

HECLA MINING CO/DE/
Form S-3ASR
February 22, 2019
Table of Contents

As filed with the Securities and Exchange Commission on February 22, 2019

Registration No. 333- []

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HECLA MINING COMPANY*
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1400
(Primary Standard Industrial
Classification Code Number)

77-0664171
(I.R.S. Employer
Identification Number)

Edgar Filing: HECLA MINING CO/DE/ - Form S-3ASR

6500 North Mineral Drive, Suite 200

Coeur d Alene, Idaho 83815-9408

(208) 769-4100

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

David C. Sienko, Esq.

General Counsel

Hecla Mining Company

6500 North Mineral Drive, Suite 200

Coeur d Alene, Idaho 83815

(208) 769-4100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

with copies to:

J. Craig Walker, Esq.

K&L Gates LLP

70 West Madison Street, Suite 3100

Chicago, Illinois 60602

(312) 372-1121

* The additional registrants listed on Schedule A on the next page are also included in this Form S-3 Registration Statement as additional registrants.

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount	Proposed Maximum	Proposed Maximum	Amount of
------------------------	--------	------------------	------------------	-----------

Securities to be Registered	to be Registered	Offering Price Per Unit	Aggregate Offering Price	Registration Fee
Common Stock, par value \$0.25 per share	(1)(2)	(1)(2)	(1)(2)	(3)(4)
Preferred Stock, par value \$0.25 per share	(1)(2)	(1)(2)	(1)(2)	(3)
Warrants	(1)(2)	(1)(2)	(1)(2)	(3)
Debt Securities	(1)(2)	(1)(2)	(1)(2)	(3)
Guaranties	(1)(2)	(1)(2)	(1)(2)	(3)

- (1) Not applicable pursuant to Form S-3 General Instruction II(E). Also see footnote (3) below.
- (2) An indeterminate aggregate initial offering price or number of shares of common stock, preferred stock, warrants, debt securities and guaranties of debt securities of Hecla Mining Company is being registered as may from time to time be issued at indeterminate prices and as may be issuable upon conversion, redemption, exchange or exercise of any securities registered hereunder.
- (3) In accordance with Rule 456(b) and Rule 457(r), the registrant is deferring payment of all of the registration fee.
- (4) On February 23, 2016, the registrant commenced an offering of shares of its common stock registered on registration statement no. 333-209652 having an aggregate offering price of up to \$75,000,000 and paid a filing fee of \$7,553.00 with respect to the offering of those shares. The registrant is including in this registration statement the shares of its common stock included in such offering that remain unsold, with an aggregate offering price of up to \$50,021,000. Pursuant to Rule 415(a)(6), no additional filing fee is required to be paid with respect to the remaining shares included in such offering and covered by this registration statement.

Table of Contents**SCHEDULE A****ADDITIONAL REGISTRANTS**

Exact Name of Additional Registrant (1)	Jurisdiction of Incorporation or Formation	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification No.
Burke Trading, Inc.	Delaware	1400	20-1713481
Hecla Admiralty Company	Delaware	1400	26-1939060
Hecla Alaska LLC	Delaware	1400	20-3432198
Hecla Greens Creek Mining Company	Delaware	1400	84-1026255
Hecla Juneau Mining Company	Delaware	1400	52-1728103
Hecla Limited	Delaware	1400	82-0126240
Hecla MC Subsidiary, LLC	Delaware	1400	30-0738758
Hecla Silver Valley, Inc.	Delaware	1400	20-8525633
Rio Grande Silver, Inc.	Delaware	1400	26-0715650
Silver Hunter Mining Company	Delaware	1400	26-2311170
Hecla Montana, Inc.	Delaware	1400	46-4577805
Revett Silver Company	Montana	1400	91-1965912
Troy Mine Inc.	Montana	1400	91-1998829
RC Resources, Inc.	Montana	1400	71-0964096
Revett Exploration, Inc.	Montana	1400	46-1472712
Revett Holdings, Inc.	Montana	1400	46-1461451
Mines Management, Inc.	Idaho	1400	91-0538859
Newhi Inc.	Washington	1400	91-1409462
Montanore Minerals Corp.	Delaware	1400	34-1583080
Klondex Holdings (USA) Inc.	Nevada	1400	46-4317246
Klondex Gold & Silver Mining Company	Nevada	1400	91-0917394
Klondex Midas Holdings Limited	Nevada	1400	88-0496768
Klondex Midas Operations Inc.	Nevada	1400	88-0482449
Klondex Aurora Mine Inc.	Nevada	1400	81-3947077
Klondex Hollister Mine Inc.	Nevada	1400	81-4718745

- (1) Unless otherwise indicated, the address and telephone number of each registrant's principal executive offices and the name, address and telephone number of each registrant's agent for service is the same as that set forth above for Hecla Mining Company.

