Hecla Admiralty Co
Form 424B3
December 04, 2013
Table of Contents

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Registration No. 333-191935

PROSPECTUS

Hecla Mining Company

Offer to Exchange

6.875% Senior Notes due 2021

($500,000,000 aggregate principal amount)

which have been registered under the Securities Act of 1933

for

all outstanding unregistered 6.875% Senior Notes due 2021

($500,000,000 aggregate principal amount outstanding)

We are offering, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, to exchange up to $500.0 million aggregate principal amount of registered 6.875% senior notes due 2021 (the exchange notes) for any and all of our $500.0 million aggregate principal amount of unregistered 6.875% senior notes due 2021 that were issued in a private placement on April 12, 2013 (the original notes). The exchange notes are substantially identical to the original notes, except the exchange notes are registered under the Securities Act of 1933, as amended (the Securities Act), and the transfer restrictions and registration rights, and related additional interest provisions, applicable to the original notes will not apply to the exchange notes. The exchange notes will represent the same debt as the original notes and we will issue the exchange notes under the same indenture under which the original notes were issued. As with the original notes, the exchange notes are fully and unconditionally guaranteed by the guarantors of the original notes.

We refer to the original notes and the exchange notes collectively in this prospectus as the notes. We refer to this exchange offer as the exchange offer.

The original notes sold pursuant to Rule 144A under the Securities Act bear the CUSIP number 422704AC0, and the original notes sold pursuant to Regulation S under the Securities Act bear the CUSIP number U4230QAA1.

Terms of the Exchange Offer

The exchange offer expires at 5:00 P.M., New York City time, on January 3, 2014, unless we extend it.

The exchange offer is subject to customary conditions, which we may waive.

We will exchange all original notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer for an equal principal amount of exchange notes.

You may withdraw your tender of original notes at any time prior to the expiration of the exchange offer.

If you fail to tender your original notes, you will continue to hold unregistered, restricted securities, and it may be difficult to transfer them.

We believe that the exchange of original notes for exchange notes will not be a taxable transaction for U.S. federal income tax purposes, but you should see the discussion under the caption Certain United States Federal Income Tax Considerations for more information.

We will not receive any proceeds from the exchange offer.

Investing in the exchange notes involves risks. See Risk Factors, beginning on page 10, for a discussion of certain factors that you should consider before deciding to exchange original notes for exchange notes pursuant to this exchange offer.

Each broker-dealer that receives the exchange notes for its own account pursuant to this exchange offer must acknowledge by way of the letter of transmittal that it will deliver a prospectus in connection with any resale of the exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, such broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of the exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 90 days after the expiration of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

There is no established trading market for the original notes or the exchange notes. We do not intend to list the exchange notes on any securities exchange or seek approval for quotation through any automated trading system.

Neither the Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to

buy securities other than those specifically offered hereby or an offer to sell any securities offered hereby in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or issuing the exchange notes.

The date of this prospectus is December 4, 2013.

Table of Contents

TABLE OF CONTENTS

	Page
Documents Incorporated by Reference	i
Forward-Looking Statements	ii
Summary	1
Risk Factors	10
The Acquisition	33
Use of Proceeds	34
Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends	34
Capitalization	35
Selected Historical Consolidated Financial and Production Data of Hecla	36
Description of Certain Other Indebtedness	39
The Exchange Offer	40
Description of the Exchange Notes	49
Book Entry, Delivery and Form	95
Certain United States Federal Income Tax Considerations	98
Certain ERISA Considerations	99
Plan of Distribution	101
Legal Matters	102
Experts	102
Where You Can Find Additional Information	102

Documents Incorporated by Reference

We file annual, quarterly and current reports and other information with the SEC. In this document, we incorporate by reference the information that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus. We incorporate by reference into this prospectus the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), including any filings after the date of this prospectus, until the completion of the exchange offer of the exchange notes:

- our Annual Report on Form 10-K for the year ended December 31, 2012, filed on February 25, 2013, including information specifically incorporated by reference into the Form 10-K from our definitive Proxy Statement for our 2013 Annual Meeting of Stockholders;

- our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2013, filed on May 10, 2013, for the quarter ended June 30, 2013, filed on August 8, 2013, and for the quarter ended September 30, 2013, filed on November 5, 2013; and

our Current Reports on Form 8-K and Form 8-K/A filed on February 19, 2013 (Item 8.01 only), February 25, 2013 (Item 8.01 only), March 4, 2013 (Items 1.01, 2.03, 3.02 and 8.01 only), March 5, 2013 (Item 8.01 only), March 11, 2013 (Item 1.01 only), March 14, 2013 (Item 8.01 only), March 19, 2013 (Item 8.01 only), March 20, 2013 (Item 8.01 only), April 2, 2013 (Items 1.01, 2.03 and 8.01 only), April 9, 2013 (Item 8.01 only), April 15, 2013 (Items 1.01, 1.02 and 2.03 only), April 23, 2013 (Item 8.01 only), May 9, 2013, May 10, 2013 (Item 8.01 only), May 17, 2013, May 28, 2013 (Item 8.01 only), June 3, 2013 (Items 2.01, 3.02 and 8.01 only), June 14, 2013, July 25, 2013, August 8, 2013 (Item 8.01 only), October 25, 2013, November 5, 2013 (Item 8.01 only) and November 20, 2013.

Table of Contents

Nothing in this prospectus shall be deemed to incorporate information furnished, but not filed, with the SEC, including pursuant to Item 2.02 or Item 7.01 of Form 8-K and corresponding information furnished under Item 9.01 of Form 8-K or included as an exhibit. Any statement contained in a document incorporated or deemed to be incorporated herein by reference, or contained in this prospectus, shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently dated or filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You can obtain any of the filings incorporated by reference in this prospectus from the SEC through the SEC s website or at the SEC s address listed under the heading Where You Can Find Additional Information. We will provide, upon request, to each holder to whom this prospectus is delivered a copy of any or all of the information that we have incorporated by reference into this prospectus but not delivered with this prospectus. To receive a free copy of any of the documents incorporated by reference into this prospectus, other than exhibits, unless they are specifically incorporated by reference in those documents, call or write to our Corporate Secretary, Hecla Mining Company, 6500 N. Mineral Drive, Suite 200, Coeur d Alene, Idaho 83815, 1-208-769-4100. The information contained in this prospectus does not purport to be comprehensive and should be read together with the information contained in the documents incorporated or deemed to be incorporated by reference into this prospectus. You should rely only upon the information provided in this document or incorporated in this document by reference. We have not authorized anyone to provide you with any additional or different information. You should not assume that the information in this document, including any information incorporated by reference, is accurate as of any date other than the date indicated on the front cover of this prospectus or as of the respective dates of such document incorporated by reference.

Forward-Looking Statements

Certain statements contained in this prospectus (including information incorporated by reference) are forward-looking statements and are intended to be covered by the safe harbor provided for under Section 27A of the Securities Act and Section 21E of the Exchange Act. The safe harbor protections provided under Section 27A of the Securities Act and Section 21E of the Exchange Act do not apply to statements made in connection with the offer to exchange the exchange notes for the outstanding original notes pursuant to this prospectus. Our forward-looking statements include our current expectations and projections about future production, results, performance, prospects and opportunities, including reserves, resources and other mineralization. We have tried to identify these forward-looking statements by using words such as may, might, will, expect, anticipate, believe, could, intend, plan, estimate an
These forward-looking statements are based on information currently available to us and are expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual production, results, performance, prospects or opportunities, including reserves, resources and other mineralization, to differ materially from those expressed in, or implied by, these forward-looking statements.

These risks, uncertainties and other factors include, but are not limited to those set forth in our Annual Report on Form 10-K for the year ended December 31, 2012, in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013, and June 30, 2013, and in other SEC reports and in this document, including the following:

- 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, mine accidents or closures, increasing environmental obligations, or our inability to convert exploration potential to reserves may cause us to record write-downs, which could negatively impact our results of operations;

Table of Contents

- regulatory investigations could adversely affect metal prices;
- we have had losses that could reoccur in the future;
- commodity risk management activities could expose us to losses;
- the financial terms of settlement of the Coeur d Alene Basin environmental litigation and other claims may materially impact our cash resources and our access to additional financing;
- our profitability could be affected by the prices of other commodities and services;
- our accounting and other estimates may be imprecise;
- our ability to recognize the benefits of deferred tax assets is dependent on future cash flows and taxable income;
- global financial events may have an impact on our business and financial condition in ways that we currently cannot predict;
- returns for investments in pension plans and pension plan funding requirements are uncertain;
- mining accidents or other adverse events at an operation could decrease our anticipated production;
- recent accidents and other events at our Lucky Friday mine could have additional adverse consequences to us;
- our operations may be adversely affected by risks and hazards associated with the mining industry that may not be fully covered by insurance;
- our development of new ore bodies and other capital costs may be higher and provide less return than we estimated;
- our ore reserve estimates may be imprecise;

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 and decrease the value of our stock;

our joint development and operating arrangements may not be successful;

our ability to market our metals production may be affected by disruptions or closures of custom smelters and/or refining facilities;

we face inherent risks in acquisitions of other mining companies or properties that may adversely impact our growth strategy;

our business depends on finding skilled miners and maintaining good relations with our employees;

competition from other mining companies may harm our business;

we may be subject to a number of unanticipated risks related to inadequate infrastructure;

our foreign activities are subject to additional inherent risks;

we are currently involved in ongoing legal disputes that may materially adversely affect us;

we are required to obtain governmental and lessor approvals and permits in order to conduct mining operations;

we face substantial governmental regulation and environmental risk;

our environmental obligations may exceed the provisions we have made;

shipment of our products is subject to regulatory and related risks;

the titles to some of our properties may be defective or challenged;

Table of Contents

our series B preferred stock has a liquidation preference of $50 per share or $7.9 million;

we may not be able to pay common or preferred stock dividends in the future;

the provisions in our certificate of incorporation, our by-laws and Delaware law could delay or deter tender offers or takeover attempts;

if we cannot meet the New York Stock Exchange (the NYSE) continued listing requirements, the NYSE may delist our common stock;

our level of debt could impair our financial health and prevent us from fulfilling our obligations under the notes;

the notes and the guarantees will be effectively subordinated to any of our and our guarantors secured indebtedness to the extent of the value of the collateral securing that indebtedness;

we may be unable to generate sufficient cash to service all of our indebtedness, including the notes, and meet our other ongoing liquidity needs and may be forced to take other actions to satisfy our obligations under our indebtedness, which may be unsuccessful;

the terms of our debt impose restrictions on our operations;

the notes are structurally subordinated to all liabilities of our non-guarantor subsidiaries;

our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly;

key terms of the notes will be suspended if the notes achieve investment grade ratings and no default or event of default has occurred and is continuing;

we may be unable to repurchase notes in the event of a change of control as required by the indenture;

holders of the notes may not be able to determine when a change of control giving rise to their right to have the notes repurchased has occurred following a sale of substantially all of our assets;

an active trading market may not develop for these notes;

federal and state fraudulent transfer laws may permit a court to void the notes or any of the guarantees, and if that occurs, you may not receive any payments on the notes;

our credit ratings may not reflect all risks associated with an investment in the notes;

we may be unable to successfully integrate the operations of the properties we acquire, including the properties we acquired in the acquisition of Aurizon Mines Ltd., (the Aurizon Acquisition or the Acquisition);

we may not realize all of the anticipated benefits from our acquisitions, including the Aurizon Acquisition;

the Aurizon properties and any others 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 Acquisition arose from a contested takeover bid;

the Acquisition will increase our exposure to gold price volatility and currency fluctuations;

as a result of the Acquisition, we are exposed to risks relating to ground stability at the Casa Berardi gold mine;

the Acquisition may expose us to additional political risks; and

the Acquisition may expose us to additional environmental hazards and reclamation obligations.

