compensation, and governance and social responsibility committees, as well as our Code of Ethics for the Chief Executive Officer and Senior Financial Officers and our Code of Conduct, are also available on our website. In addition, any amendments to our Code of Ethics or waivers granted to our directors and executive officers will be posted on our website. Each of these documents may be periodically revised, so you are encouraged to visit our website for any updated terms.

We will provide copies of these materials to stockholders upon request using the above- listed contact information, directed to the attention of Investor Relations, or via e- mail request sent to hmc- info @ hecla. com. We routinely post important information for **investors** on our web site, www. hecla. com, in the " Investors " section. We also may use our web site as a means of disclosing material, non- public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investors section of our web site, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our web site is not incorporated by reference into, and is not a part of, this document. The following risks and uncertainties, together with the other information set forth in this report, should be carefully considered by those who invest in our securities. Any of the following material risk factors could adversely affect our business, financial condition or operating results and could decrease the value of our common or preferred stock or other outstanding securities. These are not all of the risks we face, and other factors not presently known to us or that we currently believe are immaterial may also affect our business if they occur. Our revenue is derived primarily from the sale of concentrates and doré containing silver, gold, lead and zinc and, as a result, our earnings are directly related to the prices of these metals. Silver, gold, lead and zinc prices fluctuate widely and are affected by numerous factors, including: • speculative activities; • relative exchange rates of the U. S. dollar; • global and regional demand and production; • political instability; • inflation, recession or increased or reduced economic activity; and • other political, regulatory and economic conditions. These factors are largely beyond our control and are difficult to predict. If the market prices for these metals fall below our production or development costs for a sustained period of time, we will experience losses and may have to discontinue exploration, development or operations, ~~or~~ **and we may also** incur asset write- downs at one or more of our properties. See Item 1. Business- Introduction for information on the average, high, and low daily closing prices for silver, gold, lead and zinc for the last three years. On February ~~10~~ **9** , ~~2023~~ **2024** , the closing prices for silver, gold, lead and zinc were $ ~~21~~ **22** . ~~98~~ **66** per ounce, $ ~~1~~ **2** , ~~865~~ **023** . 50 per ounce, $ 0. ~~95~~ **93** per pound and $ 1. ~~41~~ **04** per pound, respectively ~~. An extended decline in metals prices; an increase in operating or capital costs or treatment charges, mine accidents or closures, increasing regulatory obligations, or our inability to convert resources or exploration targets to reserves may cause us to record write- downs, which could negatively impact our results of operations~~ . When events or changes in circumstances indicate the carrying value of our long- lived assets may not be recoverable, we review the recoverability of the carrying value by estimating the future undiscounted cash flows expected to result from the use and eventual disposition of the asset. Impairment must be recognized when the carrying value of the asset exceeds these cash flows. Recognizing impairment write- downs could negatively impact our results of operations. Metals price estimates are a key component used in the evaluation of the carrying values of our assets, as the evaluation involves comparing carrying values to the average estimated undiscounted cash flows resulting from operating plans using various metals price scenarios. Our estimates of undiscounted cash flows for our long- lived assets also include an estimate of the market value of the resources and exploration targets beyond the current operating plans. We determined no impairments were required for triggering events identified during ~~2022~~ **2023** . For more discussion, see the below risk factors, " We may not realize all of the anticipated benefits from our acquisitions, including our ~~recent~~ **2022** acquisition of Alexco" and " Issues we have faced at certain segments could require us to write- down the **carrying value of** associated long- lived assets. We could face similar issues at our other operations. Such write- downs may adversely affect our results of operations and financial condition. " If the prices of silver, gold, zinc and lead decline for an extended period of time, if we fail to control production or capital costs, if regulatory issues increase costs or decrease production, or if we do not realize the mineable mineral reserves, resources or exploration targets at our mining properties, we may be required to recognize asset write- downs in the future. In addition, the perceived market value of the resources and exploration targets of our properties is dependent upon prevailing metals prices as well as our ability to discover economic ore. A decline in metals prices for an extended period of time or our inability to convert resources or exploration targets to reserves could significantly reduce our estimates of the value of the resources or exploration targets at our properties and result in asset write- downs. As of December 31, ~~2022~~ **2023** , we had total indebtedness of approximately $ ~~527~~ **671** . ~~2~~ **4** million, primarily in the form of our Senior Notes **and Credit Agreement** . Our level of debt **,** ~~and our~~ debt service obligations **and covenant requirements** may have adverse effects on our business, financial condition, cash flows or results of operations, including: • making it more difficult for us to satisfy our obligations with respect to the Senior Notes; • reducing the amount of funds available to finance our operations, capital expenditures and other activities; • increasing our vulnerability to economic downturns and industry conditions; • limiting our flexibility in responding to changing business and economic conditions; • jeopardizing our ability to execute our business plans; • placing us at a disadvantage when compared to our competitors that have less debt; • increasing our cost of borrowing; and • limiting our ability to borrow additional funds. We and our subsidiaries may incur substantial additional indebtedness in the future. Although the indenture governing our Senior Notes contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of additional indebtedness that could be incurred in compliance with these restrictions could be substantial. In July 2022, we entered into our $ 150 million ~~senior~~ **revolving** credit facility (with the option to increase to $ 225 million). Like the indenture, the credit agreement governing the revolving credit facility also has restrictions on the incurrence of additional indebtedness but with a number of significant qualifications and exceptions. If new debt is added to our and our subsidiaries' existing debt levels, the risks associated with such debt that we currently face would increase. In addition, the indenture governing the Senior Notes does not prevent us from incurring additional indebtedness under the indenture. We have experienced volatility in our net ~~income~~ (loss) **income** reported in the last three years, as shown in our Consolidated Statement of Operations and Comprehensive (**Loss)** Income ~~) Loss~~ , including net loss of $ **84. 2 million in 2023, $** 37. 3 million in 2022 ~~,~~ **and** net income of $ 35. 1 million in 2021 ~~and net loss of $ 9. 5 million in 2020~~ . A comparison of operating results over the past three years can be found in Results of Operations in Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations. Many of the factors affecting our operating results are beyond our control, including, but not limited to, the volatility of metals prices; smelter terms; rock and soil conditions; seismic events; cybersecurity attacks; availability of hydroelectric power; diesel fuel prices; interest rates; foreign exchange rates; global or regional political or economic policies; inflation; availability and cost of labor; economic developments and crises; governmental regulations; continuity of orebodies; ore grades; recoveries; performance of equipment; **uninsured losses;** price speculation by certain investors; and purchases and sales by central banks and other holders and producers of gold and silver in response to these factors. We cannot assure you that we will not experience net losses in the future. Preparing consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts and related disclosure of assets, liabilities, revenue and expenses at the date of the consolidated financial statements and reporting periods. The more significant areas requiring the use of management assumptions and estimates relate to: • mineral reserves, resources, and exploration targets that are the basis for future income and cash flow estimates and units- of- production depreciation, depletion and amortization calculations; • future ore grades, throughput and recoveries; • future metals prices; • future capital and operating costs; • environmental, reclamation and closure obligations; • permitting and other regulatory considerations; • asset impairments; • valuation of business combinations; • **insurance proceeds; •** future foreign exchange rates, inflation rates and applicable tax rates; • reserves for contingencies and litigation; and • deferred tax asset valuation allowance. Future estimates and actual results may differ materially from these estimates as a result of using different assumptions or conditions. For additional information, see Critical Accounting Estimates in Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations, Note 2 of Notes to Consolidated Financial Statements, and the risk factors set forth below: " Our costs of extending existing reserves or development of new orebodies and other capital costs may be higher and provide less return than we estimated, " " Our ~~ore~~ **mineral** reserve and resource estimates may be imprecise, " " We are currently involved in ongoing legal disputes that may materially adversely affect us, " and " Our environmental and asset retirement obligations may exceed the provisions we have made. " We periodically enter into risk management activities to manage the exposure to changes in prices of silver, gold, lead and zinc contained in our concentrate shipments between the time of sale and final settlement. We also utilize such programs to manage the exposure to changes in the prices of lead and zinc contained in our forecasted future shipments. Such activities are utilized in an attempt to partially insulate our operating results from changes in prices for those metals. However, such activities may prevent us from realizing revenues in the event that the market price of a metal exceeds the price stated in a contract, and may also result in significant mark- to- market fair value adjustments, which may have a material adverse impact on our reported financial results. In addition, we are exposed to credit risk with our counterparties, and we may experience losses if a counterparty fails to purchase under a contract when the contract price exceeds the spot price of a commodity. **We** ~~In 2016, we~~ also ~~initiated~~ **use** financially- settled forward contract programs to manage exposure to fluctuations in the exchange rates between the U. S. dollar (" USD ") and the Canadian dollar (" CAD ") and the impact on our future operating costs denominated in CAD. **We use** ~~In 2021, we initiated~~ a similar program related to future development costs denominated in CAD. As with our metals derivatives, when utilized, such activities may prevent us from realizing possible lower costs on a USD- basis in the event that the USD strengthens relative to the CAD compared to the exchange rates stated in the forward contracts, and also expose us to counterparty credit risk. See Note ~~9~~ **10** of Notes to Consolidated Financial Statements for more information on these forward contract programs. Our ability to recognize the benefits of deferred tax assets related to net operating loss carryforwards and other items is dependent on future cash flows ~~and~~ **generating** taxable income. We recognize the expected future tax benefit from deferred tax assets when the tax benefit is considered to be more likely than not of being realized. Otherwise, a valuation allowance is applied against deferred tax assets, reducing the value of such assets. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted income from operations and the application of existing tax laws in each jurisdiction. ~~Metals~~ - **Metal** ~~price~~ **prices** , reserve, production and cost estimates are key components to determine the expected future benefit of our deferred tax assets. To the extent that future taxable income differs significantly from estimates as a result of a decline in metals prices or other factors, our ability to realize the deferred tax assets could be impacted. Additionally, significant future issuances of common stock or common stock equivalents, or changes in the direct or indirect ownership of our common stock or common stock equivalents, could limit our ability to utilize our net operating loss carryforwards pursuant to Section 382 of the Internal Revenue Code. Future changes in tax law or changes in ownership structure could limit our ability to utilize our recorded tax assets. We determined as of December 31, 2021, that we expect to realize an additional $ 58. 4 million of the Hecla U. S. tax group deferred tax assets and released the valuation allowance by a corresponding amount, reflecting our current expectations. **The** ~~We currently do not have valuation allowances for certain amounts related to the~~ Nevada U. S ~~.~~ tax group and certain foreign **jurisdictions have a valuation allowance on a portion of their** deferred tax ~~assets~~ - **asset** ~~, and our~~ **we have determined are more- likely- than- not to not be realized. Our** deferred tax assets as of December 31, ~~2022~~ **2023** were $ ~~331~~ **280** . ~~8~~ **4** million, net of $ ~~72~~ **100** . 