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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 333-150028

BUNKER HILL MINING CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State of other jurisdiction of
incorporation or organization)

32-0196442

(I.R.S. Employer
Identification No.)

**82 Richmond Street East
Toronto, Ontario, Canada**

(Address of principal executive offices)

M5C 1P1

(Zip Code)

(416) 477-7771

(Registrant's Telephone Number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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 definition 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 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company, as defined in Rule 12b-2 of the Exchange Act. Yes No

As of June 30, 2023, the aggregate market value of the voting and non-voting shares of common stock of the registrant issued and outstanding on such date, excluding shares held by affiliates of the registrant as a group, was \$46,175,584.

Number of shares of common stock outstanding as of March 12, 2024: 330,054,341.

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Cautionary Note to U.S. Residents Concerning Disclosure of Mineral Resources

Bunker Hill Mining Corp. (“Bunker Hill,” “BHMC,” “we,” “us,” “our” or the “Company”) is a U.S. domestic issuer for U.S. Securities and Exchange Commission (“SEC”) purposes, it is required to report its financial results under U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), and its shares of common stock trade on the TSX Venture Exchange (the “TSXV”) and the OTCQB Venture Market. However, certain prior regulatory filings made in Canada contain or incorporate by reference therein certain disclosure that satisfies the additional requirements of Canadian securities laws, which differ from the requirements of United States’ securities laws. Unless otherwise indicated, all resource estimates included in those Canadian filings, and in the documents incorporated by reference therein, had been prepared in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, may differ from the requirements of subpart 1300 of Regulation S-K (“S-K 1300”). Thus, resource information contained, or incorporated by reference, in the Company’s Canadian filings, and in the documents incorporated by reference therein, may not be comparable to similar information disclosed by companies reporting mineral reserve and mineral resource information under S-K 1300.

The terms “mineral reserve,” “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with NI 43-101 and CIM standards. Pursuant to S-K 1300, the SEC now recognizes estimates

of “measured mineral resources,” “indicated mineral resources” and “inferred mineral resources.” In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be substantially similar to the corresponding standards of the CIM.

Investors are cautioned that while terms are substantially similar to CIM standards, there are differences in the definitions and standards under S-K 1300 and the CIM standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as “proven reserves,” “probable reserves,” “measured mineral resources,” “indicated mineral resources” and “inferred mineral resources” under NI 43-101 will be the same as the reserve or resource estimates prepared under the standards adopted under S-K 1300.

Investors are also cautioned that while the SEC now recognizes “measured mineral resources,” “indicated mineral resources” and “inferred mineral resources,” investors should not assume that any part or all of mineral deposits in these categories will ever be converted into mineral reserves.

Mineralization described using these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an “measured mineral resource,” “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures.

PART I

ITEM 1. BUSINESS

Our Business

Overview

The Company’s sole focus is the development and restart of its 100% owned flagship asset, the Bunker Hill mine (the “Bunker Hill Mine” or the “Mine”) in Idaho, USA. The Mine remains the largest single producing mine by tonnage in the Silver Valley region of northwest Idaho, producing over 165 million ounces of silver and 5 million tons of base metals between 1885 and 1981. The Bunker Hill Mine is located within Operable Unit 2 of the Bunker Hill Superfund site (EPA National Priorities Listing IDD048340921), where cleanup activities have been completed.

The Company was incorporated for the initial purpose of engaging in mineral exploration activities at the Mine. The Company has moved into the development stage concurrent with (i) purchasing the Mine and a process plant, (ii) completing successive technical and economic studies, including a Prefeasibility Study, (iii) delineating mineral reserves, and (iv) conducting the program of activities outlined above.

Recent Developments

In March 2023, the Company amended the exercise price and expiry date of 10,416,667 warrants previously issued in a private placement to Teck Resources (“Teck”) on May 13, 2022 in consideration for the Company’s acquisition of the Pend Oreille processing plant. The warrant entitled the holder to purchase one share of common stock of the Company at an exercise price of C\$0.37 per Warrant at any time on or prior to May 12, 2025. The Company amended the exercise price from C\$0.37 to C\$0.11 per Warrant and the expiry date from May 12, 2025, to March 31, 2023. In March 2023, Teck exercised all 10,416,667 warrants at an exercise price of C\$0.11, for aggregate gross proceeds of 837,460 (C\$1,145,834) to the Company.

In March 2023, the Company closed a brokered private placement of special warrants (the “March 2023 Offering”), issuing 51,633,727 special warrants of the Company (“March 2023 Special Warrants”) at C\$0.12 per March 2023 Special Warrant for \$4,536,020 (C\$6,196,047), of which \$3,661,822 was received in cash and \$874,198 was applied towards settlement of accounts payable, accrued liabilities and promissory notes. Each March 2023 Unit consists of one share of common stock of the Company (each, a “Unit Share”) and one common stock purchase warrant of the Company (each, a “Warrant”). Each whole Warrant entitles the holder thereof to acquire one share of common stock of the Company (a “Warrant Share”, and together with the Unit Shares, the “Underlying Shares”) at an exercise price of C\$0.15 per Warrant Share until March 27, 2026, subject to adjustment in certain events. The Special Warrants issued on March 27, 2023 were converted to 51,633,727 shares of common stock and common stock purchase warrants on July 24, 2023.

In June 2023, the Company closed the upsized and improved \$67,000,000 project finance package with Sprott, consisting of a \$46,000,000 stream and a \$21,000,000 new debt facility. The newly proposed \$46,000,000 stream (the “Stream”) was envisaged to have the same economic terms as the previously proposed \$37,000,000 stream, with a \$9,000,000 increase in gross proceeds received by the Company, resulting in a lower cost of capital for the Company. The Company also announced a new \$21,000,000 new debt facility (the “Debt Facility”), available for draw at the Company’s election for two years. As a result, total funding commitments from Sprott was envisaged to increase to \$96,000,000 including the RCD royalty convertible debenture (the “RCD”), the \$6,000,000 convertible debenture (the “CD1”), the \$15,000,000 convertible debenture (the “CD2”), Stream and debt facility (together, the “Project Financing Package”). A \$5,000,000 loan facility with Sprott that closed in December 2022 (the “Bridge Loan”) was repaid from the proceeds of the Stream. The parties also agreed to extend the maturities of the CD1 and CD2 to March 31, 2026, when the full \$6 million and \$15 million, respectively, will become due.

In July, the Company appointed Paul Smith to its Board of Directors.

Building on the successful refinancing efforts, Bunker Hill announced the receipt of final listing approval from the TSX Venture Exchange (the “TSX-V”). The common stock of the Company (the “Common Shares”) began trading on the TSX-V on September 8, 2023, under the symbol “BNKR”. The Company’s Common Shares were delisted from the Canadian Stock Exchange (the “CSE Delisting”) at the close of business on September 7, 2023.

In November, the company appointed Gerbrand van Heerden as its new CFO, replacing David Wiens who resigned to pursue another opportunity.

In November, the Company won the ESG Developer / Explorer of the year award at the ‘Resourcing Tomorrow investment conference’ recognizing the importance of the Company’s ESG strategy which is critical to enabling the restart of sustainable, profitable, and long-term mining operations within the Bunker Hill Superfund Site.

During the course of 2023, the Wardner Operating Yard, the base for Bunker Hill’s future mining operations, underwent a significant transformation. This included the removal of the old, prefabricated portal and its replacement with upsized steel arch sets. This enlarged Russell Portal supports the planned 1800tpd operation with additional upside capacity of 2500tpd. Whilst this work was underway, procurement of a of the ventilation and air system was completed, which will be installed before the end of 2024.

Engineering of the main Process Plant is advancing on track including deep pier ground support to commence as part of site preparation for the construction of the Process Plant. All main civil, structural and mechanical outputs are on track. Long-lead procurement orders have already been issued for the pre-engineered metal building, ore silo, conveyors, ball mill starter motor, thickeners tanks and inching drive. Refurbishment of the Pend Oreille mill equipment, the source of the majority of mill components, was well underway at year end.

During the 2023 a Subsidiary of Teck Resources Limited (“Teck”) exercised its option for a minimum 5-year, 100% offtake of Bunker Hill’s zinc and lead concentrates at its smelter in Trail, BC, ensuring a long-term, sustainable revenue source.

Company History

In early 2020, a new management team comprised of former executives from Barrick Gold Corp. assumed leadership of the Company. Since that time, the Company conducted multiple exploration campaigns, economic studies and mineral resource estimates, and advanced the rehabilitation and development of the Mine. In December 2021, it announced a project finance package with Sprott Private Resource Streaming & Royalty Corp. (“Sprott”), an amended Settlement Agreement with the U.S. Environmental Protection Agency (the “EPA”), and the purchase of the Bunker Hill Mine, setting the stage for a restart of the Mine.

Lease and Purchase of the Bunker Hill Mine

The Company purchased the Bunker Hill Mine in January 2022, as described below.

Prior to purchasing the Mine, the Company had entered into a series of agreements with Placer Mining Corporation (“Placer Mining”), the prior owner, for the lease and option to purchase the Mine. The first of these agreements was dated August 28, 2017, with subsequent amendments and/or extensions announced on November 1, 2019, July 7, 2020, and November 20, 2020.

Under the terms of the November 20, 2020 amended agreement (the “Amended Agreement”), a purchase price of \$7,700,000 was agreed, with \$5,700,000 payable in cash (with an aggregate of \$300,000 to be credited toward the purchase price of the Mine as having been previously paid by the Company) and \$2,000,000 in shares of common stock of the Company. The Company agreed to make an advance payment of \$2,000,000, credited toward the purchase price of the Mine, which had the effect of decreasing the remaining amount to an aggregate of \$3,400,000 payable in cash and \$2,000,000 in common stock of the Company.

The Amended Agreement also required payments pursuant to an agreement with the EPA whereby for so long as the Company leases, owns and/or occupies the Mine, the Company would make payments to the EPA on behalf of Placer Mining in satisfaction of the EPA’s claim for historical water treatment cost recovery in accordance with the Settlement Agreement reached with the EPA in 2018. Immediately prior to the purchase of the Mine, the Company’s liability to the EPA totaled \$11,000,000.

The Company completed the purchase of the Bunker Hill Mine on January 7, 2022. The terms of the purchase price were modified to \$5,400,000 in cash, from \$3,400,000 of cash and \$2,000,000 of common stock of the Company. Concurrent with the purchase of the Mine, the Company assumed incremental liabilities of \$8,000,000 to the EPA, consistent with the terms of the amended Settlement Agreement with the EPA that was executed in December 2021 (see “EPA 2018 Settlement Agreement & 2021 Amended Settlement Agreement” section below).

EPA 2018 Settlement Agreement & 2021 Amended Settlement Agreement

Bunker Hill entered into a Settlement Agreement and Order of Consent with the EPA on May 15, 2018. This agreement limits the Company’s exposure to the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) liability for past environmental damage to the mine site and surrounding area to obligations that include:

- Payment of \$20,000,000 for historical water treatment cost recovery for amounts paid by the EPA from 1995 to 2017
- Payment for water treatment services provided by the EPA at the Central Treatment Plant (“CTP”) in Kellogg, Idaho until such time that Bunker Hill either purchases or leases the CTP or builds a separate EPA-approved water treatment facility
- Conducting a work program as described in the Ongoing Environmental Activities section of this study

In December 2021, the Company entered into an amended Settlement Agreement (the “Amendment”) between the Company, Idaho Department of Environmental Quality, U.S. Department of Justice (the “DOJ”) and the EPA modifying the payment schedule and terms for recovery of historical environmental response costs at Bunker Hill Mine incurred by the EPA. With the purchase of the mine, the remaining payments of the EPA cost recovery liability were assumed by the Company, resulting in a total of \$19,000,000 liability to the Company, an increase of \$8,000,000. The new payment schedule included a \$2,000,000 payment to the EPA within 30 days of execution of this amendment, which was made.

The remaining \$17,000,000 will be paid on the following dates:

| Date | Amount |
|------------------|------------------------------------|
| November 1, 2024 | \$ 3,000,000 |
| November 1, 2025 | \$ 3,000,000 |
| November 1, 2026 | \$ 3,000,000 |
| November 1, 2027 | \$ 3,000,000 |
| November 1, 2028 | \$ 3,000,000 |
| November 1, 2029 | \$ 2,000,000 plus accrued interest |

The changes in payment terms and schedule were contingent upon the Company securing financial assurance in the form of performance bonds or letters of credit deemed acceptable to the EPA totaling \$17,000,000, corresponding to the Company’s cost recovery obligations to be paid in 2024 through 2029 as outlined above. The amount of the bonds or letters of credit will decrease over time as individual payments are made.

In June 2022, the Company was successful in obtaining financial assurance. Specifically, a \$9,999,000 payment bond and a \$7,001,000 letter of credit were secured by \$2,475,000 and \$7,001,000 of cash deposits as of September 30, 2022 and provided to the EPA. Once the financial assurance was in place, the restructuring of the payment stream under the Amendment occurred with the entire \$17,000,000 liability being recognized as long-term in nature.

In October 2022, the Company reported that it had secured a new payment bond to replace the \$7,001,000 letter of credit, in two stages. Initially, the letter of credit was reduced to \$2,000,001 as a result of a new \$5,000,000 payment bond obtained through an insurance company. The collateral for the new payment bond is comprised of a \$2,000,000 letter of credit and land pledged by third parties, with whom the Company has entered into a financing cooperation agreement that contemplates a monthly fee of \$20,000 (payable in cash or common stock of the Company, at the Company’s election). The new payment bond increased to \$7,001,000 (from \$5,000,000) on June 2023 due to the advancement of the multi-metals stream from Sprott Private Resource Streaming & Royalty Corp.

Project Finance Package with Sprott Private Resource Streaming & Royalty Corp.

On December 20, 2021, the Company executed a non-binding term sheet outlining a \$50,000,000 project finance package with Sprott Private Resource Streaming and Royalty Corp. (“Royalty”). The term sheet consisted of an \$8,000,000 royalty convertible debenture (the “RCD”), a \$5,000,000 convertible debenture (the “CD1”), and a multi-metals stream of up to \$37,000,000 (the “Stream”). The CD1 was subsequently increased to \$6,000,000, increasing the project financing package to \$51,000,000.

On June 17, 2022, the Company consummated the \$15,000,000 convertible debenture (the “CD2”). As a result, total potential funding from Sprott was increased to \$66,000,000 including the RCD, CD1, CD2 and the Stream (together, the “Project Financing Package”).

The Company closed the \$8,000,000 RCD on January 7, 2022. The RCD bears interest at an annual rate of 9.0%, payable in cash or common stock at the Company's option, until such time that Sprott elects to convert a royalty, with such conversion option expiring at the earlier of advancement of the Stream or July 7, 2023 (subsequently amended as described below). In the event of conversion, the RCD will cease to exist and the Company will grant a royalty for 1.85% of life-of-mine gross revenue from mining claims considered to be historically worked, contiguous to current accessible underground development, and covered by the Company's 2021 geophysical survey (the "Sprott Royalty"). A 1.35% rate will apply to claims outside of these areas. The RCD was initially secured by a share pledge of the Company's operating subsidiary, Silver Valley, until a full security package was put in place concurrent with the consummation of the CD1. In the event of non-conversion, the principal of the RCD will be repayable in cash.

The Company closed the \$6,000,000 CD1 on January 28, 2022, which was increased from the previously announced \$5,000,000. The CD1 bears interest at an annual rate of 7.5%, payable in cash or common stock at the Company's option, and matures on July 7, 2023 (subsequently amended, as described below). The CD1 is secured by a pledge of the Company's properties and assets. Until the closing of the Stream, the CD1 was to be convertible into shares of Company common stock at a price of C\$0.30 per share, subject to stock exchange approval (subsequently amended, as described below). Alternatively, Sprott may elect to retire the CD1 with the cash proceeds from the Stream. The Company may elect to repay the CD1 early; if Sprott elects not to exercise its conversion option at such time, a minimum of 12 months of interest would apply.

Concurrent with the funding of the CD2, the Company and Sprott agreed to a number of amendments to the terms of the RCD, including an amendment of the maturity date from July 7, 2023, to March 31, 2025. The parties also agreed to a Royalty Put Option such that in the event the RCD is converted into a royalty as described above, the holder of the royalty will be entitled to resell the royalty to the Company for \$8,000,000 upon default under the CD1 or CD2 until such time that the CD1 and CD2 are paid in full.

Furthermore, concurrent with the funding of the CD2 in June 2022, the Company and Sprott agreed to a number of amendments to the terms of the CD1, including that the maturity date would be amended from July 7, 2023, to March 31, 2025, and that the CD1 would remain outstanding until the new maturity date regardless of whether the Stream is advanced, unless the Company elects to exercise its option of early repayment. The Company determined that amendments to the terms should not be treated as an extinguishment of CD1, but as a debt modification.

The Company closed the \$15,000,000 CD2 on June 17, 2022. The CD2 bears interest at an annual rate of 10.5%, payable in cash or common stock at the Company's option, and matures on March 31, 2025. The CD2 is secured by a pledge of the Company's properties and assets. Concurrent with the funding of the CD2 in June 2022, the Company and Sprott agreed that the minimum quantity of metal delivered under the Stream, if advanced, will increase by 10% relative to the amounts noted above.

On December 6, 2022, the Company closed a new \$5,000,000 loan facility with Sprott (the "Bridge Loan"). The Bridge Loan, which was primarily utilized to pay outstanding water treatment payables to the EPA, is secured by the same security package in place with respect to the RCD, CD1, and CD2. The Bridge Loan bears interest at a rate of 10.5% per annum and matures at the earlier of (i) the advance of the Stream, or (ii) June 30, 2024. In addition, the minimum quantity of metal delivered under the Stream, if advanced, would increase by 5% relative to amounts previously announced.

On June 23, 2023, the Company closed the upsized and improved \$67,000,000 project finance package with Sprott, consisting of a \$46,000,000 stream and a \$21,000,000 new debt facility, as outlined above. The Bridge Loan was repaid from the proceeds of the Stream. The parties also agreed to extend the maturities of the CD1 and CD2 to March 31, 2026, when the full \$6 million and \$15 million, respectively, will become due.

Process Plant

On January 25, 2022, the Company announced that it had entered into a non-binding Memorandum of Understanding ("MOU") with Teck Resources Limited ("Teck") for the purchase of a comprehensive package of equipment and parts inventory from its Pend Oreille site (the "Process Plant") in eastern Washington State. The package comprises

substantially all processing equipment including complete crushing, grinding and flotation circuits suitable for a planned ~1,500 ton-per-day operation at Bunker Hill, and nearly 10,000 components and parts for mill, assay lab, conveyer, field instruments, and electrical spares. The Company paid a \$500,000 non-refundable deposit in January 2022.

On March 31, 2022, the Company announced that it had reached an agreement to satisfy the remaining purchase price for the Process Plant by way of an equity issuance of the Company. Teck will receive 10,416,667 units of the Company (the “Teck Units”) at a deemed issue price of C\$0.30 per unit. Each Teck Unit consists of one share of Company common stock and one common stock purchase warrant (the “Teck Warrants”). Each whole Teck Warrant entitles the holder to acquire one share of Company common stock at a price of C\$0.37 per share for a period of three years. The equity issuance and purchase of the Process Plant occurred on May 13, 2022.

Business Operations

The Mine is a zinc-lead-silver mine. When in production, the Company intends to mill mineral resources on-site to produce both zinc and lead-silver concentrates which will then be shipped to a Teck’s Trail smelter for processing as per the underlying off-take agreement.

Infrastructure

The Mine includes all mining rights and claims, surface rights, fee parcels, mineral interests, easements, existing infrastructure at Milo Gulch, and the majority of machinery and buildings at the Kellogg Tunnel portal level, as well as all equipment and infrastructure anywhere underground at the Bunker Hill Mine Complex. It also includes all current and historic data relating to the Bunker Hill Mine Complex, such as drill logs, reports, maps, and similar information located at the Mine site or any other location. For further detail, please refer to the “Project Infrastructure” section in Item 2 below.

Government Regulation and Approval

Exploration and development activities, and any future mining operations, are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine construction, and protection of endangered and protected species. The Company has made, and expects to make in the future, significant expenditures to comply with such laws and regulations. Future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company’s financial condition or results of operations.

It may be necessary to obtain the following environmental permits or approved plans prior to commencement of mine operations:

- Air quality operating permit

If this permit is required, there can be no assurance that the Company will be able to obtain it in a timely manner or at all. For further detail, please refer to the “Environmental Studies and Permitting” section of the “Technical Report Summary” in Item 2 below.

Property Description

The Company has mineral rights to approximately 440 patented mining claims covering over 5700 acres. Of these claims, 35 include surface ownership of approximately 259 acres. It also has certain parcels of fee property which include mineral and surface rights but not patented mining claims. Mining claims and fee properties are located in Townships 47, 48 North, Range 2 East, Townships 47, 48 North, Range 3 East, Boise Meridian, Shoshone County, Idaho.

Patented mining claims in the State of Idaho do not require permits for underground mining activities to commence on private lands. Other permits associated with underground mining may be required, such as water discharge and site disturbance permits. The water discharge is being handled by the EPA at the existing CTP. The Company expects to be responsible for water treatment in the future and obtain an appropriate discharge permit.

For further detail, please refer to the “Property Description and Ownership” section of the “Technical Report Summary” in Item 2 below.

Competition

The Company competes with other mining and exploration companies in connection with the acquisition of mining claims and leases on zinc and other base and precious metals prospects as well as in connection with the recruitment and retention of qualified employees. Many of these companies are much larger than the Company, have greater financial resources and have been in the mining business for much longer than it has. As such, these competitors may be in a better position through size, finances and experience to acquire suitable exploration and development properties. The Company may not be able to compete against these companies in acquiring new properties and/or qualified people to work on its current project, or any other properties that may be acquired in the future.

Given the size of the world market for base precious metals such as silver, lead and zinc, relative to the number of individual producers and consumers, it is believed that no single company has sufficient market influence to significantly affect the price or supply of these metals in the world market.

Employees

The Company has twenty employees as of December 31, 2023. The balance of the Company’s operations is contracted for as consultants.

Reports to Security Holders

The Company files reports with the SEC under section 15d of the Securities Exchange Act of 1934 (the “Exchange Act”). The reports will be filed electronically. All copies of any materials filed with the SEC may be read at the SEC’s Public Reference Room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that will contain copies of the reports that are filed electronically. The address for the SEC Internet site is <http://www.sec.gov>.

ITEM 1A. RISK FACTORS

Our business activities and the value of our securities are subject to significant hazards and risks, including those described below. If any of such events should occur, our business, financial condition, liquidity, and/or results of operations could be materially harmed, and holders and purchasers of our securities could lose part or all of their investments. Our risk factors are grouped into the following categories:

- General Risk Factors;
- Risks Related to Mining and Exploration; and
- Risks Related to the Company’s Common Stock.

General Risk Factors

A lead concentrate offtake agreement with Teck Resources may not be reached, which could result in less favorable commercial terms for the sale of concentrates envisaged to be produced by the Mine and could also impact the Company's ability to secure offtake financing. Regardless of actions taken by Teck, there can be no assurance that the Company will be able to secure or close offtake financing, which could have an adverse effect on the Company's financial position and a negative impact the Company's ability to secure additional funding from Sprott or an alternative capital provider.

The Company may not be able to execute a lead concentrate offtake agreement for the sale of lead concentrates to Teck Resources at its Trail smelter, as contemplated with Teck's option to acquire 100% of lead concentrate produced in the first five years at the Bunker Hill Mine. If such an agreement cannot be reached, the Company may not be able to sell its lead concentrate to Teck, which could result in difficulties securing alternative commercial arrangements for the sale of concentrate, less favorable commercial terms in the event that alternative commercial arrangements can be secured, and/or higher transportation and other costs. In addition, the Company may not be able to secure or close offtake financing, regardless of whether an agreement is reached with Teck; the terms of any offtake financing might not be favorable to the Company; and/or the Company may incur substantial fees and costs related to such financing. The Company's inability to secure or close offtake financing, or arrange a suitable alternative, may have an adverse effect on the Company's operations and financial position.

The Bunker Hill Mine restart is expected to take place in 2024, with first concentrate production targeted for the fourth quarter of 2024. Changes to this timeline, or other factors impacting the restart project budget, could increase the Company's required capital needs through the completion of the project, which would adversely affect the Company's ability to secure additional funding, thereby adversely affecting its financial condition.

The Bunker Hill Mine restart is expected to take place in 2024, with first concentrate production targeted for the fourth quarter of 2024. However, the estimated timing of Bunker Hill Mine restart is subject to change based on factors beyond the Company's control, including but not limited to supply chain dynamics. In addition, the Company's pre-production budget estimates are subject to change based on factors beyond its control, including but not limited to cost inflation and supply chain dynamics. An increase in the Company's pre-production budget estimates could have a materially adverse impact on its ability to secure additional financing. This could have a material adverse effect on its financial condition, results of operations, or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on the Company's ownership or share structure. Sales of a large number of shares of Company common stock in the public markets, or the potential for such sales, could decrease the trading price of the common stock and could impair the Company's ability to raise capital through future sales of common stock. The Company has not yet commenced commercial production at any of its properties and, therefore, has not generated positive cash flows to date and has no reasonable prospects of doing so unless successful commercial production can be achieved at the Mine. The Company expects to continue to incur negative investing and operating cash flows until such time as it enters into successful commercial production. This will require the Company to deploy its working capital to fund such negative cash flow and to possibly seek additional sources of financing. There is no assurance that any such financing sources will be available or sufficient to meet the Company's requirements, or if available, upon terms acceptable to the Company. There is no assurance that the Company will be able to continue to raise equity capital or to secure additional debt financing, or that the Company will not continue to incur losses.

Payment bonds securing \$17,000,000 due by the Company to the EPA for cost recovery may not be renewable or may only be renewable on terms that are unfavorable to the Company, which would adversely affect its financial condition or cause a default under the revised settlement agreement with the EPA and Sprott.

In 2022, the Company secured financial assurance in the form of payment bonds in accordance with the revised settlement agreement with the EPA, in relation to \$17,000,000 of payments due to the EPA for cost recovery between 2024 and 2029. These bonds are renewed annually, and as of December 31, 2023, require \$6,476,000 of collateral in the form of letters of credit. To the extent that the parties providing the payment bonds demand additional collateral beyond the current requirements, or other unfavorable terms or conditions, the Company may not be able to renew the payment bonds on favorable conditions, or at all. This could have a materially adverse impact on the Company, including a potential default under the revised settlement agreement with the EPA.

The Company has a limited operating history on which to base an evaluation of its business and prospects.

Since its inception, the Company has had no revenue from operations. The Company has no history of producing products from the Bunker Hill property. The Mine is a historic, past producing mine with very little recent exploration work. Advancing the Mine through the development stage will require significant capital and time, and successful commercial production from the Mine will be subject to completing the requisite studies, permitting and re-commissioning of the Mine, constructing a processing plant, and completing other related works and infrastructure. As a result, the Company is subject to all of the risks associated with developing and establishing new mining operations and business enterprises, including:

- completion of studies to verify reserves and commercial viability, including the ability to find sufficient ore reserves to support a commercial mining operation;
- the timing and cost, which can be considerable, of further exploration, preparing feasibility studies, and permitting and construction of infrastructure, mining and processing facilities;
- the availability and costs of drill equipment, exploration personnel, skilled labor, and mining and processing equipment, if required;
- the availability and cost of appropriate smelting and/or refining arrangements, if required;
- compliance with stringent environmental and other governmental approval and permit requirements;
- the availability of funds to finance exploration, development, and construction activities, as warranted;
- potential opposition from non-governmental organizations, local groups or local inhabitants that may delay or prevent development activities;
- potential increases in exploration, construction, and operating costs due to changes in the cost of fuel, power, materials, and supplies; and
- potential shortages of mineral processing, construction, and other facilities related supplies.

The costs, timing, and complexities of exploration, development, and construction activities may be increased by the location of the Company's properties and demand by other mineral exploration and mining companies. It is common in exploration programs to experience unexpected problems and delays during drill programs and, if commenced, development, construction, and mine start-up. In addition, the Company's management and workforce will need to be expanded, and sufficient housing and other support systems for its workforce will have to be established. This could result in delays in the commencement of mineral production and increased costs of production. Accordingly, the Company's activities may not result in profitable mining operations, and it may not succeed in establishing mining operations or profitably producing metals at any of its current or future properties, including the Mine.

The Company has a history of losses and expects to continue to incur losses in the future.

The Company has incurred losses since inception, has had negative cash flow from operating activities, and expects to continue to incur losses in the future. The Company has incurred the following losses from operations during each of the following periods:

- \$11,600,574 for the year ended December 31, 2023;
- \$16,487,161 for the year ended December 31, 2022; and
- \$18,752,504 for the year ended December 31, 2021

The Company expects to continue to incur losses unless and until such time as the Mine enters into commercial production and generates sufficient revenues to fund continuing operations. The Company recognizes that if it is unable to generate significant revenues from mining operations and dispositions of its properties, the Company will not be able to earn profits or continue operations. At this early stage of its operation, the Company also expects to face the risks, uncertainties, expenses, and difficulties frequently encountered by smaller reporting companies. The Company cannot be sure that it will be successful in addressing these risks and uncertainties and its failure to do so could have a materially adverse effect on its financial condition.

Risks Related to Mining and Exploration

The Company is in the development stage.

The nature of mineral exploration and production activities involves a high degree of risk and the possibility of uninsured losses.

Exploration for and the production of minerals is highly speculative and involves much greater risk than many other businesses. Most exploration programs do not result in the discovery of mineralization, and any mineralization discovered may not be of sufficient quantity or quality to be profitably mined. The Company's operations are, and any future development or mining operations the Company may conduct will be, subject to all of the operating hazards and risks normally incidental to exploring for and development of mineral properties, including, but not limited to:

- economically insufficient mineralized material;
- fluctuation in production costs that make mining uneconomical;
- labor disputes;
- unanticipated variations in grade and other geologic problems;
- environmental hazards;
- water conditions;
- difficult surface or underground conditions;
- industrial accidents;
- metallurgic and other processing problems;
- mechanical and equipment performance problems;
- failure of dams, stockpiles, wastewater transportation systems, or impoundments;
- unusual or unexpected rock formations; and
- personal injury, fire, flooding, cave-ins and landslides.

Any of these risks can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures, potential revenues, and production dates. If the Company determines that capitalized costs associated with any of its mineral interests are not likely to be recovered, the Company would incur a write-down of its investment in these interests. All these factors may result in losses in relation to amounts spent that are not recoverable, or that result in additional expenses.