Table of Contents

Given these risks and uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements. Projections and other forward-looking statements included in this prospectus have been prepared based on assumptions, which we believe to be reasonable, but not in accordance with United States generally accepted accounting principles (GAAP) or any guidelines of the SEC. Actual results may vary, perhaps materially. You are strongly cautioned not to place undue reliance on such projections and other forward-looking statements. All subsequent written and oral forward-looking statements attributable to Hecla Mining Company or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Except as required by federal securities laws, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Any such forward-looking statements, whether made in this prospectus or elsewhere, should be considered in the context of the various disclosures made by us about our businesses including, without limitation, the risk factors discussed above. For further discussion of these and other factors that could impact our future results, performance or transactions, please carefully read Risk Factors.

Table of Contents

SUMMARY

This summary highlights selected information appearing elsewhere in this prospectus. This summary is not complete and does not contain all of the information that you should consider before making an investment decision. For a more complete understanding of our company and this offering and before making any investment decision, you should read this entire prospectus, including Risk Factors and the financial information and the notes thereto included and incorporated by reference herein. In this prospectus, we, us, our, Hecla or the Company refers to Hecla Mining Company and its subsidiaries, except as otherwise indicated. For a more detailed description of the exchange notes, see Description of the Exchange Notes. With respect to the discussion of the terms of the notes on the cover page and under the caption Description of the Exchange Notes, the terms we, us, our, Hecla or the Company refer only to Hecla Mining Company, and not to any of its subsidiaries.

Our Company

We are one of the oldest publicly-traded precious metals mining companies operating in the United States and, we believe, the largest primary silver producer, as well as one of the largest zinc and lead producers, in the United States. We discover, acquire, develop, produce and market silver, gold, lead and zinc. In doing so, we strive to manage our business activities in a safe, environmentally responsible and cost-effective manner. We and our subsidiaries have provided precious and base metals to the U.S. economy and worldwide since 1891 from northern Idaho s Silver Valley. We currently have operating mines in Alaska, Quebec and Idaho, exploration and pre-development properties in four world-class silver mining districts in North America, a corporate office in northern Idaho, a secondary corporate office in Vancouver, British Columbia, and a technical office in Val d Or, Quebec. We are organized and managed in three segments that encompass our current operating units: the Greens Creek, Casa Berardi and Lucky Friday units.

At present, our principal assets consist of the following mines and projects:

- the Greens Creek unit, an underground mine producing silver, gold, lead and zinc, and nearby exploration;
- the Casa Berardi unit, an underground mine producing gold, and nearby exploration;
- the Lucky Friday unit, an underground mine producing silver, lead and zinc, and nearby exploration;
- San Sebastian, a project located near Durango, Mexico;
- San Juan Silver, a project located near Creede, Colorado;
- Silver Valley, a project located in Idaho s Silver Valley; and
- Heva and Hosco, gold development projects located in the Abitibi region of north-western Quebec.

Table of Contents

Mines and Projects

2

Table of Contents

Corporate Structure

The following chart summarizes our corporate structure and principal indebtedness immediately after the consummation of the Acquisition.

Hecla Mining Company Information

Our principal executive offices are located at 6500 N. Mineral Drive, Suite 200, Coeur d Alene, Idaho 83815-9408 and our telephone number is (208) 769-4100. Our website is www.hecla-mining.com. The information contained on our website is not part of this prospectus and is not incorporated into this prospectus by reference.

Table of Contents

The Exchange Offer

The following summary contains basic information about the exchange offer and the exchange notes. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the exchange notes, see Description of the Exchange Notes. With respect to the discussion of the terms of the notes on the cover page, in this summary of the offering and under the caption Description of the Exchange Notes, the terms we, us, our or the Company refer only to Hecla Mining Company, and not to any of its subsidiaries.

On April 12, 2013, we issued $500.0 million in aggregate principal amount of 6.875% senior notes due 2021, which we refer to as the original notes, in a private offering to a group of initial purchasers in reliance on exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. We entered into a registration rights agreement with the initial purchasers in the private offering in which we agreed, among other things, to file the registration statement of which this prospectus forms a part and to complete an exchange offer for the original notes. The following is a summary of the exchange offer.

Exchange Notes	$500.0 million aggregate principal amount of 6.875% senior notes due 2021, which we refer to as the exchange notes. We refer to the exchange notes and original notes collectively as the notes.
	The terms of the exchange notes are substantially identical to the terms of the original notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the original notes do not apply to the exchange notes.
The Exchange Offer	We are offering exchange notes in exchange for a like principal amount of our original notes. You may tender your original notes for exchange notes by following the procedures described under the heading The Exchange Offer.
Expiration Date; Withdrawal	The exchange offer will expire at 5:00 P.M., New York City time, on January 3, 2014, unless we extend it. You may withdraw any original notes that you tender for exchange at any time prior to the expiration of this exchange offer. See The Exchange Offer Terms of the Exchange Offer for a more complete description of the tender and withdrawal period.
Conditions to the Exchange Offer	The exchange offer is not subject to any conditions, other than that the exchange offer does not violate any applicable law or any interpretations of the staff of the SEC.

	The exchange offer is not conditioned upon any minimum aggregate principal amount of original notes being tendered in the exchange.
Procedures for Tendering Original Notes	To participate in this exchange offer, you must properly complete and duly execute a letter of transmittal, which accompanies this prospectus, and transmit it, along with all other documents required by such letter of transmittal, to the exchange agent on or before the expiration date at the address provided on the cover page of the letter of transmittal.

Table of Contents

In the alternative, you can tender your original notes by book-entry delivery following the procedures described in this prospectus, whereby you will agree to be bound by the letter of transmittal and we may enforce the letter of transmittal against you.

If a holder of original notes desires to tender such notes and the holder s original notes are not immediately available, or time will not permit the holder s original notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected pursuant to the guaranteed delivery procedures described in this prospectus. See The Exchange Offer How to Tender Original Notes for Exchange.

United States Federal Income Tax Consequences

Your exchange of original notes for exchange notes to be issued in the exchange offer will not result in any gain or loss to you for U.S. federal income tax purposes. See Certain United States Federal Income Tax Considerations.

Use of Proceeds

We will not receive any cash proceeds from the exchange offer.

Consequences of Failure to Exchange Your Original Notes

Original notes not exchanged in the exchange offer will continue to be subject to the restrictions on transfer that are described in the legend on the original notes. In general, you may offer or sell your original notes only if they are registered under, or offered or sold under an exemption from, the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not currently intend to register the original notes under the Securities Act.

Resales of the Exchange Notes

Based on interpretations of the staff of the SEC, we believe that you may offer for sale, resell or otherwise transfer the exchange notes that we issue in the exchange offer without complying with the registration and prospectus delivery requirements of the Securities Act if:

- you are not a broker-dealer tendering notes acquired directly from us;
- you acquire the exchange notes issued in the exchange offer in the ordinary course of your business;
- you are not participating, do not intend to participate, and have no arrangement or undertaking with anyone to participate, in the

distribution of the exchange notes issued to you in the exchange offer; and

you are not an affiliate of our company, as that term is defined in Rule 405 of the Securities Act.

If any of these conditions are not satisfied and you transfer any exchange notes issued to you in the exchange offer without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We will not be responsible for, or indemnify you against, any liability you incur.

Any broker-dealer that acquires exchange notes in the exchange offer for its own account in exchange for original notes which it acquired through market-making or other trading activities must acknowledge that it will deliver this prospectus when it resells or transfers any exchange notes issued in the exchange offer. See Plan of Distribution for a description of the prospectus delivery obligations of broker-dealers.

Acceptance of Original Notes and Delivery of Exchange Notes

Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all original notes properly tendered prior to the expiration of the exchange notes offer. We will complete the exchange offer and issue the exchange notes promptly after the expiration of the exchange offer.

Exchange Agent

The Bank of New York Mellon Trust Company, N.A., the trustee under the indenture governing the notes, is serving as exchange agent in connection with the exchange offer. The address and telephone number of the exchange agent are set forth under the heading The Exchange Offer The Exchange Agent.

Table of Contents

The Exchange Notes

The following summary is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the exchange notes, see Description of the Exchange Notes. With respect to the discussion of the terms of the notes on the cover page, in this summary of the offering and under the caption Description of the Exchange Notes, the terms we, us, our or the Company refer only to Hecla Mining Company, and not to any of its subsidiari

The exchange offer applies to the $500.0 million aggregate principal amount of the original notes outstanding as of the date hereof. The form and terms of the exchange notes will be identical in all respects to the form and the terms of the original notes except that the exchange notes:

- will have been registered under the Securities Act;
- will not be subject to restrictions on transfer under the Securities Act;
- will not be entitled to the registration rights that apply to the original notes; and
- will not be subject to any increase in annual interest rate as described below under The Exchange Offer Purpose of the Exchange Offer.

The exchange notes evidence the same debt as the original notes exchanged for the exchange notes and will be entitled to the benefits of the same indenture under which the original notes were issued, which is governed by New York law. We refer to the exchange notes and original notes collectively as the notes.

Issuer	Hecla Mining Company
Notes Offered	$500,000,000 aggregate principal amount of 6.875% senior notes due 2021.
Maturity	The exchange notes will mature on May 1, 2021.
Interest	Interest on the exchange notes will accrue at a rate of 6.875% per annum. Interest on the exchange notes will be payable semi-annually in cash in arrears on May 1 and November 1 of each year, commencing November 1, 2013.
Guarantees	

The exchange notes will be guaranteed on a senior unsecured basis by our existing and future domestic restricted subsidiaries, subject to certain exceptions.

Ranking

The exchange notes and the guarantees will be our and the guarantors senior unsecured obligations and will be equal in right of payment with all of our and the guarantors existing and future senior debt and senior to any of our and the guarantors future subordinated debt. The exchange notes and the guarantees will rank effectively junior to all of our and the guarantors existing and future secured debt, including borrowings outstanding under our revolving credit facility, to the extent of the value of the collateral securing such debt. The exchange notes will also be structurally subordinated to all of the liabilities of our existing and future subsidiaries that do not guarantee the exchange notes.

Table of Contents

After giving effect to the Acquisition and the issuance of the original notes, for which we are offering to exchange the exchange notes, we and our subsidiaries had approximately $510.4 million of indebtedness outstanding as of September 30, 2013, of which $20.0 million effectively ranked senior to the exchange notes, and, following a recent amendment to our credit facility, we have unused commitments of $100 million under our revolving credit facility, all of which would effectively rank senior to the exchange notes if borrowed.

As of September 30, 2013, our non-guarantor subsidiaries had $176.2 million of total liabilities, all of which would have been functionally senior to the exchange notes.

Optional Redemption

The notes will be redeemable, in whole or in part, at any time and from time to time on or after May 1, 2016, on the redemption dates and at the redemption prices specified under Description of the Exchange Notes Optional Redemption, *plus* accrued and unpaid interest, if any, to the date of redemption. In addition, prior to May 1, 2016, we may redeem some or all of the notes at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus a make whole premium.

Also, we may redeem up to 35% of the notes before May 1, 2016 with the net cash proceeds from certain equity offerings.

Change of Control Offer

If we experience specific kinds of changes of control, we must offer to repurchase all of the notes at 101% of their principal amount, *plus* accrued and unpaid interest. See Description of the Exchange Notes Repurchase at the Option of Holders Change of Control.

Asset Sale Offer

If we sell certain assets and do not repay certain debt or reinvest the proceeds of such sales within certain time periods, we must offer to repurchase a portion of the notes as described under Description of the Exchange Notes Repurchase at the Option of Holders Asset Sales.

Certain Covenants

The indenture contains covenants that limit, among other things, our ability and the ability of some of our subsidiaries to:

- incur additional indebtedness;

pay dividends or make other distributions or repurchase or redeem our capital stock;

prepay, redeem or repurchase certain debt;

make loans and investments;

sell, transfer or otherwise dispose of assets;

incur or permit to exist certain liens;

enter into transactions with affiliates;

- enter into agreements restricting our subsidiaries ability to pay dividends; and
- consolidate, amalgamate, merge or sell all or substantially all of our assets.

These covenants are subject to a number of important qualifications and limitations. See Description of the Exchange Notes Certain Covenants.

No Established Trading Market

The exchange notes will be a new class of securities for which there is currently no market. Accordingly, we cannot assure you that a liquid market for the exchange notes will develop or be maintained.

Use of Proceeds

We will not receive any cash proceeds from the exchange offer.