9 million in valuation allowances. See Note ~~6~~ **7** of Notes to Consolidated Financial Statements for further discussion of our deferred tax assets. Returns for investments in pension plans and pension plan funding requirements are uncertain. We maintain defined benefit pension plans for most U. S. employees, which provide for defined benefit payments after retirement for those employees. Canadian and Mexican employees participate in public retirement systems for those countries and are not eligible to participate in the defined benefit pension plans that we maintain for U. S. employees. The ability of the pension plans maintained for U. S. employees to provide the specified benefits depends on our funding of the plans and returns on investments made by the plans. Returns, if any, on investments are subject to fluctuations based on investment choices and market conditions. In addition, we have a supplemental excess retirement plan which was funded as of December 31, ~~2022~~ **2023** . A sustained period of low returns or losses on investments, or future benefit obligations that exceed our estimates, could require us to fund the pension plans to a greater extent than anticipated. See Note ~~5~~ **6** of Notes to Consolidated Financial Statements for more information on our pension plans. If any of our facilities or the facilities of our suppliers, third- party service providers, or customers is affected by natural disasters, such as earthquakes, floods, fires, power shortages or outages, public health crises (such as pandemics and epidemics), political crises (such as terrorism, war, political instability or other conflict), or other events outside of our control, our operations or financial results could suffer. Any of these events could materially and adversely impact us in a number of ways, including through decreased production, increased costs, decreased demand for our products due to reduced economic activity or other factors, or the failure by counterparties to perform under contracts or similar arrangements. For example, the ~~ongoing~~ COVID- 19 pandemic ~~has~~ impacted our operations and financial results **between 2020 and 2022** ~~over the last three years~~. Restrictions imposed by governments in Alaska, Quebec and Mexico ~~have~~ caused us to temporarily suspend operations and ~~/ or~~ revise operating procedures **during** ~~. These restrictions caused us to incur costs of approximately $ 5. 8 million in 2020, $ 4. 3 million in 2021 and $ 0. 5 million in 2022. In addition, silver production at Greens Creek in the third quarter of 2021 was 30 % lower than~~ **that time period.** ~~in the third quarter of 2020 due to reduced ore grades as a result of mine sequencing, which was impacted by manpower challenges due to~~ COVID- 19 **is still** ~~and increased competition for labor. At the Lucky Friday and Nevada Operations, COVID- 19 procedures have been implemented without~~ a **disease that is occurring throughout the world** ~~significant impact on production or operating or suspension costs or production~~. ~~Although COVID- 19 impacts on~~ **In the event it were to flare up in a manner similar to the past, or worse,** our operations and financial results **could again be negatively** ~~have not yet been material, it is possible they may become so in the near future, including if we are forced to continue with existing or adopt new restrictions on operations and if those restrictions continue longer than anticipated or become broader. The additional protocols implemented at our mine sites and other restrictions in response to the pandemic have limited the access of our contractors, consultants and other third- party service providers to our operations. As a result, less exploration and definition drilling occurred at some of our operations and exploration properties in 2020 which in turn limited reserve and resource conversion in 2020; however, drilling increased and our reserve and resource conversion improved in 2021. During 2022, exploration and definition drilling activity returned to pre- pandemic levels, however third party assay laboratories struggle to process assays in a timely manner. We continue to monitor the situation and guidance from federal, state, local and foreign governments and public health authorities and may take additional actions based on their recommendations. The extent of the impact~~ **impacted** ~~of COVID- 19 and any subsequent variants on our business and financial results will also depend on future developments, including the duration and spread of the outbreak within the markets in which we operate and the related impact on prices, demand, creditworthiness and other market conditions and governmental reactions, all of which are highly uncertain. To the extent that the COVID- 19 virus pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other Risk Factors described herein, including, but not limited to, risks related to commodity prices and commodity markets, commodity price fluctuations, our indebtedness, information systems and cyber security and risks relating to our mining operations such as risks related to mineral reserve and mineral resource estimates, production forecasts, impacts of governmental regulations, international operations, availability of infrastructure and employees and challenging global financial conditions.~~ Our operations are subject to a range of risks related to climate change and transitioning the business to meet regulatory, societal and investor expectations for operating in a low- carbon economy. Climate change is expected to create more extreme weather patterns that can increase frequency **or severity** of **forest fires (such as our Casa Berardi unit experienced in summer 2023) and** droughts and **sudden heavy** ~~increase the amount of~~ rainfall ~~, circumstances that~~ **(such as our Greens Creek unit has periodically experienced). These latter two events** require careful water management. Potential key material physical risks to Hecla from climate change include, but are not limited to: • ~~Increased~~ **increased** volumes of mine contact water requiring storage and treatment; • ~~Increased~~ **increased** design requirements for stormwater diversion and associated water management systems; • ~~Reduced~~ **reduced** freshwater availability due to potential drought conditions; • ~~Damage~~ **damage** to roads and other infrastructure at our sites due to extreme weather events including intense rainfalls and related events such as landslides; and • ~~Unpermitted~~ **unpermitted** or otherwise non- compliant discharge of wastewater due to an increased frequency of extreme weather events exceeding the design capacity of existing tailings storage facilities and other stormwater management infrastructure. Such events can temporarily slow or halt operations due to physical damage to assets, reduced worker productivity for safety protocols on site related to extreme weather events, worker aviation and bus transport to or from the site, and local or global supply route disruptions that may limit transport of essential materials and supplies. Additional financial impacts could include increased capital or operating costs to increase water storage and treatment capacity, obtain or develop maintenance and monitoring technologies, increase resiliency of facilities and establish supplier climate resiliency and contingency plans. The occurrence of weather and climate events have in the past and could in the future cause us to incur unplanned costs, which may be material, to address or prevent resulting damage. In addition, we have identified opportunities and potential risks for Hecla as we shift toward a low- carbon economy. Technologies that support decarbonization include renewable energy sources, electric vehicles, and energy storage, all of which require the metals we produce. However, renewable energies currently may not have the same reliability as conventional energy sources. Thus, as we transition toward renewable energy sources, we could experience a possible curtailment of our energy supply, and these new energy sources may cost more in the future than our current supplies, which could negatively ~~our~~ impact **our** financial performance. Further, transitioning to a lower- carbon economy will require significant investment and may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, focus and jurisdiction of these changes, transition risks may pose varying levels of financial and reputational risk to our business. Policy and regulatory risk related to actual and proposed changes in climate ~~-~~ and water- related laws, regulations and taxes developed to regulate the transition to a low- carbon economy may result in increased costs for our operations, ~~our~~ **third- party** smelters and refiners and our suppliers, including increased energy, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Regulatory uncertainty may ~~incur~~ **cause** higher costs and lower economic returns than originally estimated for new development projects and operations, including closure reclamation **and remediation** obligations. The development and deployment of technological improvements or innovations will be required to support the transition to a low- carbon economy, which could result in write- offs and early retirement of existing assets, increased costs to adopt and deploy new practices and processing including planning and design for mines, development of alternative power sources, site level efficiencies and other capital investments. A failure to meet our climate strategy commitments and / or societal or investor expectations could also result in damage to our reputation, decreased investor confidence and challenges in maintaining positive community relations, which can pose additional obstacles to our ability to conduct our operations and develop our projects, which may result in a material adverse impact on our business, financial position, results of operations and growth prospects. Production may be reduced below our historical or estimated levels for many reasons, including, but not limited to, mining accidents; unfavorable ground or shaft conditions **; fire, influx of water or other insured and uninsured events** ; work stoppages or slow- downs; lower than expected ore grades; cybersecurity attacks; unexpected regulatory actions; if the metallurgical characteristics of ore are less economic than anticipated; or because our equipment or facilities fail to operate properly or as expected. Our mines are subject to risks relating to ground instability, including, but not limited to, pit wall failure, crown pillar collapse, seismic events, backfill and stope failure or the breach or failure of a tailings impoundment. Both the Lucky Friday and Casa Berardi mines have a history of ground instability underground and related incidents which in the past have resulted in loss of production at these facilities and some of the other effects described below. The occurrence of an event such as those described above could result in loss of life or temporary or permanent cessation of operations, any of which could have a material adverse effect on our financial condition and results of operations. Other closures or impacts on operations or production may occur at any of our mines at any time, whether related to accidents, changes in conditions, changes to regulatory policy, or as precautionary measures. In addition, our operations are typically in remote locations, where conditions can be inhospitable, including with respect to weather, surface conditions, interactions with wildlife or otherwise in or near dangerous conditions. In the past we have had employees, contractors, or employees of contractors get injured, sometimes fatally, while working in such challenging locations. An accident or injury to a person at or near one of our operations could have a material adverse effect on our financial condition and results of operations. At the Lucky Friday mine we are mining ever deeper deposits and have **been** ~~recently begun~~ utilizing **our patented** ~~a new mining method called~~ Underhand Closed Bench (" UCB ") **mining method** . See Item 2. Properties- Lucky Friday for a description of the UCB method. We started testing the UCB method in 2020 and it was used for approximately **87 %,** 88 % and 86 % of the tons mined at Lucky Friday in **2023,** 2022 and 2021, respectively. **The** ~~A patent application for the UCB method has been filed with the U. S. Patent and Trademark Office. However, the~~ UCB method has not been used at other mines. Although we believe the testing has resulted in better management of the Lucky Friday mine' s seismicity, which increases as we mine deeper, we cannot predict unknown hazards that the UCB method or our deeper mining activities might cause. Our business is capital intensive, requiring ongoing investment for the replacement, modernization or expansion of equipment and facilities. Our mining and milling operations are subject to risks of process disruptions and equipment malfunctions. Equipment and supplies may from time to time be unavailable on a timely basis. Our business is subject to a number of other risks and hazards including: • environmental hazards; • unusual or unexpected geologic formations; • rock bursts, ground falls, pit wall failures, or tailings impoundment breaches or failures; • seismic activity; • shaft failure; • road and bridge failures; • underground **floods or** fires **(such as we experienced in August 2023 when there was a fire deep within the # 2 shaft at** ~~or~~ **our** ~~floods~~ **Lucky Friday unit which caused production there to stop for approximately 5 months, before production resumed in January 2024, with the ramp up to full production ongoing)** ; • unanticipated hydrologic conditions, including flooding and periodic interruptions due to inclement or hazardous weather conditions; • civil unrest or terrorism; • cybersecurity attacks; • changes in interpretation or enforcement of regulatory and permitting requirements; • industrial accidents; • disruption, damage or failure of power, technology or other systems related to operation of equipment and other aspects of our mine operations; • labor disputes or strikes; and • our operating mines have tailing ponds which could fail or leak as a result of seismic activity, unusual weather or for other reasons. Such risks could result in: • personal injury or fatalities; • damage to or destruction of mineral properties or producing facilities; • environmental damage and financial penalties; • delays in exploration, development or mining; • monetary losses; • inability to meet our financial obligations; • asset impairment charges; • legal liability; and • temporary or permanent closure of facilities. We maintain insurance to protect against losses that may result from some of these risks, such as property loss and business interruption, in amounts we believe to be reasonably consistent with our historical experience, industry practice and circumstances surrounding each identified risk. Such insurance, however, contains exclusions and limitations on coverage, particularly with respect to environmental liability, political risk and seismic events. We cannot assure you that claims would be paid under such insurance policies in connection with a particular event. Insurance specific to environmental risks is generally either unavailable or, we believe, cost prohibitive, and we therefore do not maintain environmental insurance. Occurrence of events for which we are not insured may have an adverse effect on our business. Our costs of extending existing reserves or development of new orebodies and other capital costs may be higher and provide less return than we estimated. Capitalized development projects may cost more and provide less return than we estimate. If we are unable to realize a return on these investments, we may incur a related asset write- down that could adversely affect our financial results or condition. Our ability to sustain or increase our current level of metals