Table of Contents

PROSPECTUS

Hecla Mining Company

Common Stock

Preferred Stock

Warrants

Debt Securities

We may offer and sell from time to time, in one or more offerings, shares of our common stock, preferred stock, warrants, and debt securities.

This prospectus describes some of the general terms that may apply to these securities. The specific terms of any securities to be offered will be described in a supplement to this prospectus. A prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you make your investment decision.

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

We may offer and sell these securities through one or more underwriters, dealers and agents, underwriting syndicates managed or co-managed by one or more underwriters, or directly to purchasers, on a continuous or delayed basis.

The prospectus supplement for each offering of securities will describe the plan of distribution for that offering. Our common stock is listed on the New York Stock Exchange under the trading symbol HL. The prospectus supplement will indicate if the securities offered thereby will be listed on any securities exchange.

Investing in our common stock involves risks. See Risk Factors beginning on page 6 of this prospectus and in the documents incorporated by reference in this prospectus.

Neither the Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or the accompanying prospectus supplement 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. You should not assume that the information provided in this prospectus, any prospectus supplement, the documents incorporated by reference or any other offering material is accurate as of any date other than the date on the front of those documents, as applicable.

The date of this prospectus is February 22, 2019.

Table of Contents

PROSPECTUS

	Page
<u>ABOUT THIS PROSPECTUS</u>	1
<u>INFORMATION REGARDING FORWARD-LOOKING STATEMENTS</u>	1
<u>HECLA MINING COMPANY</u>	4
<u>RISK FACTORS</u>	6
<u>USE OF PROCEEDS</u>	7
<u>DESCRIPTION OF CAPITAL STOCK</u>	7
<u>DESCRIPTION OF WARRANTS</u>	10
<u>DESCRIPTION OF DEBT SECURITIES</u>	12
<u>DESCRIPTION OF GUARANTIES</u>	16
<u>PLAN OF DISTRIBUTION</u>	17
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	18
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	18
<u>LEGAL MATTERS</u>	19
<u>EXPERTS</u>	19

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this shelf process, we may, from time to time, sell common stock, preferred stock, warrants, and debt securities as described in this prospectus, in one or more offerings.

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement. This prospectus provides you with a general description of the common stock and other securities that we may offer. Each time we sell common stock or other securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering, including the specific amounts, prices and terms of the common stock or other securities offered. The prospectus supplements may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading **Where You Can Find More Information** and **Incorporation of Certain Documents By Reference**.

This prospectus and any accompanying prospectus supplement do not contain all of the information included in the registration statement as permitted by the rules and regulations of the SEC. For further information, we refer you to the registration statement on Form S-3, including its exhibits. We are subject to the informational requirements of the Securities Exchange Act of 1934 and, therefore, file reports and other information with the SEC. Our file number with the SEC is 1-8491. Statements contained in this prospectus and any accompanying prospectus supplement or other offering material about the provisions or contents of any agreement or other document are only summaries. If SEC rules require that any agreement or document be filed as an exhibit to the registration statement, you should refer to that agreement or document for its complete contents.

Unless otherwise stated or the context otherwise requires, references in this prospectus to **Hecla**, **we**, **our**, **us** or the **Company** refer to Hecla Mining Company and its subsidiaries.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should not assume that the information provided in this prospectus, any prospectus supplement or any other offering material is accurate as of any date other than the date on the front of those documents, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus and other public filings (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 of 1933, as amended (the **Securities Act**), and Section 21E of the Securities Exchange Act of 1934, as amended (the **Exchange Act**). 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** and **similar**. 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.