Risk Factors

Investing in the exchange notes involves substantial risks. You should carefully consider the risk factors set forth under the caption Risk Factors, as well as other information included or incorporated by reference in this prospectus prior to making an investment in the exchange notes. See Risk Factors beginning on page 10.

Table of Contents

RISK FACTORS

An investment in the exchange notes is subject to a number of risks. You should carefully consider the risk factors listed below and all of the other information included or incorporated by reference in this prospectus in evaluating an investment in the exchange notes. If any of these risks were to occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our debt securities could decline and you could lose all or part of your investment. You should also read the risk factors and other cautionary statements, including those described under the heading Risk Factors, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013, and June 30, 2013, which are incorporated by reference in this prospectus.

Financial Risks

A substantial or extended decline in metals prices would have a material adverse effect on us.

Our revenue is derived 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 incur asset write-downs at one or more of our properties.

The following table sets forth the average daily closing prices of the following metals for the years ended December 31, 2008 through 2012 and for the nine months ended September 30, 2013.

	Nine Months Ended September 30, 2013	2012	2011	2010	2009	2008

Silver (1) (per oz.)	$ 24.79	$ 31.15	$ 35.11	$ 20.16	$ 14.65	$ 15.02
Gold (2) (per oz.)	$ 1,455.05	$ 1,669.00	$ 1,569.00	$ 1,224.66	$ 972.98	$ 871.71
Lead (3) (per lb.)	$ 0.98	$ 0.94	$ 1.09	$ 0.97	$ 0.78	$ 0.95
Zinc (4) (per lb.)	$ 0.87	$ 0.88	$ 1.00	$ 0.98	$ 0.75	$ 0.85

(1) London Fix

(2) London Final

(3) London Metals Exchange Cash

(4) London Metals Exchange Special High Grade Cash

On October 24, 2013, the closing prices for silver, gold, lead and zinc were $22.67 per ounce, $1,344.75 per ounce, $0.97 per pound and $0.86 per pound, respectively.

Table of Contents

An extended decline in metals prices, an increase in operating or capital costs, mine accidents or closures, increasing environmental obligations, or our inability to convert exploration potential to reserves may cause us to record write-downs, which could negatively impact our results of operations.

When events or changes in circumstances indicate that 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, and recognizing impairment write-downs could negatively impact our results of operations. Metal price estimates are a key component used in the analysis of the carrying values of our assets, as the evaluation approach 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 exploration potential beyond the current operating plans. There were no events or changes in circumstances that caused us to evaluate the carrying values of our long-lived assets as of September 30, 2013 or December 31, 2012. However, if the prices of silver, gold, zinc and lead decline for an extended period of time, if we fail to control production costs, if regulatory issues increase costs or decrease production, or if we do not realize the mineable ore reserves or exploration potential at our mining properties, we may be required to evaluate the carrying values of our long-lived assets and recognize asset write-downs in the future. In addition, the perceived market value of the exploration potential 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 exploration potential to reserves could significantly reduce our estimations of the value of the exploration potential at our properties and result in asset write-downs.

Regulatory investigations could adversely affect metal prices.

According to recent news reports, the U.S. Commodity Futures Trading Commission is examining the setting of gold and silver prices in London. If that examination leads to a formal investigation, or if other regulatory action is taken with respect to the setting of gold and silver prices, it could have an adverse effect on those prices or the volatility of such prices and the market for precious metals.

We have had losses that could reoccur in the future.

Although we reported net income for the years ended December 31, 2012, 2011, 2010 and 2009 of $15.0 million, $151.2 million, $49.0 million and $67.8 million, respectively, we reported a net loss for the year ended December 31, 2008 of $66.6 million. A comparison of operating results over the past three years can be found in Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations in our most recent Annual Report on Form 10-K.

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; availability of hydroelectric power; diesel fuel prices; interest 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; and speculation, purchases and sales by central banks and other holders and producers of gold and silver in response to these factors. We cannot foresee whether our operations will continue to generate sufficient revenue in order for us to generate net cash from operating activities. There can be no assurance that we will not experience net losses in the future.

Commodity risk management activities could expose us to losses.

We periodically enter into risk management activities, such as financially-settled forward sales contracts and commodity put and call option contracts, to manage the prices received on the metals we produce. Such activities are utilized to attempt to insulate our operating results from changes in prices for those metals. However, such

activities may prevent us from realizing possible revenues in the event that the market price of a metal exceeds the price stated in a forward sale or call option contract. In addition, 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 utilize financially settled forward contract programs to manage the exposure to changes in lead and zinc prices contained in our concentrate shipments between the time of sale and final settlement, and to manage the exposure to changes in the prices of lead and zinc contained in our forecasted future concentrate shipments. See *Note 10* of *Notes to Consolidated Financial Statements of Hecla and Subsidiaries* in our most recent Annual Report on Form 10-K for more information on these base metals forward contract programs.

The financial terms of settlement of the Coeur d Alene Basin environmental litigation and other claims may materially impact our cash resources and our access to additional financing.

On September 8, 2011, a Consent Decree (the Consent Decree) settling environmental litigation and related claims involving Hecla Limited pertaining to historic releases of mining wastes in the Coeur d Alene Basin was approved and entered by the U.S. District Court in Idaho. The Consent Decree resolved all existing claims of the United States, the Coeur d Alene Indian Tribe, and the State of Idaho (Plaintiffs) against Hecla Limited and its affiliates under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) and certain other statutes for past response costs, future environmental remediation costs, and natural resource damages related to historic releases of mining wastes in the Coeur d Alene River Basin, as well as all remaining obligations of Hecla Limited with respect to the Bunker Hill Superfund Site. In addition to the approximately $209 million already paid under the Consent Decree between 2011 and 2013, Hecla Limited remains obligated under the Consent Decree to pay approximately $55.5 million by August 2014, as quarterly payments of the proceeds from the exercise of any outstanding Series 1 and Series 3 warrants (which have an exercise price of between $2.41 and $2.52 per share) during the quarter, with the remaining balance, if any, due in August 2014.

If additional warrants are not exercised, the requirement to pay $55.5 million by August 2014 would cause us to use a significant portion of either our cash currently on hand, or future cash resources. Our cash on hand at September 30, 2013 was $237.8 million; however, there can be no assurance that we will have the cash on hand to meet these obligations.

Financial terms of settlement also require that Hecla Mining Company or Hecla Limited post third party surety in some form to secure the remaining payments. Obtaining surety causes us to incur costs, and also to utilize credit capacity which could otherwise be used to fund other areas of our business, including operations and capital expenditures. Moreover, there is no guarantee that we will be able maintain such surety, in which case we could be in default of the Consent Decree, which could have a material adverse effect on Hecla Limited s or our results from operations or financial position.

More information about the terms of settlement is set forth in *Note 4* of *Notes to Condensed Consolidated Financial Statements (Unaudited) of Hecla and Subsidiaries* in our most recent Quarterly Report on Form 10-Q.

Our profitability could be affected by the prices of other commodities and services.

Our business activities are highly dependent on the costs of commodities and services such as fuel, steel, cement and electricity. The recent prices for such commodities have been volatile and may increase our costs of production and development. A material increase in costs at any of our operating properties could have a significant effect on our profitability. For additional discussion, see Management s Discussion and Analysis of Financial Condition and Results of Operations in our most recent Annual Report on Form 10-K and in our most recent Quarterly Report on Form

10-Q.

Table of Contents

Our accounting and other estimates may be imprecise.

Preparing 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, mineralized material, and other resources that are the basis for future income and cash flow estimates and units-of-production depreciation, depletion and amortization calculations;
- future metals prices;
- environmental, reclamation and closure obligations;
- asset impairments;
- valuation of business combinations;
- reserves for contingencies and litigation; and
- deferred tax asset valuation allowance.

Actual results may differ materially from these estimates using different assumptions or conditions. For additional information, see Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Estimates in our most recent Annual Report on Form 10-K and in our most recent Quarterly Report on Form 10-Q, *Note 1* of *Notes to Consolidated Financial Statements of Hecla and Subsidiaries* in our most recent Annual Report on Form 10-K and the following risk factors set forth below: *Our development of new orebodies and other capital costs may be higher and provide less return than we estimated, Our ore reserve estimates may be imprecise, Our environmental obligations may exceed the provisions we have made,* and *We are currently involved in ongoing legal disputes that may materially adversely affect us.*

Our ability to recognize the benefits of deferred tax assets is dependent on future cash flows and 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. Metal price and production estimates are key components used in the determination of our ability to realize 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 also could limit our ability to utilize our recorded tax assets. As of December 31, 2010, we removed substantially all deferred tax valuation allowances, with the exception of certain amounts related to foreign net operating loss carryforwards, and our current and non-current deferred tax asset balances as of September 30, 2013 were $36.1 million and $76.0 million, respectively. See *Note 5* of *Notes to Consolidated Financial Statements of Hecla and Subsidiaries* in our most recent Annual Report on Form 10-K for further discussion of our deferred tax assets.

Table of Contents

Global financial events may have an impact on our business and financial condition in ways that we currently cannot predict.

The 2008 credit crisis and related turmoil in the global financial system had an impact on our business and financial position, and a similar financial event in the future could also impact us. The continuation or re-emergence of the financial crisis may 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.

Returns for investments in pension plans and pension plan funding requirements are uncertain.

We maintain defined benefit pension plans for employees, which provide for specified payments after retirement for most employees. The ability of the pension plans 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. A sustained period of low returns or losses on investments could require us to fund the pension plans to a greater extent than anticipated. See *Note 8* of *Notes to Consolidated Financial Statements of Hecla and Subsidiaries* in our most recent Annual Report on Form 10-K for more information on our pension plans.

Operation, Development, Exploration and Acquisition Risks

Mining accidents or other adverse events at an operation could decrease our anticipated production.

Production may be reduced below our historical or estimated levels as a result of mining accidents; unfavorable ground conditions; work stoppages or slow-downs; lower than expected ore grades; unexpected regulatory actions; the metallurgical characteristics of the ore that are less economic than anticipated; or because our equipment or facilities fail to operate properly or as expected. For example, in the second quarter of 2010, mining activities at the Lucky Friday mine stopped for approximately two weeks due to some deterioration of shaft infrastructure at the #2 Shaft, which is the mine s secondary escape way. Upon completion of repairs to #2 Shaft, the mine returned to normal production. In April 2011, a fatal accident occurred at the Lucky Friday mine resulting in a cessation of operations at the mine for approximately 10 days. In November 2011, an accident occurred as part of the construction of the #4 Shaft at the Lucky Friday mine, resulting in the fatality of one contractor employee. In an unrelated incident, in December 2011, a rock burst occurred in a primary access way at the Lucky Friday mine and injured seven employees. Each of these events temporarily suspended operations at the Lucky Friday mine and adversely impacted production. 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.

At the end of 2011, the U.S. Mine Health and Safety Administration (MSHA) began a special impact inspection at the Lucky Friday mine which resulted in an order closing down the Silver Shaft, the primary access way from surface at the Lucky Friday mine, until we removed built-up cementitious material from the Silver Shaft. This occurred despite the fact that the Silver Shaft was not involved in any of the accidents at the mine in 2011. Underground access was limited as the work was performed, and production at the Lucky Friday was suspended until early 2013 as a result. We resumed limited production at the Lucky Friday in the first quarter of 2013 after completing work on the Silver Shaft and a bypass of the area impacted by the December 2011 rock burst. For further information, see Management s Discussion and Analysis of Financial Condition and Results of Operations in our most recent Annual Report on Form 10-K and in our most recent Quarterly Report on Form 10-Q.

On March 25, 2013, an accident at Aurizon s Casa Berardi mine resulted in a fatality, and operations there were halted temporarily. While operations resumed the following day, any similar incidents in the future could also result in suspensions of operations and other consequences.

Table of Contents

Recent accidents and other events at our Lucky Friday mine could have additional adverse consequences to us.

