



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

IN THE MATTER OF HECLA MINING COMPANY

CONFIDENTIAL ORDER

**(Rules 5.2(3), 11 and 13.1 of the Ontario Securities Commission
Rules of Procedure (2014), 37 O.S.C.B. 4168 and subsection 9(1) of the *Statutory Powers
Procedure Act*, R.S.O. 1990, c. S.22)**

WHEREAS:

1. on June 27, 2016, Hecla Mining Company (“Hecla”) announced its intention to acquire all of the outstanding shares of Dolly Varden Silver Corporation (“Dolly Varden”) not already owned by Hecla (the “Insider Offer”) and formally commenced the Insider Offer on July 8, 2016 by filing its offer and bid circular on SEDAR and issuing a news release;
2. on July 5, 2016, Dolly Varden announced its intention to undertake a private placement with an anticipated closing date of July 15, 2016 (the “Private Placement”);
3. on July 8, 2016, Hecla filed an application with the British Columbia Securities Commission (“BCSC; the “BC Application”), seeking a permanent order under the *Securities Act*, R.S.B.C. 1996, c. 418, as amended, cease trading the Private Placement and any securities issued, or that may be issued, under or in connection with the Private Placement, or in the alternative, an order cease trading the Private Placement unless and until Dolly Varden obtains a simple majority of the votes cast by Dolly Varden shareholders entitled to vote at a duly convened meeting in favour of the Private Placement;

4. on July 11, 2016, Dolly Varden filed an application with the Ontario Securities Commission (the “Commission”) pursuant to sections 104 and 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, in connection with the Insider Offer (the “Dolly Varden Application”);
5. on July 14, 2016, Hecla filed an application with the Commission (the “OSC Application”) seeking substantially the same relief as the BC Application (the BC Application and the OSC Application are collectively referred to as the “Applications”);
6. on July 14, 2016, Dolly Varden signed an undertaking to the BCSC that it will not conduct a distribution of any securities, under the Private Placement or otherwise, until the BCSC renders its decision in the BC Application;
7. on July 14, 2016, Staff of the Ontario Securities Commission (“OSC Staff”) made a written request pursuant to Rule 13.1 of the *OSC Rules of Procedure* (the “OSC Rules”) for the Commission to hold a hearing (“Simultaneous Hearing”) in conjunction with the BCSC in the Applications (the “Request”);
8. the Request relates only to the Applications and not to the Dolly Varden Application;
9. as set out in the Request, neither Hecla nor Dolly Varden opposes Staff’s Request;
10. on July 14, 2016, Staff of the BCSC provided an email stating that BCSC Staff are in agreement with OSC Staff’s Request;
11. on July 14, 2016, the Request was heard in writing and *in camera*;
12. the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED:

1. pursuant to subsection 9(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 (the “SPPA”), the Request is heard *in camera*;
2. pursuant to Rule 11 of the OSC Rules, the Request is heard in writing;

3. pursuant to Rule 13.1 of the OSC Rules, the Request to hold a Simultaneous Hearing in conjunction with the BCSC is granted; and
4. pursuant to subsection 9(1) of the SPPA and subrule 5.2(3) of the OSC Rules, this Order shall be kept confidential until such time that both the OSC and BCSC have issued Notices of Hearing with respect to this matter.

Dated at Toronto this 15th day of July, 2016.

“D. Grant Vingoe”

D. Grant Vingoe

“Monica Kowal”

Monica Kowal

“Deborah Leckman”

Deborah Leckman