Commodity price volatility could have dramatic effects on the results of operations and the Company's ability to execute its business plan.

The price of commodities varies on a daily basis. The Company's future revenues, if any, will likely be derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control, including economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global and regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's business, could negatively affect its ability to secure financing or its results of operations.

The Company's development and production plans, and cost estimates, in the Technical Report Summary may vary and/or not be achieved.

There is no certainty that the results in the Technical Report Summary will be realized. The decision to implement the Mine restart scenario to be included in the Technical Report Summary was not based on a feasibility study of mineral reserves demonstrating economic and technical viability, and therefore there is increased risk that the Technical Report Summary results will not be realized. If the Company is unable to achieve the results in the Technical

Report Summary, it may have a material negative impact on the Company, and its capital investment to implement the restart scenario may be lost.

Costs charged to the Company by the Idaho Department of Environmental Quality (“IDEQ”) for treatment of wastewater fluctuate a great deal and are not within the Company’s control.

The Company is billed annually for water treatment activities performed by the IDEQ for the EPA. The water treatment costs that Bunker Hill is billed for are partially related to the EPA’s direct cost of treating the water emanating from the Bunker Hill Mine, which are comprised of lime and flocculant usage, electricity consumption, maintenance and repair, labor and some overhead. Rate of discharge of effluent from the Bunker Hill Mine is largely dependent on the level of precipitation within a given year and how close in the calendar year the Company is to the spring run-off. Increases in water infiltrations and gravity flows within the mine generally increase after winter and result in a peak discharge rate in May. Increases in gravity flow and consequently the rate of water discharged by the mine have a highly robust correlation with metals concentrations and consequently metal loads of effluent.

Hydraulic loads (quantities of water per unit of time) and metal loads (quantities of metals per unit of volume of effluent per unit of time) are the two main determinants of cost of water treatment by the EPA in the relationship with the Bunker Hill Mine because greater metal loads consume more lime, more flocculent and more electricity to remove the increased levels of metals and make the water clean. The scale of the treatment plant is determined by how much total water can be processed (hydraulic load) at any point in time. This determines how much labor is required to operate the plant and generally determines the amount of overhead required to run the IDEQ business.

The EPA has completed significant upgrades to the water treatment capabilities of the CTP and is now capable of producing treated water than can meet a much higher discharge standard (which Bunker Hill has been satisfying since May 2023). While it was understood that improved performance capability would increase the cost of operating the plant, it was unclear to the EPA, and consequently to Bunker Hill, how much the costs would increase by.

These elements described above, and others, impact the direct costs of water treatment. A significant portion of the total amount invoiced by the EPA each year is indirect cost that is determined as a percentage of the direct cost. Each year the indirect costs percentage changes within each region of the EPA. Bunker Hill has no ability to impact the percentage of indirect cost that is set by the EPA regional office. Bunker Hill also has no advanced notice of what the percentage of indirect cost will be until it receives its invoice in June of the year following the billing period. The Company remains unable to estimate EPA billings to a high degree of accuracy.

Estimates of mineral reserves and resources are subject to evaluation uncertainties that could result in project failure.

The Company’s exploration and future mining operations, if any, are and would be faced with risks associated with being able to accurately predict the quantity and quality of mineral resources/reserves within the earth using statistical sampling techniques. Estimates of any mineral resource/reserve on the Mine would be made using samples obtained from appropriately placed trenches, test pits, underground workings, and designed drilling. There is an inherent variability of assays between check and duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. Additionally, there also may be unknown geologic details that have not been identified or correctly appreciated at the current level of accumulated knowledge about the Mine. This could result in uncertainties that cannot be reasonably eliminated from the process of estimating mineral resources/reserves. If these estimates were to prove to be unreliable, the Company could implement an exploitation plan that may not lead to commercially viable operations in the future.

Any material changes in mineral resource/reserve estimates and grades of mineralization will affect the economic viability of placing a property into production and a property’s return on capital.

As the Company has not commenced actual production, mineral resource estimates may require adjustments or downward revisions. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by future feasibility studies and drill results. Minerals recovered in small-scale tests may not be duplicated in large-scale tests under on-site conditions or in production scale.

The Company's exploration activities may not be commercially successful, which could lead the Company to abandon its plans to develop the Mine and its investments in exploration.

The Company's long-term success depends on its ability to identify mineral deposits on the Mine and other properties the Company may acquire, if any, that the Company can then develop into commercially viable mining operations. Mineral exploration is highly speculative in nature, involves many risks, and is frequently non-productive. These risks include unusual or unexpected geologic formations, and the inability to obtain suitable or adequate machinery, equipment, or labor. The success of commodity exploration is determined in part by the following factors:

- the identification of potential mineralization based on surficial analysis;
- availability of government-granted exploration permits;
- the quality of management and its geological and technical expertise; and
- the capital available for exploration and development work.

Substantial expenditures are required to establish proven and probable reserves through drilling and analysis, to develop metallurgical processes to extract metal, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Whether a mineral deposit will be commercially viable depends on a number of factors that include, without limitation, the particular attributes of the deposit, such as size, grade, and proximity to infrastructure; commodity prices, which can fluctuate widely; and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The Company may invest significant capital and resources in exploration activities and may abandon such investments if the Company is unable to identify commercially exploitable mineral reserves. The decision to abandon a project may have an adverse effect on the market value of the Company's securities and the ability to raise future financing.

The Company is subject to significant governmental regulations that affect its operations and costs of conducting its business and may not be able to obtain all required permits and licenses to place its properties into production.

The Company's current and future operations, including exploration and development of the Mine, do and will require permits from governmental authorities and will be governed by laws and regulations, including:

- laws and regulations governing mineral concession acquisition, prospecting, development, mining, and production;
- laws and regulations related to exports, taxes, and fees;
- labor standards and regulations related to occupational health and mine safety; and
- environmental standards and regulations related to waste disposal, toxic substances, land use reclamation, and environmental protection.

Specifically, it may be necessary to obtain the following environmental permit or approved plan prior to commencement of mine operations:

- Reclamation and closure plan
- Air quality operating permit

If this permit is required, there can be no assurance that the Company will be able to obtain them in a timely manner or at all.

Companies engaged in exploration activities often experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations, and permits. Failure to comply with applicable laws, regulations, and permits may result in enforcement actions, including the forfeiture of mineral claims or other mineral tenures, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or costly remedial actions. The Company cannot predict if all permits that it may require for continued exploration, development, or construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms, if at all. Costs related to applying for and obtaining permits and licenses may be prohibitive and could delay its planned exploration and development activities. The Company may be required to compensate those suffering loss or damage by reason of the mineral exploration or its mining activities, if any, and may have civil or criminal fines or penalties imposed for violations of, or its failure to comply with, such laws, regulations, and permits.

Existing and possible future laws, regulations, and permits governing operations and activities of exploration companies, or more stringent implementation of such laws, regulations and permits, could have a material adverse impact on the Company's business and cause increases in capital expenditures or require abandonment or delays in exploration. The Mine is located in Northern Idaho and has numerous clearly defined regulations with respect to permitting mines, which could potentially impact the total time to market for the project.

The Company's activities are subject to environmental laws and regulations that may increase its costs of doing business and restrict its operations.

Both mineral exploration and extraction require permits from various federal, state, and local governmental authorities and are governed by laws and regulations, including those with respect to prospecting, mine development, mineral production, transport, export, taxation, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that the Company will be able to obtain or maintain any of the permits required for the exploration of the mineral properties or for the construction and operation of the Mine at economically viable costs. If the Company cannot accomplish these objectives, its business could fail. The Company believes that it is in compliance with all material laws and regulations that currently apply to its activities but there can be no assurance that the Company can continue to remain in compliance. Current laws and regulations could be amended, and the Company might not be able to comply with them, as amended. Further, there can be no assurance that the Company will be able to obtain or maintain all permits necessary for its future operations, or that it will be able to obtain them on reasonable terms. To the extent such approvals are required and are not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of the mineral properties.

The Company's activities are subject to extensive laws and regulations governing environmental protection. The Company is also subject to various reclamation-related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing; therefore, the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration company, may have an environmental impact that may result in unbudgeted delays, damage, loss and other costs and obligations, including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of

environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the state of Idaho and the United States.

Environmental hazards unknown to the Company, which have been caused by previous or existing owners or operators of the Mine, may exist on the properties in which the Company holds an interest. Many of the properties in which the Company has ownership rights are located within the Coeur d'Alene Mining District, which is currently the site of a Federal Superfund cleanup project. It is possible that environmental cleanup or other environmental restoration procedures could remain to be completed or mandated by law, causing unpredictable and unexpected liabilities to arise.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the Company's business.

A number of governments or governmental bodies have introduced or are contemplating legislative and/or regulatory changes in response to concerns about the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Company, on its future joint venture partners, if any, and on its suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs necessary to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Company's ability to compete with companies situated in areas not subject to such limitations. Given the emotional and political significance and uncertainty surrounding the impact of climate change and how it should be dealt with, the Company cannot predict how legislation and regulation will ultimately affect its financial condition, operating performance, and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Company or other companies in its industry could harm the Company's reputation. The potential physical impacts of climate change on its operations are highly uncertain, could be particular to the geographic circumstances in areas in which the Company operates and may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels, and changing temperatures. These impacts may adversely impact the cost, production, and financial performance of the Company's operations.

There are several governmental regulations that materially restrict mineral exploration. The Company will be subject to the federal regulations (environmental) and the laws of the State of Idaho as the Company carries out its exploration program. The Company may be required to obtain additional work permits, post bonds and perform remediation work for any physical disturbance to the land in order to comply with these laws. While the Company's planned exploration program budgets for regulatory compliance, there is a risk that new regulations could increase its costs of doing business and prevent it from carrying out its exploration program.

Land reclamation requirements for the Company's properties may be burdensome and expensive.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long-term effects of land disturbance.

Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents;
- treat ground and surface water to drinking water standards; and
- reasonably re-establish pre-disturbance landforms and vegetation.

To date, the Company has not been subject to reclamation or bonding obligations in connection with its past or potential future development activities. If these obligations were to occur in the future, or if the Company is required to carry out reclamation work, the Company must allocate financial resources that might otherwise be spent on further exploration and development programs.

Social and environmental activism may have an adverse effect on the reputation and financial condition of the Company or its relationship with the communities in which it operates.

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations (“NGOs”) that oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors or activities of unrelated third parties on lands in which the Company has an interest or the Company’s operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company’s business, financial condition, results of operations, cash flows or prospects.

The mineral exploration and mining industry is highly competitive.

The mining industry is intensely competitive in all of its phases. As a result of this competition, some of which is with large established mining companies with substantial capabilities and with greater financial and technical resources than those of the Company, the Company may be unable to acquire additional properties or obtain financing on terms it considers acceptable. The Company also competes with other mining companies in the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for qualified employees, its exploration and development programs may be slowed down or suspended. The Company competes with other companies that produce its planned commercial products for capital. If the Company is unable to raise sufficient capital, its exploration and development programs may be jeopardized or it may not be able to acquire, develop, or operate additional mining projects.

The silver industry is highly competitive, and the Company is required to compete with other corporations and business entities, many of which have greater resources than it does. Such corporations and other business entities could outbid the Company for potential projects or produce minerals at lower costs, which would have a negative effect on the Company’s operations.

Metal prices are highly volatile. If a profitable market for its metals does not exist, the Company may have to cease operations.

Mineral prices have been highly volatile and are affected by numerous international economic and political factors over which the Company has no control. The Company’s long-term success is highly dependent upon the price of silver, as the economic feasibility of any ore body discovered on its current property, or on other properties the Company may acquire in the future, would, in large part, be determined by the prevailing market price of the minerals. If a profitable market does not exist, the Company may have to cease operations.

A shortage of equipment and supplies could adversely affect the Company’s ability to operate its business.

The Company is dependent on various supplies and equipment to carry out its mining exploration and, if warranted, development operations. Any shortage of such supplies, equipment, and parts could have a material adverse effect on the Company’s ability to carry out its operations and could therefore limit, or increase the cost of, production.

Joint ventures and other partnerships, including offtake arrangements, may expose the Company to risks.

The Company may enter into joint ventures, partnership arrangements, or offtake agreements with other parties in relation to the exploration, development, and production of the properties in which the Company has an interest. Any failure of such other companies to meet their obligations to the Company or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the Company, the development and production at its properties, including the Mine, and on future joint ventures, if any, or their properties, and therefore could have a material adverse effect on its results of operations, financial performance, cash flows and the price of its common stock.

The Company may experience difficulty attracting and retaining qualified management to meet the needs of its anticipated growth, and the failure to manage its growth effectively could have a material adverse effect on its business and financial condition.

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these people could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for people with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition.

The Company is dependent on a relatively small number of key employees, including its Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO"). The loss of any officer could have an adverse effect on the Company. The Company has no life insurance on any individual, and the Company may be unable to hire a suitable replacement for them on favorable terms, should that become necessary.

The Company may be subject to potential conflicts of interest with its directors and/or officers.

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies, which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company's results of operations could be affected by currency fluctuations.

The Company's properties are currently all located in the U.S. and while most costs associated with these properties are paid in U.S. dollars, a significant amount of its administrative expenses are payable in Canadian dollars. There can be significant swings in the exchange rate between the U.S. dollar and the Canadian dollar. There are no plans at this time to hedge against any exchange rate fluctuations in currencies.

Title to the Company's properties may be subject to other claims that could affect its property rights and claims.

There are risks that title to the Company's properties may be challenged or impugned. The Mine is located in Northern Idaho and may be subject to prior unrecorded agreements or transfers and title may be affected by undetected defects.

The Company may be unable to secure surface access or purchase required surface rights.

Although the Company obtains the rights to some or all of the minerals in the ground subject to the mineral tenures that the Company acquires, or has the right to acquire, in some cases the Company may not acquire any rights to, or ownership of, the surface to the areas covered by such mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities; however, the enforcement of such rights through the courts can be costly and time consuming. It is necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore the Company may be unable to carry out planned mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, the outcomes of which cannot be predicted with any certainty. The Company's inability to secure surface access or purchase required surface rights could materially and adversely affect its timing, cost, or overall ability to develop any mineral deposits the Company may locate.

The Company's properties and operations may be subject to litigation or other claims.

From time to time the Company's properties or operations may be subject to disputes that may result in litigation or other legal claims. The Company may be required to take countermeasures or defend against these claims, which will divert resources and management time from operations. The costs of these claims or adverse filings may have a material effect on the Company's business and results of operations.

Mineral exploration and development is subject to extraordinary operating risks. The Company currently insures against these risks on a limited basis. In the event of a cave-in or similar occurrence, the Company's liability may exceed its resources and insurance coverage, which would have an adverse impact on the Company.

Mineral exploration, development and production involve many risks. The Company's operations will be subject to all the hazards and risks inherent in the exploration for mineral resources and, if the Company discovers a mineral resource in commercially exploitable quantity, its operations could be subject to all of the hazards and risks inherent in the development and production of resources, including liability for pollution, cave-ins or similar hazards against which the Company cannot insure or against which the Company may elect not to insure. Any such event could result in work stoppages and damage to property, including damage to the environment. As of the date hereof, the Company currently maintains commercial general liability insurance and umbrella liability insurance against these operating hazards, in connection with its exploration program. The payment of any liabilities that arise from any such occurrence that would not otherwise be covered under the current insurance policies would have a material adverse impact on the Company.

Mineral exploration and development are dependent on adequate infrastructure.

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability of acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect the Company's operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet

these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company may purchase additional mining properties.

If the Company loses or abandons its interests in its mineral properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV, OTCQB or any other applicable securities exchange or marketplace. There is also no guarantee that the TSXV, OTCQB or any other applicable securities exchange or marketplace will approve the acquisition of any additional properties by the Company, whether by way of an option or otherwise, should the Company wish to acquire any additional properties.

The Company's operations are dependent on information technology systems that may be subject to network disruptions

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company is a reporting issuer and reporting requirements under applicable securities laws may increase legal and financial compliance costs.

The Company is subject to reporting requirements under applicable securities law, the listing and other requirements of the TSXV, the OTCQB, the SEC and other applicable securities rules and regulations. Compliance with these requirements can increase legal and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on existing systems and resources. Among other things, the Company is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight is required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Risks Related to the Company's Common Stock

The Company's common stock price may be volatile and as a result, investors could lose all or part of their investment.

In addition to volatility associated with equity securities in general, the value of an investor's investment could decline due to the impact of any of the following factors upon the market price of the Company's common stock:

- disappointing results from the Company's exploration efforts;
- decline in demand for its common stock;
- downward revisions in securities analysts' estimates or changes in general market conditions;
- technological innovations by competitors or in competing technologies;
- investor perception of the Company's industry or its prospects; and
- general economic trends.

The Company's common stock price on the TSXV has experienced significant price and volume fluctuations. Stock markets in general have experienced extreme price and volume fluctuations, and the market prices of securities have been highly volatile. These fluctuations are often unrelated to operating performance and may adversely affect the market price of the common stock. As a result, an investor may be unable to sell any common stock such investor acquires at a desired price.

Potential future sales under Rule 144 may depress the market price for the Company's common stock.

In general, under Rule 144, a person who has satisfied a minimum holding period of between 6 months and one-year and any other applicable requirements of Rule 144 may thereafter sell such shares publicly. A significant number of the Company's currently issued and outstanding shares of common stock held by existing shareholders, including officers and directors and other principal shareholders, are currently eligible for resale pursuant to and in accordance with the provisions of Rule 144. The possible future sale of the Company's common stock by its existing shareholders, pursuant to and in accordance with the provisions of Rule 144, may have a depressive effect on the price of its common stock in the over-the-counter market.

The Company's common stock is currently deemed a "penny stock", which may make it more difficult for investors to sell their shares of Company common stock.

The SEC has adopted regulations which generally define "penny stock" to be any equity security that has a market price less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. The Company's securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000, exclusive of their principal residence, or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade its securities. The Company believes that the penny stock rules may discourage investor interest in and limit the marketability of its common stock.

The Company has never paid dividends on its common stock.

The Company has not paid dividends on its common stock to date and does not expect to pay dividends for the foreseeable future. The Company intends to retain its initial earnings, if any, to finance its operations. Any future dividends on common stock will depend upon the Company's earnings, its then-existing financial requirements, and other factors, and will be at the discretion of the Company's board of directors.

FINRA has adopted sales practice requirements, which may also limit an investor's ability to buy and sell the Company's common stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy the Company's common stock, which may limit an investor's ability to buy and sell its stock and have an adverse effect on the market for the common stock.

Investors' interests in the Company will be diluted and investors may suffer dilution in their net book value per share of common stock if the Company issues additional employee/director/consultant options or if the Company sells additional shares of common stock and/or warrants to finance its operations.

In order to further expand the Company's operations and meet its objectives, any additional growth and/or expanded exploration activity will likely need to be financed through sale and issuance of additional common stock, including, but not limited to, raising funds to explore the Mine. Furthermore, to finance any acquisition activity, should that activity be properly approved, and depending on the outcome of its exploration programs, the Company likely will also need to issue additional common stock to finance future acquisitions, growth, and/or additional exploration programs of any or all of its projects or to acquire additional properties. The Company will also in the future grant some or all of its directors, officers, and key employees and/or consultants options to purchase common stock as non-cash incentives. The issuance of any equity securities could, and the issuance of any additional shares of common stock will, cause the Company's existing shareholders to experience dilution of their ownership interests.

If the Company issues additional shares of common stock or decides to enter into joint ventures with other parties in order to raise financing through the sale of equity securities, investors' interests in the Company will be diluted and investors may suffer dilution in their net book value per share, depending on the price at which such securities are sold.

The issuance of additional shares of common stock may negatively impact the trading price of the Company's securities.

The Company has issued common stock in the past and will continue to issue common stock to finance its activities in the future. In addition, newly issued or outstanding options, warrants, and broker warrants to purchase shares of common stock may be exercised, resulting in the issuance of additional common stock. Any such issuance of additional common stock would result in dilution to the Company's shareholders, and even the perception that such an issuance may occur could have a negative impact on the trading price of the common stock.

The Company's common stock could be influenced by research and reports that industry or securities analysts may be published.

The trading market for the Company's common stock could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide

favorable coverage. If any of the analysts who may cover the Company's business adversely change their recommendation regarding the Company's stock, or provide more favorable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

The Company is subject to the continued listing or trading criteria of the TSXV and the OTCQB, and its failure to satisfy these criteria may result in delisting or removal of trading of its common stock from the TSXV and the OTCQB.

The Company's common stock is currently listed for trading on the TSXV and quoted on the OTCQB. In order to maintain the listing on the TSXV and the quotation on the OTCQB or any other securities exchange or marketplace, the Company must maintain certain financial and share distribution targets, including maintaining a minimum number of public shareholders. In addition to objective standards, these exchanges or marketplaces may delist or cease to quote the securities of any issuer if, in the exchange's opinion, the Company's financial condition and/or operating results appear unsatisfactory; if it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make continued listing inadvisable; if the Company sells or disposes of its principal operating assets or ceases to be an operating company; if the Company fails to comply with the listing requirements; or if any other event occurs or any condition exists which, in their opinion, makes continued listing on the exchange inadvisable.

If the TSXV, the OTCQB or any other exchange or quotation service were to delist or cease to quote the Company's common stock, investors may face material adverse consequences, including, but not limited to, a lack of trading market for the common stock, reduced liquidity, decreased analyst coverage, and/or an inability for the Company to obtain additional financing to fund its operations.

The Company faces risks related to compliance with corporate governance laws and financial reporting standards.

The Sarbanes-Oxley Act of 2002, as well as related new rules and regulations implemented by the SEC and the Public Company Accounting Oversight Board, require changes in the corporate governance practices and financial reporting standards for public companies. These laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002 relating to internal control over financial reporting, referred to as Section 404, materially increase the Company's legal and financial compliance costs and make certain activities more time-consuming and burdensome.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as such term is defined in Item 106(a) of Regulation S-K. To identify and assess material risks from cybersecurity threats, our enterprise risk management program considers cybersecurity risks alongside other company risks as part of our overall risk assessment process. Our cybersecurity risk management strategy prioritizes (i) detection, analysis, and response to known, anticipated, or unexpected threats, (ii) effective management of security risks, and (iii) resiliency against incidents.

We have implemented several cybersecurity processes, technologies, and controls to aid in our efforts to assess, identify, and manage material risks associated with cybersecurity threats. Such processes include technical security

controls, policy enforcement mechanisms, monitoring systems, employee training, contractual arrangements, tools and related services from third-party providers, and management oversight.

Our risk-based control principles are based on the standards set by the National Institute of Standards and Technology (NIST), other industry-recognized standards, and contractual requirements, as applicable. Through these controls, we seek to maintain an information technology infrastructure that implements physical, administrative, and technical controls that are calibrated based on risk and designed to protect the confidentiality, integrity, and availability of our information systems and information stored on our networks.

As part of our cybersecurity risk management strategy, we periodically engage with consultants, auditors, and other third parties to help identify areas for continued focus, improvement, and compliance. We also incorporate cybersecurity risk management considerations in our processes for selecting, evaluating, and overseeing third-party providers.

In the last fiscal year, we have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition.

Governance

The Audit Committee of our Board of Directors is responsible for board-level oversight of risks from cybersecurity threats, and the Audit Committee reports back to the full Board of Directors about this and other areas within its responsibility. As part of its oversight role, the Audit Committee receives reporting about our cybersecurity risk management and strategy processes covering topics such as data security, results from third-party assessments, progress towards cybersecurity risk management goals, our incident response plan, notable threats or incidents, and other developments related to cybersecurity, including through periodic updates from the Company's CEO, other management team members, and consultants.

Our cybersecurity risk management and strategy processes are led by Gerbrand van Heerden (CFO). Such individual has over 20 years of prior work experience in various roles involving managing information security, developing cybersecurity strategy, implementing effective information and cybersecurity programs, as well as several relevant degrees and certifications.

ITEM 2. PROPERTIES

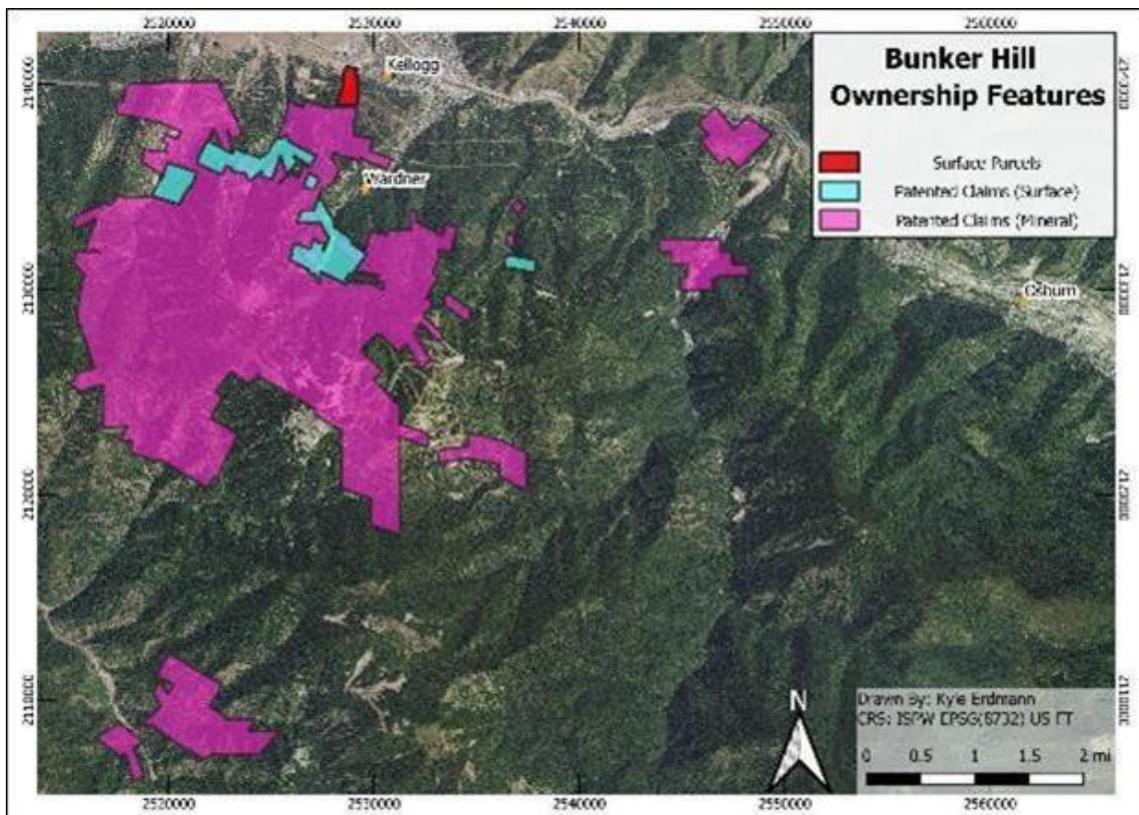
The Company's sole focus is the development and restart of its 100% owned flagship asset, the Bunker Hill Mine, in Idaho, USA. The Mine remains the largest single producing mine by tonnage in the Silver Valley region of northwest Idaho, producing over 165 million ounces of silver and 5 million tons of base metals between 1885 and 1981. The Bunker Hill Mine is located within Operable Unit 2 of the Bunker Hill Superfund site (EPA National Priorities Listing IDD048340921), where cleanup activities have been completed.

The Bunker Hill Mine

The Mine is one of the most well-known base metal and silver mines in American history. Initial discovery and development of the Mine property began in 1885, and from that time until the Mine closed in 1981 it produced over 35.8 million tons of ore at an average mined grade of 8.76% lead, 4.52 ounces per ton silver, and 3.67% zinc, which represented 162Moz of silver, 3.16M lbs. of lead and 1.35M lbs. of zinc (Bunker Limited Partnership, 1985). Throughout the 95-year operating history of the Mine, there were over 40 different lead-silver-zinc orebodies discovered and mined. Although known for its significant lead and zinc production, 45-50% of the Net Smelter Value of its historical production came from its silver. The Company and the Sullivan Mining Company had a strong history of regular dividend payments to shareholders from the time the Company went public in 1905 until it was acquired in a hostile takeover by Gulf Resources in 1968.

The Mine and Smelter Complex were closed in 1981 when Gulf Resources was not able to continue to comply with new regulatory structures brought on by the passage of environmental statutes and as then enforced by the EPA. At closure it was estimated to still contain significant mineral resources (Bunker Limited Partnership, 1985). The Bunker Hill Lead Smelter, Electrolytic Zinc Plant and historic milling facilities were demolished in or around 1986, and the area became part of the “National Priority List” for cleanup under EPA regulations. The cleanup of the smelter, zinc plant, and associated sites has been completed, and management believes the Mine is well positioned for development and an eventual return to production.

Property Map of Bunker Hill Mine Land Ownership



A more detailed description of the Mine can be found in the “Technical Report Summary” section of this report, including the current mineral resource estimate, mineral reserves, an economic summary, property description and ownership, geology and mineralization, environmental studies and permitting, metallurgical testing, mining method, recovery methods, and current exploration and development.

Restart Project Activities

In early 2020, a new management team comprised of former executives from Barrick Gold Corp. assumed leadership of the Company. Since that time, the Company has conducted multiple exploration campaigns, published multiple economic studies and mineral resource estimates, and advanced the rehabilitation and development of the Mine. In December 2021, the Company announced a project finance package with Sprott Private Resource Streaming & Royalty Corp., an amended Settlement Agreement with the EPA, and the purchase of the Bunker Hill Mine, setting the stage for a restart of the Mine.

In January 2022, with the closing of the purchase of the Bunker Hill Mine, the funding of the \$8,000,000 Royalty Convertible Debenture and \$6,000,000 Series Convertible Debenture, and the announcement of an MOU for the purchase of the Pend Oreille process plant from a subsidiary of Teck Resources Limited, the Company embarked on a program of activities with the goal of achieving a restart of the Mine.

Technical Report Summary

The following summary is extracted from the S-K 1300 Technical Report Summary, Bunker Hill Mine Pre-Feasibility Study, Coeur D'Alene Mining District Shoshone County, Idaho, USA with a Report Date of April 14, 2023 and an Effective Date of August 29, 2022 (the "TRS"). The following information does not purport to be a complete summary of the Technical Report Summary, is subject to all the assumptions, qualifications and procedures set out in the Technical Report and is qualified in its entirety with reference to the full text of the Technical Report Summary. Each of the Qualified Persons of the Technical Report Summary is an independent qualified person under the definitions of Item 1300 of Regulation S-K (each a "Qualified Person", and together the "Qualified Persons") and have approved the summary of the Technical Report Summary below.