production partly depends on our ability to develop new orebodies and / or expand existing mining operations. Before we can begin a development project, we must first determine whether it is economically feasible to do so. This determination is based on estimates of several factors, including: • mineral reserves and resources; • expected ore grades and recovery rates of metals from the ore; • facility and equipment costs; • availability of adequate staffing; • availability of affordable sources of power and adequacy of water supply; • exploration and drilling success; • capital and operating costs of a development project; • environmental and closure, permitting and other regulatory considerations and costs; • adequate access to the site, including competing land uses (such as agriculture); • applicable tax rates; • foreign currency fluctuation and inflation rates; and • availability and cost of financing. Many of these estimates are based on geological and other interpretive data, which may be imprecise. As a result, actual operating and capital costs and returns from a development project may differ substantially from our estimates, and, as such, it may not be economically feasible to continue with a development project. Our mineral reserve ~~and resource estimates may be imprecise. Our mineral reserve~~ figures are primarily estimates and are not guarantees that we will recover the indicated quantities of these metals. You are cautioned not to place undue reliance on estimates of reserves (or resource estimates or exploration targets). Reserves are estimates made by our professional technical personnel of the amount of metals that they believe could be economically and legally extracted or produced at the time of the reserve determination. No assurance can be given that the estimated amount of metal or the indicated level of recovery of these metals will be realized. Reserve and resource estimation is an interpretive process based upon available data and various assumptions. Our reserve and resource estimates may change. Reserves are valued based on estimates of costs and metals prices, which may not be consistent among our properties or across the industry. The estimated quantities and economic value of mineral reserves may be adversely affected by: • declines in the market price of the various metals we mine; • increased production or capital costs; • reduction in the grade or tonnage of the deposit; • decrease in throughput; • increase in the dilution of the ore; • future foreign currency rates, inflation rates and applicable tax rates; • reduced metal recovery; and • changes in environmental, permitting or other regulatory requirements. **Furthermore,** ~~Short~~ **short** - term operating factors relating to our mineral reserves, such as the need to sequentially develop orebodies and the processing of new or different ore grades, may adversely affect our cash flow. If the prices of metals that we produce decline substantially below the levels used to calculate reserves for an extended period, we could experience: • delays in new project development; • net losses; • reduced cash flow; • reductions in reserves and resources; • write- downs of asset values; and • mine closure. Additionally, **reserve estimates are subject to further development and preproduction drilling,** resource estimates and exploration targets are subject to further exploration and development, and are, therefore, subject to considerable uncertainty. Despite our history of converting resources and exploration targets to reserves through additional drilling and study work, we cannot be certain that any part or parts of resources or exploration targets will ever be confirmed or converted into reserves as defined by the SEC. Efforts to expand the finite lives of our mines may not be successful or could result in significant demands on our liquidity, which could hinder our growth. One of the risks we face is that mines are depleting assets. Thus, in order to maintain or increase production we must continually replace depleted mineral reserves by locating and developing additional ore. Our ability to expand or replace mineral reserves primarily depends on the success of our exploration programs. Mineral exploration, particularly for silver and gold, is highly speculative and expensive. It involves many risks and is often non- productive. Even if we believe we have found a valuable mineral deposit, it may be several years before production from that deposit is possible. During that time, it may become no longer feasible to produce those minerals for economic, regulatory, political or other reasons. As a result of high costs and other uncertainties, we may not be able to expand or replace our existing mineral reserves as they are depleted, which would adversely affect our business and financial position in the future. Our ability to market our metals production depends on the availability of smelters and / or refining facilities and our operations and financial results may be affected by disruptions or closures or the unavailability of smelters and / or refining facilities for other reasons. We sell our metals products to smelters and metal traders. Our doré bars are sent to refiners for further processing before being sold to metal traders. Access to refiners and smelters on terms which are economic is critical to sell our products to buyers and generate revenues. If smelters or refiners are unavailable or unwilling to accept our products, or we are otherwise unable to sell our products to customers on acceptable commercial and legal terms, our operations and financial results could be adversely affected. See Note ~~3~~ **4** of Notes to Consolidated Financial Statements for more information on the distribution of our sales and our significant customers. We derive a significant amount of revenue from a relatively small number of customers and occasionally enter into concentrate spot market sales with metal traders. For the fiscal year ended December 31, ~~2022~~ **2023** , our three largest customers accounted for approximately ~~35 %,~~ 24 % **, 16 %** and ~~11~~ **16** %, respectively, of our total revenues. Given our operations produce unique qualities of concentrates, which a limited number of smelters can process effectively, we enter into long- term benchmark contracts for a majority of our total concentrates production. We expose lesser portions of our concentrates production to spot market sales to metal traders to benefit from favorable spot market sales terms from time to time. Our results of operations, financial condition and cash flows could be materially adversely affected if one or more of our long- term customers were to decide to interrupt or curtail their activities, terminate their contracts with us or fail to renew existing contracts. Additionally, if spot market conditions deteriorate rapidly, we could have difficulty selling a portion of our concentrates, and metal traders could refuse to perform under existing contracts, which could also result in materially adverse effects on our results of operations, financial conditions and cash flows. See Note ~~3~~ **4** of Notes to Consolidated Financial Statements for more information on the distribution of our sales and our significant customers. Shortages of critical parts and equipment may adversely affect our operations and development projects. We have been impacted, from time to time, by increased demand for critical resources such as input commodities, drilling equipment, trucks, shovels and tires. These shortages have, at times, impacted the efficiency of our operations, and resulted in cost increases and delays in construction of projects; thereby impacting operating costs, capital expenditures and production and construction schedules. We currently have foreign operations in Mexico and Canada, and we expect to continue to conduct operations there and possibly other international locations in the future. Because we conduct operations internationally, we are subject to political, social, legal and economic risks such as: • the effects of local political, labor and economic developments and unrest; • significant or abrupt changes in the applicable regulatory or legal climate; • significant changes to regulations or laws or the interpretation or enforcement of them; • exchange controls and export restrictions; • expropriation or nationalization of assets with inadequate compensation; • unfavorable currency fluctuations, particularly in the exchange rate between the U. S. dollar and the Canadian dollar and Mexican Peso; • repatriation restrictions; • invalidation and unavailability of governmental orders, permits or agreements; • property ownership disputes; • renegotiation or nullification of existing concessions, licenses, permits and contracts; • criminal activity, corruption, demands for improper payments, expropriation, and uncertain legal enforcement and physical security; • failure to maintain compliance with corruption and transparency statutes, including the U.

S. Foreign Corrupt Practices Act; • disadvantages of competing against companies from countries that are not subject to U. S. laws and regulations; • fuel or other commodity shortages; • illegal mining; • laws or policies of foreign countries and the United States affecting trade, investment and taxation; • opposition to our presence, operations, properties or plans by governmental or non- governmental organizations or civic groups; • civil disturbances, war and terrorist actions; and • seizures of assets. The occurrence of any one or combination of these events, many of which are beyond our control, could materially adversely affect our financial condition or results of operations. Our operations and properties in Canada expose us to additional political risks. Our properties in Canada may be of particular interest or sensitivity to one or more interest groups, including aboriginal groups (which are generally referred to as " First Nations "). We have mineral projects in Quebec, the Yukon and British Columbia that are or may be in areas with a First Nations presence. The nature and extent of First Nation rights and title remains the subject of active debate, claims and litigation in Canada. Intergovernmental relations between First Nation authorities and federal, provincial and territorial authorities are evolving. It is our practice to work closely with and consult with First Nations in areas in which our projects are located or which could be impacted by our activities. However, there is no assurance that relationships with such groups will be positive. Accordingly, it is possible that our permitting activities, **profitable** production, exploration or development activities on our Canadian properties could be delayed, interrupted or otherwise adversely affected in the future by political uncertainty, native land claims entitlements, expropriations of property **, financial arrangements** , changes in applicable law, governmental policies and policies of relevant interest groups, including those of First Nations. Any changes in law or relations or shifts in political conditions may be beyond our control, or we may enter into agreements with First Nations, all of which may adversely affect our business and operations and if significant, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue our mineral production, exploration or development activities in the applicable area, any of which could have an adverse effect on our financial condition and results of ~~operations. Certain of our mines and exploration properties are located on land that is or may become subject to traditional territory, title claims and / or claims of cultural significance, and such claims and the attendant obligations of the federal government to those tribal communities and stakeholders may affect our current and future~~ operations. Indigenous interests and rights as well as related consultation issues may impact our ability to pursue exploration, development and mining at certain of our properties in Nevada, Montana, Alaska, British Columbia, the Yukon and Quebec. There is no assurance that claims or other assertion of rights by tribal communities and stakeholders or consultation issues will not arise on or with respect to our properties or activities. These could result in significant costs and delays or materially restrict our activities. Opposition by tribal communities and stakeholders to our presence, operations or development on land subject to their traditional territory or title claims or in areas of cultural significance could negatively impact us in terms of permitting delay, public perception, costly legal proceedings, potential blockades or other interference by third parties in our operations, or court- ordered relief impacting our operations. In addition, we may be required to, or may voluntarily, enter into certain agreements with such tribal communities in order to facilitate development of our properties, which could reduce the expected earnings or income from any future production. Mining, processing, development, exploration and other activities depend on adequate infrastructure. Reliable roads, bridges, ports, power sources, internet access and water supply are important to our operations, and their availability and condition affect capital and operating costs. Unusual, infrequent or extreme weather phenomena, sabotage, amount or complexity of required investment, or other interference in the maintenance or provision of such infrastructure, or government intervention, could adversely affect our mining operations. We are actively evaluating opportunities to expand our mineral reserves and resources by acquiring other mining companies or properties. Although we are pursuing opportunities that we feel are in the best interest of our stockholders, these pursuits are costly and often unproductive. There is a limited supply of desirable mineral properties available in the United States and foreign countries where we would consider conducting exploration and / or production activities. For those that exist, we face strong competition from other mining companies, many of which have greater financial resources than we do. Therefore, we may be unable to acquire attractive companies or mining properties on terms that we consider acceptable. Furthermore, there are inherent risks in any acquisition we may undertake which could adversely affect our current business and financial condition and our growth. For example, we may not realize the expected value of the companies or properties that are acquired due to declines in metals prices, lower than expected quality of orebodies, inability to achieve the expected or minimum level of operating performance, failure to obtain permits, labor problems, changes in regulatory environment, failure to achieve anticipated synergies, an inability to obtain financing, and other factors described in these risk factors. Acquisitions of other mining companies or properties may also expose us to new legal, geographic, political, operating, and geological risks. See the risk factor below, " We may not realize all of the anticipated benefits from our acquisitions, including our ~~recent~~ **2022** acquisition of Alexco. " ~~We may be unable to successfully integrate the operations of the properties we acquire.~~ Integration of the businesses or the properties we acquire with our existing business, including the Keno Hill project acquired as part of the Alexco acquisition in September 2022, is a complex, time- consuming and costly process. Failure to successfully integrate the acquired properties and operations in a timely manner may have a material adverse effect on our business, financial condition, results of operations and cash flows. The difficulties of combining the acquired operations with our existing business include, among other things: • operating a larger organization; • operating in multiple legal jurisdictions; • coordinating geographically and linguistically disparate organizations, systems and facilities; • adapting to additional political, regulatory, legal and social requirements; • integrating corporate, technological and administrative functions; and • diverting management' s attention from other business concerns. The process of integrating operations could cause an interruption of, or a slowdown in, the activities of our business. Members of our senior management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage other parts of our business. If our senior management is not able to effectively manage the integration process, or if any business activities are interrupted as a result of the integration process, our business could suffer. See the risk factor below, " We may not realize all of the anticipated benefits from our acquisitions, including our ~~recent~~ **2022** acquisition of