Table of Contents

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, 2018, which is incorporated by reference in this prospectus, in any other SEC Reports we file and in this prospectus, including the following:

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

we have limited cash resources and are dependent on access to our revolving credit facility or alternative financing to meet our working capital needs;

the acquisition of Klondex increased our exposure to gold price volatility;

we have had losses that could reoccur in the future;

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;

global financial events or developments impacting major industrial or developing countries may have an impact on our business and financial condition in ways that we currently cannot predict;

recently enacted tariffs, other potential changes to tariff and import/export regulations, and ongoing trade disputes between the United States and other jurisdictions may have a negative effect on global economic conditions and our business, financial results and financial condition;

commodity and currency risk management activities could prevent us from realizing possible revenues or lower costs, or expose us to losses;

our profitability could be affected by the prices of other commodities;

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;

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 or otherwise adversely affect our operations;

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

our costs of 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;

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;

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

our business depends on availability of skilled miners and good relations with employees;

shortages of critical parts and equipment may adversely affect our operations and development projects;

our information technology systems may be vulnerable to disruption which could place our systems at risk from data loss, operational failure, or compromise of confidential information;

our foreign activities are subject to additional inherent risks;

our operations and properties in Canada expose us to additional political risks;

Table of Contents

certain of our mines and exploration properties in Nevada are located on land that is or may become subject to traditional territory, title claims and/or claims of cultural significance by certain Native American tribes, and such claims and the attendant obligations of the federal government to those tribal communities and stakeholders may affect our current and future operations;

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

competition from other mining companies may harm our business;

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

we may be unable to successfully integrate the operations of the properties we acquire, including our recently-acquired Nevada operations;

we may not realize all of the anticipated benefits from our acquisitions, including our recent acquisition of Klondex;

the properties we may acquire may not produce as expected, and we may be unable to determine reserve potential, identify liabilities associated with the acquired properties or obtain protection from sellers against such liabilities;

our joint development and operating arrangements may not be successful;

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

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

we face substantial governmental regulation, including the Mine Safety and Health Act, various environmental laws and regulations and the 1872 Mining Law;

our operations are subject to complex, evolving and increasingly stringent environmental laws and regulations. Compliance with environmental regulations, and litigation based on such regulations, involves significant costs and can threaten existing operations or constrain expansion opportunities;

state ballot initiatives could impact our operations;

legal challenges could prevent the Rock Creek or Montanore projects from ever being developed;

mine closure and reclamation regulations impose substantial costs on our operations and include requirements that we provide financial assurance supporting those obligations. These costs could significantly increase;

our environmental obligations may exceed the provisions we have made;

we face risks relating to transporting our products, as well as transporting employees and materials at Greens Creek;

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

the price of our stock has a history of volatility and could decline in the future;

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;

our existing stockholders are effectively subordinated to the holders of our Senior Notes;

additional issuances of equity securities by us would dilute the ownership of our existing stockholders and could reduce earnings per share;

the issuance of additional shares of our preferred or common stock in the future could adversely affect holders of common stock;

Table of Contents

if a large number of shares of our common stock are sold in the public market, the sales could reduce the trading price of our common stock and impede our ability to raise future capital;

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 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 our existing and future indebtedness;

any downgrade in the credit ratings assigned to us or our debt securities could increase future borrowing costs, adversely affect the availability of new financing and may result in increased collateral requirements under our existing surety bond portfolio;

our Senior Notes and the guarantees thereof are 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 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;

our Senior 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 Senior Notes will be suspended if the Senior Notes achieve investment grade ratings and no default or event of default has occurred and is continuing;

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

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

federal and state fraudulent transfer laws may permit a court to void the Senior Notes or any of the guarantees thereof, and if that occurs, holders of the Senior Notes may not receive any payments on the notes.

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.

HECLA MINING COMPANY

Hecla Mining Company and our subsidiaries have provided precious and base metals to the U.S. economy and worldwide since 1891. We discover, acquire, develop, produce, and market silver, gold, lead and zinc. In doing so, we intend to manage our business activities in a safe, environmentally responsible and cost-effective manner.

Table of Contents

We produce lead, zinc and bulk concentrates, which we sell to custom smelters and brokers, and unrefined precipitate and bullion bars (doré) containing gold and silver, which are further refined before sale to precious metals traders. We are organized and managed into five segments that encompass our operating units: the Greens Creek unit, the Lucky Friday unit, the Casa Berardi unit, the San Sebastian unit, and the Nevada Operations unit.