Summary

The Technical Report Summary describes the mining and processing operations at the Company's 100% owned Bunker Hill Mine located near the town of Kellogg, Idaho.

The Technical Report Summary considers a processing approach at Bunker where lead (Pb), silver (Ag) and zinc (Zn) mineralization is mined underground. Mineralized material will be conventionally milled and then concentrated by flotation of lead and silver followed by flotation of zinc. Metal rich concentrates will then be sold to smelters in North America or overseas. Mill tailings will be deposited underground in the historic mining voids located throughout the project.

Economic and Life of Mine highlights of the Technical Report Summary are listed in Table 1-3 and Table 1-4. Table 1-1 lists the mineral resource estimate for the Bunker Hill Mine and Table 1-2 lists the mineral reserves for the Bunker Hill Mine. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves.

Quality Assurance/Quality Control

BHMC internal controls were employed on the 5,067 samples collected during the data verification and drilling programs. Various laboratories were used in the analytical process and the results verified using industry accepted Quality Assurance and Quality Control procedures (QAQC). QAQC procedures included the submission of blanks and certified standard reference material with the submittal of samples. Blanks were analyzed in order to verify the accuracy of the sample preparation process. Certified standard reference material results were evaluated in order to assess the accuracy of the laboratory assaying procedure. Additionally, preparation duplicates were submitted in order to assess the accuracy of sample collection at the project site. Any failures from expected results were addressed and explained before being used for mineral resource estimates.

Risks and uncertainties exist in the quantification of the spatial distribution on mineralization. These risks are inherent in estimation of mineral resources. Samples themselves have uncertainty related to sampling collection errors and the homogeneity of the deposit. Wider spaced drilling has more uncertainty than closely spaced drilling. Capping of high-grade outliers was used to ensure that the mineral content of the deposit was not over stated. High grade outlier samples will tend to overestimate the metal content of the mineral deposit. The block model for the deposit was constructed using sufficient sized blocks to account for mining dilution and uncertainties related to the actual physical distribution of mineralization. Domains were utilized to minimize the estimation of mineralization into rock units that do not host mineralization. These underlying factors and risks were considered in the final conclusion of the mineral resource estimate.

Mineral Resource Estimate

Geostatistics and estimates of mineralization were prepared by Resource Development Associates Inc. Industry accepted grade estimation techniques were used to develop global mineralization block models for the Newgard, Quill and UTZ zones. The mineral resource estimate considers underground mining and mill processing as a basis for reasonable prospects of eventual economic extraction. The total mineral resource estimate for the Bunker Hill Mine is listed in Table 1-1 at a cutoff grade of net smelter return (NSR) 70 \$/ton. Mineral Resources are classified according to Item 1302(d)(1)(iii)(A) of Regulation S-K.

Table 1-1 Bunker Hill Mine Mineral Resource Estimate (Exclusive of Mineral Reserves), December 31, 2023 – Resource Development Associates Inc.

| Classification | Ton (x1,000) | NSR (\$/Ton) | Ag Oz/Ton | Ag Oz (x1,000) | Pb % | Pb Lbs. (x1,000) | Zn % | Zn Lbs. (x1,000) |
|------------------------|-----------------|------------------|--------------|-------------------|-------------|---------------------|-------------|---------------------|
| Measured (M) | 1,306 | \$ 109.14 | 0.91 | 1,186 | 2.24 | 58,597 | 4.91 | 128,257 |
| Indicated (I) | 2,627 | \$ 109.31 | 0.87 | 2,288 | 2.16 | 113,339 | 5.05 | 265,517 |
| Total M & I | 3,933 | \$ 109.26 | 0.88 | 3,475 | 2.19 | 171,936 | 5.01 | 393,774 |
| Inferred | 6,849 | \$ 125.84 | 1.52 | 10,402 | 2.87 | 392,802 | 4.93 | 675,026 |

- (1) The mineral resource estimate was prepared by Resource Development Associates Inc.
- (2) Measured, Indicated and Inferred classifications are classified according to Item 1302(d)(1)(iii)(A) of Regulation S-K.
- (3) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- (4) Net smelter return (NSR) is defined as the return from sales of concentrates, expressed in US\$/t (i.e., $NSR = (\text{Contained metal}) * (\text{Metallurgical recoveries}) * (\text{Metal Payability } \%) * (\text{Metal prices}) - (\text{Treatment, refining, transport and other selling costs})$). For the mineral resource estimate, NSR values were calculated using updated open-cycle metallurgical results including recoveries of 85.1%, 84.2% and 88.2% for Zn, Ag and Pb, respectively, and concentrate grades of 58% Zn in zinc concentrate, and 67% Pb and 12.13 oz/ton Ag in lead concentrate.
- (5) Mineral resources are estimated using a zinc price of \$1.20 per pound, silver price of \$20.00 per ounce, and lead price of \$1.00 per pound.
- (6) Historic mining voids, stopes and development drifting have been depleted from the mineral resource estimate.
- (7) Totals may not add up due to rounding.
- (8) Mineral resources are reported exclusive of mineral reserves. The reserves disclosed in the report represent measured mineral resources and indicated resources that were evaluated with modifying factors related to underground mining.
- (9) The point of reference for mineral resources is in situ mineralization.

Mineral Reserves

Mineral reserves have been estimated for the Quill, Newgard and UTZ sections of the Project. Measured and indicated mineral resources were converted to probable mineral reserves for the Mine. Measured mineral resources were converted to probable mineral reserves because of uncertainties associated with modifying factors that were taken into account in the conversion from mineral resources to mineral reserves.

Measured and indicated mineral resources were converted to probable mineral reserves by evaluating operating cost, projected metal revenues and estimated stope shapes and geometries. The general widths, plunge and shape of the Quill and Newgard mineralization lends itself well to transverse (perpendicular to strike) long hole open stoping (LHOS) with fill utilizing rubber tire equipment. The UTZ deposit is more amenable to cut-and-fill (CF) methods due to its shape and geometry. Extraction of the planned mine shapes is assumed to be 100% of the NSR \$80/ton plan. Breakeven NSR is \$70/ton for LHOS and \$75/ton for cut-and-fill stopes.

Mineral reserves were classified in accordance with Item 1302(e)(2) of Regulation S-K. The mineral reserve statement is presented in Table 1-2. Mineral reserves are estimated at an NSR value cutoff of \$80/short ton at the reference point of saleable mill concentrates with an effective date of August 29, 2022.

Table 1-2 Bunker Hill Mineral Reserve Estimate, December 31, 2023 – Minetech, USA, LLC

| Area | Description | Tons (x1,000) | Zn (%) | Pb (%) | Ag (opt) | Contained Ag (koz) | Contained Zn (klbs) | Contained Pb (klbs) | NSR (US\$/st) |
|-------------------|--------------------|---------------|--------------|--------------|-------------|--------------------|---------------------|---------------------|---------------|
| Newgard and Quill | Probable | 3,111 | 5.87% | 2.56% | 1.12 | 3,492 | 365,118 | 159,326 | 133.53 |
| | Plan Dilution | 95 | - | - | - | - | - | - | - |
| | Unplanned Dilution | 156 | - | - | - | - | - | - | - |
| UTZ | Probable | 89 | 3.93% | 3.74% | 1.35 | 95 | 7,002 | 6,658 | 122.66 |
| | Plan Dilution | 1 | - | - | - | - | - | - | - |
| | Unplanned Dilution | 4 | - | - | - | - | - | - | - |
| Total | Probable | 3,200 | 5.81% | 2.59% | 1.12 | 3,587 | 372,120 | 165,984 | 133.23 |
| | Plan Dilution | 96 | - | - | - | - | - | - | - |
| | Unplanned Dilution | 160 | - | - | - | - | - | - | - |
| | Total Plan | 3,360 | 5.30% | 2.40% | 1.02 | 3,587 | 186,060 | 82,992 | 126.88 |

- (1) Planned dilution is zero grade waste included in the designed stope shapes and probable tonnages.
- (2) Unplanned dilution is 5% external dilution added at zero grade.
- (3) Mineral reserves stated are inclusive of all above mentioned dilutions and are factored for ore loss due to mining activities.
- (4) Net smelter return (NSR) is defined as the return from sales of concentrates, expressed in US\$/t (i.e., $NSR = (\text{Contained metal}) * (\text{Metallurgical recoveries}) * (\text{Metal Payability } \%) * (\text{Metal prices}) - (\text{Treatment, refining, transport and other selling costs})$). For the mineral reserve estimate, NSR values were calculated using updated open-cycle metallurgical results including recoveries of 85.1%, 84.2% and 88.2% for Zn, Ag and Pb, respectively, and concentrate grades of 58% Zn in zinc concentrate, and 67% Pb and 12.13 oz/ton Ag in lead concentrate.
- (5) Mineral reserves are estimated using a zinc price of \$1.20 per pound, silver price of \$20.00 per ounce, and lead price of \$1.00 per pound.
- (6) Historic mining voids, stopes and development drifting have been depleted from the mineral reserve estimate.
- (7) Totals may not add up due to rounding.

Economic Summary

The summary of the current projected financial performance of the Bunker Hill Mine is listed in Table 1-3. Sensitivities are summarized in Table 1-4.

Table 1-3 Bunker Hill Project Economic Summary

| Year | Initial Capex | 1 | 2 | 3 | 4 | 5 | TOTAL | ANNUAL AVERAGE |
|---------------------|---------------|-------|-------|-------|-------|-------|--------------|----------------|
| Metal Prices | | | | | | | | |
| Zinc (\$/lb) | 1.5 | 1.4 | 1.3 | 1.25 | 1.25 | 1.25 | 1.29 | 1.29 |
| Lead (\$/lb) | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 |
| Silver (\$/oz) | 22 | 22 | 22 | 21.5 | 21.5 | 21.5 | 21.7 | 21.7 |
| Mine plan | | | | | | | | |
| Ore mined (kt) | 77 | 652 | 655 | 655 | 655 | 665 | 3,360 | 657 |
| Zinc grade (%) | 5.90% | 5.60% | 4.70% | 5.70% | 5.70% | 5.90% | 5.50% | 5.50% |
| Lead grade (%) | 2.10% | 2.40% | 2.70% | 2.90% | 2.40% | 1.90% | 2.50% | 2.50% |
| Silver grade (oz/t) | 0.5 | 0.7 | 1.3 | 1.4 | 1.2 | 0.8 | 1.1 | 1.1 |
| Zinc eq grade (%) | 7.70% | 8.00% | 8.10% | 9.40% | 8.80% | 8.20% | 8.50% | 8.50% |

| | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Production | | | | | | | | |
| Zinc concentrate (t) | 6,671 | 53,504 | 44,852 | 54,997 | 55,061 | 57,909 | 272,995 | 53,265 |
| Lead concentrate (t) | 2,091 | 20,945 | 23,577 | 25,078 | 20,955 | 16,605 | 109,251 | 21,432 |
| Zn grade - Zn conc (%) | 58.00% | 58.00% | 58.00% | 58.00% | 58.00% | 58.00% | 58.00% | 58.00% |
| Pb grade - Pb conc (%) | 67.00% | 67.00% | 67.00% | 67.00% | 67.00% | 67.00% | 67.00% | 67.00% |
| Ag grade - Pb conc (oz/t) | 14.4 | 18.6 | 31.5 | 30.1 | 31 | 27.4 | 27.6 | 27.7 |
| Zn prod. - Zn conc (klbs) | 7,738 | 62,065 | 52,029 | 63,796 | 63,871 | 67,174 | 316,674 | 61,787 |
| Pb prod. - Pb conc (klbs) | 2,802 | 28,067 | 31,593 | 33,605 | 28,080 | 22,251 | 146,397 | 28,719 |
| Ag prod. - Pb conc (koz) | 30 | 390 | 742 | 754 | 649 | 455 | 3,020 | 598 |
| Zinc eq produced (klbs) | 9,954 | 87,233 | 87,679 | 102,310 | 96,375 | 91,909 | 475,460 | 93,101 |
| Cost metrics | | | | | | | | |
| Mining (\$/t) | | 35 | 38 | 37 | 35 | 41 | 37 | 37 |
| Processing (\$/t) | | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| G&A (\$/t) | | 9 | 9 | 9 | 9 | 6 | 9 | 9 |
| Opex - total (\$/t) | | 65 | 68 | 67 | 65 | 69 | 67 | 67 |
| Sustaining capex (\$/t) | | 18 | 22 | 19 | 41 | 8 | 21 | 21 |
| Cash costs: by-prod. (\$/lb Zn payable) | | 0.61 | 0.42 | 0.36 | 0.45 | 0.64 | 0.5 | 0.5 |
| AISC: by-prod. (\$/lb Zn payable) | | 0.82 | 0.74 | 0.59 | 0.95 | 0.73 | 0.77 | 0.77 |
| FCF & Valuation (\$000's) | | | | | | | | |
| Zinc revenue | | 73,857 | 57,492 | 67,784 | 67,863 | 71,373 | 338,368 | 67,674 |
| Lead revenue | | 25,330 | 28,513 | 30,328 | 25,342 | 20,081 | 129,595 | 25,919 |
| Silver revenue | | 7,900 | 15,515 | 15,406 | 13,256 | 9,260 | 61,337 | 12,267 |
| Gross revenue | | 107,087 | 101,520 | 113,518 | 106,461 | 100,714 | 529,300 | 105,860 |
| TC - Zinc conc | | -16,257 | -11,138 | -13,657 | -13,673 | -14,380 | -69,105 | -13,821 |
| TC - Lead conc | | -3,698 | -4,162 | -4,428 | -3,700 | -2,932 | -18,919 | -3,784 |
| RC - Lead conc | | -449 | -882 | -896 | -771 | -538 | -3,535 | -707 |
| Land freight | | -2,193 | -2,019 | -2,360 | -2,239 | -2,192 | -11,002 | -2,200 |
| Net smelter return | | 84,491 | 83,319 | 92,178 | 86,079 | 80,672 | 426,739 | 85,348 |
| Mining costs | | -22,828 | -24,592 | -23,971 | -22,927 | -27,454 | 121,772 | -24,354 |
| Processing costs | | -13,766 | -13,842 | -13,842 | -13,842 | -14,053 | -69,346 | -13,869 |
| G&A costs | | -6,050 | -6,063 | -6,063 | -6,063 | -4,257 | -28,496 | -5,699 |
| EBITDA | | 41,847 | 38,822 | 48,302 | 43,247 | 34,908 | 207,126 | 41,425 |
| Sustaining capex | | -11,475 | -14,127 | -12,651 | -26,982 | -5,215 | -70,450 | -14,090 |
| Initial capex | 54,853 | | | | | | -54,853 | - |
| Land & salvage value | | | | | | 12,281 | 12,281 | 12,281 |
| Pre-tax free cash flow | 54,853 | 30,372 | 24,695 | 35,650 | 16,266 | 41,974 | 94,103 | 29,791 |
| Taxes | -511 | -1,394 | -1,382 | -2,218 | -1,155 | -1,224 | -7,884 | -1,475 |
| Free cash flow | 55,364 | 28,978 | 23,313 | 33,432 | 15,111 | 40,750 | 86,219 | 28,317 |
| NPV (5%) | 62,826 | | | | | | | |

NPV (8%) 51,813
 IRR (%) 36.00%
 Payback (years) 2.1

Table 1-4 Sensitivity Analysis

| | | Metal Prices | | | | | | Operating & Capital Costs | | | | | | |
|----------------------|---------|--------------------|------|-----|-----|-----|-----|---------------------------|------|-----|-----|-----|-----|-----|
| | | Zinc Price (\$/lb) | | | | | | Operating Costs (+/- %) | | | | | | |
| | | -20% | -10% | - | 10% | 20% | | | | | | | | |
| NPV (8%) (\$M) | Lead | -20% | -7 | 13 | 32 | 51 | 68 | Total | -20% | 102 | 87 | 72 | 56 | 40 |
| | Price | -10% | 4 | 23 | 42 | 60 | 78 | Capital | -10% | 92 | 77 | 62 | 46 | 30 |
| | (\$/lb) | - | 14 | 33 | 52 | 69 | 87 | Costs | - | 82 | 67 | 52 | 36 | 19 |
| | | 10% | 24 | 43 | 61 | 78 | 96 | (+/- | 10% | 72 | 57 | 42 | 25 | 9 |
| | | 20% | 34 | 53 | 70 | 87 | 105 | %) | 20% | 62 | 47 | 31 | 15 | -1 |
| | | Zinc Price (\$/lb) | | | | | | Operating Costs (+/- %) | | | | | | |
| | | -20% | -10% | - | 10% | 20% | | | | | | | | |
| IRR (%) | Lead | -20% | 4% | 16% | 26% | 35% | 44% | Total | -20% | 71% | 62% | 53% | 44% | 34% |
| | Price | -10% | 10% | 21% | 31% | 40% | 49% | Capital | -10% | 60% | 52% | 44% | 35% | 26% |
| | (\$/lb) | - | 16% | 26% | 36% | 45% | 53% | Costs | - | 51% | 44% | 36% | 28% | 19% |
| | | 10% | 22% | 32% | 41% | 49% | 57% | (+/- | 10% | 44% | 37% | 29% | 21% | 13% |
| | | 20% | 27% | 37% | 45% | 54% | 62% | %) | 20% | 37% | 30% | 23% | 15% | 7% |

Property Description and Ownership

The Bunker Hill Mine is located in Shoshone County, Idaho with portions of the Mine located within the cities of Kellogg and Wardner, Idaho in northwestern USA. The Kellogg Tunnel, which is the main access to the Mine, is located at 47.53611°N latitude, 116.1381W longitude. The approximate elevation for the above cited coordinates is 2366 ft.

On December 15, 2021 BHMC signed a Purchase and Sale Agreement (PSA) with Placer Mining Corporation and both William and Shirley Pangburn to acquire full ownership of the subsequently listed mineral titles in addition to other surface rights and real property associated with land and structures of the Bunker Hill Mine.

On January 7, 2022, the Company closed the purchase of the Bunker Hill Mine. Mine assets were purchased for \$7,700,000, with \$300,000 of previous lease payments and a deposit of \$2,000,000 applied to the purchase, resulting in cash paid at closing of approximately \$5,400,000. The EPA obligation of \$19,000,000 was assumed by Bunker Hill as part of the acquisition.

Geology and Mineralization

The Northern Idaho Panhandle Region in which the Bunker Hill Mine is located is underlain by the Middle Proterozoic-aged Belt-Purcell Supergroup of fine-grained, dominantly siliciclastic sedimentary rocks, which extends from western Montana (locally named the Belt Supergroup) to southern British Columbia (locally named the Purcell Supergroup) and is collectively over 23,000 feet in total stratigraphic thickness.

Mineralization at the Bunker Hill Mine is hosted almost exclusively in the Upper Revett formation of the Ravalli Group, a part of the Belt Supergroup of Middle Proterozoic-aged, fine-grained sediments. Geologic mapping and interpretation progressed by leaps and bounds following the recognition of a predictable stratigraphic section at the Bunker Hill Mine and enabled the measurement of specific offsets across major faults, discussed in the following section. From an exploration and mining perspective, there were two critical conclusions from this research: all significant mineralized shoots are hosted in quartzite units where they are cut by vein structures, and the location of the quartzite units can be projected up and down section, and across fault offsets, to target extensions and offsets of known mineralized shoots and veins.

Mineralization at Bunker Hill Mine falls in four categories, described below from oldest to youngest events:

Bluebird Veins (BB): W–NW striking, SW-dipping, variable ratio of sphalerite-pyrite-siderite mineralization. Thick, tabular cores with gradational margins bleeding out along bedding and fractures.

Stringer/Disseminated Zones: Disseminated, fracture controlled and bedding controlled blebs and stringer mineralization associated with Bluebird structures, commonly as halos to vein-like bodies or as isolated areas where brecciated quartzite beds are intersected by the W-NW structure and fold fabrics.

Galena-Quartz Veins (GQ): E to NE striking, S to SE dipping, quartz-argentiferous galena +/-siderite-sphalerite-chalcopyrite-tetrahedrite veins, sinuous-planar with sharp margins, cross-cut Bluebird veins.

Hybrid Zones: Formed at intersections where GQ veins cut BB veins, with open space deposition of sulfides and quartz in the vein refraction in quartzite beds, and replacement of siderite in the BB vein structure by argentiferous galena from the GQ vein.

Environmental Studies and Permitting

Because the Mine is on patented mining claims (privately-owned land), only a limited number of permits are required for mining and milling operations. These relate to (1) air quality and emissions from crushing, milling and processing and (2) any refurbishment of surface buildings that may require construction permits.

The Bunker Hill Mine is located within the Bunker Hill Superfund site (EPA National Priorities Listing IDD048340921). Cleanup activities have been completed in Operable Unit 2 of the Bunker Hill Superfund Site where the Mine is located, though water treatment continues at the Central Treatment Plant (the “CTP”) located near Bunker Hill Mine. The CTP is owned by the EPA and is operated by its contractors.

BHMC entered into a Settlement Agreement and Order on Consent with the EPA and the DOJ on May 14, 2018. Section 9, Paragraph 33 of that agreement stipulates that BHMC must obtain a National Pollutant Discharge Elimination System (“NPDES”) permit for effluent discharged by Bunker Hill Mine by May 14, 2023. This obligation exists and the deadline will occur at a point in time where restart activities are planned to occur.

BHMC will initiate a voluntary Environmental, Social and Health Impact Assessment (“ESHIA”) for the activities described in the Technical Report Summary and for its business model as a whole. This study is projected for completion in 2024 and will conform to ISO, IFC and GRI standards.

Metallurgical Testing

Resource Development Inc. (Rdi) initiated metallurgical test work on three samples designated Newgard, Quill and Utz, with the primary objective of determining the process flowsheet and the metal recoveries and concentrate grades. Flotation testing was completed through locked-cycle testing, the results of which are displayed in table 1-5

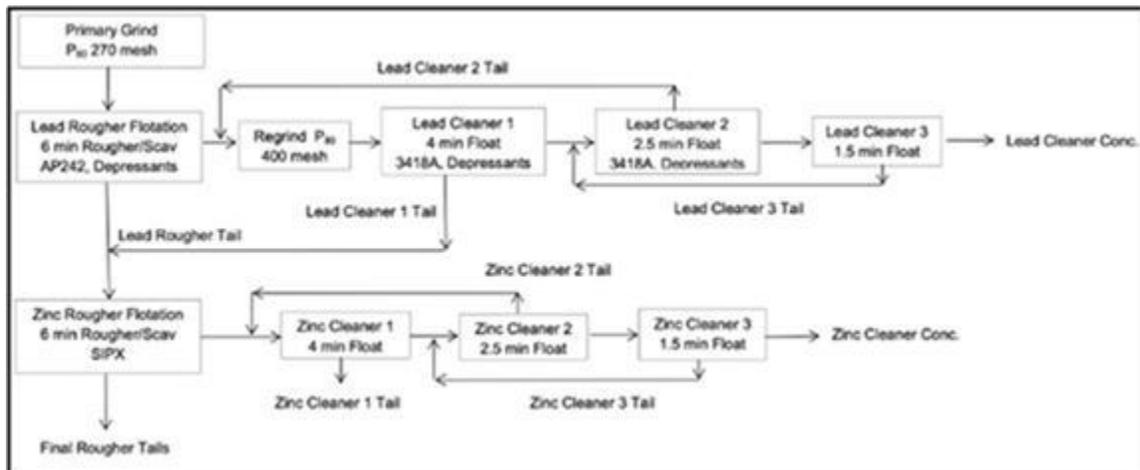
Table 1-5 Summary of Locked-Cycle Flotation Test Results

| Product | Overall Weight % | Overall Pb Recovery % | Overall Zn Recovery % | Overall Au Recovery % | Overall Ag Recovery % | Conc. Grade Pb (%) | Conc. Grade Zn (%) | Conc. Grade Au (g/mt) | Conc. Grade Ag (g/mt) |
|------------------------|------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|--------------------|-----------------------|-----------------------|
| Lead 3rd Cleaner Conc. | 7.1 | 88.2 | 9.2 | 47.8 | 84.2 | 47.6 | 6.91 | 2.16 | 410 |
| Zinc 3rd Cleaner Conc. | 8.7 | 3.5 | 85.1 | 16.7 | 10.9 | 1.55 | 52.4 | 0.62 | 43.5 |
| Rougher Tail | 80.7 | 5.3 | 3.2 | 25.5 | 0.9 | 0.25 | 0.21 | 0.10 | 0.40 |
| Zinc 1st Cleaner Tail | 3.6 | 2.9 | 2.5 | 9.9 | 3.9 | 3.14 | 3.71 | 0.89 | 37.7 |
| Combined Tails | 84.2 | 8.3 | 5.7 | 35.5 | 4.9 | 0.38 | 0.36 | 0.13 | 1.99 |
| Calculated Head | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 3.78 | 5.25 | 0.32 | 34.0 |

The open-cycle and locked-cycle tests were completed at a primary grind of P₈₀ 270 mesh for rougher flotation. Rougher scavenger flotation was included in both the lead and zinc circuits to increase the amount of value sent to the cleaner stages. Re grind of the lead rougher concentrate with a pebble mill was completed to a particle size of approximately P₈₀ 400 mesh for cleaner flotation. No regrind was completed with the zinc rougher concentrate.

BHMC has contracted SGS Canada Inc (SGS) to conduct a metallurgical study to further evaluate and optimize metal recovery for the Bunker Hill Project. The primary objective of the test program is to complete metallurgical test work to improve met results over the Pre-feasibility Study (PFS) performed by Rdi for the Bunker Hill Project.

Figure 1-1 Locked-Cycle Test Process Flowsheet



Mining Method

Long-hole stoping with fill (LHOS), cut-and-fill and possibly room-and-pillar mining with fill are the only methods viable for sustained operations today. LHOS is the preferred mining method with limited cut-and-fill mining at Bunker Hill Mine. Room-and-pillar mining is not in the current plan. Timbered ground support has been replaced with newer ground support technology of rock bolts, mesh, shotcrete and steel sets as required.

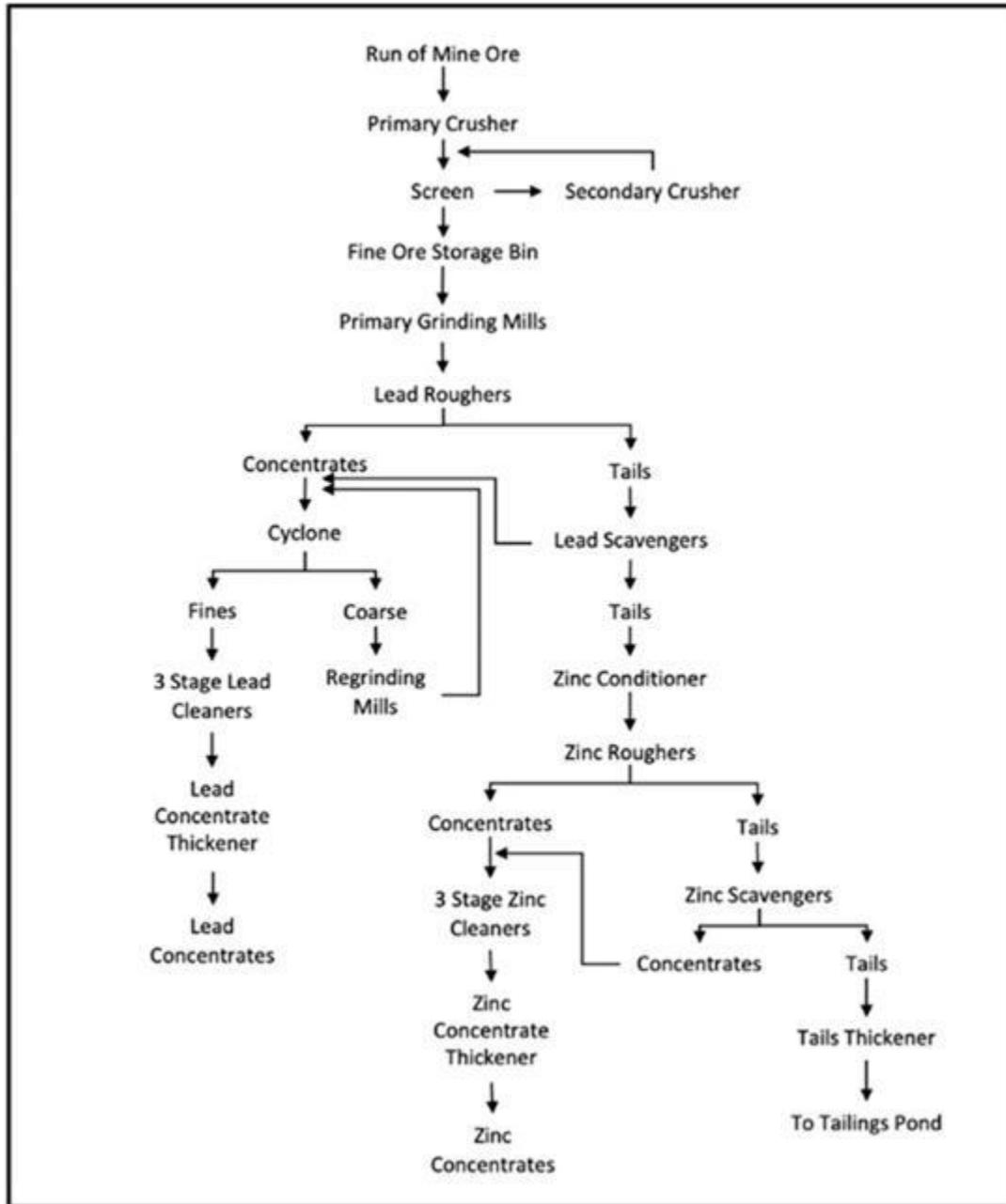
Beginning in October of 2021 and completed in April of 2022, BHMC conducted a geotechnical investigation of the underground conditions at the Bunker Hill Mine. Data collection involved a data analysis of rock quality designation (RQD) values logged with previous exploration drilling, geotechnical logging of recently drilled rock cores and an extensive investigation of pre-existing underground excavations and development. Ground conditions are generally good to excellent at Bunker Hill Mine and the rest of the mines in the Silver Valley. Bunker Hill Mine does not have a history of rock burst events that are frequent in the deeper mines to the east.

Recovery Methods

Bunker Hill plans to re-construct a crush-grind-flotation-concentration mill from the nearby Pend Oreille (PO) mine in northern Washington on the Bunker Hill Kellogg Mine Yard. The future structures to house the grind-flotation-concentration circuit, the secondary crushing circuit and concentrate storage facilities will need to be constructed.

