



CIRCULAR 125-18
July 24, 2018

FINAL CONTRACT ADJUSTMENT
Klondex Mines Limited (KDX)
Plan of Arrangement

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.

The Bourse and CDCC wish to inform that Hecla Mining Company (NYSE: HL) (“Hecla”) acquired all of the issued and outstanding Common Shares (“Shares”) of Klondex Mines Limited (NYSE: KLDX; TSX: KDX) (“Klondex”) pursuant to a Plan of Arrangement.

Under the terms of the agreement, Klondex shareholders who elected to receive combined cash and share consideration or who failed to file an election on a timely basis will receive the combination consideration of US\$0.8411 in cash and 0.4136 of a Hecla share in exchange for their Klondex shares.

Klondex shareholders will also receive 0.125 of a common share of Havilah Mining Corporation (“Havilah”), a newly-formed entity that will retain Klondex’s Canadian operations, as part of the consideration received in exchange for each of their Klondex shares. Havilah has been conditionally approved for listing on TSX Venture Exchange under the symbol “HMC”.

The Shares of Klondex will be delisted from the Toronto Stock Exchange at the close on July 24, 2018.

Klondex Mines Limited (KDX)

CDCC - Adjustment Details:

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all Klondex Mining Limited options will be adjusted as follows:

- **EFFECTIVE DATE:** **July 25, 2018**
- **OPTIONS SYMBOL:** **KDX will become KDX1**
- **NUMBER OF CONTRACTS:** **unchanged**



- **MULTIPLIER:** 100
- **STRIKE PRICES:** Unchanged
- **NEW DELIVERABLE PER CONTRACT:** US\$ 84.11, 41 common shares of Hecla, a cash consideration equivalent to 0.36 Hecla share (based on the close of Hecla on July 24, 2018), 12 shares of Havilah and a cash consideration equivalent to 0.5 Havilah share (based on the open of Havilah on July 25, 2018). A follow-up circular will confirm the amounts.
- **POSITION AND EXERCISE LIMITS:** The position and exercise limits are 250,000 contracts.
- **CUSIP :** NOTACUSIP

CDCC will not accept escrow receipts on these adjusted series.

Klondex Mines Limited – KDX

Existing American-style Klondex Mines Limited options remain exercisable at the option of the holder prior to their expiration. Exercised options will continue to settle in two business days.

Bourse de Montréal Inc. - Adjustment Details:

It is important to note that on the effective date mentioned above, all open orders on this option class **will not be automatically modified** to reflect the plan of arrangement and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of KDX options class will be transferred to the KDX1 options class representing the new deliverable. Please note that only closing transactions will be permitted on the adjusted class. Actual series that do not have open interest will not be adjusted.



Klondex Mines Limited		
Actual Strike Prices	Actual Class Symbol	New class symbol
\$ 1.00	KDX	KDX1
\$ 1.50	KDX	KDX1
\$ 2.00	KDX	KDX1
\$ 2.50	KDX	KDX1
\$ 3.00	KDX	KDX1
\$ 4.00	KDX	KDX1
\$ 5.00	KDX	KDX1

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact Market Operations Department at (514) 871-7877. Clearing members may contact the CDCC Corporate Operations Department.

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Financial Markets