Hecla Limited may face additional enforcement actions, as well as additional orders from MSHA, as a result of MSHA s inspections and investigations of events at our Lucky Friday mine, including the April 2011 fatal ground fall accident, the rock burst incident in December 2011, and the order closing the Silver Shaft for the removal of built-up cementitious material. Hecla Limited could also face additional penalties (including monetary penalties) from MSHA or other governmental agencies relating to these incidents and any other orders or citations received by Hecla Limited. Finally, it is possible that Hecla Limited could face litigation relating to the 2011 incidents at the Lucky Friday mine in addition to the purported class action and related derivative lawsuits filed against us in 2012. We may not resolve these claims favorably, and each one of the foregoing possibilities could have a material adverse impact on our cash flows, results of operations or financial condition. See *Note 4* of *Notes to Condensed Consolidated Financial Statements (Unaudited) of Hecla and Subsidiaries* in our most recent Quarterly Report on Form 10-Q.

Our operations may be adversely affected by risks and hazards associated with the mining industry that may not be fully covered by insurance.

Our business is capital intensive, requiring ongoing capital investment for the replacement, modernization or expansion of equipment and facilities. Our mining and milling operations are subject to risks of process upsets 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 and ground falls;
- seismic activity;
- underground fires or floods;
- explosive rock failures;
- unanticipated hydrologic conditions, including flooding and periodic interruptions due to inclement or hazardous weather conditions;
- political and country risks;

- civil unrest or terrorism;
- industrial accidents;
- 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;
- 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 and political risk. We have received some payment for business interruption insurance claims related to the temporary suspension of operations at the Lucky Friday mine and continue to seek further reimbursement (see *Mining accidents or other adverse events at an operation could decrease our anticipated production*). There can be no assurance 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, too expensive for us, 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 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:

- ore reserves;
- expected metal recovery from the ore;
- future metals prices;
- 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 considerations and permitting;
- adequate access to the site, including competing land uses (such as agriculture);
- applicable tax rates;
- foreign currency fluctuation and inflation rates; and
- availability of financing.

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 ore reserve estimates may be imprecise.

Our ore reserve figures and costs are primarily estimates and are not guarantees that we will recover the indicated quantities of these metals. You are strongly cautioned not to place undue reliance on estimates of reserves (or on mineralized material or other resources estimates). Reserves are estimates made by our

Table of Contents

professional technical personnel, and no assurance can be given that the estimated amount of metal or the indicated level of recovery of these metals will be realized. Reserve estimation is an interpretive process based upon available data and various assumptions. Our reserve estimates may change based on actual production experience. Further, reserves are valued based on estimates of costs and metals prices, which may not be consistent among our properties. The economic value of ore 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;
- increase in the dilution of the ore; and
- reduced metal recovery.

Short-term operating factors relating to our ore 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;
- write-downs of asset values; and
- mine closure.

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 and decrease the value of our stock.

One of the risks we face is that mines are depleting assets. Thus, we must continually replace depleted ore reserves by locating and developing additional ore. Our ability to expand or replace ore 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 ore reserves as they are depleted, which would adversely affect our business and financial position in the future.

The #4 Shaft project, an internal shaft at the Lucky Friday mine, is expected, upon its completion, to provide deeper access in order to increase the mine s production and operational life. We commenced engineering and construction activities on #4 Shaft in late 2008, and our Board of Directors gave its final approval of the project in August 2011. The #4 Shaft project, as currently designed, is expected to cost approximately $200 million, which includes approximately $121 million that has been spent on the project as of September 30, 2013, with completion expected in 2016. At the end of 2011, MSHA began a special impact inspection at the Lucky Friday mine, and as a result MSHA ordered the Silver Shaft to be closed until we removed built-up cementitious material from the shaft. The Silver Shaft is the primary access way from the surface at the Lucky Friday, and the order resulted in a temporary suspension of most operations at the Lucky Friday, including work on #4 Shaft. Access to the #4 Shaft project was restored in the fourth quarter of 2012, and we believe that our current capital resources will allow us to proceed. However, there are a number of factors that could affect completion of the project as currently designed, including: (i) a significant decline in metals prices,

Table of Contents

(ii) a reduction in available cash or credit, whether arising from decreased cash flow or other uses of available cash, (iii) increased regulatory burdens, or (iv) a significant increase in operating or capital costs. One or more of these factors could potentially require us to suspend the project, defer some of the planned development, or access additional capital through debt financing, the sale of securities, or other external sources. This additional financing could be costly or unavailable.

Our joint development and operating arrangements may not be successful.

We have in the past entered into, and may in the future enter into joint venture arrangements in order to share the risks and costs of developing and operating properties. In a typical joint venture arrangement, the partners own proportionate shares of the assets, are entitled to indemnification from each other and are only responsible for any future liabilities in proportion to their interest in the joint venture. If a party fails to perform its obligations under a joint venture agreement, we could incur liabilities and losses in excess of our pro-rata share of the joint venture. We make investments in exploration and development projects that may have to be written off in the event we do not proceed to a commercially viable mining operation. See *Note 16* of *Notes to Consolidated Financial Statements of Hecla and Subsidiaries* in our most recent Annual Report on Form 10-K.

Our ability to market our metals production may be affected by disruptions or closures of custom smelters and/or refining facilities.

We sell substantially all of our metallic concentrates to custom smelters. Our doré bars are sent to refiners for further processing before being sold to metal traders. If our ability to sell concentrates to our contracted smelters becomes unavailable to us, our operations could be adversely affected. See *Note 11* of *Notes to Consolidated Financial Statements of Hecla and Subsidiaries* in our most recent Annual Report on Form 10-K for more information on the distribution of our sales and our significant customers.

We face inherent risks in acquisitions of other mining companies or properties that may adversely impact our growth strategy.

We are actively seeking to expand our mineral reserves by acquiring other mining companies or properties. Although we are pursuing opportunities that we feel are in the best interest of our shareholders, these pursuits are costly and often unproductive. Inherent risks in acquisitions we may undertake in the future could adversely affect our current business and financial condition and our growth.

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, and any acquisition we may undertake is subject to inherent risks. In addition to the risk associated with limited mine lives, we may not realize the value of the companies or properties that are acquired due to a possible decline in metals prices, failure to obtain permits, labor problems, changes in regulatory environment, failure to achieve anticipated synergies, an inability to obtain financing, and other factors previously described. Acquisitions of other mining companies or properties may also expose us to new geographic, political, operating, and geological risks. In addition, we face strong competition for companies and properties from other mining companies, some of which have greater financial resources than we do, and we may be unable to acquire attractive companies and mining properties on terms that we consider acceptable.

Our business depends on finding skilled miners and maintaining good relations with our employees.

We are dependent upon the ability and experience of our executive officers, managers, employees and other personnel, and there can be no assurance that we will be able to retain such employees. We compete with other

companies both in and outside the mining industry in recruiting and retaining qualified employees knowledgeable of 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. The loss of these persons or our inability to attract and retain additional highly skilled employees could have an adverse effect on our business and future operations. The Lucky Friday mine is our only operation subject to a collective bargaining agreement, which expires on April 30, 2016.

In March 2012, Hecla Limited received notice of a complaint filed against it by the United Steel Workers, Local 5114, with the U.S. Mine Safety Health Review Commission for compensation for bargaining unit workers at the Lucky Friday mine who were idled as a result of the previously-announced, temporary suspension of production at the mine (see the *Other Contingencies* section of *Note 4* of *Notes to Condensed Consolidated Financial Statements (Unaudited) of Hecla and Subsidiaries* in our most recent Quarterly Report on Form 10-Q for more information).

Competition from other mining companies may harm our business.

We compete with other mining companies to attract and retain key executives, skilled labor, contractors and other employees. We compete with other mining companies for the services of skilled personnel and contractors and their specialized equipment, components and supplies, such as drill rigs, necessary for exploration and development. We also compete with other mining companies for rights to mine properties. We may be unable to continue to obtain the services of skilled personnel and contractors or specialized equipment or supplies, or to acquire additional rights to mine properties.

We may be subject to a number of unanticipated risks related to inadequate infrastructure.

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, other interference in the maintenance or provision of such infrastructure, or government intervention, could adversely affect our mining operations.

Our foreign activities are subject to additional inherent risks.

On June 1, 2013, we completed the acquisition of Aurizon Mines Ltd., giving us 100% ownership of the producing Casa Berardi mine, along with interests in various other properties, in Quebec, Canada. See *Note 13* of *Notes to Condensed Consolidated Financial Statements (Unaudited)* in our most recent Quarterly Report on Form 10-Q for more information. In addition, we currently conduct exploration and pre-development projects in Mexico and continue to own assets, including real estate and mineral interests there. We anticipate that we will continue to conduct operations in Canada, Mexico, and possibly other international locations in the future. Because we conduct operations internationally, we are subject to political 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;
- exchange controls and export restrictions;

expropriation or nationalization of assets with inadequate compensation;

currency fluctuations, particularly in the exchange rate between the Canadian dollar and U.S. dollar;

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;
- 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;
- civil disturbances, war and terrorist actions; and
- seizures of assets.

Consequently, our exploration, development and production activities outside of the United States may be substantially affected by factors beyond our control, any of which could materially adversely affect our financial condition or results of operations. Fluctuations in exchange rates may impact our earnings, the value of assets held abroad and our operating and capital costs in foreign jurisdictions.

Legal, Regulatory and Market Risks

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 shareholder derivative lawsuit filed against us, and additional actions may be filed against us. We may be subject to future claims, including those relating to environmental damage, safety conditions at our mines, the two fatal accidents that occurred at the Lucky Friday mine in 2011, and other related matters. The outcomes of these pending and potential claims are uncertain. We may not resolve these claims favorably. Depending on the outcome, these actions could have adverse financial effects or cause reputational harm to us. If any of these disputes result in a substantial monetary judgment against us, are settled on terms in excess of our current accruals, or otherwise impact our operations, our financial results or condition could be materially adversely affected. For a description of some of the lawsuits in which we are involved, see *Note 4* of *Notes to Condensed Consolidated Financial Statements (Unaudited) of Hecla and Subsidiaries* in our most recent Quarterly Report on Form 10-Q.

We are required to obtain governmental and lessor approvals and permits in order to conduct mining operations.

In the ordinary course of business, mining companies are required to seek governmental and lessor approvals and permits for continuation or expansion of existing operations or for the commencement of new operations. For example, we estimate that our Greens Creek tailings impoundment area has sufficient capacity to meet our needs at least through the end of 2015. In order to increase the tailings capacity at the mine, a permit is required. 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 implemented by the permitting authority. Interested parties may seek to prevent issuance of permits and intervene in the process or pursue extensive appeal rights. Past or ongoing violations of government mining laws could provide a basis to revoke existing permits or to deny the issuance of additional permits. 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. There can be no assurance 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 such standards and regulations could become such that we would not

proceed with the development or operation. 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.

We face substantial governmental regulation and environmental risk.

Our business is subject to extensive U.S. and foreign, federal, state and local laws and regulations governing development, production, labor standards, health and safety, the environment and other matters. For example, in 2012 both of our operating mines received several citations, and the Lucky Friday mine also received multiple orders, under the Mine Safety and Health Act of 1977, as administered by MSHA. In addition, in November 2012, the Lucky Friday mine received a PPOV notice from MSHA. In March 2013, the mine was removed from PPOV status. See *Recent accidents and other events at our Lucky Friday mine could have additional adverse consequences to us.* Further, we have been and are currently involved in lawsuits or disputes in which we have been accused of causing environmental damage, violating environmental laws, or violating environmental permits, and we may be subject to similar lawsuits or disputes in the future. See *Our environmental obligations may exceed the provisions we have made.*

Exposure to these liabilities arises not only from our existing operations, but from operations that have been closed, sold to third parties, or properties we had a leasehold, joint venture, or other interest in. With a history dating back to 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, but which are no longer available to make claims against or obtain judgments from.

We are required to reclaim properties and specific requirements vary among jurisdictions. In some cases, we may be required to provide financial assurances as security for reclamation costs, which may exceed our estimates for such costs. Our historical operations and the historical operations of entities and properties we have acquired have occasionally been alleged to have generated environmental contamination. We could also be held liable for worker exposure to hazardous substances. There can be no assurances that we will at all times be in compliance with all environmental, health and safety regulations or that steps to achieve compliance would not materially adversely affect our business.