The process consists of a primary and secondary ore crushing circuit, then a primary grinding circuit followed by two separate flotation circuits to recover lead, zinc, silver and gold into two separate concentrate products: a lead, silver, gold concentrate and a zinc concentrate. Approximately 648,000 short tons of ore will be processed a year at a rate of 1,800 short tons per day (stpd), or 79 short tons per hour (stph) at 95% availability.

Figure 1-2 Bunker Hill Process Flowsheet



Current Exploration and Development

Bunker Hill has a rare exploration opportunity available at the Bunker Hill Mine and has embarked on a new path to fully maximize the potential. A treasure trove of geologic and production data has been organized and preserved in good condition in the mine office since the shutdown of major mine operations in the early 1980s. This data represents 70+ years of proper scientific data and sample collection, with high standards of accuracy and precision that were generally at or above industry standards at the time.

The Company saw the wealth of information that was available but not readily usable and embarked on a scanning and digitizing program. From this, the Company was able to build a three-dimensional (3D) digital model of the mine workings and 3D surfaces and solids of important geologic features. To add to this, all of the historic drill core lithology logs and assay data (>2900 holes) was entered into a database and imported with the other data into Maptek Vulcan 3D software.

In addition to both continued geologic digitization and the completed 2021 exploration drill program, the Company has performed a geophysical survey over the summer of 2021. The survey was conducted as a ground geophysical 3DIP survey through DIAS Geophysical Ltd out of Saskatoon, Saskatchewan.

Conclusions

The Pre-Feasibility level analyses demonstrates that the restart of the Bunker Hill Mine can reasonably be expected to generate a positive return on investment with an after-tax internal rate of return (IRR) of 36% based on the reserves presented. It is reasonable to expect the conversion of Inferred resources to Indicated resources and indicated resources to measured resources to continue. Inferred mineral resources are considered too geologically speculative to have economic considerations applied to them to be classified as a mineral reserve.

The Technical Report Summary is based on all available technical and scientific data available as of August 29, 2022. Mineral resources are considered by the QP to meet the reasonable prospects of eventual economic extraction due two main factors: (1) cut-off grades are based on scientific data and assumptions related to the project and (2) mineral resources are estimated only within blocks of mineralization that have been accessible in the past by mining operations as well as by using generally accepted mining and processing costs that are similar to many projects in Idaho.

Recommendations

Continued analysis and interpretation of the geophysical survey results should aid to guide future exploration activities outside of historical mine working areas. Additional exploration drilling, with the advancement of underground mine development, is also advised due to the proximity of future development to under-explored areas of historical workings. Continued digitization and interpretation of historical mapping and research will aid to guide future underground and surface exploration activities.

Completion of issued for construction (IFC) level drawings for the mineral processing facilities is recommended.

Completion of IFC-level engineering drawings related to the paste backfill plant are recommended. Final tails product material generated from additional metallurgical testing will work to optimize binder compositions and have the potential to reduce backfill operating expenses or costs.

Additional geotechnical studies are recommended with the advancement of underground development. Continued geotechnical diamond drilling associated with future resource delineation and exploration drilling activities will provide a better sample set for rock strength testing and geotechnical logging. Future underground development will also allow for the investigation of previously mined areas and association of historical span allowances based on previous ground support methods.

Additional resource delineation and conversion drilling and mine block modeling should continue to increase the conversion of Inferred to Indicated Resources.

Table 1-6 Proposed Work Program to Advance Bunker Hill

| Activity | Amount (\$ in millions) |
|-----------------|------------------------------------|
|-----------------|------------------------------------|

| | | |
|--|-----------|-------------|
| Geophysical Interpretation and Additional Geophysics | \$ | 0.05 |
| Environmental Studies | \$ | 0.03 |
| Geotechnical Studies | \$ | 0.15 |
| Mill and Process Plant Engineering | \$ | 1.70 |
| Hydraulic Backfill and Tailing Placement Engineering | \$ | 0.50 |
| Total Recommended Budget | \$ | 2.43 |

Project Infrastructure

The Bunker Hill complex is a mature mine with much of the underground infrastructure and development still in place. The mill, smelter and tailing impoundment have been removed, and these sites have been reclaimed. Part of the reclamation included surface water diversion structures, which are still in use and are maintained in good condition. The original Bunker Hill mine offices, car and maintenance shops, and change house are located near the Kellogg Tunnel (KT) portal and are in serviceable condition.

Bunker Hill is located in Kellogg, Idaho, along the Interstate 90 corridor on the west side of what is traditionally known as the Silver Valley. It is 60 miles from the Spokane, Washington airport to the west and 125 miles to the Missoula, Montana airport to the east. The Silver Valley of north Idaho is a desirable place to live and is home to an enthusiastic and talented underground mining work force.

Mine power requirements have been met and completed with the Avista Kellogg substation, located next to the Bunker Hill main offices supplying power to the Mine and other local consumers. There are two existing distribution lines now supplying the Mine from the Kellogg Avista substation. One feeds the surface mine facilities and the underground loads from the Kellogg side, and the other feeds the Wardner mine yard and facilities. The current three-phase 2.5 kilovolt (kV) mine distribution system on the Kellogg side has been upgraded to three-phase 13.2kV during the year ended December 31, 2023.

Mine discharge water now gravity drains out the nine-level through the Kellogg Tunnel via a ditch adjacent to the rail line to the portal. It is then routed to a water treatment plant constructed by the EPA and currently operated by the Idaho Department of Environmental Quality (IDEQ).

BHMC commissioned Patterson & Cooke North America to perform tradeoff studies for costing and operating the mine backfill and tailing placement facilities. Results from the tradeoff studies led to the location of the plant on surface, both adjacent to the mill and at Wardner. Tailings thickening will take place inside the mill/process facility building, with the underflow being pumped to the tailings filtration plant located adjacent to the mill/process building. Vacuum filtration will take the thickened tailings and produce a filter cake material, which will be deposited and stored in a load-out facility at the plant. A surface loader will transfer the filter cake tailings into overland haul trucks to deliver the material up to the Wardner side of operations along the return route from run-of-mine (ROM) ore haulage. Once delivered to the storage facility at Wardner, material will be loaded into the paste plant, combined with an ordinary cement binder, and subsequently pumped underground via a reticulated piping system.

ITEM 3. LEGAL PROCEEDINGS

Other than as described below, neither the Company nor its property is the subject of any current, pending, or threatened legal proceedings. The Company is not aware of any other legal proceedings in which any director, officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of the Company's voting securities, or any associate of any such director, officer, affiliate or security holder of the Company, is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

On July 28, 2021, a lawsuit was filed in the U.S. District Court for the District of Idaho brought by Crescent Mining, LLC ("Crescent"). The named defendants include Placer Mining, Robert Hopper Jr., and the Company. The lawsuit alleges that Placer Mining and Robert Hopper Jr. intentionally flooded the Crescent Mine during the period from 1991

and 1994, and that the Company is jointly and severally liable with the other defendants for unspecified past and future costs associated with the presence of acid mine drainage (AMD) in the Crescent Mine. The plaintiff has requested unspecified damages. On September 20, 2021, the Company filed a motion to dismiss Crescent's claims against it, contending that such claims are facially deficient. On March 2, 2022, Chief U.S. District Court Judge, David C. Nye granted in part and denied in part the Company's motion to dismiss. The court granted the Company's motion to dismiss in respect of Crescent's cost recovery claim under CERCLA Section 107(a) and declaratory judgment, tortious interference, trespass, nuisance and negligence claims. These claims were dismissed without prejudice. The court denied the motion to dismiss filed by Placer Mining Corp. for Crescent's trespass, nuisance and negligence claims. Crescent later filed an amended complaint on April 1, 2022. Placer Mining Corp. and Bunker Hill Mining Corp are named as co-defendants. Bunker Hill responded to the amended filing, refuting and denying all allegations made in the complaint except those that are assertions of fact as a matter of public record. The Company believes Crescent's lawsuit is without merit and intends to vigorously defend itself, as well as Placer Mining Corp. pursuant to the Company's indemnification of Placer Mining Corp in the sale and purchase agreement executed between the companies for the Mine on December 15, 2021.

On October 26, 2021, the Company asserted claims against Crescent in a separate lawsuit. Bunker Hill Mining Corporation v. Venzee Technologies Inc. (Venzee) et al, Case No. 2:21-cv-209-REP, was filed in the U.S. District Court for the District of Idaho on May 14, 2021. The Company has subsequently executed a tolling agreement with Venzee in exchange for dropping its lawsuit. The Company originally filed this lawsuit on May 14, 2021 against other parties but has since filed an amended complaint to include its claims against Crescent. This lawsuit has been consolidated into the lawsuit Crescent filed on July 28, 2021.

ITEM 4. MINE SAFETY DISCLOSURES

The enacted Dodd-Frank Wall Street Reform and Consumer Protection Act ("the Act") requires the operators of mines to include in each periodic report filed with the SEC certain specified disclosures regarding the Company's history of mine safety. The information concerning mine safety disclosures required by the Act and this Item is included in Exhibit 95.1 to this report.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on Toronto Stock Exchange Venture under the symbol "BNKR" and on the OTCQB under the symbol "BHLL".

Stockholders

As of March 12, 2024, there were approximately 160 stockholders of record of our common stock and, according to our estimates, approximately 500 beneficial owners of our common stock.

Unregistered Sales of Securities

Warrant Exercise

On March 15, 2023, the Company amended the exercise price and the expiry date of 10,416,667 common stock purchase warrants of the Company. The warrants were issued to Teck Resources Limited ("Teck") on a private placement basis on May 13, 2022, in consideration for the Company's acquisition of the Pend Oreille process plant. Each warrant entitles the holder thereof to purchase one share of common stock of the Company (each, a "warrant

share”) at an exercise price of C\$0.37 per warrant share at any time on or prior to May 12, 2025. The Company amended the exercise price of the warrants from C\$0.37 to C\$0.11 per warrant share and amended the expiry date from May 12, 2025 to March 31, 2023. Following the amendment of the terms of the warrants, Teck exercised all 10,416,667 warrants at an exercise price of C\$0.11, for aggregate gross proceeds of approximately C\$1,145,834 to the Company. The Company relied on the exemption from registration under Section 4(a)(2) of the U.S. Securities Act of 1933, as amended (the “Securities Act”), or Rule 506 of Regulation D, or Regulation S, and in reliance on similar exemptions under applicable state laws, for purposes of the exercise of the warrants.

Private Placement of Special Warrants

On March 28, 2023, the Company announced the closing of a private placement of special warrants of the Company (the “Special Warrants”) by issuing 51,633,727 Special Warrants at a price of C\$0.12 per Special Warrant, for aggregate gross proceeds of C\$6,196,047. Each Special Warrant is exercisable, for no additional consideration and with no further action on the part of the holder thereof, into one unit of the Company (each, a “Unit”), subject to customary anti-dilution provisions and a certain penalty provision set forth in the indenture governing the Special Warrants. Each Unit consists of one share of common stock of the Company (each, a “Unit Share”) and one common stock purchase warrant of the Company (each, a “Warrant”). Each whole Warrant entitles the holder thereof to acquire one share of common stock of the Company (a “Warrant Share”) at an exercise price of \$0.15 per Warrant Share until March 27, 2026. In consideration for their services in connection with the offering, a cash commission in the amount of \$211,461 is payable to the agents. The agents were also issued 2,070,258 compensation options (the “Compensation Options”). Each Compensation Option is exercisable to acquire one unit of the Company (a “Compensation Unit”) at a price of C\$0.12 per Compensation Unit for a period of 36 months from March 27, 2023, subject to adjustment in certain events. Each Compensation Unit consists of one share of common stock of the Company and one common stock purchase warrant of the Company (an “Agents’ Compensation Warrant”). Each Agents’ Compensation Warrant entitles the holder thereof to acquire one share of common stock of the Company (an “Agents’ Compensation Warrant Share”) at a price of C\$0.15 per Agents’ Compensation Warrant Share until March 27, 2026. The Company relied on the exemption from registration under Section 4(a)(2) of the Securities Act, or Rule 506 of Regulation D, or Regulation S, and in reliance on similar exemptions under applicable state laws, for purposes of the private placement.

Shares of Common Stock Issued in Satisfaction of Interest Payable on Convertible Debentures

The Company and Sprott Private Resource Streaming & Royalty Corp. (“Sprott”) entered into (i) six convertible debentures on January 28, 2022 in the aggregate principal amount of \$6,000,000 (the “CD1”) and (ii) three convertible debentures on June 17, 2022 in the aggregate principal amount of \$15,000,000 (the “CD2” and together with the CD1, the “convertible debentures”). Pursuant to the terms of the convertible debentures, the Company may elect to pay the accrued and unpaid interest due thereunder by issuing shares of common stock of the Company, as opposed to paying cash, at the conversion price set forth therein. On January 10, 2023, the Company issued 6,377,271 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended December 31, 2022. On March 31, 2023, the Company issued 9,803,573 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended March 31, 2023. On June 23, 2023, the Company issued 3,944,364 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended June 30, 2023. On October 11, 2023, the Company issued 5,175,000 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended September 30, 2023. On January 9, 2024, the Company issued 7,392,859 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended December 31, 2023. The Company relied on the exemption from registration under Section 4(a)(2) of the U.S. Securities Act of 1933, as amended, or Rule 506 of Regulation D, or Regulation S, and in reliance on similar exemptions under applicable state laws, for purposes of issuance of the shares in satisfaction of the interest payable under the convertible debentures.

Securities Issued Pursuant to Equity Incentive Plans

During the fiscal year ended December 31, 2023, the Company issued 10,844,993 restricted stock units (“RSUs”) and nil options to purchase shares of common stock of the Company to directors, employees and consultants under the Company’s equity incentive plans.

On May 25, 2023, the Company issued 1,268,183 shares of common stock at a deemed price of C\$0.20 for the settlement of RSUs.

On May 29, 2023, the Company issued 50,000 shares of common stock at a deemed price of C\$0.22 for the settlement of RSUs.

On June 1, 2023, the Company issued 2,821,248 shares of common stock at a deemed price of C\$0.23 for the settlement of RSUs.

On June 2, 2023, the Company issued 888,654 shares of common stock at a deemed price of C\$0.26 for the settlement of RSUs.

On June 5, 2023, the Company issued 357,735 shares of common stock at a deemed price of C\$0.27 for the settlement of RSUs.

On June 7, 2023, the Company issued 42,000 shares of common stock at a deemed price of C\$0.255 for the settlement of RSUs.

On June 7, 2023, the Company issued 339,398 shares of common stock at a deemed price of C\$0.245 for the settlement of RSUs.

On November 16, 2023, the Company issued 42,000 shares of common stock at a deemed price of C\$0.125 for the settlement of RSUs.

The Company relied on the exemption from registration under Section 4(a)(2) of the Securities Act, or Rule 506 of Regulation D, or Regulation S, and in reliance on similar exemptions under applicable state laws, for purposes of the issuance of such securities.

Issuer Purchases of Equity Securities

None.

ITEM 6. [RESERVED]

Not Applicable.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SPECIAL NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report, including statements in the following discussion, are what are known as “forward looking statements”, which are basically statements about the future. For that reason, these statements involve risk and uncertainty since no one can accurately predict the future. Words such as “plans,” “intends,” “will,” “hopes,” “seeks,” “anticipates,” “expects” and the like often identify such forward looking statements, but are not the only indication that a statement is a forward-looking statement. Such forward looking statements include statements concerning the Company’s plans and objectives with respect to the present and future operations of the Company, and

statements which express or imply that such present and future operations will or may produce revenues, income or profits. Numerous factors and future events could cause the Company to change such plans and objectives or fail to successfully implement such plans or achieve such objectives, or cause such present and future operations to fail to produce revenues, income or profits. Therefore, the reader is advised that the following discussion should be considered in light of the discussion of risks and other factors contained in this report and in the Company's other filings with the SEC. No statements contained in the following discussion should be construed as a guarantee or assurance of future performance or future results.

Background and Overview

The Company's sole focus is the development and restart of its 100% owned flagship asset, the Bunker Hill Mine, in Idaho, USA. The Mine remains the largest single producing mine by tonnage in the Silver Valley region of northwest Idaho, producing over 165 million ounces of silver and 5 million tons of base metals between 1885 and 1981. The Bunker Hill Mine is located within Operable Unit 2 of the Bunker Hill Superfund site (EPA National Priorities Listing IDD048340921), where cleanup activities have been completed. Production is expected to commence in 2024.

Since early 2020, the Company has conducted multiple exploration campaigns, published multiple economic studies and mineral resource estimates, and advanced the rehabilitation and development of the Mine. In December 2021, the Company announced a project finance package with Sprott Private Resource Streaming & Royalty Corp., an amended Settlement Agreement with the EPA, and the purchase of the Bunker Hill Mine. In 2022, the Company completed the purchase of a package of equipment and parts inventory from Teck Resources Limited's ("Teck") Pend Oreille operation. The package comprises substantially all the mineral processing equipment including complete crushing, grinding and flotation circuits suitable for a planned ~1,500 ton-per-day operation at the Bunker Hill site, and total inventory of components and parts for the mill, assay lab, conveyer, field instruments, and electrical spares.

The Company has moved into the development stage concurrent with (i) purchasing the Mine and a process plant, (ii) completing successive technical and economic studies, including a Prefeasibility Study, (iii) delineating mineral reserves, and (iv) conducting the program of activities to restart the mine.

In June 2023, the Company closed an upsized and improved \$67,000,000 project finance package with Sprott, consisting of a \$46,000,000 stream and a \$21,000,000 new debt facility. The Company believes that this project finance package will be sufficient to complete the development and construction activities to restart the mine.

The Bunker Hill Mine restart is expected to take place in 2024, with first concentrate production targeted for the fourth quarter of 2024. However, the estimated timing of Bunker Hill Mine restart is subject to change based on factors beyond the Company's control, including but not limited to supply chain dynamics.

Results of Operations

The following discussion and analysis provide information that is believed to be relevant to an assessment and understanding of the results of operation and financial condition of the Company for the years ended December 31, 2021 and 2022. Unless otherwise stated, all figures herein are expressed in U.S. dollars, which is the Company's functional currency.

Comparison of the year ended December 31, 2023 and the year ended December 31, 2022

Revenue

During the year ended December 31, 2023, the Company generated no revenue (year ended December 31, 2022 - \$nil).

Expenses

During the year ended December 31, 2023, the Company reported total operating expenses of \$11,600,574 as compared to total operating expenses of \$16,487,161 for the year ended December 31, 2022.

The decrease in total operating expenses was primarily due to (i) a decrease in mine preparation expenses of \$7,827,656 (ii) a decrease in consulting and wages expenses of \$1,872,392 (iii) partially offset by an increase in operation and administration expenses of \$4,112,443 in the year ended December 31, 2023 compared to the year ended December 31, 2022. Mine preparation expenses were \$nil in the year ended December 31, 2023, primarily as a result of the Company determining that all costs directly attributed to the mine after September 30, 2022 (upon the release of the prefeasibility study) constituted mine development costs (capitalized to non-current assets) instead of mine preparation costs (expense) given the existence of probable mineral reserves and an economic study incorporating them. The decrease in consulting and wages expenses was impacted by a lower volume of transactions and a lower bonus accrual in the year ended December 31, 2023, as compared to the year ended December 31, 2022. Operation and administration expenses increased due to increased activities at site, such as maintenance.

Net Income and Comprehensive Income

The Company had net loss of \$13,432,539 for the year ended December 31, 2023 (net income of \$898,591 for the year ended December 31, 2022). The decrease in net income was due to a decrease in the gain recorded due to change in derivative liability of \$13,336,366 (gain of \$2,360,025 and gain of \$15,696,391 for the year ended December 31, 2023, and 2022 respectively). The decrease in net income was further increased by a higher interest expense in the year ended December 31, 2023 (\$7,124,527) compared to the year ended December 31, 2022 (3,382,559), due to the issuance of the Stream obligation in June 2023. The change in net loss was also impacted by a decrease of \$1,462,230 gain on extinguishment in debt in the year ended December 31, 2023, compared to the year ended December 31, 2022. A gain of \$7,151,873 was recognized in the year ended December 31, 2023, relating to the sale of mineral properties, compared with a \$8,614,103 gain on EPA settlement in the year ended December 31, 2022. Net loss for the year ended December 31, 2023, included a loss on modification of debt of 3,228,525, mostly relating to the Stream, compared to \$nil for the year ended December 31, 2022. Net loss for the year ended December 31, 2023, also included the initial recognition of a deferred tax liability and corresponding deferred tax expense relating to the closing of the stream transaction (\$2,588,590 for the year ended December 31, 2023, compared to \$nil for the year ended December 31, 2022).

The decrease in net income was offset by the inclusion of \$1,107,093 of interest income for the year ended December 31, 2023, compared to \$nil for the year ended December 31, 2022. Additionally, items offsetting the decrease in net income was the decrease in operating expenses, as described above, and the decrease in debenture financing costs of \$1,230,540 (\$nil for the year ended December 31, 2023, compared to \$1,230,540 for the year ended December 31, 2022). The decrease in net income was further offset by an increase in the gain recorded due to change in convertible debentures of \$2,814,313 (gain of \$1,673,776 and loss of \$1,140,537 for the year ended December 31, 2023, and 2022 respectively). The gain in fair value that occurred in 2023 was driven by a decline in the Company's share price. The loss that occurred in 2022 was driven by the increase in likelihood of the RCD being converted into a Royalty.

The Company had comprehensive loss of \$12,877,752 for the year ended December 31, 2023 (comprehensive income of \$1,152,466 for the year ended December 31, 2022). Comprehensive loss for the year ended December 31, 2023, is inclusive of a \$554,787 gain on change in fair value on own credit risk (\$253,875 for the year ended December 31, 2022) relating to the convertible debentures outstanding into during the year ended December 31, 2023, due to the Company's credit rating improving in the same period primarily due to the closing of the \$46,000,000 Stream.

Liquidity and Capital Resources

Current Assets and Total Assets

As of December 31, 2023, the Company had total current assets of \$27,176,997, compared to total current assets of \$7,741,052 at December 31, 2022 – an increase of \$19,435,945; and total assets of \$61,989,678, compared to total assets of \$32,929,892 at December 31, 2022 – an increase of \$29,059,786. The increase in current assets and total assets was primarily due to the closing of the \$46,000,000 Stream, net of repayment of the \$5,000,000 Bridge Loan, Promissory note and transaction related costs, the exercise of 10,416,667 warrants at an exercise price of C\$0.11, for aggregate gross proceeds of \$837,460 (C\$1,145,834) and the closing of the March 2023 Offering for gross proceeds of \$4,536,020 (C\$6,196,047).

Current Liabilities and Total Liabilities

As of December 31, 2023, the Company had total current liabilities of \$7,472,326 and total liabilities of \$88,356,840, compared to total current liabilities of \$10,155,582 and total liabilities of \$59,106,835 at December 31, 2022. Current liabilities decreased primarily as a result of the repayment of the promissory note, and settlement of accounts payable and accrued liabilities from the proceeds of the Stream. Total liabilities increased primarily as a result of closing of the \$46,000,000 Stream and recognition of deferred tax liability, partially offset by a decrease in the carrying values of convertible debenture 1, convertible debenture 2, warrants, and the settlement of royalty convertible debenture and the bridge loan.

Working Capital and Shareholders' Deficit

As of December 31, 2023, the Company had a working capital balance of \$19,704,671 and a shareholders' deficiency of \$26,367,162 compared to a working capital deficit of \$2,414,530 and a shareholders' deficiency of \$26,176,943 as of December 31, 2022. The working capital balance increased during the year ended December 31, 2023, primarily due to cash received from closing of the \$46,000,000 Stream (net of repayment of the \$5,000,000 Bridge Loan and transaction related costs) and cash received from the closing of a brokered private placement of special warrants of the Company, partially offset by operating expenses and capital expenditures incurred during the period. The shareholders' deficiency decreased due to proceeds received from the equity financing in the year ended December 31, 2023, partially offset by the net loss the same period.

Cash Flow

During the year ended December 31, 2023, the Company had a net cash increase of \$19,394,491, primarily due to the closing of a brokered private placement of special warrants of the Company and proceeds received from the exercise of warrants and closing of the Stream agreement with Sprott. Cash expenditures during the year ended December 31, 2023, were primarily related to process plant and general working capital requirements.

Subsequent Events

Share Issuance

On January 09, 2024, the Company issued 7,392,859 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ending December 31, 2023.

On January 29, 2024, the Company granted 672,450 RSUs to a certain member of management of the Company. The RSUs vest on January 29, 2025.

Critical accounting estimates

The preparation of the interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the share awards and warrant liabilities are determined at the date of grant using generally accepted valuation techniques and for warrant liabilities at each balance sheets date thereafter. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price and expected dividend yield. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Convertible Loans, Promissory Notes, Stream Obligation and Warrants

Estimating the fair value of derivative warrant liability requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the issuance. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the warrants derivative liability, volatility and dividend yield and making assumptions about them.

The fair value estimates of the convertible loans use inputs to the valuation model that include risk-free rates, equity value per share of common stock, USD-CAD exchange rates, spot and futures prices of minerals, expected equity volatility, expected volatility in minerals prices, discount for lack of marketability, credit spread, expected mineral production over the life of the mine, and project risk/estimation risk factors.

The stream obligation inputs used to determine the future cash flows and effective interest for the amortized cost calculation include futures prices of minerals and expected mineral production over the life of the mine.

The fair value estimates may differ from actual fair values and these differences may be significant and could have a material impact on the Company's balance sheets and the consolidated statements of operations. Assets are reviewed for an indication of impairment at each reporting date. This determination requires significant judgment. Factors that could trigger an impairment review include, but are not limited to, significant negative industry or economic trends, interruptions in exploration activities or a significant drop in precious metal prices.

Accrued liabilities

The Company has to make estimates to accrue for certain expenditures due to delay in receipt of third-party vendor invoices. These accruals are made based on trends, history and knowledge of activities. Actual results may be different.

The Company makes monthly estimates of its water treatment costs, with a true-up to the annual invoice received from the IDEQ. Using the actual costs in the annual invoice, the Company will then reassess its estimate for future periods. Given the nature, complexity and variability of the various actual cost items included in the invoice, the Company has used the most recent invoice as its estimate of the water treatment costs for future periods.

Incremental Borrowing rate

The Company estimates the incremental borrowing rate to determine the present value of future lease payments. Actual results may be different from estimates.

Borrowing Cost Capitalization rate

The Company makes estimates to determine the percentage of borrowing costs that are capitalized into property plant and equipment. Actual results may be different.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Bunker Hill Mining Corp. (formerly Liberty Silver Corp.)

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Bunker Hill Mining Corp. (the “Company”) as at December 31, 2023 and 2022, and the related consolidated statements of income (loss) and comprehensive income (loss), cash flows, and changes in shareholders’ deficiency for each of the years in the two-year period ended December 31, 2023, and the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and the results of its consolidated operations and its consolidated cash flows for each of the years in the two-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

| Critical Audit Matter Description | Audit Response |
|--|--|
| <p><i>Valuation of Series 1 & 2 Convertible Debentures (CDs)</i></p> <p>The Company had previously issued CDs which are complex in nature and are required to be fair valued at the end of each reporting period.</p> <p>The calculation of the fair value of the CDs requires management to use an appropriate valuation model and incorporates estimates.</p> <p>This resulted in an increased extent of audit effort, including the involvement of internal valuation specialists.</p> <p>Due to the complexity of these CDs and the estimates and assumptions involved in the determination of fair value we considered this to be a critical audit matter.</p> <p>Refer to Note 3 Significant Accounting Policies - Use of Estimates and Assumptions and Note 9 Promissory Notes Payable and Convertible Debentures.</p> | <p>We responded to this matter by performing audit procedures in relation to the valuation of the CDs. Our audit work in relation to this included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> ● Obtained and assessed all amendments signed in the year in relation to the CDs. ● Obtained management's assessment of the fair value of the CDs. ● With the assistance of internal valuation specialists, evaluated the reasonability of management's model for valuing the CDs and the appropriateness of the inputs used in the model, and recalculated fair values. ● Recalculated the covenants involved to ensure compliance. ● Performed a sensitivity analysis on the inputs. ● Assessed the appropriateness of the related disclosures. |
| <p><i>Accounting Treatment and Valuation of Stream Debenture</i></p> | <p>We responded to this matter by performing audit procedures in relation to the accounting treatment and valuation of the Stream Debenture. Our audit work in</p> |

Upon closing of the Metals Purchase Agreement, the Company was issued a \$46,000,000 debenture (the "Stream Debenture").

The determination of the accounting treatment of the Stream Debenture is complex in nature. The measurement of the Stream Debenture requires management to incorporate significant estimates.

Due to the complexity involved in determining the correct accounting treatment and measurement of the Stream Debenture, we considered this to be a critical audit matter.

Refer to Note 3 Significant Accounting Policies - Use of Estimates and Assumptions and Note 9 Promissory Notes Payable and Convertible Debentures.

Measurement of Gain on Conversion of Royalty Convertible Debenture ("RCD")

The RCD was converted and the Company granted a royalty over the life of the Bunker Hill mine (the "Royalty").

The determination of the accounting treatment of the Royalty is complex in nature. The measurement of the converted RCD into the Royalty requires management to incorporate significant estimates.

Due to the complexity involved in determining the correct accounting treatment and measurement of the RCD and the Royalty on the conversion date, we consider this to be a critical audit matter.

Refer to Note 3 Significant Accounting Policies - Use of Estimates and Assumptions and Note 9 Promissory Notes Payable and Convertible Debentures.

MNP LLP

Chartered Professional Accountants

relation to this included, but was not restricted to, the following:

- Obtained the agreement for the Stream Debenture.
- Evaluated the appropriateness of management's analysis and assessment of the accounting treatment of the Stream Debenture in accordance with relevant accounting standards.
- Assessed the reasonability of the model used to value the Stream Debenture and the appropriateness of the inputs used and recalculated the value.
- With the assistance of internal valuation specialists, assessed certain key assumptions in the valuation of the Stream Debenture which included the discount rate and future metal prices.
- Evaluated management's calculation of the initial and year-end measurement of the Stream Debenture.
- Assessed the appropriateness of the related disclosures.

We responded to this matter by performing audit procedures in relation to the measurement of gain on conversion of the RCD. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained the agreement for the conversion of the RCD into the Royalty.
- Evaluated management's analysis and assessment of the accounting treatment of the conversion in accordance with the relevant accounting standards.
- Assessed the reasonability of the model used to value the RCD and Royalty on conversion date and the appropriateness of the inputs used and recalculated the values.
- With the assistance of internal valuation specialists, assessed certain key assumptions in the valuation of the RCD and Royalty on conversion date which included the discount rate and future metal prices.
- Tested mathematical accuracy of management's calculation of the RCD and the Royalty.
- Assessed the appropriateness of the related disclosures.