Alexco. " We review our long- lived assets for recoverability pursuant to the Financial Accounting Standard Board' s Accounting Standards Codification Section 360. Under that standard, we review the recoverability of our long- lived assets, such as our mining properties, upon a triggering event. Such review involves comparing an asset' s carrying value to its fair value. When the carrying value of the asset exceeds its fair value (which is based on estimating the future undiscounted cash flows expected to result from the use and eventual disposition of the asset or a market value approach), an impairment must be recognized. We conduct a review of the financial performance of our mines in connection with the preparation of our financial statements for each reporting period and determine whether any triggering events are indicated. We determined the continued suspension of production in Nevada and reduced ~~2023~~ **2024** budgeted exploration program represented a triggering event requiring an assessment of recoverability of the carrying value of our long- lived assets in Nevada. We also identified a triggering event for Casa Berardi in ~~2022~~ **2023** . Although we concluded the carrying value assessment indicated no impairment at either segment at the time the analysis was undertaken, each analysis was, and any future analysis will be, based on estimates, judgments and assumptions which may turn out to be incorrect or inaccurate. The estimates, judgments and assumptions we use in any fair value / impairment assessment of our long- lived assets relate to factors impacting the future cash flows estimated at any of our operations, including, but not limited to: (i) metals to be extracted and recovered from proven and probable mineral reserves and, to some extent, identified mineralization beyond proven and probable reserves, (ii) future operating and capital costs, and (iii) future metals prices. These estimates, judgments and assumptions are made in good faith and using management' s best judgments; however, there can be no assurance that any of them will prove to be accurate. Evaluation of the possibility of a future impairment loss, as well as the calculation of the amount of any impairment loss, involve significant estimates, judgment and assumptions, and no assurance can be given as to whether or not we will recognize an impairment loss in the future, or if the amount of loss would be within any estimated range we may disclose. As a result, in future periods we could face another triggering event which could lead to an impairment charge, and any such impairment charge could be material. We may not realize all (or any) of the anticipated benefits from any acquisition, such as increased earnings, cost savings and revenue enhancements, for various reasons, including difficulties integrating operations and personnel, higher than expected acquisition and operating costs or other difficulties, unknown liabilities which may be significant, inaccurate reserve estimates, unrealized exploration targets, ore grades or mill recoveries that are lower than required for portions of the orebodies to be economic, and fluctuations in market prices. At our Nevada Operations, mine production at Fire Creek continued through the first half of 2021, and was then suspended as we continue studies of hydrology, mining and milling. Revenues exceeded total capital and production costs in 2020 and 2021. However, we anticipate incurring care- and- maintenance costs in the future unless and until we have enough exploration success and development to resume mining operations. In September 2022, we completed the acquisition of Alexco and gained ownership of the Keno Hill project in the Yukon **Territory** , Canada. Although we ~~expect to produce~~ **produced** silver at that mine in 2023, ~~there can be no assurances~~ **achieving acceptable safety and environmental performance has prevented us from reaching anticipated production levels and has required capital expenditures higher** ~~that~~ **than** we **anticipated** ~~will successfully complete predevelopment activities and bring the project into production in 2023, or at all~~ . See the risk factors above, " An extended decline in metals prices, an increase in operating or capital costs or treatment charges, mine accidents or closures, increasing regulatory obligations, or our inability to convert resources or exploration targets to reserves may cause us to record write- downs, which could negatively impact our results of operations, " and " Issues we have faced at certain segments could require us to write- down the associated long- lived assets. We could face similar issues at our other operations. Such write- downs may adversely affect our results of operations and financial condition. " The properties we may acquire may not produce as expected, and we may be unable to determine reserve potential, identify liabilities associated with the acquired properties or obtain protection from sellers against such liabilities. The properties we acquire in any acquisition, including Keno Hill, may not produce as expected, may be in an unexpected condition and we may be subject to increased costs and liabilities, including environmental liabilities. Although we review properties prior to acquisition in a manner consistent with industry practices, such reviews are not capable of identifying all existing or potential adverse conditions. Generally, it is not feasible to review in depth every individual property involved in each acquisition. Even a detailed review of records and properties may not necessarily reveal existing or potential problems or permit a buyer to become sufficiently familiar with the properties to fully assess their condition, any deficiencies, and development potential. See the risk factors above, " We may not realize all of the anticipated benefits from our acquisitions, including our ~~recent~~ **2022** acquisition of Alexco " and " An extended decline in metals prices, an increase in operating or capital costs or treatment charges, mine accidents or closures, increasing regulatory obligations, or our inability to convert resources or exploration targets to reserves may cause us to record write- downs, which could negatively impact our results of operations. " ~~We face risks relating to transporting our products from our mines, as well as transporting employees and materials at our Greens Creek, Casa Berardi and Keno Hill sites.~~ Certain of the products we ship to our customers are subject to regulatory requirements regarding shipping, packaging, and handling of products that may be considered dangerous to human health or the environment. Although we believe we are currently in compliance with all material regulations applicable to shipping, packaging, and handling our products, the chemical properties of our products or existing regulations could change and cause us to fall out of compliance or force us to incur substantial additional expenditures to maintain compliance with applicable regulations. Further, we do not ship our own products but instead rely on third party carriers to ship our products to our customers. To the extent that any of our carriers are unable or unwilling to ship our products in accordance with applicable regulations, including because of difficulty in obtaining, or increased cost of, insurance, or are involved in accidents during transit, we could be forced to find alternative shipping arrangements, assuming such alternatives would be available, and we could face liability as a result of any accident. Any such changes to our current shipping arrangements or accidents involving the shipment of our products could have a material adverse impact on our operations and financial results. In addition, each of Greens Creek, Casa Berardi and Keno Hill are in remote locations. Greens Creek operates on an island and is substantially dependent on various forms of marine transportation for the transportation of employees and materials to the mine and for the export of its products from the mine. Further, Keno Hill requires its employees to fly in to its remote location ~~, while~~ **and marine transportation depends on access to a limited number of ports.** Casa Berardi can only be accessed by a long motor vehicle ride over a gravel road. Any disruption to these forms of marine, air and surface transportation could adversely impact mine operations, and possible effects could include suspension of operations. **We face substantial governmental regulation, including in the United States the Mine Safety and Health Act, various environmental laws and regulations and the 1872 Mining Law.** Our business is subject to extensive U. S. and foreign federal, state, provincial and local laws and regulations governing environmental protection, natural resources, prospecting, development, production, post- closure reclamation, taxes, labor standards and occupational health and safety laws and regulations, including mine safety, toxic substances and other matters. The costs associated with compliance with such laws and regulations are substantial. Possible future laws and regulations, or more restrictive interpretations of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of operations and delays in the development of new properties. U. S. ~~surface and underground~~ mines like those at our Lucky Friday, Greens Creek and Nevada Operations are inspected at least quarterly by MSHA, which inspections often lead to notices of violation under the Mine Safety and Health Act. Any of our U. S. mines could be subject to a temporary or extended shutdown as a result of a violation alleged by MSHA. In addition, we have been and are currently involved in lawsuits or regulatory actions in which allegations have been made that we caused environmental damage, are responsible for environmental damage caused by others, or violated environmental laws or permits, and we may be subject to similar lawsuits or actions in the future. Moreover, such environmental matters have involved both our current and historical operations as well as the historical operations of entities and properties we have acquired. See the risk factors below titled " Our operations are subject to complex, evolving and increasingly stringent environmental laws and regulations, " " Compliance with environmental regulations, and litigation based on such regulations, involves significant costs and can threaten existing operations or constrain expansion opportunities, " and " Our environmental and asset retirement obligations may exceed the provisions we have made. " Some mining laws prevent mining companies that have been found to (i) have engaged in environmentally- harmful conduct or (ii) be responsible for environmentally- harmful conduct engaged in by affiliates or other third parties, including in other jurisdictions, from maintaining current or obtaining future permits until remediation or restitution has occurred. If we are found to be responsible for any such conduct, our ability to operate existing projects or develop new projects might be impaired until we satisfy costly conditions. For example, in June 2021, the State of Nevada passed a law that would limit an applicant' s ability to obtain an exploration or a mining operation permit from the Nevada Division of Environmental Protection if the applicant, or each person who has a controlling interest in the applicant (if the applicant is a business entity), has either (1) defaulted on a reclamation obligation under Nevada law (including by forfeiting a surety or failing to pay the costs or penalties associated with reclamation) or (2) is otherwise not in good standing with a governmental agency in relation to reclamation of an exploration project or mining operation situated outside the State of Nevada. Although we believe this new statute does not currently apply to us or any of our affiliates, it is possible that it could cause us compliance issues in the future, including with respect to ongoing litigation in the State of Montana. See the risk factor below, " Legal challenges could prevent our projects in Montana from ever being developed. " We cannot assure you that we will at all times be in compliance with applicable laws, regulations and permitting requirements. Failure to comply with applicable laws, regulations and permitting requirements may result in lawsuits or regulatory actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, which may require corrective measures including capital expenditures, installation of additional equipment or remedial actions. Any one or more of these liabilities could have a material adverse impact on our financial condition. In addition to existing regulatory requirements, legislation and regulations may be adopted, regulatory procedures modified, or permit limits reduced at any time, any of which could result in additional exposure to liability, operating expense, capital expenditures or restrictions and delays in the mining, production or development of our properties. Mining accidents and fatalities or toxic waste releases, whether or not at our mines or related to metals mining, may increase the likelihood of additional regulation or changes in law or enhanced regulatory scrutiny. In addition, enforcement or regulatory tools and methods available to regulatory bodies such as MSHA or the U. S. Environmental Protection Agency (" EPA "), which have not been or have infrequently been used against us or the mining industry, in the future could be used against us or the industry in general. From time to time, the U. S. Congress considers proposed amendments to the 1872 Mining Law, which governs mining claims and related activities on federal lands. The extent of any future changes is not known and the potential impact on us as a result of U. S. Congressional action is difficult to predict. Changes to the 1872 Mining Law, if adopted, could adversely affect our ability to economically develop mineral reserves on federal lands. For example, ~~in 2021,~~ **from time to time** the U. S. Congress ~~debated~~ **debates** imposing royalties on minerals extracted from federal lands. Although **such** legislation ~~was~~ **has** not passed as of the date of this report, it is possible that in the future royalties or taxes will be imposed on mining operations conducted on federal land, which could adversely impact our financial results. Our operations are subject to complex, evolving and increasingly stringent environmental laws and regulations. Compliance with environmental regulations, and litigation based on such regulations, involves significant costs and can threaten existing operations or constrain expansion opportunities. Our operations, both in the United States and internationally, are subject to extensive environmental laws and regulations governing wastewater discharges; remediation, restoration and reclamation of environmental contamination; the generation, storage, treatment, transportation and disposal of hazardous substances; solid waste disposal; air emissions; protection of endangered and protected species and designation of critical habitats; mine closures and reclamation; and other related matters. In **recent years, each of our Greens Creek, Lucky Friday and Keno Hill units have had compliance challenges and alleged violations of the Resource Conservation and Recovery Act (" RCRA "), the Clean Water Act (" CWA ") and similar Yukon regulations, respectively (some of which are not yet resolved). Failure to resolve pending or avoid future alleged permit exceedances or other legal violations could have a material negative**