In addition to existing regulatory requirements, legislation and regulations may be adopted or permit limits reduced at any time that 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, whether or not at our mines or related to silver mining, may increase the likelihood of additional regulation or changes in law. In addition, enforcement or regulatory tools and methods available to governmental regulators such as the U.S. Environmental Protection Agency which have not been used or seldomly used against us, could in the future be used against us. Federal or state environmental or mine safety regulatory agencies may order certain of our mines to be temporarily or permanently closed, which may have a material adverse effect on our cash flows, results of operations, or financial condition.

Legislative and regulatory measures to address climate change and green house 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 if we are unable to regularly access utility power. Climate change legislation may also affect our smelter customers who burn fossil fuels, resulting in 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.

From time to time, the U.S. Congress considers proposed amendments to the General Mining Law of 1872, as amended, 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 General Mining Law, if adopted, could adversely affect our ability to economically develop mineral reserves on federal lands. Although we are not currently mining on federal land, we do explore and future mining could occur on federal land.

The Clean Water Act requires permits for operations that discharge into waters of the United States. Such permitting has been a frequent subject of litigation by environmental advocacy groups, which has resulted, and may in the future result, in declines in such permits or extensive delays in receiving them. This may result in delays in, or in some instances preclude, the commencement or continuation of development or production operations. Adverse outcomes in lawsuits challenging permits or failure to comply with applicable regulations could result in the suspension, denial, or revocation of required permits, which could have a material adverse impact on our cash flows, results of operations, or financial condition.

Our environmental obligations may exceed the provisions we have made.

We are subject to significant environmental obligations, particularly in northern Idaho through our subsidiary Hecla Limited. At September 30, 2013, we had accrued $124.3 million as a provision for environmental obligations, including a total of $71.2 million for our remaining obligation for environmental claims with respect to the Coeur d Alene Basin in northern Idaho. A settlement of the Coeur d Alene Basin environmental litigation and related claims was finalized with entry of the Consent Decree by the Court in September 2011. For information on our potential environmental liabilities, see *Note 4* of *Notes to Consolidated Financial Statements of Hecla and Subsidiaries* in our most recent Annual Report on Form 10-K and *Note 4* of *Notes to Condensed Consolidated Financial Statements (Unaudited) of Hecla and Subsidiaries* in our most recent Quarterly Report on Form 10-Q.

Shipment of our products is subject to regulatory and related risks.

Certain of the products we ship to our customers are subject to regulatory requirements regarding packaging, handling and shipping 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 packaging, handling and shipping 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, we could be forced to find alternative shipping arrangements, assuming such alternatives would be available. Any such changes to our current shipping arrangements could have a material adverse impact on our operations and financial results.

The titles to some of our properties may be defective or challenged.

Unpatented mining claims constitute a significant portion of our undeveloped property holdings, the validity of which 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 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 Series B Preferred Stock has a liquidation preference of $50 per share or $7.9 million.

If we were liquidated, holders of our preferred stock would be entitled to receive approximately $7.9 million (plus any accrued and unpaid dividends) from any liquidation proceeds before holders of our common stock would be entitled to

receive any proceeds.

Table of Contents

We may not be able to pay common or preferred stock dividends in the future.

Between February 2005 and the third quarter of 2008 we paid regular quarterly dividends on our Series B Preferred Stock. Prior to then, except for the fourth quarter of 2004, we had not declared dividends on Series B Preferred Stock since the second quarter of 2000. We similarly deferred Series B Preferred Stock dividends for the fourth quarter of 2008 through the third quarter of 2009. In January 2010 we paid all dividends in arrears. Since then we have paid all regular quarterly dividends on the Series B Preferred Stock. The annual dividend payable on the Series B Preferred Stock is currently approximately $0.6 million. However, there can be no assurance 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 $0.01 per share of common stock, in each case payable quarterly, when declared. See *Note 9* of *Notes to Consolidated Financial Statements of Hecla and Subsidiaries* in our most recent Annual Report on Form 10-K for more information on potential dividend amounts under the first component of the policy at various silver prices. From the fourth quarter of 2011 through and including the third quarter of 2013, our Board of Directors has declared a common stock dividend under the policy described above (although in some cases only a minimum dividend was declared and none relating to the average realized price of silver due to the prices not meeting the policy threshold). On February 25, 2013, our Board of Directors declared a special common stock dividend of $0.01 per share, in addition to the minimum dividend of $0.0025 per share, even though the average realized silver price during the fourth quarter of 2012 did not meet the policy threshold. 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 there can be no assurance that we will continue to declare and pay common stock dividends in the future. In addition, the indenture governing the notes will limit our ability to pay dividends in the future. See Description of the Exchange Notes Certain Covenants Restricted Payments.

The provisions in our certificate of incorporation, our by-laws and Delaware law could delay or deter tender offers or takeover attempts.

Certain provisions in our 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

Table of Contents

- 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.

If we cannot meet the New York Stock Exchange continued listing requirements, the NYSE may delist our common stock.

Our common stock is currently listed on the NYSE. In the future, if we are not be able to meet the continued listing requirements of the NYSE, which require, among other things, that the average closing price of our common stock be above $1.00 over 30 consecutive trading days, our common stock may be delisted. Our closing stock price on November 15, 2013, was $3.12.

If we are unable to satisfy the NYSE criteria for continued listing, our common stock would be subject to delisting. A delisting of our common stock could negatively impact us by, among other things, reducing the liquidity and market price of our common stock; reducing the number of investors willing to hold or acquire our common stock, which could negatively impact our ability to raise equity financing; decreasing the amount of news and analyst coverage for the Company; and limiting our ability to issue additional securities or obtain additional financing in the future. In addition, delisting from the NYSE might negatively impact our reputation and, as a consequence, our business.

Risks Relating to Our Debt, Including the Notes

Our level of debt could impair our financial health and prevent us from fulfilling our obligations under the notes.

As of September 30, 2013, after giving effect to the offering of the original notes and the Acquisition, we had total indebtedness of approximately $510.4 million. Our level of debt and our debt service obligations could:

- make it more difficult for us to satisfy our obligations with respect to the notes;
- reduce the amount of funds available to finance our operations, capital expenditures and other activities;
- increase our vulnerability to economic downturns and industry conditions;
- limit our flexibility in responding to changing business and economic conditions, including increased competition and demand for new products and services;
- place us at a disadvantage when compared to our competitors that have less debt;
- increase our cost of borrowing; and
- limit our ability to borrow additional funds.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the indenture governing the notes will contain 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 indebtedness that could be incurred in compliance with these restrictions could be substantial. We have recently amended our credit facility, which now allows us to draw up to $100 million on a revolving basis.

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 notes will not prevent us from incurring obligations that do constitute indebtedness under that agreement. See Description of Certain Other Indebtedness and Description of the Exchange Notes.

Table of Contents

The notes and the guarantees will be effectively subordinated to any of our and our guarantors secured indebtedness to the extent of the value of the collateral securing that indebtedness.

The notes and the guarantees will not be secured by any of our assets or the assets of our subsidiaries. The indenture governing the notes will permit us to incur secured debt up to specified limits. As a result, the notes and the guarantees will be effectively subordinated to our and our guarantors future secured indebtedness with respect to the collateral that secures such indebtedness, including any borrowings under our revolving credit facility. Upon a default in payment on, or the acceleration of, any of our secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution, reorganization or other insolvency proceeding involving us or such guarantor, the proceeds from the sale of collateral securing any secured indebtedness will be available to pay obligations on the notes only after such secured indebtedness has been paid in full. As a result, the holders of the notes may receive less, ratably, than the holders of secured debt in the event of a bankruptcy, insolvency, liquidation, dissolution, reorganization or other insolvency proceeding involving us or such guarantor.

We have recently amended our credit facility, which now allows us to draw up to $100 million on a revolving basis, all of which would be secured debt. See Description of Certain Other Indebtedness.

We may be unable to generate sufficient cash to service all of our indebtedness, including the notes, and meet our other ongoing liquidity needs and may be forced to take other actions to satisfy our obligations under our indebtedness, which may be unsuccessful.

Our ability to make scheduled payments or to refinance our debt obligations, including the notes, 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. We cannot assure you 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 indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our debt, including the notes, 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 will not be guarantors of the notes or our other indebtedness. Accordingly, repayment of our indebtedness, including the notes, 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 the notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness 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 indebtedness, including the notes. 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 the notes will 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 indebtedness, including the notes.

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 indebtedness, including the notes. 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 the notes may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a

Table of Contents

reduction of our credit rating, which could harm our ability to incur additional indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

The terms of our debt impose restrictions on our operations.

The indenture governing the notes includes a number of significant restrictive 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 will, among other things:

- make it more difficult for us to satisfy our obligations with respect to the 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 divestitures;
- 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.

In addition, our revolving credit facility will require us to comply with various covenants. 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 the notes. 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 obligations under the notes. In addition, in some instances, this would create an event of default under the indenture governing the notes.

The notes are structurally subordinated to all liabilities of our non-guarantor subsidiaries.

The notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries that are not guaranteeing the notes, which include all of our non-domestic subsidiaries and certain other subsidiaries. These non-guarantor subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to

pay any amounts due pursuant to the notes, or to make any funds available therefor, whether by dividends, loans, distributions or other payments. Any right that we or the guarantors have to receive any assets of any of the non-guarantor subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries assets, will be effectively subordinated to the claims of those subsidiaries creditors, including trade creditors and holders of preferred equity interests of those subsidiaries. Accordingly, in the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, these non-guarantor subsidiaries will pay the holders of their debts, holders of preferred equity interests and their trade creditors before they will be able to distribute any of their assets to us or any guarantor. Unless they are guarantors of the notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose.

For the quarter ended September 30, 2013, our non-guarantor subsidiaries represented (i) 27% of our sales of metals and 20% of our other operating expenses, and (ii) after giving effect to the offering of the notes and the

Acquisition, 27% of our sales of metals and 20% of our other operating expenses. As of September 30, 2013, our non-guarantor subsidiaries represented 39% of our total assets and 12% of our total liabilities, including trade payables, deferred tax liabilities and royalty obligations but excluding intercompany liabilities.

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 were fully drawn, each one percentage point change in interest rates would result in a $1.5 million change in annual cash interest expense on our credit facility.

Key terms of the notes will be suspended if the notes achieve investment grade ratings and no default or event of default has occurred and is continuing.

Many of the covenants in the indenture governing the notes will be suspended if the notes are rated investment grade by Standard & Poor s and Moody s provided at such time no default or event of default has occurred and is continuing, including those covenants that restrict, among other things, our ability to pay dividends, incur debt and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade. However, suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force, and the effects of any such transactions will be permitted to remain in place even if the notes are subsequently downgraded below investment grade. See Description of the Exchange Notes Certain Covenants Changes in Covenants when Notes Rated Investment Grade.

We may be unable to repurchase notes in the event of a change of control as required by the indenture.

Upon the occurrence of certain kinds of change of control events specified in the indenture, holders of the notes will have the right to require us to repurchase all of the notes at a repurchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. Any change of control also would constitute a default under our revolving credit facility. Therefore, upon the occurrence of a change of control, the lenders under our revolving credit facility would have the right to accelerate their loans and, if so accelerated, we would be required to repay all of our outstanding obligations under such facility. We may not be able to pay the note holders the required price for their notes at that time because we may not have available funds to pay the repurchase price. In addition, the terms of other existing or future debt may prevent us from paying the note holders. There can be no assurance that we would be able to repay such other debt or obtain consents from the holders of such other debt to repurchase the notes. Any requirement to offer to purchase any notes may result in us having to refinance our outstanding indebtedness, which we may not be able to do. In addition, even if we were able to refinance our outstanding indebtedness, such financing may be on terms unfavorable to us.

Holders of the notes may not be able to determine when a change of control giving rise to their right to have the notes repurchased has occurred following a sale of substantially all of our assets.

The definition of change of control in the indenture governing the notes includes a phrase relating to the sale of all or substantially all of our assets. There is no precise established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase its notes as a result of a sale of less than all our assets to another person may be uncertain.

An active trading market may not develop for these notes.