Licensed Public Accountants

We have served as the Company's auditor since 2014.

Mississauga, Canada

March 12, 2024

Bunker Hill Mining Corp.
Consolidated Balance Sheets
(Expressed in United States Dollars)

| | December 31, | December 31, |
|--|----------------------|----------------------|
| | 2023 | 2022 |
| ASSETS | | |
| Current assets | | |
| Cash | \$ 20,102,596 | \$ 708,105 |
| Restricted cash (note 8) | 6,476,000 | 6,476,000 |
| Accounts receivable and prepaid expenses (note 4) | 598,401 | 556,947 |
| Total current assets | 27,176,997 | 7,741,052 |
| Non-current assets | | |
| Spare parts inventory | 341,004 | 341,004 |
| Long-term deposit | 249,265 | 269,015 |
| Equipment (note 5) | 946,661 | 551,204 |
| Right-of-use assets (note 5) | 625,022 | - |
| Bunker Hill Mine and Mining interests (note 6) | 15,198,259 | 15,896,645 |
| Process plant (note 5) | 17,452,470 | 8,130,972 |
| Total assets | \$ 61,989,678 | \$ 32,929,892 |
| EQUITY AND LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | \$ 1,788,950 | \$ 4,523,502 |
| Accrued liabilities | 1,225,525 | 1,500,164 |
| Current portion of lease liability (note 7) | 353,526 | - |
| Derivative warrant liability (note 10) | - | 903,697 |
| Deferred share units liability (note 13) | 569,327 | 573,742 |
| Environment protection agency cost recovery payable (note 8) | 3,000,000 | - |
| Interest payable (notes 8 and 9) | 534,998 | 1,154,477 |
| Promissory notes payable (note 9) | - | 1,500,000 |
| Total current liabilities | 7,472,326 | 10,155,582 |
| Non-current liabilities | | |
| Lease liability (note 7) | 71,808 | - |
| Loan payable (note 9) | - | 4,684,446 |
| Series 1 convertible debenture (note 9) | 5,244,757 | 5,537,360 |
| Series 2 convertible debenture (note 9) | 13,458,570 | 14,063,525 |

| | | |
|--|----------------------|----------------------|
| Stream debenture (note 9) | 51,138,000 | - |
| Royalty convertible debenture (note 9) | - | 10,285,777 |
| Environment protection agency cost recovery liability net of discount (note 8) | 6,574,140 | 7,941,466 |
| Deferred tax liability (note 15) | 2,588,590 | - |
| Derivative warrant liability (note 10) | 1,808,649 | 6,438,679 |
| Total liabilities | 88,356,840 | 59,106,835 |
| Shareholders' Deficiency | | |
| Preferred shares, \$0.000001 par value, 10,000,000 preferred shares authorized; Nil preferred shares issued and outstanding (note 10) | - | - |
| Common stock, \$0.000001 par value, 1,500,000,000 shares of common stock authorized; 322,661,482 and 229,501,661 shares of common stock issued and outstanding, respectively (note 10) | 321 | 228 |
| Additional paid-in-capital (note 10) | 57,848,953 | 45,161,513 |
| Accumulated other comprehensive income | 808,662 | 253,875 |
| Accumulated deficit | (85,025,098) | (71,592,559) |
| Total shareholders' deficiency | (26,367,162) | (26,176,943) |
| Total shareholders' deficiency and liabilities | \$ 61,989,678 | \$ 32,929,892 |

The accompanying notes are an integral part of these consolidated financial statements.

Bunker Hill Mining Corp.
Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in United States Dollars)

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|--|---|---|
| Operating expenses | | |
| Operation and administration | \$ 6,146,322 | \$ 2,033,879 |
| Mine preparation | - | 7,827,656 |
| Legal and accounting | 1,848,879 | 1,147,861 |
| Consulting and wages (note 16) | 3,605,373 | 5,477,765 |
| Loss from operations | (11,600,574) | (16,487,161) |
| Other income or gain (expense or loss) | | |
| Interest income | 1,107,093 | - |
| Change in derivative liability (note 10) | 2,360,025 | 15,696,391 |
| Gain (loss) on foreign exchange | 4,821 | (237,546) |
| Gain (loss) on fair value of convertible debentures (note 9) | 1,673,776 | (1,140,537) |
| Gain on RCD settlement (note 6) | 6,980,932 | - |
| Gain on debt settlement | 170,941 | - |
| Gain on EPA debt extinguishment (note 8) | - | 8,614,103 |
| Gain on warrant modification | 214,714 | - |
| Interest expense (notes 8 and 9) | (7,124,527) | (3,382,559) |
| Debenture finance costs (note 9) | - | (1,230,540) |
| Financing costs (note 10) | (934,502) | (945,507) |
| Other income | 23,520 | 18,626 |
| Other expense | - | (6,679) |

| | | |
|---|------------------------|--------------------|
| Loss on revaluation of stream debenture (note 9) | (3,128,956) | - |
| Loss on debt modification (note 9) | (99,569) | - |
| Loss on debt settlement (note 9) | (491,643) | - |
| (Loss) income for the year pre tax | \$ (10,843,949) | \$ 898,591 |
| Deferred tax expense (note 15) | (2,588,590) | - |
| Net (loss) income for the year | (13,432,539) | 898,591 |
| Other comprehensive income (loss), net of tax | | |
| Gain on change in FV on own credit risk (note 9) | 554,787 | 253,875 |
| Other comprehensive income | 554,787 | 253,875 |
| Comprehensive (loss) income | (12,877,752) | 1,152,466 |
| Net (loss) Income per share of common stock | | |
| Net (loss) income per share of common stock – basic (note 11) | <u>\$ (0.05)</u> | <u>\$ 0.00</u> |
| Net (loss) income per share of common stock – fully diluted (note 11) | <u>\$ (0.05)</u> | <u>\$ 0.00</u> |
| Weighted average number of shares of common stock | | |
| Weighted average shares of common stock – basic (note 11) | <u>280,354,631</u> | <u>205,950,811</u> |
| Weighted average shares of common stock – fully diluted (note 11) | <u>280,354,631</u> | <u>269,801,281</u> |

The accompanying notes are an integral part of these consolidated financial statements.

Bunker Hill Mining Corp.
Consolidated Statements of Cash Flows
(Expressed in United States Dollars)

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|---|---|---|
| Operating activities | | |
| Net (Loss) income for the year | \$ (13,432,539) | \$ 898,591 |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation | 1,092,290 | 421,881 |
| Depreciation expense | 190,133 | 214,643 |
| Change in derivative liability | (2,360,025) | (15,696,391) |
| Deferred tax expense | 2,588,590 | - |
| Units issued for services | 111,971 | 1,060,858 |
| Imputed interest expense on lease liability | 29,699 | 1,834 |
| Interest expense | 92,799 | 16,466 |
| Financing costs | - | 264,435 |
| Foreign exchange loss (gain) | - | 233,059 |
| Foreign exchange loss (gain) on re-translation of lease | - | 718 |
| Accretion of liabilities | 4,149,267 | 996,400 |
| Loss on revaluation of stream debenture | 3,128,956 | - |
| Loss on modification of debt | 99,569 | - |
| Loss on debt settlement | 491,643 | - |
| (Gain) loss on fair value of convertible debt derivatives | (1,673,777) | 1,140,537 |
| Gain on Warrant Extinguishment | (214,714) | - |

| | | |
|---|---------------------|---------------------|
| Gain on RCD settlement | (6,980,932) | - |
| Gain on debt settlement | (170,941) | - |
| Gain on extinguishment EPA debt | - | (8,614,103) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | - | 369,544 |
| Prepaid finance costs | - | 393,640 |
| Prepaid expenses and deposits | (26,267) | (1,133,124) |
| Accounts payable | (1,840,426) | 773,102 |
| Accrued liabilities | 425,719 | 316,167 |
| EPA water treatment payable | - | (4,458,707) |
| EPA cost recovery payable | - | (2,000,000) |
| Interest payable – EPA | - | (78,710) |
| Interest payable | 1,966,233 | 2,380,853 |
| Net cash used in operating activities | (12,332,752) | (22,498,307) |

Investing activities

| | | |
|--|---------------------|---------------------|
| Additions to Bunker Hill Mine and mining interests | (1,458,506) | (6,681,381) |
| Land purchase | - | (202,000) |
| Process plant | (9,398,032) | (3,633,687) |
| Purchase of machinery and equipment | (539,803) | (316,600) |
| Purchase of spare inventory | - | (341,004) |
| Net cash used in investing activities | (11,396,341) | (11,174,672) |

Financing activities

| | | |
|--|----------------------|---------------------|
| Proceeds from stream obligation | 46,000,000 | - |
| Transaction costs stream obligation | (740,956) | - |
| Proceeds from convertible debentures | - | 29,000,000 |
| Proceeds from bridge loan | - | 4,668,000 |
| Proceeds from issuance of shares, net of issue costs | 3,661,822 | 7,767,849 |
| Proceeds from warrants exercise | 837,459 | - |
| Proceeds from promissory notes | 390,000 | - |
| Repayment of bridge loan | (5,000,000) | - |
| Repayment of promissory notes | (150,000) | - |
| Repayment of promissory note | (1,599,568) | (1,000,000) |
| Lease payments | (275,173) | (64,828) |
| Net cash provided by financing activities | 43,123,584 | 40,371,021 |
| Net change in cash and restricted cash | 19,394,491 | 6,698,042 |
| Cash, beginning of year | 7,184,105 | 486,063 |
| Cash and restricted cash, end of year | \$ 26,578,596 | \$ 7,184,105 |

Supplemental disclosures

Non-cash activities:

| | | |
|---|------------|------------|
| Units issued to settle accounts payable and accrued liabilities | \$ 874,198 | \$ 228,421 |
| Units issued to settle interest payable | 2,515,235 | 1,400,174 |
| Mill purchase for shares and warrants | - | 3,243,296 |
| Units issued to settle DSU/RSU/Bonuses | - | 872,399 |

Reconciliation from Cash Flow Statement to Balance Sheet:

| | | |
|---------------------------------------|---------------|--------------|
| Cash and restricted cash, end of year | \$ 26,578,596 | \$ 7,184,105 |
| Less restricted cash | 6,476,000 | 6,476,000 |
| Cash | \$ 20,102,596 | \$ 708,105 |

The accompanying notes are an integral part of these consolidated financial statements.

Bunker Hill Mining Corp.
Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in United States Dollars)

| | Common stock | | Additional paid-in- capital | Accumulated other comprehensive loss | Accumulated deficit | Total |
|---|--------------------|---------------|-----------------------------------|---|------------------------|-----------------------|
| | Shares | Amount | | | | |
| Balance, December 31, 2022 | 229,501,661 | \$ 228 | \$45,161,513 | \$ 253,875 | \$(71,592,559) | \$(26,176,943) |
| Stock-based compensation | - | - | 1,458,946 | - | - | 1,458,946 |
| Compensation options | - | - | 111,971 | - | - | 111,971 |
| Shares issued for interest payable | 25,300,209 | 25 | 2,784,124 | - | - | 2,784,149 |
| Shares issued for RSUs vested | 5,809,218 | 6 | (6) | - | - | - |
| Shares issued for warrant exercise | 10,416,667 | 10 | 907,080 | - | - | 907,090 |
| Special warrant shares issued for C\$0.15 OCI | 51,633,727 | 52 | 7,425,325 | - | - | 7,425,377 |
| | - | - | - | 554,787 | - | 554,787 |
| Net income for the period | - | - | - | - | (13,432,539) | (13,432,539) |
| Balance, December 31, 2023 | 322,661,482 | \$ 321 | \$57,848,953 | \$ 808,662 | \$(85,025,098) | \$(26,367,162) |
| Balance, December 31, 2021 | 164,435,826 | \$ 164 | \$38,248,618 | \$ - | \$(72,491,150) | \$(34,242,368) |
| Stock-based compensation | - | - | 700,737 | - | - | 700,737 |
| Compensation options | - | - | 264,435 | - | - | 264,435 |
| Shares issued for interest payable | 11,544,279 | 12 | 1,400,174 | - | - | 1,400,186 |
| Shares issued for RSUs vested | 2,565,900 | 2 | (2) | - | - | - |
| Non brokered shares issued for C\$0.30 | 1,471,664 | 1 | 352,854 | - | - | 352,855 |
| Special warrant shares issued for C\$0.30 | 37,849,325 | 38 | 9,083,719 | - | - | 9,083,757 |
| Contractor shares issued for C\$0.30 | 1,218,000 | 1 | 289,999 | - | - | 290,000 |
| Shares issued for Process plant purchase | 10,416,667 | 10 | 1,970,254 | - | - | 1,970,264 |
| Issue costs | - | - | (902,427) | - | - | (902,427) |
| Warrant valuation | - | - | (6,246,848) | - | - | (6,246,848) |
| Gain on fair value from change in credit risk | - | - | - | 253,875 | - | 253,875 |
| Net income for the period | - | - | - | - | 898,591 | 898,591 |
| Balance, December 31, 2022 | 229,501,661 | \$ 228 | \$45,161,513 | \$ 253,875 | \$(71,592,559) | \$(26,176,943) |

- (i) Shares issued at C\$0.15, converted to U.S. dollars at \$0.11 (note 11)
- (ii) Shares issued at C\$0.30, converted to U.S. dollars at \$0.24 (note 11)
- (ii) Units issued at C\$0.40, converted to U.S. dollars at \$0.32 (note 11)
- (iv) Units issued at C\$0.57, converted to U.S. dollars at \$0.45 (note 11)

The accompanying notes are an integral part of these consolidated financial statements.

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1. Nature and continuance of operations

Bunker Hill Mining Corp. (the “Company”) was incorporated under the laws of the state of Nevada, U.S.A. on February 20, 2007, under the name Lincoln Mining Corp. Pursuant to a Certificate of Amendment dated February 11, 2010, the Company changed its name to Liberty Silver Corp., and on September 29, 2017, the Company changed its name to Bunker Hill Mining Corp. The Company’s registered office is located at 1802 N. Carson Street, Suite 212, Carson City, Nevada 89701, and its head office is located at 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1. As of the date of this Form 10-K, the Company had one subsidiary, Silver Valley Metals Corp. (“Silver Valley”, formerly American Zinc Corp.), an Idaho corporation created to facilitate the work being conducted at the Bunker Hill Mine in Kellogg, Idaho.

The Company was incorporated for the purpose of engaging in mineral exploration, and exploitation activities. It continues to work at developing its project with a view towards putting it into production.

2. Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to exploration stage enterprises. The consolidated financial statements are expressed in U.S. dollars, the Company’s functional currency.

3. Significant accounting policies

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

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Basis of consolidation

These consolidated financial statements include the assets, liabilities and expenses of the Company and its wholly owned subsidiary, Silver Valley Metals Corp. (formerly American Zinc Corp.). All intercompany transactions and balances have been eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents may include highly liquid investments with original maturities of three months or less.

Mineral rights, property and acquisition costs

The Company transitioned from the exploration stage to the development stage at the beginning of the fourth quarter of 2022. The Company has not yet realized any revenues from its planned operations.

The Company capitalizes acquisition and option costs of mineral rights as intangible assets when there is sufficient evidence to support probability of generating positive economic returns in the future. Upon commencement of commercial production, the mineral rights will be amortized using the unit-of-production method over the life of the mineral rights. If the Company does not continue with exploration after the completion of the feasibility study, the mineral rights will be expensed at that time.

The costs of acquiring mining properties are capitalized upon acquisition. Mine development costs incurred to develop and expand the capacity of mines, or to develop mine areas in advance of production, are also capitalized once proven and probable reserves exist and the property is a commercially mineable property. Costs incurred to maintain current exploration or to maintain assets on a standby basis are charged to operations. Costs of abandoned projects are charged to operations upon abandonment. The Company evaluates the carrying value of capitalized mining costs and related property and equipment costs, to determine if these costs are in excess of their recoverable amount whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Evaluation of the carrying value of capitalized costs and any related property and equipment costs are based upon expected future cash flows and/or estimated salvage value in accordance with Accounting Standards Codification (FASB ASC) 360-10-35, Impairment or Disposal of Long-Lived Assets.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to prepare for its intended use are capitalized as part of the cost of the asset. Capitalization of borrowing costs begins when there are borrowings, and activities commence to prepare an asset for its intended use. Capitalization of borrowing costs ends when substantially all activity necessary to prepare a qualifying asset for its intended use are complete. When proceeds of project-specific borrowings are invested on a temporary basis, borrowing costs are capitalized net of any investment income.

Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years. The cost of repairs and maintenance is charged to expense as incurred. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income or gain (expense or loss).

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful lives of equipment or whether the remaining balance of the equipment should be evaluated for possible impairment. If events and circumstances warrant evaluation, the Company uses an estimate of the related undiscounted cash flows over the remaining life of the equipment in measuring their recoverability.

Leases

Operating lease right of use (“ROU”) assets represent the right to use the leased asset for the lease term and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the adoption date in determining the present value of future payments. Lease expense for minimum lease payments is amortized on a straight-line basis over the lease term and is included in operation and administration expenses in the consolidated statements of (loss) Income and comprehensive (loss) Income.

Rental income obtained through subleases is recorded as income over the lease term and is offset against operation and administration expenses.

Impairment of long-lived assets

The Company reviews and evaluates long-lived assets for impairment when events or changes in circumstances indicate the related carrying amounts may not be recoverable. The assets are subject to impairment consideration under FASB ASC 360, Property, Plant and Equipment, if events or circumstances indicate that their carrying amount might not be recoverable. When the Company determines that an impairment analysis should be done, the analysis is performed using the rules of FASB ASC 930-360-35, Extractive Activities – Mining, and 360-10-15-3 through 15-5, Impairment or Disposal of Long-Lived Assets.

Various factors could impact the Company's ability to achieve forecasted production schedules. Additionally, commodity prices, capital expenditure requirements and reclamation costs could differ from the assumptions the Company may use in future production cash flow models when compared to factors used to assess impairment. The ability to achieve the estimated quantities of recoverable minerals from development stage mineral interests involves further risks in addition to those factors applicable to mineral interests where proven and probable reserves have been identified, due to the lower level of confidence that the identified mineralized material can ultimately be mined economically.

Fair value of financial instruments

The Company adopted FASB ASC 820-10, Fair Value Measurement. This guidance defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The carrying amounts reported in the consolidated balance sheets for cash, restricted cash, accounts receivable excluding HST, accounts payable, accrued liabilities, interest payable, promissory notes payable, current portion of environmental protection agency cost recovery payable, and current portion of lease liability, all of which qualify as financial instruments, are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and current market rate of interest. The carrying amounts of convertible loans are reported at estimated fair values as a result of the application of fair value models at each quarter end. The Company measured its DSU liability at fair value on recurring basis using level 1 inputs. Derivative warrant liabilities and convertible debentures are measured at fair value on recurring basis using level 3 inputs. The Company measured the non-current portion of the EPA liability and the stream debenture using a discount rate that represents the market rate. The Company measured its lease liabilities using a discount rate that represents market rate for the underlying asset.

Environmental expenditures

The operations of the Company have been, and may in the future be, affected from time to time, in varying degrees, by changes in environmental regulations, including those for future reclamation and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet, or if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

Environmental expenditures that relate to ongoing environmental and reclamation programs are expensed as incurred or capitalized and amortized depending on their future economic benefits. Estimated future reclamation and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries.

Income taxes

The Company accounts for income taxes in accordance with Accounting Standard Codification 740, Income Taxes ("FASB ASC 740"), on a tax jurisdictional basis. The Company files income tax returns in the United States.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the tax bases of assets and liabilities and the consolidated financial statements reported amounts using enacted tax rates and laws in effect in the year in which the differences are expected to reverse. A valuation allowance is provided against deferred tax assets when it is determined to be more likely than not that the deferred tax asset will not be realized.

The Company assesses the likelihood of the consolidated financial statements effect of a tax position that should be recognized when it is more likely than not that the position will be sustained upon examination by a taxing authority based on the technical merits of the tax position, circumstances, and information available as of the reporting date. The Company is subject to examination by taxing authorities in jurisdictions such as the United States. Management does not believe that there are any uncertain tax positions that would result in an asset or liability for taxes being recognized in the accompanying consolidated financial statements. The Company recognizes tax-related interest and penalties, if any, as a component of income tax expense.

FSAB ASC 740 prescribes recognition threshold and measurement attributes for the consolidated financial statements recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in periods, disclosure and transition. At December 31, 2023, December 31, 2022, the Company has not taken any tax positions that would require disclosure under FASB ASC 740.

Basic and diluted net (loss) income per share

The Company computes net (loss) income per share in accordance with FASB ASC 260, Earnings per Share (“FASB ASC 260”). Under the provisions of FASB ASC 260, basic net (loss) income per share is computed using the weighted average number of shares of common stock outstanding during the period. Diluted net (loss) income per share is computed using the weighted average number of shares of common stock and, if dilutive, potential shares of common stock outstanding during the period. Potential shares of common stock consist of the incremental shares of common stock issuable upon the exercise of stock options, RSUs, warrants and the conversion of convertible loan payable. As of December 31, 2023, a \$6,000,000 convertible debenture (the “CD1”), a \$15,000,000 convertible debenture (the “CD2”), 8,970,636 stock options, 145,061,976 warrants, and 4,301,150 broker options, and 7,044,527 RSUs were considered in the calculation but not included, as they were anti-dilutive (December 31, 2022 - 9,005,636 stock options, 162,129,064 warrants, and 5,470,799 broker options).

Stock-based compensation

In December 2004, FASB issued FASB ASC 718, Compensation – Stock Compensation (“FASB ASC 718”), which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity’s equity instruments or that may be settled by the issuance of those equity instruments. FASB ASC 718 focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. FASB ASC 718 requires that the compensation cost relating to share-based payment transactions be recognized in the consolidated financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued.

The Company accounts for stock-based compensation arrangements with non-employees in accordance with ASU 505-50, Equity-Based Payments to Non-Employees, which requires that such equity instruments are recorded at the value on the grant date based on fair value of the equity or goods and services whichever is more reliable.

Restricted share units

The Company estimates the grant date fair value of RSUs using the Company’s common stock at the grant date. The Company records the value of the RSUs in paid-in capital.

Deferred share units (“DSUs”)

The Company estimates the grant date fair value of the DSUs using the trading price of the Company’s common stock on the day of grant. The Company records the value of the DSUs owing to its directors as DSU liability and measures the DSU liability at fair value at each reporting date, with changes in fair value recognized as stock-based compensation in profit (loss).

Use of estimates and assumptions

Many of the amounts included in the consolidated financial statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management’s experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the consolidated financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the consolidated financial statements include:

Going concern

The assessment of the Company’s ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

Accrued liabilities

The Company has to make estimates to accrue for certain expenditures due to delay in receipt of third-party vendor invoices. These accruals are made based on trends, history and knowledge of activities. Actual results may be different. The Company makes monthly estimates of its water treatment costs, with a true-up to the annual invoice received from the Idaho Department of Environmental Quality (“IDEQ”). Using the actual costs in the annual invoice, the Company then reassesses its estimate for future periods. Given the nature, complexity and variability of the various actual cost items included in the invoice, the Company has used the most recent invoice as its estimate of the water treatment costs for future periods.

Convertible Loans, Promissory Notes, Stream Obligation and Warrants

Estimating the fair value of derivative warrant liability requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the issuance. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the warrants derivative liability, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value of warrants derivative liability are disclosed in Notes 9 and 10.

The fair value estimates of the convertible loans use inputs to the valuation model that include risk-free rates, equity value per share of common stock, USD-CAD exchange rates, spot and futures prices of minerals, expected equity volatility, expected volatility in minerals prices, discount for lack of marketability, credit spread, expected mineral production over the life of the mine, and project risk/estimation risk factors. See Note 9 for full disclosures related to the convertible loans and promissory notes.

The stream obligation inputs used to determine the future cash flows and effective interest for the amortized cost calculation include futures prices of minerals and expected mineral production over the life of the mine. See Note 9 for full disclosures related to the stream obligation.

The fair value estimates may differ from actual fair values and these differences may be significant and could have a material impact on the Company’s balance sheets and the consolidated statements of operations.

Impairment of mineral properties, plant and equipment

Assets are reviewed for an indication of impairment at each reporting date. This determination requires significant judgment. Factors that could trigger an impairment review include, but are not limited to, significant negative industry or economic trends, interruptions in exploration activities or a significant drop in precious metal prices.

Incremental borrowing rate

Estimating the present value of minimum future lease payments requires determining the most appropriate incremental borrowing rate. The assessment of the Company's incremental borrowing rate involves judgment regarding the cost of borrowings for the related asset.

Borrowing cost capitalization rate

The assessment of the Company's incremental borrowing rate involves judgment on what qualifies as a qualifying asset and on determining the capitalization rates.

Reclassifications

Certain reclassifications have been made to conform prior year's data to the current presentation. The reclassifications have no effect on the results of reported operations or stockholders' deficit or cash flows.

Concentrations of credit risk

The Company's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and restricted cash. The Company places its cash with financial institutions of high credit worthiness. At times, its cash equivalents with a particular financial institution may exceed any applicable government insurance limits. The Company's management also routinely assesses the financial strength and credit worthiness of any parties to which it extends funds and as such, it believes that any associated credit risk exposures are limited.

Risks and uncertainties

The Company operates in the mineral resource exploration and mine development industry that is subject to significant risks and uncertainties, including financial, operational, and other risks associated with operating a mineral resource exploration business, including the potential risk of business failure.

Foreign currency transactions

The Company from time to time will receive invoices from service providers that are presenting their invoices using the Canadian dollar. The Company will use its U.S. dollars to settle the Canadian dollar liabilities and any differences resulting from the exchange transaction are reported as gain or loss on foreign exchange.

Convertible loans and promissory notes payable

The Company reviews the terms of its convertible loans, stream obligation and promissory notes payable to determine whether there are embedded derivatives, including the embedded options, that are required to be bifurcated and accounted for as individual derivative financial instruments. In circumstances where the convertible loans, the stream obligation, or the promissory note contains embedded derivatives that are to be separated from the host contracts, the total proceeds received are first allocated to the fair value of the derivative financial instruments determined using the binomial model. The remaining proceeds, if any, are then allocated to the debenture cost contracts, usually resulting in those instruments being recorded at a discount from their principal amount. This discount is accreted over the expected life of the instruments to profit (loss) using the effective interest method. In circumstances where the convertible loans, the stream obligation, or the promissory note contains embedded derivatives that are not separated

from the host contracts, the fair values of the host contract and the derivative are valued together, with the change in fair value accounted through earnings, profit and loss for each period reported.

The debenture host contracts are subsequently recorded at amortized cost at each reporting date, using the effective interest method. The embedded derivatives are subsequently recorded at fair value at each reporting date, with changes in fair value recognized in profit (loss).

The Company applies ASC 480 distinguishing liabilities from equity and ASC 815 derivatives and hedging in determining the appropriate accounting treatment for hybrid instruments. The embedded options within the convertible loans are not bifurcated and measured at fair value at each period end.

Recent Accounting Pronouncements

New Accounting Pronouncements – In August 2023, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2023-05, Business Combinations - Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement, which clarifies the business combination accounting for joint venture formations. The amendments in the ASU seek to reduce diversity in practice that has resulted from a lack of authoritative guidance regarding the accounting for the formation of joint ventures in separate financial statements. The amendments also seek to clarify the initial measurement of joint venture net assets, including businesses contributed to a joint venture. The guidance is applicable to all entities involved in the formation of a joint venture. The amendments are effective for all joint venture formations with a formation date on or after January 1, 2025. Early adoption and retrospective application of the amendments are permitted. The Company does not expect adoption of the new guidance to have a material impact on our consolidated financial statements and disclosures.

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2023-07 (“ASU 2023-07”), Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, amending reportable segment disclosure requirements to include disclosure of incremental segment information on an annual and interim basis. Among the disclosure enhancements are new disclosures regarding significant segment expenses that are regularly provided to the chief operating decision-maker and included within each reported measure of segment profit or loss, as well as other segment items bridging segment revenue to each reported measure of segment profit or loss. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, and are applied retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of this update on our consolidated financial statements and disclosures.

In December 2023, the FASB issued Accounting Standards Update 2023-09 (“ASU 2023-09”), Income Taxes (Topic 740): Improvement to Income Tax Disclosures, amending income tax disclosure requirements for the effective tax rate reconciliation and income taxes paid. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, and are applied prospectively. Early adoption and retrospective application of the amendments are permitted. The Company is currently evaluating the impact of this update on our consolidated financial statements and disclosures.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

4. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses consists of the following:

| December 31, 2023 | December 31, 2022 |
|------------------------------|------------------------------|
|------------------------------|------------------------------|

| | | | | |
|--|----|----------------|----|----------------|
| Prepaid expenses | \$ | 382,198 | \$ | 334,686 |
| HST Receivable | | 121,621 | | 51,532 |
| Environment protection agency overpayment (note 8) | | 94,582 | | 170,729 |
| Total | \$ | <u>598,401</u> | \$ | <u>556,947</u> |

5. Equipment, Right-of-Use asset, and Process Plant

Equipment consists of the following:

| | | December 31, 2023 | | December 31, 2022 |
|-------------------------------|----|------------------------------|----|------------------------------|
| Equipment | \$ | 1,460,375 | \$ | 920,571 |
| Less accumulated depreciation | | (513,714) | | (369,367) |
| Equipment, net | \$ | <u>946,661</u> | \$ | <u>551,204</u> |

The total depreciation expense during the year ended December 31, 2023, was \$144,347 (year ended December 31, 2022 - \$162,290).

Process Plant

On May 13, 2022, the Company completed the purchase of a package of equipment and parts inventory from Teck Resources Limited's ("Teck") Pend Oreille operation. The package comprises substantially all the mineral processing equipment including complete crushing, grinding and flotation circuits suitable for a planned ~1,500 ton-per-day operation at the Bunker Hill site, and total inventory of components and parts for the mill, assay lab, conveyer, field instruments, and electrical spares.

The purchase of the mill has been valued at:

- Cash consideration given, comprised of \$500,000 non-refundable deposit remitted on January 7, 2022 and \$231,000 sales tax remitted on May 13, 2022, a total of \$731,000 cash remitted.
- Value of common stock issued on May 13, 2022 at the market price of that day, a value of \$1,970,264.
- Fair value of the warrants issued together with the inputs, as determined by a binomial model, resulted in a fair value of \$1,273,032. See note 10.
- As a result, the total value of the mill at the time of purchase was determined to be \$3,974,296, including \$341,004 of spare parts inventory.