impact on operations or financial performance. In addition **for continuing our current operations** , we must obtain regulatory permits ~~and~~ **, permit modifications or other** approvals to start ~~, continue~~ and expand operations. New or revised environmental regulatory requirements are frequently proposed, many of which result in substantially increased costs for our business. See the risk factor above, “ We are required to obtain governmental permits and other approvals in order to conduct mining operations ” and the risk factor below, “ Mine closure and reclamation regulations impose substantial costs on our operations, and include requirements that we provide financial assurance supporting those obligations. These costs could significantly increase and we might not be able to provide financial assurance. ” Our U. S. operations are subject to the **CWA** ~~Clean Water Act~~ , which requires permits for certain discharges into waters of the United States. Such permitting has been a frequent subject of litigation and enforcement activity by environmental advocacy groups and the EPA, respectively, which has resulted in declines in such permits or extensive delays in receiving them, as well as the imposition of penalties for permit violations. ~~In 2015, the regulatory definition of “ waters of the United States ” that are protected by the Clean Water Act was expanded by the EPA, thereby imposing significant additional restrictions on waterway discharges and land uses. However, in 2018, implementation of the relevant rule was suspended for two years, and in December 2019 a revised definition that narrows the 2015 version was implemented. In late 2021, the EPA and US Army Corps of Engineers proposed to revise the definition again, moving it back to its more inclusive, pre- 2018 definition. If this rule change were to take effect or states take action to address a perceived fall- off in protection under the Clean Water Act, litigation involving water discharge permits could increase, which may result in delays in, or in some instances preclude, the commencement or continuation of development or production operations. Enforcement actions by the EPA or other federal or state agencies could also result.~~ Adverse outcomes in lawsuits challenging permits or failure to comply with applicable regulations or permits could result in the suspension, denial, or revocation of required permits, or the imposition of penalties, any of which could have a material adverse impact on our cash flows, results of operations, or financial condition. See Note ~~14~~ **16** of Notes to Consolidated Financial Statements. Some of the mining wastes from our U. S. mines currently are exempt to a limited extent from the extensive set of EPA regulations governing hazardous waste under ~~the Resource Conservation and Recovery Act (“~~ RCRA ~~”)~~ . If the EPA were to repeal this exemption, and designate these mining wastes as hazardous under RCRA, we would be required to expend additional amounts on the handling of such wastes and to make significant expenditures to construct hazardous waste storage or disposal facilities. In addition, if any of these wastes or other substances we release or cause to be released into the environment cause or has caused contamination in or damage to the environment at a U. S. mining facility, that facility could be designated as a “ Superfund ” site under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“ CERCLA ”). Under CERCLA, any present owner or operator of a Superfund site or the owner or operator at the time of contamination may be held jointly and severally liable regardless of fault and may be forced to undertake extensive remedial cleanup action or to pay for the cleanup efforts. The owner or operator also may be liable to federal, state and tribal governmental entities for the cost of damages to natural resources, which could be substantial. Additional regulations or requirements also are imposed on our tailings and waste disposal areas in Alaska under the federal **CWA** ~~Clean Water Act~~ . See Note ~~14~~ **16** of Notes to Consolidated Financial Statements. Legislative and regulatory measures to address climate change and greenhouse gas emissions are in various phases of consideration. If adopted, such measures could increase our cost of environmental compliance and also delay or otherwise negatively affect efforts to obtain permits and other regulatory approvals with regard to existing and new facilities. Proposed measures could also result in increased cost of fuel and other consumables used at our operations, including the diesel generation of electricity at our Greens Creek operation, used when we are unable to access hydroelectric power. Climate change legislation may also affect our smelter customers that burn fossil fuels, resulting in fewer customers or increased costs to us, and may affect the market for the metals we produce with effects on prices that are not possible for us to predict. Adoption of these or similar new environmental regulations or more stringent application of existing regulations may materially increase our costs, threaten certain operating activities and constrain our expansion opportunities. Some of our facilities are located in or near environmentally sensitive areas such as salmon fisheries, endangered species habitats, wilderness areas, national monuments and national forests, and we may incur additional costs to mitigate potential environmental harm in such areas. In addition to evolving and expanding environmental regulations providing governmental authorities with the means to make claims against us, private parties have in the past and may in the future bring claims against us based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of prior and current operations (including for exposure to or contamination by lead). Laws in the U. S. such as CERCLA and similar state laws may expose us to joint and several liability or claims for contribution made by the government (state or federal) or private parties. Moreover, exposure to these liabilities arises not only from our existing but also from closed operations, operations sold to third parties, or operations in which we had a leasehold, joint venture, or other interest. Because liability under CERCLA is often alleged on a joint and several basis against any property owner or operator or arranger for the transport of hazardous waste, and because we have been in operation since 1891, our exposure to environmental claims may be greater because of the bankruptcy or dissolution of other mining companies which may have engaged in more significant activities at a mining site than we but which are no longer available for governmental agencies or other claimants to make claims against or obtain judgments from. Similarly, there is also the potential for claims against us based on agreements entered into by certain affiliates and predecessor companies relating to the transfer of businesses or properties, which contained indemnification provisions relating to environmental matters. In each of the types of cases described in this paragraph, the government (federal or state) or private parties could seek to hold Hecla Limited or Hecla Mining Company liable for the actions of their subsidiaries or predecessors. The laws and regulations, changes in such laws and regulations, and lawsuits and enforcement actions described in this risk factor could lead to the imposition of substantial fines, remediation costs, penalties and other civil and criminal sanctions against us. Further, substantial costs and liabilities, including for restoring the environment after the closure of mines, are inherent in our operations. There is no assurance that any such law, regulation, enforcement or private claim, or reclamation activity, would not have a material adverse effect on our financial condition, results of operations or cash flows. We are required by U. S. federal and state laws and regulations and by laws and regulations in the foreign jurisdictions in which we operate to reclaim our mining properties. The specific requirements may change and vary among jurisdictions, but they are similar in that they aim to minimize long term effects of exploration and mining disturbance by requiring the control of possible deleterious effluents and re- establishment to some degree of pre- disturbance land forms and vegetation. In some cases, we are required to provide financial assurances as security for reclamation costs, which may exceed our estimates for such costs. Conversely, our reclamation costs may exceed the financial assurances in place and those assurances may ultimately be unavailable to us. The EPA and other state, provincial or federal agencies may also require financial assurance for investigation and remediation actions that are required under settlements of enforcement actions under CERCLA or equivalent state regulations. Currently there are no financial assurance requirements for active mining operations under CERCLA, and a lawsuit filed by several environmental organizations which sought to require the EPA to adopt financial assurance rules for mining companies with active mining operations was dismissed by a federal court. In the future, financial assurance rules under CERCLA, if adopted, could be financially material and adverse to us. See the risk factors, " Our operations are subject to complex, evolving and increasingly stringent environmental laws and regulations. Compliance with environmental regulations, and litigation based on such regulations, involves significant costs and can threaten existing operations or constrain expansion opportunities " and " We are required to obtain governmental permits and other approvals in order to conduct mining operations. " In the ordinary course of business, mining companies are required to seek governmental permits and other approvals for continuation or expansion of existing operations or for the commencement of new operations. Obtaining the necessary governmental permits is a complex, time- consuming and costly process. The duration and success of our efforts to obtain permits are contingent upon many variables not within our control. Obtaining environmental permits, including the approval of reclamation plans, may increase costs and cause delays or halt the continuation of mining operations depending on the nature of the activity to be permitted and the interpretation of applicable requirements established by the permitting authority. Interested parties, including governmental agencies and non- governmental organizations or civic groups, may seek to prevent issuance of permits and intervene in the process or pursue extensive appeal rights. Past or ongoing violations of laws or regulations involving obtaining or complying with permits could provide a basis to revoke existing permits, deny the issuance of additional permits, or commence a regulatory enforcement action, each of which could have a material adverse impact on our operations or financial condition. In addition, evolving reclamation or environmental concerns may threaten our ability to renew existing permits or obtain new permits in connection with future development, expansions and operations. We cannot assure you that all necessary approvals and permits will be obtained and, if obtained, that the costs involved will not exceed those that we previously estimated. It is possible that the costs and delays associated with the compliance with evolving standards and regulations could become such that we would not proceed with a particular development or operation. Specific examples of where we face permitting risk include the following: • Continued extension of the planned life of mine at Greens Creek will require ~~future~~ expansion of the tailings storage facility. ~~This will involve federal permitting under~~ **The mine has received a draft record of decision from the United States Forest Service allowing for 12-18 years of additional tailings storage space. That dcision is currently in the objection period of** the NEPA ~~and either an environmental assessment or environmental impact statement. While efforts are underway in Congress to streamline the federal permitting~~ process ~~, e~~ **and a final record of decision is expected in Q2 of 2024** . **Once** ~~g. including mining under~~ the ~~FAST- 41 regulatory process~~ **record of decision is final** , **it** ~~our experience suggests this permitting process~~ could be **subject** ~~lengthy. For example, recent changes~~ to **litigation from parties who participated in the objection process. Additional** ~~Federal~~ **federal , state and local permits will also be required before construction of the expanded facility can commence. The existing tailings storage facility currently contains enough space to support mine operations through September 2030 and our** permitting **and** ~~guidance documents require more robust Tribal involvement, including consultation~~ **construction schedule** ~~, which could increase the length and complexity of existing permitting processes. Thus, we have initiated the permitting process~~ for ~~tailings~~ **the** expansion **indicates that** ~~even though tailings capacity at Greens Creek is estimated to remain sufficient for~~ the ~~next approximately 10 years~~ **additional authorized space will be available after that time** . • At Casa Berardi, obtaining new or modified permits and modifications to the mine license area will be required to successfully develop the planned open pit extensions at the site and for long term management of tailings and waste rock generated through mining operations. • At San Sebastian, regulatory approvals and landowner consents are required to successfully develop new mineralization **and to finalize ongoing reclamation** . • At Hollister in Nevada, state **and federal** approvals will be required for waste rock and ~~mine~~ **underground** water management from development of the Hatter Graben or other mine expansions. This permitting will require coordination with the Western Shoshone who have long- standing ties to this land area. • At Lucky Friday, an expansion of the current tailings storage facility **or new, separate tailings storage facility** will be required to achieve the planned life of mine. We have begun site selection **, permitting,** and engineering in advance of need for the additional storage capacity. • At Keno Hill, ~~initiating the historical mining area clean~~ **it is likely that permit modifications will be required for it to reach planned production levels in 2024 and possibly for long** - ~~up~~ **term** , **uninterrupted and larger** ~~which is required by the Government of Canada, will require the issuance of a new water license from the Yukon Water Board (" YWB "). While the YWB has completed their assessment of the water license application, they have not issued a final license. • At Keno Hill, the restart of~~ mining and milling operations ~~requires~~ **. Such** modification to existing ~~mining permit~~ **permits or** ~~operating plans. While we have begun~~ the **requirement** ~~process of updating and submitting~~ for **new permits** ~~approval the required updated plans, our experience indicates it~~ could be a lengthy process that **will** ~~may not~~ be ~~completed in time to support planned restart activities~~ **required for profitable operations. There can be no assurance we will receive any such modified or new permits.** See the risk factors above, " Certain of our mines and exploration properties are located on land that is or may become subject to traditional territory, title claims and / or claims of cultural significance, and such claims and the attendant obligations of the federal government to those tribal communities and stakeholders may affect our current and future operations " and "

Legal challenges could prevent our projects in Montana from ever being developed. " We are often required to post surety bonds or cash collateral to secure our reclamation obligations and we may be unable to obtain the required surety bonds or may not have the resources to provide cash collateral, and the bonds or collateral may not fully cover the cost of reclamation and any such shortfall could have a material adverse impact on our financial condition. Further, when we use the services of a surety company to provide the required bond for reclamation, the surety companies often require us to post collateral with them ~~, including letters of credit~~ . Currently we utilize letters of credit issued under our revolving credit facility as the source of such collateral, and as a result, there are less funds available for us to borrow under the facility for other purposes. In the event that we are unable to obtain necessary bonds or to post sufficient collateral, we may experience a material adverse effect on our operations or financial results. See the risk factors below, " Our existing stockholders are effectively subordinated to the holders of our Senior Notes", " Any downgrade in the credit ratings assigned to us or our debt securities could increase future borrowing costs, adversely affect the availability of new financing and may result in increased collateral requirements under our existing surety bond portfolio, " and " Mine closure and reclamation regulations impose substantial costs on our operations, and include requirements that we provide financial assurance supporting those obligations. These costs could significantly increase and we might not be able to provide financial assurance. " We are currently involved in ongoing legal disputes that may materially adversely affect us. There are several ongoing legal disputes in which we are involved, including a putative class action lawsuit filed against us and certain current and former directors and officers involving our Nevada Operations, and additional actions may be filed. We may be subject to future claims, including additional claims relating to our Nevada Operations. Further, we have experienced in the past, and could experience in the future, claims regarding environmental damage or compliance, safety conditions or other matters at our mines. The outcomes of these pending and potential claims are uncertain. We may not resolve these claims favorably. Depending on the outcome, these actions could cause adverse financial effects or reputational harm to us. If any of these disputes result in a substantial monetary judgment against us, are settled on terms unfavorable to us, or otherwise impact our operations (such as by limiting our ability to obtain permits or approvals), our financial results or condition could be materially adversely affected. For a description of some of the lawsuits and other claims in which we are involved, see Note ~~14~~ **16** of Notes to Consolidated Financial Statements. We are subject to significant environmental obligations. At December 31, ~~2022~~ **2023** , we had accrued $ ~~117~~ **120. 5** million as a provision for environmental and asset retirement obligations. We cannot assure you that we have accurately estimated these obligations, and in the future our accrual could materially change and we could voluntarily incur expenditures in excess of our accrual. Our environmental and asset retirement obligations and voluntary expenditures could have a material adverse impact on our cash flows, results of operations, or financial condition. For information on our potential environmental liabilities and asset retirement obligations, see Note ~~4~~ **5** and Note ~~14~~ **16** of Notes to Consolidated Financial Statements. In recent years there have been several proposed or implemented ballot initiatives that sought to directly or indirectly curtail or eliminate mining in certain states, including Alaska, where our Greens Creek mine operates, and Montana, where we are seeking to explore at the **Libby Exploration** ~~site of the past Montanore~~ project, and possibly develop depending on the results of exploration activities, and may in the future seek to explore or develop the Rock Creek project. While both a salmon initiative in Alaska and a water treatment initiative in Montana were defeated by voters in November 2018, in the future similar or other initiatives that could impact our operations may be on the ballot in these states or other jurisdictions (including local or international) in which we currently or may in the future operate. To the extent any such initiative was passed and became law, there could be a material adverse impact on our financial condition, results of operations or cash flows. A joint final Environmental Impact Statement with respect to the Montanore site **(now known as the Libby Exploration site)** , which is located in the state of Montana, was issued in December 2015 by the USFS and the Montana Department of Environmental Quality (" DEQ "), and each agency issued a Record of Decision (" ROD ") in February 2016 providing approval for development of Montanore. However, private conservation groups have taken and may in the future take actions to oppose or delay activities at Montanore. On May 30, 2017, the Montana Federal District Court issued Opinions and Orders in three lawsuits challenging previously granted environmental approvals for the ~~Montanore~~ **Libby Exploration** project. The Orders overturned the approvals for the project granted by the USFS and the United States Fish and Wildlife Service (" USFWS "), and in each case remanded the ROD and associated planning documents for further review by the agencies consistent with the Court' s Opinions. In June 2017, the Court vacated the agencies' approvals for the project. In addition, ~~Montanore'~~ **the Libby Exploration Project'** s updated water discharge permit under Montana law was found to be invalid by the Montana Supreme Court in November 2020. As a result, the site is operating under the previously issued permit as authorized by law. In 2022, our subsidiary withdrew the Plan of Operations for ~~Montanore~~ **the Libby Exploration project** from USFS consideration and submitted a new Plan of Operations proposing only underground exploration and evaluation activities at the site. In conjunction with this narrower scope of activity, the USFS withdrew its previously issued Supplemental Environmental Impact Statement (" SEIS "). The proposed exploration activities are currently undergoing an **EA** ~~Environmental Assessment~~ under NEPA. The proposed development of our Rock Creek site, also located in Montana, has been challenged by several regional and national conservation groups at various times since the USFS issued its initial ROD in 2003 approving Revett Mining Company' s plan of operation (Revett is now our wholly- owned subsidiary, named Hecla Montana, Inc.). ~~Some of these challenges have alleged violations of a variety of federal and state laws and regulations pertaining to water rights and permitting activities at Rock Creek, including the Endangered Species Act, NEPA, the 1872 Mining Law, the Federal Land Policy Management Act, the Wilderness Act, the National Forest Management Act, the Clean Water Act, the Clean Air Act, the Forest Service Organic Act of 1897, and the Administrative Procedure Act. As a result of litigation challenging the ROD, in May 2010, the USFS was directed by the Montana Federal District Court to produce an SEIS to address NEPA procedural deficiencies that were identified by the court. The new SEIS was prepared and in August 2018, a new final ROD was issued. In early 2019, a group of environmental groups and other organizations filed a lawsuit challenging the ROD, and in April 2021, the Montana Federal District Court issued an opinion and order vacating the new final ROD issued by USFS and a related~~

~~biological opinion issued by the United States Fish and Wildlife Service (the " 2021 Rock Creek Order ").~~ In February 2022, our subsidiary withdrew the Plan of Operations for Rock Creek from USFS consideration **.. However, we report inferred mineral resources at Rock Creek below in Item 2. Properties and we expect that should we resume permitting at that project, it would again be met with litigation by non- governmental organizations** . In March 2018, each of Hecla Mining Company and our CEO was notified by the DEQ of alleged violations of Montana' s mine reclamation statutes and related regulations due to our CEO having been an officer of a mining company that declared bankruptcy in 1998, together with the fact that subsequently, proceeds from that company' s sureties were insufficient to fully fund reclamation at that company' s mine sites in Montana. The allegations of DEQ led to litigation between Hecla and certain of our subsidiaries and DEQ. However, on August 2, 2021, the DEQ voluntarily moved to dismiss the litigation, and on September 22, 2021, the Court dismissed the case. Certain environmental and other groups have sued the DEQ in an effort to attempt to force DEQ to re- initiate litigation against us, our subsidiaries or our CEO. In December 2022, the court in Montana largely, but not fully, dismissed the lawsuit, and it remains unclear what actions, if any, the plaintiffs may next take. As a result of the legal challenges and other circumstances related to our Montana projects, we are now focused on obtaining the permits necessary to conduct underground exploration and evaluation activities at the ~~Montanore~~ **Libby Exploration** site and are not currently engaged in permitting activities for Rock Creek. Generally speaking, permitting has been delayed and further delays are likely, along with increased costs, and ultimately we may be prevented from ever fully permitting or further exploring or developing a project at either of the two sites. Unpatented mining claims constitute a significant portion of our undeveloped property holdings in the United States. For our operations in Canada and Mexico, we hold mining claims, mineral concession titles and mining leases that are obtained and held in accordance with the laws of the respective countries, which provide Hecla the right to exploit and explore the properties. The validity of the claims, concessions and leases could be uncertain and may be contested. Although we have conducted title reviews of our property holdings, title review does not necessarily preclude third parties (including governments) from challenging our title. In accordance with mining industry practice, we do not generally obtain title opinions until we decide to develop a property. Therefore, while we have attempted to acquire satisfactory title to our undeveloped properties, some titles may be defective. Our ability to make scheduled payments or to refinance our debt obligations and to fund our planned capital expenditures and other ongoing liquidity needs depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. There can be no assurance that our business will generate sufficient cash flow from operations or that borrowings will be available to us to pay the principal, premium, if any, and interest on our debt or to fund our other liquidity needs. **Throughout 2023, we were in a negative cash position, which means the cash and cash equivalents disclosed on our consolidated balance sheets, including as at December 31, 2023, was the result of borrowings under our revolving credit facility. Absent price increases for the metals we produce or financing transactions such as asset sales or equity offerings, including under our " at- the- market " (ATM) equity program, it is likely that we will be in a negative cash position throughout 2024, and we will be dependent on borrowings under our revolving credit facility for our cash and cash equivalents balance on our consolidated balance sheets. See the below risk factor " The terms of our debt impose restrictions on our operations. "** We may need to refinance all or a portion of our debt on or before maturity. We may be unable to refinance any of our debt on commercially reasonable terms or at all. In addition, we conduct substantially all of our operations through our subsidiaries, certain of which are not guarantors of our debt. Accordingly, repayment of our debt is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of our debt, our subsidiaries do not have any obligation to pay amounts due on our debt or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our debt. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the credit agreement governing our revolving credit facility and the indenture governing our Senior Notes limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our debt. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures or to sell assets, seek additional capital or restructure or refinance our debt. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the indenture governing our Senior Notes may restrict us from adopting some of these alternatives. Further, these alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, any failure to make payments of interest and principal on our outstanding debt on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional debt. Shares of our common and outstanding preferred stock are listed on the New York Stock Exchange (" NYSE "). The market price for our stock has been volatile, often based on: • changes in metals prices, particularly silver and gold; • our results of operations and financial condition as reflected in our public news releases or periodic filings with the SEC; • fluctuating proven and probable reserves; • factors unrelated to our financial performance or future prospects, such as global economic developments, market perceptions of the attractiveness of particular industries, or the reliability of metals markets; • market prices of our publicly traded debt; • political and regulatory risk; • the success of our exploration, pre- development, and capital programs; • ability to meet production estimates; • environmental, safety and legal risk; • ability to defend against cyber security attacks; • the extent and nature of analytical coverage concerning our business; and • the trading volume and general market interest in our securities. The market price of our stock at any given point in time may not accurately reflect our value, and may prevent stockholders from realizing a profit on, or recovering, their investment. Since January 2010, we have paid all regular quarterly dividends on our Series B preferred stock. The annual dividend payable on the Series B preferred stock is currently $ 0. 6 million. Prior to 2010, there were numerous occasions when we did not declare dividends on the Series B Preferred Stock, but instead deferred them. We cannot assure you that we will continue to pay preferred stock dividends in the future. Our board of directors adopted a common stock dividend policy that has two components: (1) a dividend that links the amount of dividends on our common stock to our average quarterly realized silver price in the preceding quarter, and (2) a minimum annual dividend of $ 0. 015 per share of common stock, in each case payable quarterly, when declared. See Note ~~11~~ **12** of Notes to Consolidated Financial Statements for more information on our common stock dividend policy. From the fourth quarter of 2011 through and including the fourth quarter of ~~2022~~ **2023** , our board of directors has declared a common stock dividend under the policy described above. The declaration and payment of common stock dividends, whether pursuant to the policy or in addition thereto, is at the sole discretion of our board of directors, and we cannot assure you that we will continue to declare and pay common stock dividends in the future. In addition, the indenture governing our Senior Notes limits our ability to pay dividends. Our existing stockholders are effectively subordinated to the holders of our Senior Notes. In the event of our liquidation or dissolution, stockholders' entitlement to share ratably in any distribution of our assets would be subordinated to the holders of our Senior Notes. Any rights that a stockholder may have in the event of bankruptcy, liquidation or a reorganization of us or any of our subsidiaries, and any consequent rights of stockholders to realize on the proceeds from the sale of any of our or our subsidiaries' assets, will be effectively subordinated to the claims of the holders of our Senior Notes. The market price of our common stock may be influenced by any preferred or common stock we may issue. Our board of directors is authorized to issue additional classes or series of preferred stock without any action on the part of our stockholders. This includes the power to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights and preferences over common stock with respect to dividends or upon the liquidation, dissolution or winding up of the business and other terms. If we issue preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of the common stock or the market price of the common stock could be adversely affected. Certain provisions in our restated certificate of incorporation, our by- laws and Delaware law could make it more difficult for a third party to acquire control of us, even if that transaction could be beneficial to stockholders. These impediments include: • the classification of our board of directors into three classes serving staggered three- year terms, which makes it more difficult to quickly replace board members; • the ability of our board of directors to issue shares of preferred stock with rights as it deems appropriate without stockholder approval; • a provision that special meetings of our board of directors may be called only by our chief executive officer or a majority of our board of directors; • a provision that special meetings of stockholders may only be called pursuant to a resolution approved by a majority of our board of directors; • a prohibition against action by written consent of our stockholders; • a provision that our board members may only be removed for cause and by an affirmative vote of at least 80 % of the outstanding voting stock; • a provision that our stockholders comply with advance- notice provisions to bring director nominations or other matters before meetings of our stockholders; • a prohibition against certain business combinations with an acquirer of 15 % or more of our common stock for three years after such acquisition unless the stock acquisition or the business combination is approved by our board prior to the acquisition of the 15 % interest, or after such acquisition our board and the holders of two- thirds of the other common stock approve the business combination; and • a prohibition against our entering into certain business combinations with interested stockholders without the affirmative vote of the holders of at least 80 % of the voting power of the then outstanding shares of voting stock. In addition, amendment of most of the provisions described above requires approval of at least 80 % of the outstanding voting stock. The indenture governing our Senior Notes includes several significant covenants. These covenants could adversely affect us by limiting our ability to plan for or react to market conditions or to meet our capital needs. These covenants, among other things: • make it more difficult for us to satisfy our obligations with respect to the Senior Notes and our other debt; • limit our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, or require us to make divestiture; • require a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes; • increase our vulnerability to general adverse economic and industry conditions; • limit our flexibility in planning for and reacting to changes in the industry in which we compete; • place us at a disadvantage compared to other, less leveraged competitors; and • increase our cost of borrowing additional funds. These restrictions may affect our ability to grow in accordance with our strategy. Further, our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of any financing. In addition, our revolving credit facility requires us to comply with various covenants, including certain financial ratios, that restrict management' s discretion to operate our business in certain circumstances. For example, these restrictions include limitations that could affect our ability to incur additional indebtedness, place liens or mortgages on our assets, sell assets or release collateral. These restrictions could make it more difficult for us to obtain additional financing or take advantage of business opportunities. Furthermore, a breach of any of these covenants could result in an event of default under the agreement governing our revolving credit facility that, if not cured or waived, could give the holders of the defaulted debt the right to terminate commitments to lend and cause all amounts outstanding with respect to the debt to be due and payable immediately. Acceleration of any of our debt could result in cross- defaults under our other debt instruments, including the indenture governing our Senior Notes, as well as certain forward sales contracts which may be outstanding from time to time. Our assets and cash flow may be insufficient to repay borrowings fully under all of our outstanding debt instruments if any of our debt instruments are accelerated upon an event of default, which could force us into bankruptcy or liquidation. In such an event, we may be unable to repay our debt obligations. In addition, in some instances, this would create an event of default under the indenture governing our Senior Notes. Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly. Borrowings under our credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. Assuming all revolving loans currently available to us were fully drawn, each one percentage point change in interest rates would result in a $ 2. 2 million change in annual cash interest expense on our credit facility. General Risk Factors Global financial events or developments impacting major industrial or developing countries may have an impact on our business and financial condition in ways that we currently cannot predict. The COVID- 19 pandemic and 2008 credit crisis and related turmoil in the global financial system and ensuing recession had an impact on our business and financial position, and similar events in the future could also impact us. The re- emergence of a financial crisis or recession or reduced economic activity in the United States, China, India and other industrialized or developing countries, or disruption of key sectors of the economy such as oil and gas, may have a significant effect on our results of operations or limit our ability to raise capital through credit and equity markets. The prices of the metals that we produce are affected by a number of factors, and it is unknown how these factors may be impacted by a global financial event or developments impacting major industrial or developing countries. Tariffs, other potential changes to tariff and import / export regulations, and ongoing trade disputes between the United States and other jurisdictions may have a negative effect on global economic conditions and our business, financial results and financial condition. In 2018, the United States imposed and enacted tariffs on certain items. Since their enactment, there have been ongoing discussions and activities regarding changes to other U. S. trade policies and treaties. In response, a number of markets, including China, into which we have in the past and may in the future sell our products, have implemented tariffs on U. S. imports, or are threatening to impose tariffs on U. S. imports or to take other measures in response to these U. S. actions. These developments may have a material adverse effect on global economic conditions and the stability of global financial markets, and they may significantly reduce global trade and, in particular, trade between China and the United States. Any of these factors could depress economic activity, restrict our access to customers and have a material adverse effect on our business, financial condition and results of operations. In addition, any actions by foreign markets to implement further trade policy changes, including limiting foreign investment or trade, increasing regulatory scrutiny or taking other actions which impact U. S. companies' ability to obtain necessary licenses or approvals could negatively impact our business. In September 2018, in response to tariffs on Chinese goods implemented by the United States, China imposed a 10 % tariff on lead concentrates and a 20 % tariff on silver concentrates, which we produce and ship to China from time to time. However, tariff exemptions were granted to a number of smelters in China in **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , and we sold silver concentrates to China representing approximately **15 %,** 19 %, **and** 6 ~~% and 10~~ % of our total revenues for **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~, respectively, which were not subject to tariffs due to the exemptions ~~. We sold no lead or silver concentrates to China in 2019~~ . While to date the direct impact of tariffs has been immaterial on our sales and treatment charges, they may also have an impact on our sales and treatment charges outside of China, and there can be no assurance that the tariff exemptions will continue. These tariffs are relatively recent and are subject to a number of uncertainties as they are implemented, including future adjustments and changes in the countries excluded from such tariffs. The ultimate reaction of other countries, and businesses in those countries, and the impact of these tariffs or other actions on the United States, China, the global economy and our business, financial condition and results of operations, cannot be predicted at this time, nor can we predict the impact of any other developments with respect to global trade. Our profitability could be affected by inflation, including the prices of other commodities. Our profitability is sensitive to cost inflation, including, but not limited to the costs of commodities such as fuel (in particular as used at Greens Creek to generate electricity when hydropower is unavailable), steel, and cement, as well as other consumables and labor. Recently the prices we pay for commodities and consumables have increased which has increased the operating costs at our mine sites. In addition, labor costs have increased, including under the terms of our new labor agreement with the union at the Lucky Friday mine. Increased or persistent inflation or other upward pressures could continue to increase our costs, and could have a material impact on our results of operations. Our business depends on availability of skilled miners and good relations with employees. We are dependent upon the ability and experience of our executive officers, managers, employees, contractors and their employees, and other personnel, and we cannot assure you that we will be able to retain such employees or contractors. We compete with other companies both in and outside the mining industry in recruiting and retaining qualified employees and contractors knowledgeable about the mining business. From time to time, we have encountered, and may in the future encounter, difficulty recruiting skilled mining personnel at acceptable wage and benefit levels in a competitive labor market, and may be required to utilize contractors, which can be more costly. Temporary or extended lay- offs due to mine closures may exacerbate such issues and result in vacancies or the need to hire less skilled or efficient employees or contractors. The loss of skilled employees or contractors or our inability to attract and retain additional highly skilled employees and contractors could have an adverse effect on our business and future operations. We or our contractors may experience labor disputes, work stoppages or other disruptions in production that could adversely affect our business and results of operations. The Lucky Friday mine is our only operation where some of our employees are subject to a collective bargaining agreement, and the unionized employees were on strike from March 13, 2017 until January 7, 2020, when the