The exchange notes are a new issue of securities and there is no existing trading market for the exchange notes. Accordingly, we cannot assure you that a liquid market will develop for the exchange notes, that you will be able

to sell your exchange notes at a particular time or that the prices that you receive when you sell the exchange notes will be favorable. The exchange notes are not listed for trading on any exchange and we do not intend to seek to have them listed. The liquidity of any trading market in these exchange notes, and the market price quoted for these exchange notes, may be adversely affected by changes in the overall market for these types of securities and by changes in our financial performance or prospects or in the prospects for companies in our industries generally. As a result, you cannot be sure that an active trading market will develop for the exchange notes.

Federal and state fraudulent transfer laws may permit a court to void the notes or any of the guarantees, and if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of any guarantees of the notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or any guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any existing or future subsidiary guarantors, as applicable, (a) issued the notes or incurred such guarantee with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantee and, in the case of (b) only, one of the following is also true at the time thereof:

- we or the subsidiary guarantor, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantee;

- the issuance of the notes or the incurrence of the guarantee left us or the subsidiary guarantor, as applicable, with an unreasonably small amount of capital or assets to carry on the business; or

- we or the subsidiary guarantor intended to, or believed that we or such subsidiary guarantor would, incur debts beyond our or such subsidiary guarantor s ability to pay as they mature.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is satisfied. A court would likely find that any subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent such subsidiary guarantor did not obtain a reasonably equivalent benefit from the issuance of the notes.

We cannot be certain as to the standards a court would use to determine whether or not we or any subsidiary guarantor was insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or any guarantees would be subordinated to our or any subsidiary guarantor s other debt. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature;

or

it could not pay its debts as they became due.

The subsidiary guarantees contain a savings clause intended to limit the subsidiary guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its subsidiary guarantee to be a fraudulent transfer. This provision may not be effective to protect any subsidiary guarantees from being avoided under fraudulent transfer law. Furthermore, in *Official Committee of Unsecured Creditors of TOUSA, Inc. v Citicorp North America, Inc.*, the U.S. Bankruptcy Court in the Southern District of Florida held that a savings clause similar to the savings clause used in the indenture was unenforceable. As a result, the subsidiary guarantees were found to be fraudulent conveyances. The United States Court of Appeals for the Eleventh Circuit recently affirmed the liability findings of the Bankruptcy Court without ruling directly on the enforceability of savings clauses generally. If the *TOUSA* decision were followed by other courts, the risk that the guarantees would be deemed fraudulent conveyances would be significantly increased.

To the extent that any subsidiary guarantee is avoided, then, as to that subsidiary, the guaranty would not be enforceable.

If a court were to find that the issuance of the notes or the incurrence of any guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or such guarantee, could subordinate the notes or such guarantee to presently existing and future indebtedness of ours or of the related subsidiary guarantor or could require the holders of the notes to repay any amounts received with respect to such guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of that debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination if the court determines that (1) the holders of notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of notes and (3) equitable subordination is not inconsistent with the provisions of the Bankruptcy Code.

Our credit ratings may not reflect all risks associated with an investment in the notes.

Credit rating agencies rate our debt securities on factors that include our results of operations, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or placing us on a watch list for possible future downgrading would likely increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of our securities, including the notes offered hereby.

Risks Relating to the Exchange Offer

You must comply with the exchange offer procedures in order to receive new, freely tradable exchange notes.

We will not accept your original notes for exchange if you do not follow the exchange offer procedures. We will issue exchange notes as part of this exchange offer only after timely receipt of your original notes, a properly completed and duly executed letter of transmittal and all other required documents or if you comply with the guaranteed delivery procedures for tendering your original notes. Therefore, if you want to tender your original notes, please allow sufficient time to ensure timely delivery. If we do not receive your original notes, letter of transmittal, and all other required documents by the expiration date of the exchange offer, or you do not otherwise comply with the guaranteed delivery procedures for tendering your original notes, we will not accept your original notes for exchange. Neither we nor the exchange agent is required to notify you of defects or irregularities with respect to the tenders of original notes for exchange. If there are defects or irregularities with respect to your tender of original notes, we will not accept your original notes for exchange unless we decide in our sole discretion to waive such defects or irregularities.

You may have difficulty selling the original notes that you do not exchange.

If you do not exchange your original notes for exchange notes in the exchange offer, you will continue to be subject to the restrictions on transfer of your original notes described in the legend on your original notes. The restrictions on transfer of your original notes arise because we issued the original notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the original notes if they are registered under the Securities Act and applicable state securities laws,

or offered and sold under an exemption from these requirements. Except as required by the registration rights agreement, we do not intend to register the original notes under the Securities Act. The tender of original notes under the exchange offer will reduce the principal amount of the original notes.

Due to the corresponding reduction in liquidity, this may have an adverse effect upon, and increase the volatility of, the market price of any original notes that you continue to hold following completion of the exchange offer. Additionally, if a large number of original notes are exchanged for exchange notes issued in the exchange offer, it may be more difficult for you to sell your unexchanged original notes because there will be fewer original notes outstanding. See The Exchange Offer Consequences of Failure to Exchange Original Notes.

Risks Relating to the Aurizon Acquisition and Other Future Acquisitions

We may be unable to successfully integrate the operations of the properties we acquire, including the Aurizon properties.

Integration of the operations of the properties we acquire with our existing business will be 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 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 regulatory and other legal requirements;
- integrating corporate, technological and administrative functions; and
- diverting management s attention from other business concerns.

The process of integrating our 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 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.

We may not realize all of the anticipated benefits from our acquisitions, including the Acquisition.

We may not realize all of the anticipated benefits from the Aurizon Acquisition or any future acquisitions, 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, inaccurate reserve estimates and fluctuations in market prices.

The Aurizon properties and any others 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 acquired in the Aurizon Acquisition or acquire in other acquisitions 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 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.

Table of Contents

We face inherent risks in acquisitions of other mining companies or properties that may adversely impact our growth strategy.

Mines have limited lives, which is an inherent risk in acquiring mining properties. Subsequent to the Aurizon Acquisition, we plan to continue to actively seek to expand our mineral reserves by acquiring other mining companies or properties. Although we expect to pursue opportunities that we feel are in the best interest of our investors, these pursuits are costly and often unproductive. Inherent risks in acquisitions we may undertake in the future could adversely affect our current business and financial condition and our growth.

There is a limited supply of desirable mineral lands available in the United States and foreign countries where we would consider conducting exploration and/or production activities, and any acquisition we may undertake is subject to inherent risks. In addition to the risk associated with limited mine lives, we may not realize the value of the companies or properties that are acquired due to a possible decline in metals prices, failure to obtain permits, labor problems, changes in regulatory environment, an inability to obtain financing and other factors previously described. Acquisitions of other mining companies or properties may also expose us to new geographic, political, operating, and geological risks. In addition, we face strong competition for companies and properties from other mining companies, some of which have greater financial resources than we do, and we may be unable to acquire attractive companies and mining properties on terms that we consider acceptable.

The Acquisition arose from a contested takeover bid.

Alamos Gold Inc. had a hostile takeover bid outstanding for Aurizon at the time the Acquisition Agreement relating to the Acquisition was executed, and such competing efforts to acquire Aurizon were in contention for several weeks prior to Alamos s decision to allow its takeover bid to expire without taking up shares. Based on publicly available information, as of March 19, 2013, Alamos held approximately 16% of Aurizon s outstanding shares. There can be no assurance that Alamos will not bring litigation against Hecla or Aurizon, including as a shareholder. While we cannot predict the potential actions of a third-party, any such action may be adverse to Hecla.

The Acquisition has increased our exposure to gold price volatility.

Aurizon s financial results are highly sensitive to changes in the price of gold, and the Acquisition increased the sensitivity of our results to such changes. Gold prices fluctuate and are affected by numerous factors, including expectations with respect to the rate of inflation, exchange rates, interest rates, global and regional political and economic crises and governmental policies with respect to gold holdings by central banks. The demand for and supply of gold affects gold prices but not necessarily in the same manner as demand and supply affect the prices of other commodities. The supply of gold consists of a combination of mine production and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals. The demand for gold consists primarily of jewelry and investment demand. Other than short dated (less than three months) contracts, Aurizon has not used forward sale contracts, or other derivative products, to protect the price level of its future gold sales, thereby exposing Aurizon, and therefore us, to commodity price risk.

The Acquisition exposes us to risks relating to ground stability at the Casa Berardi gold mine.

As a result of a history of ground instability and related incidents at the Casa Berardi gold mine prior to Aurizon s ownership and operations, Aurizon implemented strict ground control measures in connection with mine openings and underground development. Since the mine was re-opened under Aurizon management ground control incidents have been mostly (but not always) minor. Nevertheless, ground instability is an inherent risk associated with the rock environment in the areas being mined that cannot be eliminated entirely. Consequently, the Casa Berardi gold mine

operations remain subject to this risk. Instability occurrences including but not limited to crown pillar collapse or stope failure 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.

The Acquisition exposes us to additional political risks.

Properties in which Aurizon has or may acquire an interest are or may be located in areas of Canada which may be of particular interest or sensitivity to one or more interest groups, including aboriginal groups. Aurizon s current mineral projects are in Quebec and may be in areas with a First Nations presence. It has been Aurizon s practice to work closely with and to consult with First Nations in areas in which its projects are located or which could be impacted by its activities. However, there is no assurance that relationships with such groups will be positive. Accordingly, it is possible that Aurizon s exploration or development activities could be interrupted or otherwise adversely affected in the future by political uncertainty, native land claims entitlements, expropriations of property, changes in applicable governmental policies and policies of relevant interest groups, including those of First Nations. Any changes in relations or shifts in political conditions may be beyond the control of Aurizon or us and 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 its mineral exploration and mining activities in the applicable area, any of which could have an adverse effect on our financial conditions and results of operations.

The Acquisition may expose us to additional environmental hazards and reclamation obligations.

All phases of Aurizon s operations are, like Hecla s, subject to environmental regulation, which mandates such things as air and water quality standards, land reclamation, site restoration and site closure requirements. Environmental regulations also prescribe limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes to environmental regulation, if any, will not adversely affect Aurizon s operations. Environmental hazards may exist on Aurizon s properties, which are currently unknown to Aurizon or Hecla and may have been caused by previous owners or operators of the properties. Such hazards could result in loss or liability for Aurizon or regulatory or legal action.

Reclamation requirements may change and do vary depending on the location and the government regulatory body, but they are similar in that they aim to minimize long term effects of exploration and mining disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance land forms and vegetation. Aurizon calculates its estimates of the ultimate reclamation liability based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its operating mine sites. It is possible that Aurizon s estimate of its ultimate reclamation liability could change in the near term due to changes in laws and regulations and changes in cost estimates.

Asset retirement obligations of Aurizon have decreased to CAD$11.6 million at September 30, 2013, compared to CAD$15.0 million at the end of 2011. The decrease is due to changes in the discount rate to present value of the asset retirement obligations under U.S. GAAP.

Table of Contents

THE ACQUISITION

Summary

On June 1, 2013, we completed the acquisition of Aurizon Mines Ltd. (Aurizon) through our wholly-owned subsidiary, 0963708 B.C. LTD. pursuant to the terms of an Arrangement Agreement among the parties (the Acquisition Agreement) dated March 3, 2013. Under the terms of the Acquisition Agreement, we acquired all of the outstanding common shares of Aurizon for CAD$514,513,691.30 and 56,997,790 shares of Hecla common stock. We used the net proceeds from the offering of the original notes to partially fund the acquisition of Aurizon. As a result of the acquisition of Aurizon, Aurizon is now one of our wholly-owned subsidiaries.

Since 1988, Aurizon has been involved in the acquisition, exploration, development and operation of a number of gold properties in North America. Aurizon owns 100% of the producing Casa Berardi gold mine, along with interests in various gold exploration properties in the Abitibi region of north-western Quebec, Canada, including the Joanna gold development project, a development-stage gold property. In addition, Aurizon has staked mineral claims, and entered into agreements with junior exploration companies to acquire interests, in several early stage projects.