The process plant was purchased in an assembled state, and included major processing systems, significant components, and a large inventory of spare parts. The Company has disassembled and transported it to the Bunker Hill site, and will be reassembling it as an integral part of the Company's future operations. The Company determined that the transaction should be accounted for as an asset acquisition, with the process plant representing a single asset, with the exception of the inventory of spare parts, which has been separated out and appears on the balance sheets as a non-current asset in accordance with the purchase price allocation. Costs associated with the completed demobilized and transportation were capitalized. Reassemble, installation and other costs associated with these activities will be capitalized as components of the asset as incurred.

Process plant consists of the following:

| December 31, 2023 | December 31, 2022 |
|------------------------------|------------------------------|
|------------------------------|------------------------------|

| | | | | |
|-------------------------------------|----|-------------------|----|------------------|
| Plant purchase price less inventory | \$ | 3,633,292 | \$ | 3,633,292 |
| Ball mill purchase | | 745,626 | | - |
| Demobilization | | 2,204,539 | | 2,201,414 |
| Site preparation costs | | 10,635,606 | | 2,296,266 |
| Capitalized interest (note 9) | | 233,407 | | - |
| Process Plant | \$ | <u>17,452,470</u> | \$ | <u>8,130,972</u> |

On June 30, 2023, the Company made the final payment of \$545,626 to D'Angelo International LLC to complete the purchase of a ball mill for a total \$745,626 (inclusive of two previously paid deposits of \$100,000 from the Company to D'Angelo International LLC). The ball mill is capable of delivering the 1,800 ton per day mine plan envisaged in the Company's Prefeasibility Study, and subject to future detailed engineering and mine planning, the mill could also potentially support a throughput increase.

Right-of-use asset consists of the following:

| | <u>December 31,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|---|------------------------------------|------------------------------------|
| Right-of-use asset | 670,808 | - |
| Right-of-use asset accumulated depreciation | (45,786) | - |
| Right-of-use asset, net | <u>\$ 625,022</u> | <u>\$ -</u> |

The total depreciation expense during the year ended December 31, 2023 was \$45,786 (year ended December 31, 2022 - \$52,353, relating to an expired lease). The Company is a party primarily to lease contracts for mining related mobile equipment.

6. Bunker Hill Mine and Mining Interests

Bunker Hill Mine Purchase

The Company purchased the Bunker Hill Mine (the "Mine") in January 2022, as described below.

Prior to purchasing the Mine, the Company had entered into a series of agreements with Placer Mining Corporation ("Placer Mining"), the prior owner, for the lease and option to purchase the Mine. The first of these agreements was announced on August 28, 2017, with subsequent amendments and/or extensions announced on November 1, 2019, July 7, 2020, and November 20, 2020.

Under the terms of the November 20, 2020, amended agreement (the "Amended Agreement"), a purchase price of \$7,700,000 was agreed, with \$5,700,000 payable in cash (with an aggregate of \$300,000 to be credited toward the purchase price of the Mine as having been previously paid by the Company) and \$2,000,000 in common stock of the Company. The Company agreed to make an advance payment of \$2,000,000, credited towards the purchase price of the Mine, which had the effect of decreasing the remaining amount payable to purchase the Mine to an aggregate of \$3,400,000 payable in cash and \$2,000,000 in common stock of the Company.

The Amended Agreement also required payments pursuant to an agreement with the Environmental Protection Agency (the "EPA") whereby for so long as the Company leases, owns and/or occupies the Mine, the Company would make payments to the EPA on behalf of Placer Mining in satisfaction of the EPA's claim for historical water treatment cost recovery as per the Settlement Agreement reached with the EPA in 2018. Immediately prior to the purchase of the Mine, the Company's liability to EPA in this regard totaled \$11,000,000.

The Company completed the purchase of the Mine on January 7, 2022. The terms of the purchase price were modified to \$5,400,000 in cash, from \$3,400,000 of cash and \$2,000,000 of common stock of the Company. Concurrent with the purchase of the Mine, the Company assumed incremental liabilities of \$8,000,000 to the EPA, consistent with the terms of the amended Settlement Agreement with the EPA that was executed in December 2021 (see “EPA Settlement Agreement” section below).

The \$5,400,000 contract cash paid at purchase was the \$7,700,000 less the \$2,000,000 deposit and \$300,000 credit given by the seller for prior years’ maintenance payments.

The purchase of the mine has been valued on January 7, 2022:

- Contract purchase price of \$7,700,000 less \$300,000 credit by seller for prior maintenance payments.
- Net present value of water treatment cost recovery liability assumed of \$6,402,425 (note 8).
- Capitalized legal and closing costs of \$444,785.

Management has determined the purchase to be an acquisition of a single asset.

Capitalized Development

Commencing on October 1, 2022, the Company capitalizes mine development. Through December 31, 2023, a total of \$2,722,889 had been capitalized.

Sale of Mineral Properties

On June 23, 2023, as consideration for the extinguishment of the royalty convertible debenture (the “RCD”), as described in note 9, the Company granted a royalty for 1.85% of life-of-mine gross revenue (the “Royalty”) from mining claims considered to be historically worked, contiguous to current accessible underground development, and covered by the Company’s 2021 ground geophysical survey. A 1.35% rate will apply to claims outside of these areas.

This transaction is treated as a sale of mineral interest to Sprott Private Resource Streaming & Royalty Corp. (“Sprott”). The portion of the mineral interest sold was determined based on an analysis of discounted life-of-mine royalty payments relative to discounted future cash flows generated from the mine net of capital and operating costs, applied to the carrying value of the Bunker Hill Mine as of June 23, 2023 before consideration of the sale of mineral properties. This analysis utilized a discount rate of 13% and long-term metal prices of \$1.09/lb, \$0.98/lb and \$25.51/oz for zinc, lead and silver respectively, consistent with assumptions utilized in the valuation of the RCD at extinguishment. The Company has recognized a gain of \$6,980,932 in the consolidated statements of (loss) income and comprehensive (loss) income.

The carrying cost of the Mine is comprised of the following:

| | December 31, 2023 | December 31, 2022 |
|-------------------------------------|------------------------------|------------------------------|
| Bunker Hill Mine purchase | \$ 14,247,210 | \$ 14,247,210 |
| Capitalized development | 2,722,889 | 1,447,435 |
| Sale of mineral properties (note 9) | (1,973,840) | - |
| Bunker Hill mine | <u>\$ 14,996,259</u> | <u>\$ 15,694,645</u> |

Land purchase and lease

On March 3, 2022, the Company purchased a 225-acre surface land parcel for \$202,000 which includes the surface rights to portions of 24 patented mining claims, for which the Company already owns the mineral rights.

During the year ended December 31, 2023, the Company entered into a lease agreement with C & E Tree Farm LLC for the lease of a land parcel overlaying a portion of the Company’s existing mineral claims package. The Company is committed to making monthly payments of \$10,000 through February 2026. The Company has the option to purchase the land parcel through March 1, 2026, for \$3,129,500 less 50% of the payments made through the date of purchase.

7. Lease Liability

As of December 31, 2023, The Company’s undiscounted lease obligations consisted of the following:

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Gross lease obligation – minimum lease payments | | |
| 1 year | \$ 393,673 | \$ - |
| 2- 3 years | 73,588 | - |
| 4-5 years | - | - |
| Future interest expense on lease obligations | (41,927) | - |
| Total lease liability | 425,334 | - |
| Current lease liability | 353,526 | - |
| Non-current lease liability | 71,808 | - |
| Total lease liability | 425,334 | - |

8. Environmental Protection Agency

Effective December 19, 2021, the Company entered into an amended Settlement Agreement between the Company, Idaho Department of Environmental Quality, U.S. Department of Justice, and the EPA (the “Amended Settlement”). Upon the effectiveness of the Amended Settlement, the Company would become fully compliant with its payment obligations to these parties. The Amended Settlement modified the payment schedule and payment terms for recovery of the historical environmental response costs. Pursuant to the terms of the Amended Settlement, upon purchase of the Bunker Hill Mine and the satisfaction of financial assurance commitments (as described below), the \$19,000,000 of cost recovery liabilities will be paid by the Company to the EPA on the following dates:

| Date | Amount |
|--|---------------------------------|
| Within 30 days of Settlement Agreement | \$ 2,000,000 |
| November 1, 2024 | \$ 3,000,000 |
| November 1, 2025 | \$ 3,000,000 |
| November 1, 2026 | \$ 3,000,000 |
| November 1, 2027 | \$ 3,000,000 |
| November 1, 2028 | \$ 3,000,000 |
| November 1, 2029 | 2,000,000 plus accrued interest |

In addition to the changes in payment terms and schedule, the Amended Settlement included a commitment by the Company to secure \$17,000,000 of financial assurance in the form of performance bonds or letters of credit deemed acceptable to the EPA within 180 days from the effective date of the Amended Settlement. Once put in place, the financial assurance can be drawn on by the EPA in the event of non-performance by the Company of its payment

obligations under the Amended Settlement (the “Financial Assurance”). The amount of the bonds will decrease over time as individual payments are made.

The Company completed the purchase of the Mine (see note 6) and made the initial \$2,000,000 cost recovery payment on January 7, 2022. Concurrent with the purchase of the Mine, the Company assumed the balance of the EPA liability totaling \$17,000,000, an increase of \$8,000,000 from \$9,000,000. This was capitalized as \$6,402,425 to the carrying value of the Bunker Hill Mine at time of purchase, comprised of \$3,000,000 of incremental current liabilities and \$5,000,000 of non-current liabilities (discounted to \$3,402,425). See note 6.

During the year ended 2022, the financial assurance was put into place, enabling the restructuring of the payment under the Amendment Settlement with the entire \$17,000,000 liability being recognized as long-term. As of December 31, 2023 (unchanged from December 31, 2022), the Company had two payment bonds of \$9,999,000 and \$5,000,000, and a \$2,001,000 letter of credit, in place to secure this liability. The collateral for the payment bonds is comprised of two letters of credit of \$4,475,000 in aggregate, as well as land pledged by third parties with whom the company has entered into a financing cooperation agreement that contemplates a monthly fee of \$20,000 (payable in cash or common stock of the Company, at the Company’s election). The letters of credit of \$6,476,000 in aggregate are secured by cash deposits under an agreement with a commercial bank, which comprise the \$6,476,000 of restricted cash shown within current assets as of December 31, 2023 and December 31, 2022.

The Company recorded accretion expense on the liability of \$1,632,674 for the year ended December 31, 2023, respectively, bringing the net liability to \$9,574,140 (previously accrued interest of \$154,743) as of December 31, 2023. Additionally, there is \$24,587 of interest owed to the EPA recorded in interest payable on the consolidated balance sheets.

During the year ended December 31, 2022, the Company recorded combined discount amortization expense of \$712,713 on the discounted pre-and post-extinguishment liability, and interest expense of \$156,343 respectively, bringing the net liability to \$7,941,466. As at December 31, 2022 interest of \$24,587 is included in interest payable on the consolidated balance sheets. Under ASC 470-50, Debt Modifications and Extinguishments, during the year ended December 31, 2022, the Company performed a comparison of net present value of the pre-settlement Cost Recovery obligation to the post-settlement schedule of Cost Recovery obligation to determine this was an extinguishment of debt. For the year ended December 31, 2022 the Company recorded a gain on extinguishment of debt totaling \$8,614,103.

Water Treatment Charges – Idaho Department of Environmental Quality

Separate to the cost recovery liability outlined above, the Company is responsible for the payment of ongoing water treatment charges. Water treatment charges incurred through December 31, 2021, were payable to the EPA, and charges thereafter are payable to the Idaho Department of Environmental Quality (“IDEQ”) following a handover of responsibilities for the Central Treatment Plant from the EPA to the IDEQ as of that date.

The Company currently makes monthly payments of \$100,000 to the IDEQ as instalments toward the cost of treating water at the Central Treatment Plant. Upon receipt of an invoice from the IDEQ for actual costs incurred, a reconciliation is performed relative to payments made, with an additional payment made or refund received as applicable. The Company accrues \$100,000 per month based on its estimate of the monthly cost of water treatment. As of December 31, 2023, a prepaid expense of \$94,582 (December 31, 2022: \$170,729) represents the difference between the estimated cost of water treatment and net payments made by the Company to the IDEQ to date. This balance has been recognized on the consolidated balance sheets as accounts receivable and accounts payable.

9. Promissory notes payable and Convertible Debentures

On September 22, 2021, the Company issued a non-convertible promissory note in the amount of \$2,500,000 bearing interest of 15% per annum and payable at maturity. The promissory note was scheduled to mature on March 15, 2022; however, the note holder agreed to accept \$500,000 payment, which the Company paid, by April 15, 2022, and the remaining principal and interest was deferred to June 20, 2022. Prior to the revised maturity of June 20, 2022, the note holder agreed to accept a further \$500,000 payment by June 30, 2022, which the Company paid. The remaining principal and interest has been deferred to June 15, 2023. The Company incurred a one-time penalty of 10% of the

outstanding principal on June 30, 2023, of \$99,569 which is included in loss on debt modification in the consolidated statements of (loss) income. A final principal payment of \$1,599,569 was made during the year ended December 31, 2023. Interest expense for the years ended December 31, 2023, and 2022 was \$189,179 and \$281,301 respectively. On December 31, 2023 interest of \$nil (\$384,041 at December 31, 2022) is included in interest payable on the consolidated balance sheets. On December 31, 2023, the Company owes \$nil (\$1,500,000 at December 31, 2022) in promissory notes payable, which was included in current liabilities on the consolidated balance sheets.

On February 21, 2023, the Company issued a non-convertible promissory note to a related party of \$120,000, and a separate non-convertible promissory note of \$120,000 to another party. Each promissory note bore fixed interest of \$18,000, payable at maturity, which was the earlier of one year or the receipt of an equity or debt financing. Both promissory notes, including interest of a total of \$36,000 recognized during the year ended December 31, 2023 (\$nil for the year ended December 31, 2022), were settled on March 27, 2023 through participating in the March 2023 Offering (Note 10).

In June 2023, the Company issued a non-convertible promissory note in the amount of \$150,000. The promissory note bore fixed interest of \$15,000, payable at maturity, which was the earlier of one year or the receipt of an equity or debt financing. The promissory note, including interest, was settled in June 2023.

Project Finance Package with Sprott

On December 20, 2021, the Company executed a non-binding term sheet outlining a \$50,000,000 project finance package with Sprott.

The non-binding term sheet with Sprott outlined a \$50,000,000 project financing package that the Company expected to fulfill the majority of its funding requirements to restart the Mine. The term sheet consisted of an \$8,000,000 royalty convertible debenture (the "RCD"), a \$5,000,000 convertible debenture (the "CD1"), and a multi-metals Stream of up to \$37,000,000. The CD1 was subsequently increased to \$6,000,000, increasing the project financing package to \$51,000,000.

On June 17, 2022, the Company consummated a new \$15,000,000 convertible debenture (the "CD2"). As a result, total potential funding from Sprott was further increased to \$66,000,000 including the RCD, CD1, CD2 and the Stream (together, the "Project Financing Package").

On June 23, 2023, the Company closed the upsized and improved \$67,000,000 project finance package with Sprott, consisting of a \$46,000,000 stream and a \$21,000,000 new debt facility. The newly proposed \$46,000,000 stream (the "Stream") was envisaged to have the same economic terms as the previously proposed \$37,000,000 stream, with a \$9,000,000 increase in gross proceeds received by the Company, resulting in a lower cost of capital for the Company. The Company also announced a new \$21,000,000 new debt facility (the "Debt Facility"), available for draw at the Company's election for two years. As a result, total funding commitments from Sprott was envisaged to increase to \$96,000,000 including the RCD, CD1, CD2, Stream and debt facility (together, the "Project Financing Package"). The Bridge Loan, as previously envisaged, was repaid from the proceeds of the Stream. The parties also agreed to extend the maturities of the CD1 and CD2 to March 31, 2026, when the full \$6 million and \$15 million, respectively, will become due.

The Company incurred \$83,499 of financing costs on the consolidated statements of (loss) income and comprehensive (loss) income relating to the modification of CD1, CD2, the extinguishment of RCD and the closing of the \$21,000,000 debt facility.

\$8,000,000 Royalty Convertible Debenture (RCD)

The Company closed the \$8,000,000 RCD on January 7, 2022. The RCD bears interest at an annual rate of 9.0%, payable in cash or common stock at the Company's option, until such time that Sprott elects to convert a royalty, with

such conversion option expiring at the earlier of advancement of the Stream or July 7, 2023 (subsequently amended as described below). In the event of conversion, the RCD will cease to exist and the Company will grant a royalty for 1.85% of life-of-mine gross revenue from mining claims considered to be historically worked, contiguous to current accessible underground development, and covered by the Company's 2021 ground geophysical survey (the "Sprott Royalty"). A 1.35% rate will apply to claims outside of these areas. The RCD was initially secured by a share pledge of the Company's operating subsidiary, Silver Valley, until a full security package was put in place concurrent with the consummation of the CD1. In the event of non-conversion, the principal of the RCD will be repayable in cash.

Concurrent with the funding of the CD2 in June 2022, the Company and Sprott agreed to a number of amendments to the terms of the RCD, including an amendment of the maturity date from July 7, 2023 to March 31, 2025. The parties also agreed to enter into a Royalty Put Option such that in the event the RCD is converted into a royalty as described above, the holder of the royalty will be entitled to resell the royalty to the Company for \$8,000,000 upon default under the CD1 or CD2 until such time that the CD1 and CD2 are paid in full. The Company determined that the amendments in the terms of the RCD should not be treated as an extinguishment of the RCD, and have therefore been accounted for as a modification.

On June 23, 2023, the funding date of the Stream, the RCD was repaid by the Company granting a royalty for 1.85% of life-of-mine gross revenue (the "Royalty") from mining claims historically worked as described above. A 1.35% rate will apply to claims outside of these areas. The Company recorded a gain on sale of mineral properties of \$6,980,932 in the consolidated statements of (loss) income and comprehensive (loss) income. Additionally, on settlement of the RCD, \$347,499 of previously deferred to other comprehensive (loss) income was recognized in the net income (loss on FV of convertible debentures) on the consolidated statements of (loss) income and comprehensive (loss) income. The Company has accounted for the Royalty as a sale of mineral properties (refer to Note 6 for further detail).

\$6,000,000 Series 1 Convertible Debenture (CD1)

The Company closed the \$6,000,000 CD1 on January 28, 2022, which was increased from the previously-announced \$5,000,000. The CD1 bears interest at an annual rate of 7.5%, payable in cash or common stock at the Company's option, and matures on July 7, 2023 (subsequently amended, as described below). The CD1 is secured by a pledge of the Company's properties and assets. Until the closing of the Stream, the CD1 was to be convertible into shares of Company common stock at a price of C\$0.30 per share, subject to stock exchange approval (subsequently amended, as described below). Alternatively, Sprott may elect to retire the CD1 with the cash proceeds from the Stream. The Company may elect to repay the CD1 early; if Sprott elects not to exercise its conversion option at such time, a minimum of 12 months of interest would apply.

Concurrent with the funding of the CD2 in June 2022, the Company and Sprott agreed to a number of amendments to the terms of the CD1, including that the maturity date would be amended from July 7, 2023 to March 31, 2025, and that the CD1 would remain outstanding until the new maturity date regardless of whether the Stream is advanced, unless the Company elects to exercise its option of early repayment. The Company determined that the amendments in the terms of the CD1 should not be treated as an extinguishment of the CD1, and have therefore been accounted for as a modification as a result of the treatment the Company reported a gain of \$179,046 in the gain (loss) on fair value of convertible debentures line of the statement of operations for the year ended December 31, 2022.

Concurrent with the funding of the Stream in June 2023, the Company and Sprott agreed to amend the maturity date of CD1 from March 31, 2025, to March 31, 2026, and that CD1 would remain outstanding until the new maturity date unless the company elects to exercise its option of early repayment. The Company determined that the amendments to the terms of the CD1 should not be treated as an extinguishment of the CD1 and have therefore been accounted for as a modification. As a result of the modification the company reported a gain of \$58,657 in the gain (loss) on fair value of convertible debentures line of the consolidated statement of (loss) income for year ended December 31, 2023.

\$15,000,000 Series 2 Convertible Debenture (CD2)

The Company closed the \$15,000,000 CD2 on June 17, 2022. The CD2 bears interest at an annual rate of 10.5%, payable in cash or common stock at the Company’s option, and matured on March 31, 2025. The CD2 is secured by a pledge of the Company’s properties and assets, and is convertible into Company common stock at a price of C\$0.29 per share at Sprott’s election at any time through the maturity date. The repayment terms include 3 quarterly payments of \$2,000,000 each beginning June 30, 2024, and \$9,000,000 on the maturity date.

Concurrent with the funding of the Stream in June 2023, the Company and Sprott agreed to amend the maturity date of the CD2 from 3 quarterly payments of \$2,000,000 each beginning June 30, 2024, and \$9,000,000 on March 31, 2025, to payment in full on March 31, 2026, and that the CD2 would remain outstanding until the new maturity date unless the company elects to exercise its option of early repayment or Sprott elects to exercise its share conversion option. The Company determined that the amendments to the terms of the CD2 should not be treated as an extinguishment of the CD2 and have therefore been accounted for as a modification. As a result of the modification the company reported a loss of \$(3,833) in the gain (loss) on fair value of convertible debentures line of the consolidated statement of (loss) income for year ended December 31, 2023.

The Company determined that in accordance with ASC 815 derivatives and hedging, each debenture will be valued and carried as a single instrument, with the periodic changes to fair value accounted through earnings, profit and loss.

Consistent with the approach above, the following table summarizes the key valuation inputs as at applicable valuation dates:

| Reference (2)(4) (5) | Valuation date | Maturity date | Contractual Interest rate | Stock price (US\$) | Expected equity volatility | Credit spread | Risk-free rate | Risk-adjusted rate |
|----------------------|----------------|---------------|---------------------------|--------------------|----------------------------|---------------|----------------|--------------------|
| CD1 note(3) | 12-31-22 | 03-31-25 | 7.50% | 0.125 | 120% | 7.08% | 4.32% | 17.85% |
| RCD note | 12-31-22 | 03-31-25 | 9.00% | 0.125 | 120% | 7.08% | 4.32% | 17.85% |
| CD2 note(3) | 12-31-22 | 03-31-25 | 10.50% | 0.125 | 120% | 7.08% | 4.32% | 19.76% |
| RCD note | 06-23-23 | 03-31-25 | 9.00% | 0.169 | 120% | 8.28% | 4.83% | 19.37% |
| CD1 note(3) | 12-31-23 | 03-31-26 | 7.50% | 0.098 | 115% | 8.41% | 4.18% | 18.89% |
| CD2 note(3) | 12-31-23 | 03-31-26 | 10.50% | 0.098 | 115% | 8.41% | 4.18% | 20.79% |

- (1) The CD1 carried a Discount for Lack of Marketability (“DLOM”) of 5.0% as of the issuance date and as of March 31, 2022. The CD2 carried a DLOM of 10.0% as of the issuance date and June 30, 2022
- (2) CD1 and RCD carry an instrument-specific spread of 7.23%, CD2 carries an instrument-specific spread of 9.32%
- (3) The conversion price of the CD1 is \$0.227 and CD2 is \$0.219 as of December 31, 2023. The conversion price of the CD1 is \$0.219 and CD2 is \$0.212 as of December 31, 2022.
- (4) A project risk rate of 13.0% was used for all scenarios of the RCD fair value computations
- (5) The valuation of the RCD is driven by the aggregation of (i) the present value of future potential cash flow to the royalty holder, in the event that the RCD is converted to a royalty, utilizing an estimate of future metal sales and Monte Carlo simulations of future metal prices, and (ii) the computation of the present value assuming no conversion to the 1.85% gross revenue royalty. The valuation of (i) is compared to the valuation of (ii) for each simulation, with the higher value used in the aggregation to arrive at the fair value of the RCD. This results in an implied probability of the RCD being converted to the royalty, in the event that the Stream is advanced.

The resulting fair values of the CD1, RCD, and CD2 at December 31, 2023, and as of December 31, 2022, were as follows:

| Instrument Description | December 31, 2023 | December 31, 2022 |
|-------------------------------|--------------------------|--------------------------|
| CD1 | \$ 5,244,757 | \$ 5,537,360 |
| RCD | - | 10,285,777 |
| CD2 | 13,458,570 | 14,063,525 |
| Total | <u>\$ 18,703,327</u> | <u>\$ 29,886,662</u> |

The total gain (loss) on fair value of debentures recognized during the year ended December 31, 2023 and December 31, 2022, was \$1,673,776 and (\$1,140,537), respectively. The portion of changes in fair value that is attributable to changes in the Company's credit risk is accounted for within other comprehensive income. During the year ended December 31, 2023 and December 31, 2022, the Company recognized \$554,787 and \$253,875 respectively, within other comprehensive income. Interest expense for the year ended December 31, 2023 and 2022 was \$2,368,233 and \$2,092,065 respectively. At December 31, 2023 interest of \$510,411 (\$691,890 at December 31, 2022) is included in interest payable on the consolidated balance sheets. During the year ended December 31, 2023, the Company issued shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures recognizing a loss on extinguishment of debt of \$268,889 (\$nil in the year ended December 31, 2022) in the consolidated statements of (loss) income and comprehensive (loss) income.

The Company performs quarterly testing of the covenants in the CD1 and CD2, and was in compliance with all such covenants as of December 31, 2023.

\$5,000,000 Bridge Loan

On December 6, 2022, the Company closed a \$5,000,000 loan facility with Sprott (the "Bridge Loan"). The Bridge Loan is secured by the same security package in place for the RCD, CD1, and CD2. The Bridge Loan bears interest at 10.5% per annum and matures at the earlier of (i) the advance of the Stream, or (ii) June 30, 2024. In addition, the minimum quantity of metal delivered under the Stream, if advanced, would increase by 5% relative to amounts previously announced.

On June 23, 2023 the Company used some of the proceeds from the Stream to repay the outstanding principal and interest on the Bridge Loan recognizing a loss on extinguishment of debt of \$222,754 in the consolidated statements of (loss) income and comprehensive (loss) income. At December 31, 2023 interest of \$nil (\$53,985 at December 31, 2022) is included in interest payable on consolidated balance sheets. Interest expense for year ended December 31, 2023, was \$346,550 compared to \$70,404 for the year ended December 31, 2022.

The Stream

On June 23, 2023, all conditions were met for the closing of the Stream, and \$46,000,000 was advanced to the Company. The Stream is secured by the same security package that is in place with respect to the RCD, CD1, and CD2. The Stream is repayable by applying 10% of all payable metals sold until a minimum quantity of metal is delivered consisting of, individually, 63.5 million pounds of zinc, 40.4 million pounds of lead, and 1.2 million ounces of silver (subsequently amended, as described below). Thereafter, the Stream would be repayable by applying 2% of payable metals sold. The delivery price of streamer metals will be 20% of the applicable spot price. At the Company's option, the Company may buy back 50% of the Stream Amount at a 1.40x multiple of the Stream Amount between the second and third anniversary of the date of funding, and at a 1.65x multiple of the Stream Amount between the third and fourth anniversary of the date of funding. The Company incurred \$740,956 of transactions costs directly related to the Stream which were capitalized against the initial recognition of the Stream of \$45,259,044 on the consolidated balance sheets.

The Company determined that in accordance with ASC 815 derivatives and hedging, the Stream does not meet the criteria for treatment as a derivative instrument as the quantities of metal to be sold thereunder are not subject to a minimum quantity, and therefore a notional amount is not determinable. The Company has therefore determined that in accordance with ASC 470, the stream obligation should be treated as a liability based on the indexed debt rules thereunder. The initial recognition has been made at fair value based on cash received, net of transaction costs, and the discount rate calibrated so that the future cash flows associated with the Stream, using forward commodity prices, equal the cash received. The measurement of the stream obligation is accounted for at amortized cost with accretion at the discount rate. Subsequent changes to the expected cash flows associated with the Stream will result in the adjustment of the carrying value of the stream obligation using the same discount rate, with changes to the carrying value recognized in the consolidated statements of (loss) income and comprehensive (loss) income.

The Company determined the effective interest rate of the Stream obligation to be 10.8% and recorded accretion expense on the liability of \$2,516,593 for the year ended December 31, 2023 (\$nil for the year ended December 31, 2022) recognized in the consolidated statement of (loss) income and comprehensive (loss) income, accretion expense on the liability of \$233,407 for the year ended December 31, 2023 (\$nil for the year ended December 31, 2022) capitalized into the process plant (note 5) on the consolidated balance sheets and loss on revaluation of the liability of \$3,128,956 for the year ended December 31, 2023 (\$nil for the year ended December 31, 2022), bringing the liability to \$51,138,000 as of December 31, 2023. The revaluation is because of a change in projections. The key assumptions used in the revaluation are production of 700,000,000 lbs of zinc, 385,000,000 lbs of lead, 8,700,000 oz of silver over 14 years and commodity prices of 1.15 \$/lb to 1.25 \$/lb for zinc, 0.90 \$/lb to 0.95 \$/lb for lead, and 22.50 \$/oz to \$24.50 \$/oz for silver.

\$21,000,000 Debt Facility

On June 23, 2023, the Company closed a \$21,000,000 debt facility with Sprott which is available for draw at the Company's election for a period of 2 years. As of December 31, 2023, the company has not drawn on the facility. Any amounts drawn will bear interest of 10% per annum, payable annually in cash or capitalized until three years from closing of the Debt Facility at the Company's election, and thereafter payable in cash only. The maturity date of any drawings under the Debt Facility will be June 23, 2027. For every \$5 million or part thereof advanced under the Debt Facility, the Company will grant a new 0.5% life-of-mine gross revenue royalty, on the same terms as the Royalty, to a maximum of 2.0% on the Primary Claims and 1.4% on the Secondary Claims. The Company may buy back 50% of these royalties for \$20 million. The Company determined that no recognition is required on the financial statements as of December 31, 2023, as no amount has been drawn from the facility.

Other Interest

During the year ended December 31, 2023, and December 31, 2022 the Company recognized \$1,708 and \$72,304 respectively of other interest expense.

10. Capital stock, warrants and stock options

Authorized

The total authorized capital is as follows:

- 1,500,000,000 shares of common stock, with a par value of \$0.000001 per share; and
- 10,000,000 preferred shares with a par value of \$0.000001 per preferred share

Issued and outstanding

In April 2022, the Company closed a private placement of 37,849,325 Special Warrants and a non-brokered private placement of 1,471,664 units of the Company for aggregate gross proceeds of approximately \$9,384,622 (C\$11,796,297). Related parties, including management, directors, and consultants, participated in the Special Warrant private placement for a total of 4,809,160 shares (included in the total above).