union ratified a new collective bargaining agreement (" CBA "), which expired on January 6, 2023 (a new six year CBA was approved by the union in January 2023). The strike significantly impacted production at the Lucky Friday and caused significant costs and expenses during each year of the strike. Any future strikes or other labor or related disruptions could adversely affect our financial condition and results of operations. Our information technology systems may be vulnerable to disruption which could place our systems at risk from data loss, operational failure, or compromise of confidential information. We rely on various information technology systems and on third party developers and contractors in connection with operations, including production, equipment operation and financial support systems. While we regularly monitor the security of our systems, they remain vulnerable to disruption, damage or failure from a variety of sources, including errors by employees or contractors, computer viruses, cyber- attacks including phishing, ransomware and similar malware, misappropriation of data by outside parties, and various other threats. In particular, we make large use of cloud systems which could be vulnerable to external intrusions. Techniques used to obtain unauthorized access to or sabotage our systems are under continuous and rapid evolution, and we may be unable to detect efforts to disrupt our data and systems in advance. Breaches and unauthorized access carry the potential to cause losses of assets or production, operational delays, equipment failure that could cause other risks to be realized, inaccurate recordkeeping, or disclosure of confidential information, any of which could result in financial losses and regulatory or legal exposure, and could have a material adverse effect on our cash flows, financial condition or results of operations. We could also be adversely affected by system or network disruptions due to disasters or if new or upgraded information technology systems are defective, not installed properly or not properly integrated into our operations. Disaster recovery failure or system modification failures could have a material adverse effect on our business, financial position and results of operations and could, if not successfully implemented, adversely impact the effectiveness of our internal controls over financial reporting. Competition from other mining companies may harm our business. We compete with other mining companies, some of which have greater financial resources than we do or other advantages, in various areas which include: • attracting and retaining key executives, skilled labor, and other employees; • for the services of other skilled personnel and contractors and their specialized equipment, components and supplies, such as drill rigs, necessary for exploration and development; • for contractors that perform mining and other activities and milling facilities which we lease or toll mill through; and • for rights to mine properties. Additional issuances of equity securities by us would dilute the ownership of our existing stockholders and could reduce our earnings per share. We may issue securities in the future in connection with raising capital, acquisitions, strategic transactions or for other purposes. To the extent we issue any additional equity securities (or securities convertible into equity), the ownership of our existing stockholders would be diluted and our earnings per share could be reduced. If a large number of shares of our common stock are sold in the public market, the sales could reduce the trading price of our common stock and impede our ability to raise future capital. We cannot predict what effect, if any, future issuances by us of our common stock or other equity will have on the market price of our common stock. Any shares that we may issue may not have any resale restrictions, and therefore could be immediately sold by the holders. The market price of our common stock could decline if certain large holders of our common stock, or recipients of our common stock, sell all or a significant portion of their shares of common stock or are perceived by the market as intending to sell these shares other than in an orderly manner. In addition, these sales could also impair our ability to raise capital through the sale of additional common stock in the capital markets. Any downgrade in the credit ratings assigned to us or our debt securities could increase future borrowing costs, adversely affect the availability of new financing and may result in increased collateral requirements under our existing surety bond portfolio. As of February ~~10~~ **9** , ~~2023~~ **2024** , our Senior Notes were rated " ~~B~~ **BB-** " ~~with a stable outlook~~ by Standard & Poor' s and " B2 " ~~with a stable outlook~~ by Moody' s Investors Service. We cannot assure you that any rating currently assigned by Standard & Poor' s or Moody' s to us or our debt securities (including the Senior Notes) will remain unchanged for any given period of time or that a rating will not be lowered if, in that rating agency' s judgment, future circumstances relating to the basis of the rating so warrant. If we are unable to maintain our outstanding debt and financial ratios at levels acceptable to the credit rating agencies, or should our business prospects or financial results deteriorate, including as a result of declines in silver and gold prices or other factors beyond our control, our ratings could be downgraded by the rating agencies. Downgrading the credit rating of our debt securities or placing us on a watch list for possible future downgrading would likely adversely impact us, including our ability to obtain financing on favorable terms, if at all, increase borrowing costs, result in increased collateral requirements under our surety bond portfolio, and have an adverse effect on the market price of our securities, including our Senior Notes. Damage to our reputation may result in decreased investor confidence, challenges in maintaining positive community relations and can pose additional obstacles to our ability to develop our projects, which may result in a material adverse impact on our business, financial position, results of operations and growth prospects. Damage to our reputation can be the result of the actual or perceived occurrence of a variety of events and circumstances, and could result in negative publicity (for example, with respect to handling of environmental, safety and security matters, dealings with local community organizations or individuals, community commitments, handling of cultural sites or resources, and various other matters). We have also provided greater transparency on environmental, social and governance performance in response to stakeholder engagement and requests in recent years, and provide supplemental disclosures in our annual Sustainability Report and other sustainability reports on our website in connection with stakeholder concerns and issues. Such increased transparency may result in greater scrutiny and impact how we are perceived. The growing use of social media to generate, publish and discuss community news and issues and to connect with others has made it significantly easier, among other things, for individuals and groups to share their opinions of us and our activities, whether true or not. We do not have direct control over how we are perceived by others and any resulting loss of reputation could have a material adverse effect on our business, financial position and results of operations. Item 1B. Unresolved Staff Comments None. **Item 1C. Cybersecurity Risk Management and Strategy Hecla' s cybersecurity program uses multiple security measures to protect our assets, designed so that if one line of defense is compromised, additional layers exist as a backup in an effort to ensure that threats are stopped along the way. This program actively identifies internal and external threats and protects computer systems from attack, detects known threats and suspicious activity within the network, and supports response and recovery should a cyber incident occur. As part of this program, we engage third party resources to augment monitoring capabilities and review and assess the security program and advise on improvements. Additionally, we conduct a National Institute of Security and Technology (NIST) self- assessment annually to determine overall security program health. Approximately 10 % of our corporate information systems technology (" IT ") budget is devoted to security programming, training, and management. Acceptable IT use policies are in place and communicated to employees and contract staff, and periodic training takes place to educate employees on the importance of cybersecurity and steps to be taken to avoid incidents.**

Any material cybersecurity incident that we become aware of follows our standard guidelines for crisis communications and response, engaging personnel, management, and the board of directors as appropriate. In cases where the materiality of a cybersecurity incident is not immediately apparent, our Vice President, Information Technology (" VP, IT ") would report the incident to his supervisor, our Senior Vice President- Chief Administrative Officer (" CAO "), and to our General Counsel. This is consistent with our overall risk management system which relies, in part, on a " chain of command " reporting system in which supervisors monitor their respective departments and constantly seek feedback from employees or vendors in their department for potentially material events. This system is designed to ensure that information reaches the appropriate levels of the Company, including the Board of Directors. In cases where a question of materiality, public disclosure or legal exposure is in question, our CAO or General Counsel will direct the flow of information to other members of management or the Board as appropriate. Additionally, we have standing weekly senior staff meetings where the President and CEO along with each vice president and occasionally other employees meet for two hours to discuss issues facing the Company. We expect that any cybersecurity incident that our VP, IT believes may be material to the Company will be discussed at these meetings and next steps considered. When a cybersecurity incident is detected, we conduct an impact assessment, determine materiality, and take appropriate actions as described above. This process is also followed when notified that a software / services supplier has a cybersecurity incident. There were no material cyber security incidents discovered in 2023. See Item 1A. Risk Factors- We have had losses that could reoccur in the future; Mining accidents or other adverse events at an operation could decrease our anticipated production or otherwise adversely affect our operations; Our operations may be adversely affected by risks and hazards associated with the mining industry that may not be fully covered by insurance; The price of our stock has a history of volatility and could decline in the future; and Our information technology systems may be vulnerable to disruption which could place our systems at risk from data loss, operational failure, or compromise of confidential information. Board and Management Oversight Through the risk management processes identified above, we are confident that any material cybersecurity threats will be brought to the attention to the Board of Directors, either directly or through the Audit Committee which is governed by its charter, including the affirmative responsibility to " periodically review risk assessments from management with respect to cybersecurity, including assessments of the overall threat landscape and related strategies and investments. " One way in which the Audit Committee fulfills that requirement is by receiving regular reports from management on not only known cybersecurity threats or incidents (including related risk assessments), but the landscape more generally, including with respect to known threats, technological advancements, best practices and current events. In addition to the risk management policies described above, our management regularly reviews cyber security planning, including development and management of the program, budgeting, and participation in the incident response plan. The management team involved in this review includes our CEO, CAO, Chief Financial Officer (" CFO"), General Counsel, and the VP, IT. These reviews can also provide topics for discussion at Board and / or Audit Committee meetings. Our VP, IT has a degree in Management Information Systems and over 35 years of experience. The fully staffed department includes resources dedicated to cybersecurity who monitors our threat detection and response tools for any attempted or successful hacks or other incursions into our IT environment, both externally and internally. These are reviewed and mitigated where appropriate, and escalated if necessary, via the processes noted above. Note on ~~New~~ SEC Mining Disclosure Rules Information concerning our mining properties in this Annual Report on Form 10- K has been prepared in accordance with the requirements of subpart 1300 of Regulation S- K ~~, which first became applicable to us for the fiscal year ended December 31, 2021~~ . ~~These requirements differ significantly from the previously applicable disclosure requirements of SEC Industry Guide 7. Among other differences, subpart~~ **Subpart** 1300 ~~of Regulation S- K~~ requires us to disclose our mineral resources, in addition to our mineral reserves, as of the end of our most recently completed fiscal year both in the aggregate and for each of our individually material mining properties. You are cautioned that mineral resources do not have demonstrated economic value. Mineral resources are subject to further exploration and development, are subject to additional risks, and no assurance can be given that they will eventually convert to future reserves. Inferred Resources, in particular, have a great amount of uncertainty as to their existence and their economic and legal feasibility. Investors are cautioned not to assume that any part or all of the Inferred Resource exists or is economically or legally mineable. See Item 1A, Risk Factors. Summary The map below shows the locations of our operations and our exploration projects, as well as our corporate offices located in Coeur d' Alene, Idaho; Vancouver, British Columbia; Juneau, Alaska; Wallace, Idaho; Val d' Or, Quebec; Durango, Mexico and Whitehorse, Yukon. The following table summarizes our aggregate metal quantities produced and sold for the last three years: Year Ended December 31, Silver- Ounces produced 14, **342, 863 14,** 182, 987 12, 887, 240 ~~13, 542, 957~~ Payable ounces sold 12, **955, 006 12,** 311, 595 11, 633, 802 ~~12, 305, 917~~ Gold- Ounces produced **151, 259** 175, 807 201, 327 ~~208, 962~~ Payable ounces sold **141, 602** 165, 818 201, 610 ~~202, 694~~ Lead- Tons produced **40, 347** 48, 713 43, 010 ~~34, 127~~ Payable tons sold **35, 429** 41, 423 36, 707 ~~29, 108~~ Zinc- Tons produced **60, 579** 64, 748 63, 617 ~~63, 112~~ Payable tons sold 43, **050 43,** 658 43, 626 ~~46, 349 A summary overview of mining operations and exploration and pre- development projects is shown in the following table:~~