Description of Acquisition

On March 4, 2013, we announced that we had entered into the Acquisition Agreement to acquire Aurizon, a high-grade gold producer with operations and development activities in the Abitibi region of north-western Quebec, Canada. Under the terms of the Acquisition Agreement and pursuant to a plan of arrangement under the law of British Columbia, we acquired all of the outstanding common shares of Aurizon for a per share consideration of either CAD$4.75 in cash or 0.9953 of one of our shares, subject in each case to pro-ration based on a maximum cash consideration of approximately CAD$514 million and a maximum number of our shares issued of 57,000,000. The acquisition was implemented by way of a court-approved plan of arrangement under the Business Corporations Act (of British Columbia). On May 9, 2013, Aurizon s securityholders approved the plan of arrangement between us and Aurizon at a special meeting of Aurizon s shareholders and optionholders. The Acquisition was consummated on June 1, 2013.

The Casa Berardi Mine

The Casa Berardi Mine is located in the Province of Quebec, Canada approximately 95 kilometers north of the town of La Sarre, in the James Bay municipality in the Abitibi Region. Casa Berardi is an underground gold mine which uses rubber-tired equipment to access the veins. Casa Berardi has an ore processing plant which originally commenced production in 1988, and operated until 1997 when production was suspended. During that time, the mine produced 688,400 oz of gold. The plant utilizes a standard oxide ore process with two-stage grinding, including gravity concentration. Stripped gold is plated on steel wool via electrowinning cells, and the material from the electrowinning cells is smelted in an inductive furnace into gold bars. Shortly after acquisition of the mine in 1998, Aurizon began an exploration drilling program in the vicinity of the West Mine, which was successful in discovering several new gold zones, including Zone 113, which contains high grade gold mineralization in quartz veins and forms the core of the current mining operation. From 2004 to 2006, Aurizon developed new underground infrastructure, constructed surface facilities, and rehabilitated the milling facility and fleet of mining equipment resulting in the commencement of production in November, 2006. Since the re-start of the mine in late 2006 and through December 31, 2012, Aurizon produced approximately 937,098 ounces of gold from the Casa Berardi mine. The shaft at Casa Berardi is currently being deepened to the 1,080 meter level. The shaft deepening is expected to be completed and commissioned in the first quarter of 2014. Upon its completion, the shaft is expected to provide deeper access to the Zone 118 ore body where additional reserves and mineralized materials are located.

Table of Contents

Aurizon Financial Results and Production

During 2012, Aurizon sold 133,990 ounces of gold with 100% of its production coming from its sole operating mine, Casa Berardi. For the fiscal year ended December 31, 2012 Aurizon had revenue of CAD$223.6 million, as derived from Aurizon s historical financial statements that were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, which may differ materially from GAAP.

We filed Aurizon s historical financial statements as of March 31, 2013 and for the three-month periods ended March 31, 2013 and 2012, audited historical financial statements as of December 31, 2012 and 2011 and for each of the years then ended, and audited historical financial statements as of December 31, 2011, December 31, 2010 and January 1, 2010 and for each of the years ended December 31, 2011 and December 31, 2010 in an amendment to Current Report on Form 8-K filed July 25, 2013 (Form 8-K/A). In addition, we also furnished pro forma financial information giving effect to the acquisition of Aurizon for the year ended December 31, 2012 in the same Form 8-K/A, and as of and for the (i) six-month period ended June 30, 2013 and (ii) nine-month period ended September 30, 2013 in a Current Report on Form 8-K filed on October 25, 2013 and November 20, 2013, respectively. See Where You Can Find Additional Information.

On August 23, 2013, Aurizon transferred its jurisdiction of incorporation by continuing from British Columbia to the Canadian federal jurisdiction. Aurizon is now governed by the *Canada Business Corporations Act*. Concurrently with the continuation, Aurizon changed its name to Hecla Quebec Inc.

USE OF PROCEEDS

The exchange offer is intended to satisfy certain of our obligations under the registration rights agreement with the initial purchasers of the notes. We will not receive any proceeds from the issuance of the exchange notes in the exchange offer and we have agreed to pay the expenses of the exchange offer. In exchange for each of the exchange notes, we will receive original notes in like principal amount. We will retire or cancel all of the original notes tendered in the exchange offer. Accordingly, issuance of the exchange notes will not result in any increase in our outstanding indebtedness or any change in our capitalization.

RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO

COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table shows our ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends for the periods indicated.

	Nine Months Ended	Year Ended December 31,				
	September 30, 2013	2012	2011	2010	2009	2008
Ratio of earnings to fixed charges	(1)	7.9	60.9	(1)	5.3	(1)
Ratio of earnings to combined fixed charges and preferred stock dividends	(2)	6.3	50.0	(2)	2.7	(2)

(1) Earnings were insufficient to cover fixed charges in the following amounts: $24.1 million in the nine months ended September 30, 2013, $74.5 million in 2010, and $33.4 million in 2008.
(2) Earnings were insufficient to cover fixed charges and preferred dividends in the following amounts: $24.6 million in the nine months ended September 30, 2013, $88.2 million in 2010, and $48.6 million in 2008.

Please refer to Exhibit 12 filed with the Registration Statement of which this prospectus is a part for additional information regarding the ratio of earnings to cover fixed charges and preferred dividends.

Table of Contents

CAPITALIZATION

The following table sets forth our unaudited consolidated capitalization as of September 30, 2013.

This table should be read along with our consolidated financial statements and related notes and the other financial information incorporated by reference in this prospectus.

	As of September 30, 2013 (in thousands)
Cash and cash equivalents	$ 237,836
Debt, including current maturities:	
Senior Credit Facility (1)	
Capital lease obligations	20,001
Original Notes	490,417
Total debt	510,418
Total shareholders equity	1,327,786
Total capitalization	$ 1,838,204

(1) In June 2013, Hecla Alaska LLC, Hecla Greens Creek Mining Company, and Hecla Juneau Mining Company, as Borrowers, and Hecla Mining Company, as Parent, entered into the Tenth Amendment to the Second Amended and Restated Credit Agreement. The credit agreement, as amended, provides for a senior secured revolving credit facility in an aggregate principal amount of up to $100 million.

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND PRODUCTION DATA OF HECLA

The following table (in thousands, except per share amounts, common shares issued, shareholders of record, and employees) sets forth selected historical consolidated financial data as of and for each of the years ended December 31, 2008 through 2012, and as of and for each of the nine months ended September 30, 2012 and 2013. The annual information is derived from our audited financial statements and the quarterly information is derived from our unaudited financial statements for those periods. The data set forth below should be read in conjunction with, and is qualified in its entirety by, our (i) Consolidated Financial Statements and the Notes thereto, which are included in our most recent Annual Report on Form 10-K, and (ii) Condensed Consolidated Financial Statements (Unaudited) and the Notes thereto, which are included in our most recent Quarterly Report on Form 10-Q.

	2012 (7)	2011	2010	2009	2008 (4)	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Sales of products	$ 321,143	$ 477,634	$ 418,813	$ 312,548	$ 204,665	$ 268,409	$ 240,043
Net income (loss) from continuing	$ 14,954	$ 151,164	$ 48,983	$ 67,826	$ (37,173)	$ (22,222)	$ 14,211
Loss from discontinued operations, net of tax (5)	$	$	$	$	$ (17,395)	$	$
Loss on disposal of discontinued operations, net of tax (5)	$	$	$	$	$ (11,995)	$	$
Net income (loss)	$ 14,954	$ 151,164	$ 48,983	$ 67,826	$ (66,563)	$ (22,222)	$ 14,211
Preferred stock dividends (2,3)	$ (552)	$ (552)	$ (13,633)	$ (13,633)	$ (13,633)	$ (414)	$ (414)
Income (loss) applicable to common shareholders	$ 14,402	$ 150,612	$ 35,350	$ 54,193	$ (80,196)	$ (22,636)	$ 13,797
Basic income (loss) per common share	$ 0.05	$ 0.54	$ 0.14	$ 0.24	$ (0.57)	$ (0.07)	$ 0.05
Diluted income (loss) per common share	$ 0.05	$ 0.51	$ 0.13	$ 0.23	$ (0.57)	$ (0.07)	$ 0.05

Total assets	$ 1,378,290	$ 1,396,090	$ 1,382,493	$ 1,046,784	$ 988,791	$ 2,269,012	$ 1,403,603
Accrued reclamation & closure costs (6)	$ 113,215	$ 153,811	$ 318,797	$ 131,201	$ 121,347	$ 124,343	$ 148,074
Noncurrent portion of debt and capital leases	$ 11,935	$ 6,265	$ 3,792	$ 3,281	$ 113,649	$ 503,020	$ 10,163
Cash dividends paid per common share (1)	$ 0.06	$ 0.02	$	$	$	$ 0.0075	$ 0.0375
Cash dividends paid per Series B preferred share (2)	$ 3.50	$ 3.50	$ 7.00	$	$ 3.50	$ 1.75	$ 1.75
Cash dividends paid per 6.5% Mandatory Convertible Preferred share (3)	$	$ 1.62	$ 1.69	$	$ 3.48	$	$
Common shares issued and outstanding	285,209,848	285,289,924	258,485,666	238,335,526	180,461,371	342,638,214	285,486,857
6.5% Mandatory Convertible Preferred shares issued and outstanding		$	2,012,500	2,012,500	2,012,500		
Series B Preferred shares issued and outstanding	157,816	$ 157,816	157,816	157,816	157,816	157,816	157,816
Shareholders of record	6,630	$ 6,943	7,388	7,647	7,936	6,521	6,694
Employees	735	735	686	656	742	1,336	673

(1) In September 2011 and February 2012, 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 $0.01 per share of common stock, in each case, payable quarterly, when declared. See *Note 9* of *Notes to Consolidated Financial Statements of Hecla and Subsidiaries* in our most recent Annual Report on Form 10-K for more information on potential dividend amounts under the first component of the policy at various silver prices. The following table summarizes the common stock dividends declared by our Board of Directors under the policy described above:

Declaration date	(A) Silver-price-linked component per share	(B) Minimum annual component per share	(A+B) Total dividend per share	Total dividend amount (in millions)	Month of payment
November 8, 2011	$ 0.02	$	$ 0.02	$ 5.6	December 2011
February 17, 2012	$ 0.01	$ 0.0025	$ 0.0125	$ 3.6	March 2012
May 8, 2012	$ 0.02	$ 0.0025	$ 0.0225	$ 6.4	June 2012
August 7, 2012	$ *	$ 0.0025	$ 0.0025	$ 0.7	September 2012
November 2, 2012	$ 0.02	$ 0.0025	$ 0.0225	$ 6.4	December 2012
February 25, 2013	$ *	$ 0.0025	$ 0.0025	$ 0.7	March 2013
May 5, 2013	$ *	$ 0.0025	$ 0.0025	$ 0.7	June 2013
August 6, 2013	$ *	$ 0.0025	$ 0.0025	$ 0.9	September 2013
November 5, 2013	$ *	$ 0.0025	$ 0.0025	$ 0.9	December 2013

* Because the average realized silver price for the second and fourth quarters of 2012 and the first, second and third quarters of 2013 was $27.05, $29.20, $28.86, $16.27 and $22.22 per ounce, respectively, below the minimum threshold of $30 according to the policy, no silver-price-linked component was declared or paid. However, on February 25, 2013, our Board of Directors declared a special common stock dividend of $0.01 per share, in addition to the minimum dividend of $0.0025 per share, for an aggregate dividend of $3.6 million payable in March 2013. Prior to 2011, no dividends had been declared on our common stock since 1990. We cannot pay dividends on our common stock if we fail to pay dividends on our Series B Preferred Stock. 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 there can be no assurance that we will continue to declare and pay common stock dividends in the future.

(2) During 2008, $0.4 million in Series B preferred dividends were declared and paid, while $0.1 million in dividends for the fourth quarter of 2008 were deferred. Series B preferred dividends for the first three quarters of 2009, which totaled $0.4 million, were also deferred. In December 2009, we declared all dividends in arrears on our Series B preferred stock of $0.6 million and the scheduled $0.1 million dividend for the fourth quarter of 2009. These dividends were paid in cash in January 2010. Therefore, dividends declared on our Series B preferred shares of $0.7 million were included in the determination of income applicable to common shareholders for 2009 with no cash paid for Series B preferred dividends during 2009. We declared and paid all quarterly dividends on our Series B preferred shares for 2010, 2011 and 2012 totaling $0.6 million for each of those years.