The Special Warrants were issued at a price of C\$0.30 per special warrant. Each unit consists of one share of Company common stock and one warrant. Each warrant entitles the holder to acquire one share of Company common stock for C\$0.37 until April 1, 2025. The warrants were also be exercisable on a cashless basis in the event the Registration Statement has not been made effective by the SEC prior to the date of exercise. On May 31, 2022, each unexercised Special Warrant was automatically exercised into one share of Company common stock and one Warrant without further action on the part of the holders.

The non-brokered 1,471,664 units were issued at a price of C\$0.30 per unit. Each unit consists of one share of Company common stock and one warrant. Each warrant entitles the holder to acquire one warrant share for C\$0.37 until April 1, 2025.

In connection with the special warrants offering, the agents earned a cash commission in the amount of C\$563,968 and compensation options exercisable to acquire an aggregate of 1,879,892 units of the Company at C\$0.30 a unit until April 1, 2024. Each compensation unit consists of one share of Company common stock and one warrant. Each warrant entitles the holder to acquire one warrant share for C\$0.37 until April 1, 2024.

In April 2022, the Company issued 1,315,856 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended March 31, 2022.

In April 2022, the Company issued 768,750 shares of common stock in connection with the settlement of RSUs.

In May 2022, the Company issued 10,416,667 units to Teck Resources Limited in consideration towards the purchase of the Pend Oreille Processing Plant at C\$0.245 per unit. Each unit consists of one share of Company common stock and one warrant. Each warrant entitles the holder to acquire one warrant share for C\$0.37 until May 13, 2025.

In June 2022, the Company issued 1,218,000 units to contractors for bonuses during the three months ended March 31, 2022. Each unit consists of one share of Company common stock and one warrant. Each warrant entitles the holder to acquire one warrant share for C\$0.37 until April 1, 2025.

In June 2022, the Company issued 165,000 shares of common stock in connection with the settlement of RSUs.

In July 2022, the Company issued 1,975,482 share of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended June 30, 2022.

In September 2022, the Company issued 33,000 shares of common stock in connection with the settlement of RSUs.

In October 2022, the Company issued 8,252,940 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended September 30, 2022.

In November 2022, the Company issued 1,599,150 shares of common stock in connection with settlement of RSUs.

In January 2023, the Company issued 6,377,271 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ending December 31, 2022.

In March 2023, the Company amended the exercise price and expiry date of 10,416,667 warrants previously issued in a private placement to Teck Resources (“Teck”) on May 13, 2022 in consideration for the Company’s acquisition of the Pend Oreille processing plant. The warrant entitled the holder to purchase one share of common stock of the

Company at an exercise price of C\$0.37 per Warrant at any time on or prior to May 12, 2025. The Company amended the exercise price from C\$0.37 to C\$0.11 per Warrant and the expiry date from May 12, 2025, to March 31, 2023, resulting in a gain on modification of warrants of \$214,714. In March 2023, Teck exercised all 10,416,667 warrants at an exercise price of C\$0.11, for aggregate gross proceeds of \$837,460 (C\$1,145,834) to the Company. During the year ended December 31, 2023 the Company recognized a change (gain) in derivative liability of \$(400,152), relating to the Teck warrants using the following assumptions: volatility of 120%, stock price of C\$0.11, interest rate of 3.42% to 4.06%, and dividend yield of 0%.

In March 2023, the Company closed a brokered private placement of special warrants (the “March 2023 Offering”), issuing 51,633,727 special warrants of the Company (“March 2023 Special Warrants”) at C\$0.12 per March 2023 Special Warrant for \$4,536,020 (C\$6,196,047), of which \$3,661,822 was received in cash and \$874,198 was applied towards settlement of accounts payable, accrued liabilities and promissory notes.

Each March 2023 Unit consists of one share of common stock of the Company (each, a “Unit Share”) and one common stock purchase warrant of the Company (each, a “Warrant”). Each whole Warrant entitles the holder thereof to acquire one share of common stock of the Company (a “Warrant Share”, and together with the Unit Shares, the “Underlying Shares”) at an exercise price of C\$0.15 per Warrant Share until March 27, 2026, subject to adjustment in certain events. In the event that the Registration Statement had not been declared effective by the SEC on or before 5:00 p.m. (EST) on July 27, 2023, each unexercised Special Warrant would be deemed to be exercised on the Automatic Exercise Date into one penalty unit of the Company (each, a “Penalty Unit”), with each Penalty Unit being comprised of 1.2 Unit Shares and 1.2 Warrants. Notice of such effectiveness was received on July 11, 2023, eliminating the potential for issuance of the Penalty Units.

In connection with the March 2023 Offering, the Company incurred share issuance costs of \$846,661 and issued 2,070,258 compensation options (the “March 2023 Compensation Options”). Each March 2023 Compensation Option is exercisable at an exercise price of C\$0.12 into one Unit Share and one Warrant Share and has an expiry of March 27, 2027.

The Special Warrants issued on March 27, 2023 were converted to 51,633,727 shares of common stock and common stock purchase warrants on July 24, 2023. The Company determined that in accordance with ASC 815 derivatives and hedging, each Special Warrant will be valued and carried as a single instrument, with the periodic changes to fair value accounted through earnings, profit and loss until the shares of common stock and common stock purchase warrants are issued.

The fair value of the Special Warrant is determined through the valuation of the Unit Share based on the observed price of the Company’s common stock, a Level 1 input, together with a valuation of the warrant component of the March 2023 Unit using the Binomial model calibrated with inputs as shown in the table below.

Consistent with the approach above, the following table summarizes the key valuation inputs as at applicable valuation dates:

| March 2023 special warrants | Conversion Date | Grant Date |
|------------------------------------|----------------------------|-----------------------|
| Expected life | 977 days | 1096 days |
| Volatility | 24% | 24% |
| Risk free interest rate | 4.64% | 3.40% |
| Dividend yield | 0% | 0% |
| Share price (C\$) | \$ 0.15 | \$ 0.11 |
| Fair value of March 2023 Unit | \$ 9,809,314 | \$ 4,536,020 |
| Change in derivative liability | \$ 5,273,294 | |
| Common Stock | \$ 7,425,377 | |

Warrant \$ 2,383,937

In March 2023, the Company issued 9,803,574 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ending March 31, 2023.

In May 2023, the Company issued 1,318,183 shares of common stock in connection with settlement of RSUs.

In June 2023, the Company issued 4,449,035 shares of common stock in connection with settlement of RSUs.

In June 2023, the Company issued 3,944,364 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended June 30, 2023.

In October 2023, the Company issued 5,175,000 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended September 30, 2023.

In November 2023, the Company issued 42,000 shares of common stock in connection with settlement of RSUs.

For each financing, the Company has accounted for the warrants in accordance with ASC Topic 815 Derivatives and Hedging. The warrants are considered derivative instruments as they were issued in a currency other than the Company's functional currency of the U.S. dollar. The estimated fair value of warrants accounted for as liabilities was determined on the date of issue and marked to market at each financial reporting period. The change in fair value of the warrant is recorded in the consolidated statement of operations and comprehensive loss as a gain or loss in the change in derivative liability line item and is estimated using the Binomial model.

The fair value of the warrant liabilities related to the various tranches of warrants issued during the period were estimated using the Binomial model to determine the fair value using the following assumptions on the day of issuance and as at December 31, 2023 and December 31, 2022:

| March 2023 warrants | December 31, 2023 | Grant Date |
|--------------------------------|------------------------------|-----------------------|
| Expected life | 817 days | 977 days |
| Volatility | 24% | 24 |
| Risk free interest rate | 3.88% | 4.33 |
| Dividend yield | 0% | 0% |
| Share price (C\$) | \$ 0.11 | \$ 0.19 |
| Fair value | \$ 281,085 | \$ 2,383,937 |
| Change in derivative liability | \$ (2,102,852) | |

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| April 2022 special warrants issuance | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Expected life | 457 days | 822 days |
| Volatility | 110% | 120% |
| Risk free interest rate | 3.88% | 4.06% |
| Dividend yield | 0% | 0% |
| Share price (C\$) | \$ 0.11 | \$ 0.17 |
| Fair value | \$ 546,592 | \$ 2,406,104 |
| Change in derivative liability | \$ (1,859,512) | \$ |

| April 2022 non-brokered issuance | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Expected life | 457 days | 822 days |
| Volatility | 110% | 120% |

| | | | | |
|--------------------------------|----|----------|----|--------|
| Risk free interest rate | | 3.88% | | 4.06% |
| Dividend yield | | 0% | | 0% |
| Share price (C\$) | \$ | 0.11 | \$ | 0.17 |
| Fair value | \$ | 21,252 | \$ | 93,553 |
| Change in derivative liability | \$ | (72,301) | \$ | |

| May 2022 Teck issuance | | December 31, 2023 | | December 31, 2022 |
|-------------------------------|----|------------------------------|----|------------------------------|
| Expected life | | Exercised | | 864 days |
| Volatility | | N/A | | 120% |
| Risk free interest rate | | N/A | | 4.06% |
| Dividend yield | | N/A | | 0% |
| Share price (C\$) | \$ | N/A | \$ | 0.17 |
| Fair value | \$ | - | \$ | 684,497 |

| June 2022 issuance | | December 31, 2023 | | December 31, 2022 |
|--------------------------------|----|------------------------------|----|------------------------------|
| Expected life | | 457 days | | 822 days |
| Volatility | | 110% | | 120% |
| Risk free interest rate | | 3.88% | | 3.72% |
| Dividend yield | | 0% | | 0% |
| Share price (C\$) | \$ | 0.11 | \$ | 0.17 |
| Fair value | \$ | 17,589 | \$ | 77,429 |
| Change in derivative liability | \$ | (59,840) | \$ | - |

| February 2021 issuance | | December 31, 2023 | | December 31, 2022 |
|--------------------------------|----|------------------------------|----|------------------------------|
| Expected life | | 771 days | | 1,136 days |
| Volatility | | 110% | | 120% |
| Risk free interest rate | | 3.88% | | 3.72% |
| Dividend yield | | 0% | | 0% |
| Share price | \$ | 0.11 | \$ | 0.17 |
| Fair value | \$ | 367,349 | \$ | 1,335,990 |
| Change in derivative liability | \$ | (968,641) | \$ | - |

| August 2020 issuance | | December 31, 2023 | | December 31, 2022 |
|--------------------------------|----|------------------------------|----|------------------------------|
| Expected life | | Expired | | 243 days |
| Volatility | | N/A | | 120% |
| Risk free interest rate | | N/A | | 4.06% |
| Dividend yield | | N/A | | 0% |
| Share price | | N/A | \$ | 0.17 |
| Fair value | \$ | - | \$ | 903,697 |
| Change in derivative liability | \$ | (903,697) | \$ | |

| June 2019 issuance | | December 31, 2023 | | December 31, 2022 |
|---------------------------|----|------------------------------|----|------------------------------|
| Expected life | | 731 days | | 1,096 days |
| Volatility | | 110% | | 120% |
| Risk free interest rate | | 3.88% | | 3.82% |
| Dividend yield | | 0% | | 0% |
| Share price | \$ | 0.11 | \$ | 0.17 |

| | | | | |
|--------------------------------|----|-----------|----|---------|
| Fair value | \$ | 226,570 | \$ | 725,737 |
| Change in derivative liability | \$ | (499,167) | \$ | - |

| August 2019 issuance (ii) | December 31, 2023 | December 31, 2022 |
|----------------------------------|------------------------------|------------------------------|
| Expected life | 731 days | 1,096 days |
| Volatility | 110% | 120% |
| Risk free interest rate | 3.88% | 3.82% |
| Dividend yield | 0% | 0% |
| Share price | \$ 0.11 | \$ 0.17 |
| Fair value | \$ 348,211 | \$ 1,115,369 |
| Change in derivative liability | \$ (767,158) | \$ - |

Warrants

| | Number of warrants | Weighted average exercise price (C\$) | Weighted average grant date value (\$) |
|----------------------------|-------------------------------|--|---|
| Balance, December 31, 2021 | 111,412,712 | \$0.54 | \$0.18 |
| Issued | 50,955,636 | 0.37 | 0.15 |
| Expired | (239,284) | 0.70 | 0.21 |
| Balance, December 31, 2022 | 162,129,064 | \$ 0.49 | \$ 0.17 |
| Issued | 51,633,727 | 0.15 | 0.05 |
| Exercised | (10,416,667) | 0.11 | 0.12 |
| Expired | (58,284,148) | 0.50 | 0.27 |
| Balance, December 31, 2023 | 145,061,976 | \$ 0.37 | \$ 0.09 |

During the year ended December 31, 2023, 58,284,148 August 2020 warrants expired.

During the year ended December 31, 2022, 239,284 February 2020 broker warrants expired.

At December 31, 2023, the following warrants were outstanding:

| Expiry date | Exercise price (C\$) | Number of warrants | Number of warrants exercisable |
|--------------------|---------------------------------|-------------------------------|---|
| April 1, 2025 | 0.37 | 40,538,969 | 40,538,969 |
| December 31, 2025 | 0.59 | 32,895,200 | 32,895,200 |
| February 9, 2026 | 0.60 | 17,112,500 | 17,112,500 |
| February 16, 2026 | 0.60 | 2,881,580 | 2,881,580 |
| March 27, 2026 | 0.15 | 51,633,727 | 51,633,727 |
| | | 145,061,976 | 145,061,976 |

Compensation options

At December 31, 2023, the following compensation options were outstanding:

| Number of | Weighted average |
|------------------|-----------------------------|
|------------------|-----------------------------|

| | broker options | exercise price (C\$) |
|---|---------------------------|---------------------------------|
| Balance, December 31, 2021 | 3,590,907 | \$ 0.35 |
| Issued – April 2022 Compensation Options (i) | 1,879,892 | 0.30 |
| Balance, December 31, 2022 | 5,470,799 | 0.34 |
| Issued – March 2023 Compensation Options (ii) | 2,070,258 | 0.15 |
| Expired – August 2020 Compensation Options | (3,239,907) | 0.35 |
| Balance, December 31, 2023 | 4,301,150 | \$ 0.24 |

(i) The grant date fair value of the April 2022 Compensation Options were estimated at \$264,435 using the Black-Scholes valuation model with the following underlying assumptions:

| Grant Date | Risk free interest rate | Dividend yield | Volatility | Stock price | Weighted average life |
|-------------------|------------------------------------|---------------------------|-------------------|--------------------|----------------------------------|
| April 2022 | 2.34% | 0% | 120% | C\$0.30 | 2 years |

(ii) The grant date fair value of the March 2023 Compensation Options were estimated at \$111,971 using the Black-Scholes valuation model with the following underlying assumptions:

| Grant Date | Risk free interest rate | Dividend yield | Volatility | Stock price | Weighted average life |
|-------------------|------------------------------------|---------------------------|-------------------|--------------------|----------------------------------|
| March 2023 | 3.4% | 0% | 120% | C\$0.11 | 3 years |

| Expiry date | Exercise price (C\$) | Number of broker options | Fair value (\$) |
|----------------------------------|---------------------------------|-------------------------------------|----------------------------|
| February 16, 2024 ⁽ⁱ⁾ | \$ 0.40 | 351,000 | \$ 68,078 |
| April 1, 2024 ⁽ⁱⁱ⁾ | \$ 0.30 | 1,879,892 | \$ 264,435 |
| March 27, 2026 ⁽ⁱⁱⁱ⁾ | \$ 0.15 | 2,070,258 | \$ 111,971 |
| | | 4,301,150 | \$ 444,484 |

(i) Exercisable into one February 2021 Unit

(ii) Exercisable into one April 2022 Unit

(iii) Exercisable into one March 2023 Unit

Stock options

The following table summarizes the stock option activity during the years ended December 31, 2023 and 2022:

| | Number of stock options | Weighted average exercise price (C\$) |
|------------------------------|------------------------------------|--|
| Balance, December 31, 2021 | 9,053,136 | \$ 0.58 |
| Granted (i) | 700,000 | \$ 0.15 |
| Expired, May 1, 2022 | (47,000) | \$ 10.00 |
| Forfeited, November 25, 2022 | (150,000) | \$ 0.15 |
| Expired, December 31, 2022 | (235,500) | \$ 0.50 |
| Balance, December 31, 2022 | 9,320,636 | \$ 0.51 |

| | | |
|----------------------------|------------------|----------------|
| Expired September 30, 2023 | (200,000) | 0.60 |
| Expired November 25, 2023 | (150,000) | 0.15 |
| Balance, December 31, 2023 | <u>8,970,636</u> | <u>\$ 0.52</u> |

- (i) On August 24, 2022, 300,000 stock options were issued to an employee of the Company, of which 150,000 vested immediately and the remaining balance of outstanding options to vest equally over the next two anniversaries of the grant date. These options have a 5-year life and are exercisable at C\$0.15 per share of common stock. The grant fair value of the options was estimated at \$28,930. The vesting of these options resulted in stock-based compensation of \$15,594 for the year ended December 31, 2022, which is included in the operation and administration expense of the consolidated statements of (loss) income and comprehensive (loss) income. On November 23, 2022, 400,000 stock options were issued to an employee of the Company, of which 200,000 vested immediately and the remaining balance of outstanding options to vest equally over the next two anniversaries of the grant date. These options have a 5-year life and are exercisable at C\$0.15 per share of common stock. The grant fair value of the options was estimated at \$37,387. The vesting of these options resulted in stock-based compensation of \$20,191 for the year ended December 31, 2022, which is included in the operation and administration expense of the consolidated statements of (loss) income and comprehensive (loss) income.

The fair value of these stock options was determined on the date of grant using the Black-Scholes valuation model, and using the following underlying assumptions:

| | Risk free interest rate | Dividend yield | Volatility | Stock price | Weighted average life |
|---------------|----------------------------|----------------|------------|-------------|--------------------------|
| October 2019 | 1.54% | 0% | 100% | C\$0.50 | 5 years |
| April 2020 | 0.44% | 0% | 100% | C\$0.50 | 5 years |
| February 2021 | 0.64% | 0% | 100% | C\$0.34 | 5 years |
| November 2022 | 3.22% | 0% | 120% | C\$0.15 | 5 years |

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The following table reflects the actual stock options issued and outstanding as of December 31, 2023:

| Exercise price (C\$) | Remaining contractual life (years) | Number of options outstanding | Number of options vested (exercisable) | Grant date fair value (\$) |
|-------------------------|--|-------------------------------------|---|-------------------------------|
| 0.60 | 0.82 | 1,575,000 | 1,575,000 | 435,069 |
| 0.55 | 1.30 | 5,957,659 | 4,468,245 | 1,536,764 |
| 0.335 | 0.84 | 1,037,977 | 1,037,977 | 204,213 |
| 0.15 | 3.90 | 400,000 | 300,000 | 37,387 |
| | | <u>8,970,636</u> | <u>7,381,222</u> | <u>\$ 2,213,433</u> |

The vesting of stock options during the year ended December 31, 2023, resulted in stock-based compensation expenses of \$147,592 (\$317,723 for the year ended December 31, 2022).

11. Income per Share

Potentially dilutive securities include convertible debentures payable, warrants, broker options, stock options, and unvested RSU. Diluted income per share reflects the assumed exercise or conversion of all dilutive securities using the treasury stock method.

| | |
|---------------------|---------------------|
| <u>Year ended</u> | <u>Year ended</u> |
| <u>December 31,</u> | <u>December 31,</u> |

| | 2023 | 2022 |
|---|--------------|-------------|
| Net (loss) income for the year | (13,432,539) | 898,591 |
| Basic (loss) income per share Weighted average number of shares of common stock - basic | 280,354,631 | 205,950,811 |
| Net (loss) income per share – basic | (0.05) | 0.00 |
| Net (loss) income for the period | (13,432,539) | 898,591 |
| Dilutive effect of convertible debentures | - | (370,121) |
| Dilutive effect of warrants on net income | - | - |
| Diluted net (loss) income for the year | (13,432,539) | 528,470 |
| Weighted average number of shares of common stock - basic | 280,354,631 | 205,950,811 |
| Diluted effect: | | |
| Stock options and RSUs | - | 63,850,470 |
| Weighted average number of shares of common stock - fully diluted | 280,354,631 | 269,801,281 |
| Net (loss) income per share - fully diluted | (0.05) | 0.00 |

12. Restricted share units

Effective March 25, 2020, the Board of Directors approved a RSU Plan to grant RSUs to its officers, directors, key employees and consultants.

The following table summarizes the RSU activity during the year ended December 31, 2023:

| | Number of shares | Weighted average grant date fair value per share (C\$) |
|----------------------------------|-------------------------|---|
| Unvested as at December 31, 2021 | 576,000 | \$ 0.62 |
| Granted | 6,620,641 | 0.17 |
| Vested | (2,373,900) | 0.18 |
| Unvested as at December 31, 2022 | 4,822,741 | \$ 0.22 |
| Granted | 10,844,993 | 0.23 |
| Vested | (5,809,217) | 0.24 |
| Forfeited | (2,813,990) | 0.20 |
| Unvested as at December 31, 2023 | 7,044,527 | \$ 0.24 |

(i) On January 10, 2022, the Company granted 500,000 RSUs to a consultant of the Company, vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$122,249 for the year ended December 31, 2022, which is included in operation and administration expenses on the consolidated statements of (loss) income and comprehensive (loss) income.

(ii) On April 29, 2022, the Company granted 76,750 RSUs to certain consultants of the Company, vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$16,800 for the year ended December, 2022, which is included in operation and administration expenses on the consolidated statements of (loss) income and comprehensive (loss) income.

(iii) On June 30, 2022, the Company granted 15,000 RSUs to a consultant of the Company, vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$2,328 for the year ended December 31, 2022, which is included in operation and administration expenses on the consolidated statements of (loss) income and comprehensive (loss) income.

(iv) On September 29, 2022 the Company granted 33,000 RSUs to two consultants of the Company, vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$2,889 for the year ended December 31, 2022, which is included in operation and administration expenses on the consolidated statements of (loss) income and comprehensive (loss) income.

(v) On October 31, 2022 the Company granted 1,599,150 RSUs to two consultants of the Company, vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$111,304 for the year ended December 31, 2022, which is included in operation and administration expenses on the consolidated statements of (loss) income and comprehensive (loss) income.

(vi) On November 17, 2022 the Company granted 4,396,741 RSUs to certain key management of the Company. The RSUs vest in one third increments upon each anniversary of the grant date. The vesting of these RSUs resulted in stock-based compensation of \$208,574 and \$79,504 respectively for the year ended December 31, 2023 and December 31, 2022, which is included in operation and administration expenses on the consolidated statements of (loss) income and comprehensive (loss) income.

(vii) On June 1, 2023, the Company granted 4,067,637 RSUs to executives and employees of the Company, which vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$355,420 for the year ended December 31, 2023, which is included in operation and administration expenses on the consolidated statements of (loss) income and comprehensive (loss) income.

(viii) On June 4, 2023, the Company granted 42,000 RSUs to a consultant of the Company, vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$7,825 for the year ended December 31, 2023, which is included in operation and administration expenses on the consolidated statements of (loss) income and comprehensive (loss) income.

(ix) On July 4, 2023, the Company granted 6,735,356 RSUs to executives and employees of the Company, which vest in one-third increments on March 31 of 2024, 2025 and 2026. The vesting of these RSUs resulted in stock-based compensation of \$344,515 for the year ended December 31, 2023, which is included in operation and administration expenses on the consolidated statements of (loss) income and comprehensive (loss) income.

The vesting of RSUs during the year ended December 31, 2023, resulted in stock-based compensation expense of \$949,114 (383,015 for the year ended December 31, 2022), which is included in operation and administration expenses on the consolidated statements of income (loss) and comprehensive income (loss).

13. Deferred share units

Effective April 21, 2020, the Board of Directors approved a Deferred Share Unit (“DSU”) Plan to grant DSUs to its directors. The DSU Plan permits the eligible directors to defer receipt of all or a portion of their retainer or compensation until termination of their services and to receive such fees in the form of cash at that time.

Upon vesting of the DSUs or termination of service as a director, the director will be able to redeem DSUs based upon the then market price of the Company’s common stock on the date of redemption in exchange for cash.

The following table summarizes the DSU activity during the years ended December 31, 2023 and 2022:

| | Number of shares | Weighted average grant date fair value per share (C\$) |
|----------------------------------|-----------------------------|---|
| Unvested as at December 31, 2021 | 5,625,000 | \$ 1.03 |
| Granted (i) | 210,000 | 0.20 |
| Vested (ii)(iii) | <u>(3,125,000)</u> | <u>1.03</u> |
| Unvested as at December 31, 2022 | 2,710,000 | \$ 0.97 |
| Granted (i) | 1,875,280 | 0.22 |
| Vested (ii)(iii) | <u>(3,071,826)</u> | <u>0.55</u> |
| Unvested as at December 31, 2023 | <u>1,495,454</u> | <u>\$ 0.90</u> |

- (i) On March 31, 2022, the Board approved the early vesting of 625,000 DSUs for one of the Company's Directors. During the three months ended June 30, 2022, the director redeemed 2,500,000 DSUs for C\$750,000, and elected to use net proceeds to subscribe for 375,000 units in the Company's April 2022 special warrant issuance at C\$0.30 per unit, with the balance of the redeemed amount payable in cash after applicable withholding tax deductions.
- (ii) On July 4, 2023, 1,611,826 DSUs were issued to the Company's Directors which vested immediately.
- (iii) On July 6, 2023, 245,454 DSUs were issued to one of the Company's Directors which vests on July 6, 2024.
- (iv) On April 21, 2023, 1,250,000 DSUs for one of the Company's Directors vested.
- (v) On July 1, 2023, 210,000 DSUs for one of the Company's Directors vested.

The vesting of DSU's during the year ended December 31, 2023, resulted in a recovery of stock-based compensation of \$4,416 (a stock-based recovery of \$282,967 for the year ended December 31, 2022). The fair value of each DSU is \$0.08 as of December 31, 2023 and \$0.13 as of December 31, 2022.

14. Commitments and contingencies

As stipulated in the agreement with the EPA and as described in Note 8, the Company is required to make two types of payments to the EPA and IDEQ, one for historical water treatment cost-recovery to the EPA, and the other for ongoing water treatment. Water treatment costs incurred through December 2021 are payable to the EPA, and water treatment costs incurred thereafter are payable to the IDEQ. The IDEQ (as done formerly by the EPA) invoices the Company on an annual basis for the actual water treatment costs, which may exceed the recognized estimated costs significantly. When the Company receives the water treatment invoices, it records any liability for actual costs over and above any estimates made and adjusts future estimates as required based on these actual invoices received. The Company is required to pay for the actual costs regardless of the periodic required estimated accruals and payments made each year.

On July 28, 2021, a lawsuit was filed in the U.S. District Court for the District of Idaho brought by Crescent Mining, LLC ("Crescent"). The named defendants include Placer Mining, Robert Hopper Jr., and the Company. The lawsuit alleges that Placer Mining and Robert Hopper Jr. intentionally flooded the Crescent Mine during the period from 1991 and 1994, and that the Company is jointly and severally liable with the other defendants for unspecified past and future costs associated with the presence of acid mine drainage (AMD) in the Crescent Mine. The plaintiff has requested

unspecified damages. On September 20, 2021, the Company filed a motion to dismiss Crescent’s claims against it, contending that such claims are facially deficient. On March 2, 2022, Chief U.S. District Court Judge, David C. Nye granted in part and denied in part the Company’s motion to dismiss. The court granted the Company’s motion to dismiss in respect of Crescent’s cost recovery claim under CERCLA Section 107(a), and declaratory judgment, tortious interference, trespass, nuisance and negligence claims. These claims were dismissed without prejudice. The court denied the motion to dismiss filed by Placer Mining Corp. for Crescent’s trespass, nuisance and negligence claims. Crescent later filed an amended complaint on April 1, 2022. Placer Mining Corp. and Bunker Hill Mining Corp are named as co-defendants. Bunker Hill responded to the amended filing, refuting and denying all allegations made in the complaint except those that are assertions of fact as a matter of public record. The Company believes Crescent’s lawsuit is without merit and intends to vigorously defend itself, as well as Placer Mining Corp. pursuant to the Company’s indemnification of Placer Mining Corp in the sale and purchase agreement executed between the companies for the Mine on December 15, 2021.

15. Income taxes

As at December 31, 2023, and December 31, 2022, the Company had no accrued interest and penalties related to uncertain tax positions. The income tax provision differs from the amount of income tax determined by applying the U.S. federal tax rate of 21.0% (December 31, 2022 – 21.0%) to pretax loss from operations for the periods ended December 31, 2023 and December 31, 2022:

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|---|---|---|
| (Loss) income before income taxes | \$ (10,843,949) | \$ 898,591 |
| Expected income tax (recovery) expense | (2,277,229) | 188,704 |
| Change in estimates in respect of prior periods | (340,768) | (41,351) |
| Change in tax rate | - | 133,687 |
| Change in fair value of derivative liability | (495,605) | (3,296,242) |
| State and local taxes, net of federal benefit | 463,643 | (709,272) |
| Loss (gain) on debt settlement | 124,154 | - |
| Other | (75,605) | 308 |
| Change in valuation allowance | 5,190,000 | 3,724,166 |
| Total | \$ 2,588,590 | \$ - |

The components of deferred tax assets and liabilities are as follows:

| | December 31, 2023 | December 31, 2022 |
|----------------------------------|------------------------------|------------------------------|
| Deferred tax assets: | | |
| Net operating loss carryforwards | \$ 15,583,299 | \$ 10,291,114 |
| Mining interests | 7,000,260 | 8,391,938 |
| EPA liabilities | 2,565,870 | 2,068,062 |
| Stream debenture | 13,903,560 | - |
| Lease liabilities | 113,990 | - |
| Other deferred tax assets | 993,979 | 851,563 |
| Total deferred tax assets | 40,160,958 | 21,602,677 |
| Valuation allowance | (29,214,112) | (21,501,015) |
| Total deferred tax assets | 10,946,846 | 101,662 |

| | | |
|---|-----------------------|-------------|
| Deferred tax liabilities: | | |
| Deferred revenue | (12,526,577) | - |
| Convertible debentures | (615,508) | - |
| Right of use assets and lease obligations | (167,506) | - |
| Equipment | (224,553) | - |
| Unrealized foreign exchange gain | (1,292) | (101,662) |
| Total deferred tax liabilities | (13,535,436) | (101,662) |
| Net deferred tax liabilities | \$ (2,588,590) | \$ - |

The potential income tax benefit of these losses has been offset by a full valuation allowance.