On July 20, 2018, we acquired all of the issued and outstanding common shares of Klondex Mines Ltd. for approximately US\$153 million and 75 million shares of our common stock. Klondex is a primarily gold mining company with three producing mineral properties, all located in the State of Nevada.

The map below shows the locations of our operating units and our exploration and pre-development projects, as well as our corporate offices located in Coeur d Alene, Idaho and Vancouver, British Columbia.

Our principal executive offices are located at 6500 N. Mineral Drive, Suite 200, Coeur d Alene, Idaho 83815-9408. Our telephone number is (208) 769-4100. Our web site address is www.hecla-mining.com.

Table of Contents

RISK FACTORS

Investment in our securities involves risks. You should carefully consider the risk factors incorporated by reference to our most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K we file after the date of this prospectus, and all other information contained or incorporated by reference into this prospectus, as updated by our subsequent filings under the Exchange Act, as well as the risk factors and other information contained in any prospectus supplement, before acquiring any of such securities. The risks incorporated herein by reference, any of which could materially and adversely affect our business, financial condition, cash flows and results of operations, are the material risks of which we are currently aware; however, they may not be the only risks that we may face. Any of these risks could materially and adversely affect our business, financial condition, results of operations and cash flows. In that case, you may lose all or part of your investment.

Table of Contents

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we intend to use the net proceeds of any securities sold for general corporate purposes. This may include, among other things, additions to working capital, repayment or refinancing of existing indebtedness or other corporate obligations, financing of capital expenditures and acquisitions, investment in existing and future projects, and repurchases and redemptions of securities. Pending any specific application, we may initially invest funds in short-term marketable securities or apply them to the reduction of other indebtedness.

DESCRIPTION OF CAPITAL STOCK

The following summary is not complete. You should refer to the applicable provisions of our Restated Certificate of Incorporation, and our Bylaws, as amended, and to Delaware corporate law for a complete understanding of the terms and rights of our common and preferred stock.

Common Stock

We are authorized to issue 750,000,000 shares of common stock, \$0.25 par value per share, of which 482,987,752 shares of common stock were outstanding as of February 19, 2019. All of our currently outstanding shares of common stock are listed on the New York Stock Exchange under the symbol HL.

Subject to the rights of the holders of any outstanding shares of preferred stock, each share of common stock is entitled to: (i) one vote on all matters presented to the stockholders, with no cumulative voting rights; (ii) receive such dividends as may be declared by the Board of Directors out of funds legally available therefor; and (iii) in the event of our liquidation or dissolution, share ratably in any distribution of our assets.

Holders of shares of common stock do not have preemptive rights or other rights to subscribe for unissued or treasury shares or securities convertible into such shares, and no redemption or sinking fund provisions are applicable. All outstanding shares of common stock are fully paid and nonassessable.

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. The following table summarizes the common

Table of Contents

stock dividends declared by our Board of Directors under the policy described above for the years 2015, 2016, 2017 and 2018:

	(A)	(B)	(C)	(A+B+C)		
Declaration date	Silver-price-linked component per share	Minimum annual component per share	Special dividend per share	Total dividend per share	Total dividend amount (in millions)	Month of payment
February 17, 2015	\$	\$ 0.0025	\$	\$ 0.0025	\$ 0.9	March 2015
May 6, 2015	\$	\$ 0.0025	\$	\$ 0.0025	\$ 0.9	June 2015
August 6, 2015	\$	\$ 0.0025	\$	\$ 0.0025	\$ 0.9	September 2015
November 3, 2015	\$	\$ 0.0025	\$	\$ 0.0025	\$ 0.9	December 2015
February 20, 2016	\$	\$ 0.0025	\$	\$ 0.0025	\$ 0.9	March 2016
May 4, 2016	\$	\$ 0.0025	\$	\$ 0.0025	\$ 1.0	June 2016
August 3, 2016	\$	\$ 0.0025	\$	\$ 0.0025	\$ 1.0	September 2016
November 4, 2016	\$	\$ 0.0025	\$	\$ 0.0025	\$ 1.0	December 2016
February 21, 2017	\$	\$ 0.0025	\$	\$ 0.0025	\$ 1.0	March 2017
May 4, 2017	\$	\$ 0.0025	&nbs			