(3) Cumulative undeclared, unpaid 6.5% Mandatory Convertible Preferred Stock dividends for the period from December 18, 2007 (the date of issuance) to December 31, 2007 totaled $0.5 million, and are reported in determining income applicable to common shareholders for the year ended December 31, 2007. The $0.5 million

in cumulative undeclared dividends were paid in April 2008. During 2008, $9.8 million in 6.5% Mandatory Convertible Preferred dividends were declared and paid. $6.5 million of the dividends declared in 2008 were paid in cash, and are included in the amount reported as cash dividends paid per 6.5% Mandatory Convertible Preferred Share, and $3.3 million of the dividends declared in 2008 were paid in our Common Stock. Dividends on our 6.5% Mandatory Convertible Preferred Stock totaling $13.1 million for the fourth quarter of 2008 and the first three quarters of 2009 were deferred. In December 2009, we declared the $13.1 million in dividends in arrears on our 6.5% Mandatory Convertible Preferred Stock and the scheduled $3.3 million dividend for the fourth quarter of 2009. These dividends were paid in shares of our common stock in January 2010. Therefore, dividends declared on our 6.5% Mandatory Convertible Preferred Stock of $13.1 million were included in the determination of income applicable to common shareholders for 2009 with no cash paid for 6.5% Mandatory Convertible Preferred Stock dividends in 2009. We declared and paid all quarterly dividends on our 6.5% Mandatory Convertible Preferred Stock totaling $13.1 million for 2010. Dividends declared for the first and second quarters of 2010 were paid in shares of our common stock and dividends for the third and fourth quarters of 2010 were paid in cash. The cash dividend declared for the fourth quarter of 2010, which was paid in January 2011, represents the last dividend to be paid on the 6.5% Mandatory Convertible Preferred Stock, which automatically converted to shares of our common stock on January 1, 2011.

(4) On April 16, 2008, we completed the acquisition of all of the equity of two Rio Tinto subsidiaries holding a 70.3% interest in the Greens Creek mine for approximately $758.5 million. The acquisition gave various of our subsidiaries control of 100% of the Greens Creek mine. Our operating results reflect our 100% ownership of Greens Creek after April 16, 2008 and our 29.7% ownership of Greens Creek prior to that date.

(5) On July 8, 2008, we completed the sale of all of the outstanding capital stock of El Callao Gold Mining Company and Drake-Bering Holdings B.V., our wholly-owned subsidiaries which together owned our business and operations in Venezuela, the La Camorra unit. The results of the Venezuelan operations have been reported in discontinued operations for all periods presented.

Table of Contents

(6) In the fourth quarter of 2010, we recorded an accrual of $193.2 million to increase our liability for environmental obligations in Idaho s Coeur d Alene Basin pursuant to negotiations with the Plaintiffs in the Coeur d Alene Basin environmental litigation and the State of Idaho on the financial terms of settlement of the litigation and related claims. The settlement was finalized in September 2011.

(7) As a result of an order from MSHA to remove built-up cementitious material from the Silver Shaft, production was temporarily suspended at the Lucky Friday unit during all of 2012. Limited production resumed in early 2013. See Management s Discussion and Analysis of Financial Condition and Results of Operations The Lucky Friday Segment in our most recent Annual Report on Form 10-K and in our most recent Quarterly Report on Form 10-Q for more information.

38

Table of Contents

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

Credit Facility

We have a $100 million senior secured revolving credit facility, which is collateralized by the shares of common stock held in our material U.S. subsidiaries, 65% of the shares of voting common stock held in our material first-tier foreign subsidiaries, and all of our interests in the Greens Creek mine, including all of the rights and interests in the joint venture agreement relating to the Greens Creek mine (all of which rights and interests are held by certain of our subsidiaries). Amounts borrowed under the credit agreement are available for general corporate purposes. The interest rate on outstanding loans under the agreement is between 3.00% and 4.50% above the LIBOR or an alternative base rate plus an applicable margin of between 2.00% and 3.50%. We are required to pay a standby fee of between 0.825% and 1.05% per annum on undrawn amounts under the revolving credit agreement. The credit facility is effective until August 1, 2015. In the first six months of 2013, we incurred $0.3 million in interest expense for the amortization of loan origination fees and $0.6 million in interest expense for commitment fees relating to the credit agreement. As of November 1, 2013, we have not drawn funds on the current revolving credit facility.

The credit agreement includes various covenants and other limitations related to our various financial ratios and indebtedness and investments, as well as other information and reporting requirements, including the following limitations:

- Senior leverage ratio (calculated as debt secured by liens divided by EBITDA) of not more than 2.50:1.00.

- Net leverage ratio (calculated as total debt less unencumbered cash divided by EBITDA) of not more than 4.00:1.00 at all times prior to December 31, 2014 and not more than 3.50:1.00 at all times from and after December 31, 2014.

- Interest coverage ratio (calculated as EBITDA divided by interest expense) of not less than 3.00:1.00.

- Tangible net worth of greater than 80% of the Tangible Net Worth at completion of the Aurizon Acquisition plus 50% of positive quarterly Net Income thereafter.

We were in compliance with all covenants under the credit agreement as of September 30, 2013. We have not drawn funds on the current revolving credit facility as of the date of this prospectus.

Capital Leases

Since 2009, we have entered into various lease agreements for equipment at our Greens Creek and Lucky Friday units, which we have determined to be capital leases. At September 30, 2013, the total liability balance associated with capital leases, including purchase option amounts, was $19.9 million, with $7.3 million of the liability classified as current and $12.6 million classified as non-current. At December 31, 2012, the total liability balance associated with capital leases was $17.5 million, with $5.6 million of the liability classified as current and $11.9 million classified as non-current. The annual maturities of capital lease commitments, including interest, as of September 30, 2013 are:

Twelve-month period ending September 30,		Annual maturities of capital lease commitments, including interest, as of September 30, 2013
2014	$	6,789
2015		7,181
2016		5,160
2017		1,679
2018		
Total		20,809
Less: imputed interest		(878)
Net capital lease obligation	$	19,931

39

Table of Contents

THE EXCHANGE OFFER

Purpose of the Exchange Offer

In connection with the sale of the original notes on April 12, 2013, we, the guarantors and the initial purchasers entered into a registration rights agreement. Pursuant to the registration rights agreement, we and the guarantors agreed to file with the SEC a registration statement on the appropriate form under the Securities Act with respect to publicly registered notes having identical terms to the original notes. Upon the effectiveness of the exchange offer registration statement, we and the guarantors will, pursuant to the exchange offer, offer to the holders of the original notes who are able to make certain representations the opportunity to exchange their notes for the exchange notes. We also agreed to file a shelf registration statement under certain circumstances.

If we and the guarantors fail to complete the exchange offer, or the shelf registration statement, if required by the terms of the registration rights agreement, does not become effective, in each case, within 365 days of the date of original issuance of the notes, or by April 12, 2014, or the shelf registration statement, if required by the terms of the registration rights agreement, is declared effective but thereafter ceases to be effective or the prospectus contained therein ceases to be usable in connection with resales of the original notes during the periods specified in the registration rights agreement, then we will pay additional interest to each holder of the original notes, with respect to the first 90-day period immediately following the occurrence of the first registration default in an amount equal to one-quarter of one percent (0.25%) per annum on the principal amount of the original notes held by such holder. The amount of the additional interest will increase by an additional one-quarter of one percent (0.25%) per annum on the principal amount of original notes with respect to each subsequent 90-day period until all registration defaults have been cured, up to a maximum amount of additional interest for all registration defaults of 1.0% per annum. There can only exist one registration default at any one time. Following the cure of all registration defaults, the accrual of additional interest will cease.

Each broker-dealer that receives the exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.

A copy of the registration rights agreement is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part.

Terms of the Exchange Offer

We and the guarantors are offering to exchange an aggregate principal amount of up to $500.0 million of exchange notes and guarantees thereof for a like aggregate principal amount of original notes and guarantees thereof. The form and terms of the exchange notes are the same as the form and the terms of the original notes, except that the exchange notes:

- will have been registered under the Securities Act;
- will not bear the restrictive legends restricting their transfer under the Securities Act; and

will not contain the registration rights and additional interest provisions contained in the original notes. The exchange notes evidence the same debt as the original notes exchanged for the exchange notes and will be entitled to the benefits of the same indenture under which the original notes were issued, which is governed by New York law. For a complete description of the terms of the exchange notes, see Description of the Exchange Notes. We will not receive any cash proceeds from the exchange offer.

The exchange offer is not extended to holders of original notes in any jurisdiction where the exchange offer would not comply with the securities or blue sky laws of that jurisdiction.

Table of Contents

As of the date of this prospectus, $500.0 million aggregate principal amount of original notes is outstanding and registered in the name of Cede & Co., as nominee for DTC. Only registered holders of the original notes, or their legal representatives and attorneys-in-fact, as reflected on the records of the trustee under the indenture, may participate in the exchange offer. We and the guarantors will not set a fixed record date for determining registered holders of the original notes entitled to participate in the exchange offer. This prospectus, together with the letter of transmittal, is being sent to all registered holders of original notes and to others believed to have beneficial interests in the original notes.

This prospectus and the accompanying letter of transmittal together constitute the exchange offer. Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange original notes, which are properly tendered on or before the expiration date and are not withdrawn as permitted below, for exchange notes. The expiration date for this exchange offer is 5:00 P.M., New York City time, on January 3, 2014, or such later date and time to which we, in our sole discretion, extend the exchange offer.

Notes tendered in the exchange offer must be in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Neither we nor any of the guarantors, our or their respective boards of directors or our or their management recommends that you tender or not tender original notes in the exchange offer or has authorized anyone to make any recommendation. You must decide whether to tender original notes in the exchange offer and, if you decide to tender, the aggregate amount of original notes to tender. We intend to conduct the exchange offer in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the SEC promulgated under the Exchange Act.

We expressly reserve the right, in our sole discretion:

- to extend the expiration date;
- to delay accepting any original notes due to an extension of the exchange offer;
- if any condition set forth below under Conditions to the Exchange Offer has not been satisfied, to terminate the exchange offer and not accept any original notes for exchange; or
- to amend the exchange offer in any manner.

We will give oral or written notice of any extension, delay, non-acceptance, termination or amendment as promptly as practicable by a public announcement, and in the case of an extension, no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. The notice of extension will disclose the aggregate principal amount of the original notes that have been tendered as of the date of such notice. Without limiting the manner in which we may choose to make a public announcement of any extension, delay, non-acceptance, termination or amendment, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency, which may be an agency controlled by us. Notwithstanding the foregoing, in the event of a material change in the exchange offer, including our waiver of a material condition, we will extend the exchange offer period if necessary so that at least five business days

remain in the exchange offer following notice of the material change.

During an extension, all original notes previously tendered will remain subject to the exchange offer and may be accepted for exchange by us. Any original notes not accepted for exchange for any reason will be returned without cost to the holder that tendered them promptly after the expiration or termination of the exchange offer.

Table of Contents

How to Tender Original Notes for Exchange

When the holder of original notes tenders, and we accept such notes for exchange pursuant to that tender, a binding agreement between us and the tendering holder is created, subject to the terms and conditions set forth in this prospectus and the accompanying letter of transmittal. Except as set forth below, a holder of original notes who wishes to tender such notes for exchange must, on or prior to the expiration date:

- transmit a properly completed and duly executed letter of transmittal, including all other documents required by such letter of transmittal, to The Bank of New York Mellon Trust Company, N.A., which will act as the exchange agent, at the address set forth below under the heading The Exchange Agent ;

- comply with DTC s Automated Tender Offer Program, or ATOP, procedures described below; or

- if original notes are tendered pursuant to the book-entry procedures set forth below, the tendering holder must transmit an agent s message to the exchange agent as per the procedures of DTC, Euroclear Bank S.A./N.V., as operator of the Euroclear system, or Euroclear, or Clearstream Banking S.A., or Clearstream (as appropriate).

In addition, either: