



## NOTICE TO MEMBERS

No. 2018 – 087

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**





<b>Klondex Mines Limited</b>		
<b>Actual Strike Prices</b>	<b>Actual Class Symbol</b>	<b>New class symbol</b>
\$ 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.

Glenn Goucher  
President and Chief Clearing Officer  
CDCC