As of December 31, 2023 and December 31, 2022, the Company has an unused net operating loss carryforward balance of \$58,145,638 and \$40,227,950, respectively, that is available to offset future taxable income. The net operating loss carryforwards generated before 2018 expire between 2031 and 2037. The losses generated in 2018 and later tax years do not expire.

The Company did not have any tax positions for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months.

The Company incurred \$2,588,590 of income tax expense for the year ended December 31, 2023 and incurred no income tax expense for the year ended December 31, 2022. The Company's effective income tax rate for 2023 was - 23.4% compared to 0.0% for 2022. The effective tax rate during 2023 differed from the statutory rate primarily due to the income tax treatment of the Stream proceeds as deferred revenue compared to its treatment as debt under U.S. GAAP and due to changes in the valuation allowance established to offset net deferred tax assets.

The tax years that remain subject to examination by major taxing jurisdictions are those for the years ended December 31, 2015 through 2023.

16. Related party transactions

The Company's key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company and consists of the Company's executive management team and management directors.

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|----------------------------------|---------------------------------------|---------------------------------------|
| Consulting fees, wages and bonus | \$ 1,104,075 | \$ 1,429,326 |

At December 31, 2023 and December 31, 2022, \$67,800 and \$154,797, respectively, is owed to key management personnel with all amounts included in accounts payable and accrued liabilities.

(i) During the year ended December 31, 2023, Richard Williams (Director and Executive Chairman) billed \$286,253 (year ended December 31, 2022 - \$372,084) for consulting services and bonus payment to the Company. At December 31, 2023, \$67,800 is owed to Richard Williams (December 31, 2022 - \$135,600) for consulting services, with all amounts included in accounts payable and accrued liabilities.

During the year ended December 31, 2023, 1,588,800 restricted share units (RSUs) were issued to Richard Williams which will vest in one third increments on March 31, 2024, March 31, 2025, and March 31, 2026. The vesting of these RSUs resulted in stock-based compensation of \$103,688 for the year ended December 31, 2023.

During the year ended December 31, 2023, 894,199 restricted share units (RSUs) were issued to Richard Williams which vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$157,765 for the year ended December 31, 2023.

During the year ended December 31, 2022, 1,110,756 restricted share units (RSUs) were issued to Richard Williams which will vest in one third increments on March 31, 2023, March 31, 2024, and March 31, 2025. The vesting of these RSUs resulted in stock-based compensation of \$78,393 and \$20,085 respectively for the year ended December 31, 2023 and December 31, 2022.

(ii) During the year ended December 31, 2023, the Company incurred \$318,924 in payroll expense and bonus payment for Sam Ash (year ended December 31, 2022 - \$438,600) for services to the Company. At December 31, 2023, \$nil (December 31, 202 - \$nil) is payable and included in accrued liabilities.

During the year ended December 31, 2023, 1,787,400 restricted share units (RSUs) were issued to Sam Ash which will vest in one third increments on March 31, 2024, March 31, 2025, and March 31, 2026. The vesting of these RSUs resulted in stock-based compensation of \$116,649 for the year ended December 31, 2023.

During the year ended December 31, 2023, 945,841 restricted share units (RSUs) were issued to Sam Ash which vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$166,876 for the year ended December 31, 2023.

During the year ended December 31, 2022, 1,249,600 restricted share units (RSUs) were issued to Sam Ash which will vest in one third increments on March 31, 2023, March 31, 2024, and March 31, 2025. The vesting of these RSUs resulted in stock-based compensation of \$88,192 and \$22,596 respectively for the year ended December 31, 2023 and December 31, 2022.

(iii) During the year ended December 31, 2023, the Company incurred \$132,000 in payroll expense and bonus payment for Gerbrand van Heerden (CFO) (year ended December 31, 2022, \$nil) for services to the Company. At December 31, 2023, \$nil (year ended December 31, 2022 - \$nil) is payable, including reimbursable expenses, and included in accrued liabilities.

(iv) During the year ended December 31, 2023, the Company incurred \$246,673 in payroll expense and bonus payment for David Wiens (Former CFO) (year ended December 31, 2021, \$383,315) for services to the Company. At December 31, 2023, \$nil (year ended December 31, 2022 - \$19,197) is payable, including reimbursable expenses, and included in accrued liabilities.

During the year ended December 31, 2023, 1,456,400 restricted share units (RSUs) were issued to David Wiens which will vest in one third increments on March 31, 2024, March 31, 2025, and March 31, 2026. The vesting of these RSUs resulted in stock-based compensation of \$nil for the year ended December 31, 2023.

During the year ended December 31, 2023, 902,365 restricted share units (RSUs) were issued to David Wiens which vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$159,206 for the year ended December 31, 2023.

During the year ended December 31, 2022, 1,018,193 restricted share units (RSUs) were issued to David Wiens which will vest in one third increments on March 31, 2023, March 31, 2024, and March 31, 2025. The vesting of these RSUs resulted in stock-based compensation of \$26,467 for the year ended December 31, 2023 and \$12,939 December 31, 2022.

(v) During the year ended December 31, 2023, Pam Saxton (Director) billed \$34,832 (year ended December 31, 2022 - \$36,133) for consulting services to the Company. On July 4, 2023, the Company issued 431,739 DSU's to Pam Saxton.

(vi) During the year ended December 31, 2023, Cassandra Joseph (Director) billed \$34,832 (year ended December 31, 2022 - \$36,133) for consulting services to the Company. On July 4, 2023, the Company issued 431,739 DSU's to Cassandra Joseph.

(vii) During the year ended December 31, 2023, the Company incurred \$31,240 in director fees for Mark Cruise (year ended December 31, 2022 - \$15,774). On July 4, 2023, the Company issued 374,174 DSU's to Mark Cruise. On July 1, 2022, the Company issued 210,000 DSU's to Mark Cruise.

(viii) During the year ended December 31, 2023, Paul Smith (Director) billed \$19,322 (year ended December 31, 2022 - \$nil) for consulting services to the Company. On July 5, 2023, the Company issued 245,454 DSU's to Paul Smith.

(ix) During the year ended December 31, 2023, Dickson Hall (Director) billed \$nil (year ended December 31, 2022 - \$nil) for consulting services to the Company. On July 4, 2023, the Company issued 374,174 DSU's to Dickson Hall.

17. Subsequent events

Share Issuance

On January 09, 2024, the Company issued 7,392,859 shares of common stock in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ended December 31, 2023.

On January 29, 2024, the Company granted 672,450 RSUs to a certain member of management of the Company. The RSUs vest on January 29, 2025.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective September 2, 2014, the Company appointed the firm of MNP LLP, Chartered Professional Accountants, as the Company's principal independent accountant to audit the Company's financial statements. The Company has had no disagreements with its accountants that would require disclosure pursuant to Item 304 of Regulation S-K.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Securities and Exchange Commission ("SEC") defines the term "disclosure controls and procedures" to mean a company's controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company maintains such a system of controls and procedures in an effort to ensure that all information which it is required to disclose in the reports it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms and that information required to be disclosed is accumulated and communicated to principal executive and principal financial officers to allow timely decisions regarding disclosure.

As of the end of the period covered by this report, the Company made an evaluation of the effectiveness of the design and operation of the disclosure controls and procedures over financial reporting for the timely alert to material

information required to be included in the Company's periodic SEC reports and of ensuring that such information is recorded, processed, summarized and reported within the time periods specified. This evaluation resulted in the conclusion that the design and operation of the disclosure controls and procedures were effective as of December 31, 2023.

Internal Control Over Financial Reporting

The management of the Company is responsible for the preparation of the financial statements and related financial information appearing in this report. The financial statements and notes have been prepared in conformity with accounting principles generally accepted in the United States of America. The management of the Company also is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. A company's internal control over financial reporting is defined as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that: i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the Company; and iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management, including the CEO and CFO, does not expect that the Company's disclosure controls, procedures and internal control over financial reporting will prevent all error and all fraud. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable, not absolute, assurance that the objectives of the control system are met and may not prevent or detect misstatements. Further, over time, control may become inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

With the participation of the CEO and CFO, the Company's management evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2023 to ensure that information required to be disclosed by the Company in the reports filed or submitted by the Company under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including to ensure that information required to be disclosed by the Company in the reports filed or submitted by the Company under the Exchange Act is accumulated and communicated to the Company's management, including the Company's principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management conducted an evaluation of the effectiveness of internal control over financial reporting based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, the Company's CEO and CFO have concluded that the internal control over financial reporting was effective as of December 31, 2023.

Changes in Disclosure Controls and Procedures and Internal Control Over Financial Reporting

There has been no change in the Company's disclosure controls and procedures and internal control over financial reporting, other than the remediation of the material weakness described below that materially affected or was

reasonably likely to materially affect the Company's disclosure controls and procedures and internal control over financial reporting.

Remediation of Previously Reported Material Weakness

As previously disclosed in the Form 10-K for the year ended December 31, 2022, management had concluded there was a material weakness in the Company's disclosure controls and procedures and identified significant deficiencies in the Company's internal control over financial reporting.

Remediation actions were fully implemented and executed during the year ended December 31, 2023, which include:

- The Company replaced certain accounting resources with qualified finance and accounting staff who are experienced in established and proven internal controls and accounting procedures with other companies in the same industry.
- The Company engaged a third-party firm to assist in developing and implementing disclosure controls and procedures and internal control policies and procedures over financial reporting.
- Appropriate segregation and assignment of duties between individuals and third-party firms were implemented to perform the regular accounting and finance functions of the Company to assure that transactions occurred timely and in a controlled manner.
- Processes and controls were implemented over accounts payable transactions and account reconciliations, including the timely submission, review and payment of management expense reports.

These remediation actions were fully implemented and are reflected in the Company's transactions in 2023; and, as a result, the Company's management, with the participation of the CEO and CFO, have concluded that, as of December 31, 2023, the material weakness was remediated.

This report does not include an attestation report of the Company's registered public accounting firm regarding disclosure controls and procedures and internal control over financial reporting. Management's report is not subject to attestation by the Company's registered public accounting firm.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

[Not applicable.]

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE⁷

Directors and Executive Officers

The following table sets forth the directors, executive officers, their ages, and all offices and positions held within the Company as of December 31, 2023. Directors are elected for a period of one year and thereafter serve until their successor is duly elected by the stockholders and qualified. Officers and other employees serve at the will of the Board.

| <u>Name</u> | <u>Position Held with the Company</u> | <u>Age</u> | <u>Date First Elected or Appointed</u> |
|----------------------|--|-------------------|---|
| Sam Ash | President, CEO and Director | 45 | April 14, 2020 |
| Richard Williams | Executive Chairman and Director | 57 | March 27, 2020 |
| Gerbrand van Heerden | CFO and Corporate Secretary | 47 | November 1, 2023 |

| | | | |
|------------------|----------|----|------------------|
| Mark Cruise | Director | 53 | June 30, 2022 |
| Cassandra Joseph | Director | 52 | November 2, 2020 |
| Dickson Hall | Director | 71 | January 5, 2018 |
| Pamela Saxton | Director | 71 | October 30, 2020 |
| Paul Smith | Director | 53 | July 5, 2023 |

Biographical Information

Sam Ash was a Partner from 2015 to 2018 at Barrick Gold Corp. (“Barrick”) and held various roles over the nine years employed there between 2009 and 2018. This includes three years as General Manager of the Lumwana Copper Mine in Zambia (2016–2018), Technical Support Manager to Barrick’s Copper Business Unit (2014–2016), General Support Manager on the Cortez Mine in Nevada (2012–2014) and Chief Engineer leading the roll-out of new Underground Mining standards in the USA and Tanzania (2011–2012). Prior to his time at Barrick, Mr. Ash served as Manager of New Operations for Veris Gold Corp. (formerly, Yukon-Nevada Gold Corp.), primarily on the Jerritt Canyon Mine in Nevada, and also as an Underground Mine Supervisor with Drummond Company, Inc. He has recently completed his Masters’ Degree in Leadership and Strategy at the London Business School and has a BS in Mining Engineering from the University of Missouri Rolla.

Richard Williams is an executive with an established track-record of transformational leadership within the mining industry and other demanding environments. He is currently an advisor to companies facing complex operational, political or ESG challenges. Formerly the Chief Operating Officer of Barrick (2015–2018) and the company’s Executive Envoy to Tanzania (2017–2018), he has also served as Chief Executive Officer of the Afghan Gold and Minerals Company (2010-2014), non-executive director of Trevali Mining Corporation (2019–2022) and as a non-executive director of Gem Diamonds Limited (2007–2015). Prior to his commercial mining experience, Mr. Williams served as the Commanding Officer of the British Army’s Special Forces Regiment, the SAS. He holds an MBA from Cranfield University, a BSc in Economics from University College London and an MA in Security Studies from Kings College London.

Gerbrand van Heerden is the Company’s Chief Financial Officer and Corporate Secretary. Gerbrand is an experienced mining company CFO with over 20 years of mining industry experience. From May 2020 to October 2023, Mr. van Heerden served as the Chief Financial Officer of BMC Minerals Limited. From November 2017 to May 2020, he served in various roles at Trevali Mining Corporation, including as Chief Financial Officer and Senior Vice President of Business Development/Finance. From March 2013 to October 2017, Mr. van Heerden served as the Chief Financial Officer of Rosh Pinah Zinc Corporation (Proprietary) Limited, a subsidiary of Glencore Plc. From October 2005 to March 2013, he served in various roles at Metorex Limited, including as General Manager of Metorex Commercial Services, a finance executive, and as Group Financial Controller. Mr. van Heerden started his professional career as a Tax and Assurance Manager with Deloitte. He is a CPA registered with the Chartered Professional Accountants of British Columbia and a CA(SA) registered in South Africa and holds a Bachelor of Commerce (Honors) Degree in Accounting from the University of Johannesburg.

Mark Cruise is a professional geologist with over 27 years of international exploration, development and mining experience. A former polymetallic commodity specialist with Anglo American plc, Dr. Cruise founded and was Chief Executive Officer of Trevali Mining Corporation. Under his leadership, from 2007 to 2019, the company grew from an initial discovery into a global zinc-lead-silver producer with operations in the Americas and Africa. Dr. Cruise currently serves as a non-executive director of Velocity Minerals Ltd. (since 2017), NiCAN Ltd (since 2022), Interra Copper Corp (since 2023) and Volta Metals Ltd. (since 2023). He previously served as COO, CEO, and director of New Pacific Metals Corp. (2020–2022), a non-executive director of Abzu Resources (2010–2011), Prism Resources Inc. (2016–2019), Ethos Gold Corporation (2010–2015), and Tincorp Metals Inc. (formerly Whitehorse Gold Corp.) (2020–2022).

Cassandra Joseph is an American lawyer with extensive experience managing the commercial relationship between mining companies and environmental regulators. Since February 2023, she has been Vice President, General Counsel and Corporate Secretary of Ivanhoe Electric Inc. Ms. Joseph was Senior Vice President, General Counsel and Corporate Secretary for Nevada Copper Corp. from May 2019 to January 2023 and Associate General Counsel for Tahoe Resources Inc. from 2015 until it was acquired by Pan American Silver Corp. in 2019. She also served as a non-executive director of Century Lithium Corporation (2021–2023). Before this, she worked for the Attorneys

General of California (2001–2005) and Nevada (2011–2015), as Deputy and Senior Deputy Attorney General, and as a partner in Watson Rounds PLC (now Brownstein Hyatt Farber Schreck LLP) (2005–2011). Educated at Santa Clara University, and University of California at Berkeley, she was called to the State Bar of California in 1999; the U.S. Court of Appeals, Ninth Circuit in 2001; State Bar of Nevada in 2005; and the U.S. Supreme Court, U.S. Court of Appeals and Federal Circuit in 2007.

Dickson Hall currently serves as a director of the Company. Since August 2016, he has been a partner in Valuestone Advisors Limited, manager of Valuestone Global Resources Fund 1, a mining fund associated with Jiangxi Copper Corporation and China Construction Bank International. Mr. Hall has more than 40 years' experience in the resource field, much of it in Asia. From 2005 to 2016, he directed corporate development efforts in Asia for Hunter Dickinson Inc. (HDI), raising capital, establishing strategic partnerships and broadening the Asian shareholder base for HDI public companies. From 2007 to 2011, he was Senior Vice President of Continental Minerals Corporation, which developed the Xietongmen copper-gold project in Tibet, China before selling to China's Jinchuan Group in 2011 for \$446 million. Since 2014 Mr. Hall has been a director and Investment Committee member of Can-China Global Resources Fund, an energy and mining fund backed by the Export-Import Bank of China. Mr. Hall currently serves as a non-executive director of New Pacific Metals Corp. (since 2022) and Arcland Resources Inc (since 2023, and he previously served as a non-executive director of Nova Canada Enterprises (2001–2004), Stepstone Enterprises Ltd. (2001–2004), Kona Bay Technologies Inc. (2004–2020), CY Oriental Holdings Ltd. (2007–2011), Baikal Forest Corp. (2011–2012), Hylands International Holdings Inc. (2013–2016), Nanotech Security Corp. (2015–2019), and Bexar Ventures Inc. (2018–2020). Mr. Hall is a graduate of the University of British Columbia (BA, MA) and has diplomas from Beijing University and Beijing Language Institute.

Pam Saxton is an experienced mining company executive and director. She has served on the Board of Timberline Resources Corporation and as Audit Committee Chair since May 2021 and was a Board Member and Audit Committee Chair at Pershing Gold Corporation from 2017 to 2019. She also has served on the Board of Aquila Resources Inc. from 2019 to 2021 and served on a North American Advisory Board for Damstra Technology – Damstra Holdings Limited from 2021 to 2022. As an executive, she served as Executive Vice President and CFO for Thompson Creek Metals Company (2008–2016) and as CFO for NewWest Gold Corporation (2006–2007). Having started her professional life working as an auditor for Arthur Andersen in Denver, Colorado, her career has included senior finance appointments in the American natural resources industry, including serving as VP Finance for Franco-Nevada Corporation's U.S. Operations. Ms. Saxton is qualified to serve on the Board by virtue of her expertise in finance, accounting and auditing matters.

Paul Smith is the former Head of Strategy at Glencore (LON: GLEN) (2011–2020), and CFO of the DRC-based Glencore subsidiary Katanga Mining (2019–2020). He is currently Managing Partner at Voltaire Minerals Partners, a Swiss-based critical metals advisory business (since October 2022), a non-executive director at Seadrill (NYSE: SSDRL) (since November 2021) and a director at Echion Technologies Ltd (since August 2021). He trained as an accountant before working as an investment banker at Close Brothers and Credit Suisse. He is based in Zug, Switzerland and leads the Growth Committee of the board of directors of the Company.

Family Relationships

There are no family relationships between any of the current directors or officers of the Company.

Involvement in Certain Legal Proceedings

Neither the Company nor its property is the subject of any other pending legal proceedings, and no other such proceeding is known to be contemplated by any governmental authority. The Company is not aware of any other legal proceedings in which any director, officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of the Company's voting securities, or any associate of any such director, officer, affiliate or security holder of the Company, is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

Directorships

None of the Company's executive officers or directors is a director of any company with a class of equity securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940.

Code of Ethics

The Company's Board has adopted a code of ethics that will apply to its principal executive officer, principal financial officer and principal accounting officer or controller and to persons performing similar functions. The code of ethics is designed to deter wrongdoing and to promote honest and ethical conduct, full, fair, accurate, timely and understandable disclosure, compliance with applicable laws, rules and regulations, prompt internal reporting of violations of the code and accountability for adherence to the code. The Company will provide a copy of its code of ethics, without charge, to any person upon receipt of written request for such, delivered to our corporate headquarters. All such requests should be sent care of Bunker Hill Mining Corp., Attn: Corporate Secretary, 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth, for the years indicated, all compensation paid, distributed or accrued for services, including salary and bonus amounts, rendered in all capacities by the Company's principal executive officer, chief financial officer and all other executive officers; the information contained below represents compensation paid, distributed or accrued to the Company's officers for their work related to the Company.

| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (1,2,3)(\$) | Option Awards (\$) | Non-Equity Incentive Plan Compensation (#) | Non-qualified Deferred Compensation Earnings (\$) | All other Compensation (\$) | Total (\$) |
|---|-------------------------|----------------|---------------|--------------------------------|--------------------------|--|---|-----------------------------------|---------------|
| Gerbrand van Heerden Chief Financial Officer | December 31, 2023 | 52,000 | 80,000 | - | - | - | - | - | 132,000 |
| David Wiens ⁽²⁾ | December 31, 2023 | 199,998 | 46,675 | 185,673 | - | - | - | 3,600 | 435,946 |
| Former Chief Financial Officer | December 31, 2022 | 219,848 | 163,467 | 118,217 | - | - | - | - | 501,532 |
| Richard Williams | December 31, 2023 | 240,000 | 46,253 | 339,846 | - | - | - | - | 626,099 |
| Executive Chairman | December 31, 2022 | 240,000 | 132,084 | 128,964 | - | - | - | - | 501,048 |
| Sam Ash ⁽⁵⁾ | December 31, 2023 | 270,000 | 48,924 | 371,717 | - | - | - | - | 690,641 |
| Chief Executive Officer | December 31, 2022 | 270,000 | 168,600 | 145,085 | - | - | - | - | 583,685 |

- (1) In November 2022, 3,378,548 RSUs were issued to officers of the Company. These RSUs are calculated using a share price of C\$.0155 on the applicable grant date and will vest in one third increments on March 31, 2023, March 31, 2024, and March 31, 2025.
- (2) In June 2023, 2,742,405 RSUs were issued to officers of the Company. These RSUs are calculated using a share price of C\$.024 on the applicable grant date and vested immediately.
- (3) In July 2023, 4,832,600 RSUs were issued to officers of the Company. These RSUs are calculated using a share price of C\$.023 on the applicable grant date and will vest in one third increments on March 31, 2024, March 31, 2025, and March 31, 2026.
- (4) David Wiens resigned as the Company's CFO on October 31, 2023.
- (5) Gerbrand van Heerden became the Company's CFO on November 1, 2023.

Grant of Plan Based Awards

On June 01, 2023, 2,742,405 RSUs were issued to officers of the Company. These RSUs vested immediately.

On July 04, 2023, 4,832,600 RSUs were issued to officers of the Company. These RSUs will vest in one third increments on March 31, 2024, March 31, 2025, and March 31, 2026.

On November 17, 2022, 3,378,548 RSUs were issued to officers of the Company. These RSUs will vest in one third increments on March 31, 2023, March 31, 2024, and March 31, 2025.

Outstanding Stock Options Awards At Fiscal Year End

The following table provides a summary of equity awards outstanding at December 31, 2023, for each of the named executive officers.

| Name | Option Awards | | | | | Stock Awards | | | |
|---------------------------------|---|---|---|-----------------------------|------------------------|--|--|---|--|
| | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (C\$) | Option Expiration Date | Market Value of Number of Stock That Have Not Vested (#) | Shares or Units of Stock That Have Not Vested (\$) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$) |
| Gerbrand van Heerden | — | — | — | — | — | — | — | — | — |
| Sam Ash | — | — | — | — | — | — | — | 2,720,467 | 226,260 |
| Richard Williams ⁽¹⁾ | 2,968,244 | 989,415 | — | 0.55 | April 20, 2025 | — | — | 2,329,304 | 193,727 |
| David Wiens | 1,037,977 | — | — | 0.335 | October 31, 2024 | — | — | — | — |

(1) As of December 31, 2023, Richard Williams held 3,750,000 vested DSU's and 1,250,000 unvested DSU's.

Long-Term Incentives and Compensation Plans

As part of its overall compensation, the Company provides for time-based RSUs, DSUs and options (“Options,” and collectively with RSUs and DSUs, “Awards”) that may be granted to employees, officers and eligible consultants and directors of the Company and its affiliates. Recipients of Awards are defined as “Participants”.

The aim of the Company’s compensation program is to attract and retain highly qualified executives and to link compensation to performance and shareholder value. This must ensure that the compensation is sufficiently competitive to achieve this objective. The Board considers a number of factors in order to determine compensation, including the Company’s contractual obligations, the individual’s performance and other qualitative aspects of the individual’s performance and achievements, the amount of time and effort the individual will devote to the Company and the Company’s financial resources.

The Company’s compensation program is comprised of:

- (a) **A base salary or management fee arrangement and benefits.** The base salaries or management fee arrangements and benefits paid to the key executives are not based on any specific formula and are set so as to be competitive with other companies of similar size and state of development in the mineral industry. This base salary also includes sign-on incentives, which may be issued in the form of cash, RSUs, DSUs or Options.
- (b) **A short-term incentive program in the form of bonuses.** Bonuses are paid to key executives based on individual, team and Company performance and the executive’s position in the Company. Any bonus awards are at the sole discretion of the Board.
- (c) **Long-term incentives** consist of DSUs, RSUs, and Options which provide the Board with additional long-term incentive mechanisms to align the interests of the directors, officers, employees or consultants of the Company with shareholder interests. These incentives also provides for, among other things, an accelerated vesting of awards in the event of a change in control, thereby aligning the Company’s practices with current corporate governance best practices respecting a change in control.

The Board believe that equity-based compensation plans are the most effective way to align the interests of management with those of shareholders. Long-term incentives must also be competitive and align with the Company’s compensation philosophy.

The Company does not have a pension plan that provides for payments or benefits to its executive officers.

Change of Control Agreements

The Company has provided change of control benefits to certain senior officers to encourage them to continue their employment in the event of a purchase, sale, reorganization, or other significant change in the business.

If the employment agreement of the senior officer is terminated by the (a) Company without just cause, or (b) senior officer for good reason pursuant to the terms of the employment agreement, at any time within 12 months of a change of control, the Company is required to make a lump sum severance payment equal to 24 months of base salary. In addition, at such time all Awards shall be deemed to have vested, and all restrictions and conditions applicable to such Awards shall be deemed to have lapsed and the Awards shall be issued and delivered.

Employment Agreements

The Company has various employment agreements with certain executives, which provide for compensation and certain other benefits and for severance payments under certain circumstances. Certain employment agreements also contain clauses that become effective upon a change of control of the Company, as described above. The Company may be obligated to pay certain amounts to such employees upon the occurrence of any of the defined events in the various employment agreements.

Equity Compensation Plan Information

RSU Plan

On August 4, 2023, the shareholders of the Company approved the Amended and Restated Restricted Stock Unit Incentive Plan of the Company (the “RSU Plan”). Pursuant to the RSU Plan, restricted stock units (“RSUs”) of the Company have been reserved for purposes of possible future issuances, with each RSU representing the right to receive one share of Company common stock. The RSU Plan is intended to enhance the Company’s ability to attract and retain highly qualified officers, directors, key employees, consultants and other persons, and to motivate such officers, directors, key employees, consultants and other persons to serve the Company and to expend maximum effort to improve the business results and earnings of the Company by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the RSU Plan provides for the grant of RSUs and any of these awards of RSUs (“RSU Awards”) may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals of the Company.

The following information is intended to be a brief description and summary of the material features of the RSU Plan:

- (a) The maximum number of shares of common stock available for issuance under the RSU Plan is 26,581,075, subject to adjustment or increase of such number pursuant to the terms of the RSU Plan.
- (b) The number of share of common stock to be issued under the RSU Plan shall not exceed 10% of the total number of the issued and outstanding shares of common stock as of July 5, 2023.
- (c) In the event that an RSU Award is settled in cash, forfeited, surrendered, cancelled or otherwise terminated, the shares of common stock reserved for issuance in connection with such RSU Award will be returned to the pool of available common stock authorized for issuance under the RSU Plan and will be available for reservation pursuant to a new RSU Award grant.
- (d) RSU Awards may be made under the RSU Plan to any employee, director or consultant of the Company, as the Board shall determine and designate from time to time.
- (e) RSU Awards granted under the RSU Plan are subject to a minimum vesting period of one year, with certain exceptions.
- (f) RSU Awards granted under the RSU Plan may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other RSU Award or any award granted under another plan of the Company.
- (g) At the time a grant of RSUs is made, the Board may, in its sole discretion, establish a vesting period applicable to such RSUs, and each RSU Award may be subject to a different vesting period.

Option Plan

Also on August 4, 2023, the shareholders of the Company approved the Bunker Hill Mining Corp. Amended and Restated Stock Option Plan (the “Option Plan”). Under the Option Plan, shares of common stock have been reserved for purposes of possible future issuance of incentive stock options, non-qualified stock options, and stock grants to employees, directors and certain key individuals. The purpose of the Option Plan is to advance the interests of the Company by (i) providing certain employees, senior officers, directors, or consultants of the Company (collectively, the “Optionees”) with additional performance incentives; (ii) encouraging share ownership by the Optionees; (iii) increasing the proprietary interest of the Optionees in the success of the Company; (iv) encouraging the Optionees to remain with the Company; and (v) attracting new employees, officers, directors and consultants to the Company.

The following information is intended to be a brief description and summary of the material features of the Option Plan:

- (a) The aggregate maximum number of shares of common stock available for issuance under the Option Plan is 10% of the outstanding common stock at any given time, subject to adjustment of such number pursuant to the terms of the Option Plan. Any shares of common stock subject to an option which has been granted under the Option Plan and which has been surrendered, terminated, or expired without being exercised, in whole or in part, will again be available under the Option Plan.
- (b) The exercise price of an option shall be determined by the Board at the time each option is granted, provided that such price shall not be less than the closing price of the common stock on the principal stock exchange(s) upon which the common stock is listed and posted for trading on the trading day immediately preceding the day of the grant of the option, less the applicable discount permitted by the TSX Venture Exchange, if any.
- (c) Options granted to persons conducting Investor Relations Activities (as defined in the Option Plan) for the Company must vest in stages over twelve months with no more than $\frac{1}{4}$ of the options vesting in any three-month period.
- (d) In the event an Optionee ceases to be eligible for the grant of options under the Option Plan, options previously granted to such person will cease to be exercisable within a period of 12 months following the date such person ceases to be eligible under the Option Plan.
- (e) In the event that a take-over bid or issuer bid is made for all or any of the issued and outstanding common stock, then the Board may, by resolution, permit all options outstanding to become immediately exercisable in order to permit shares of common stock issuable under such options to be tendered to such bid.

DSU Plan

On April 21, 2020, the Board approved the adoption of the Company's Deferred Share Unit Plan (the "DSU Plan"), pursuant to which the Board may grant DSUs to eligible persons under the DSU Plan. Each DSU entitles the grantee to receive on vesting an amount equal to: (A) the number of vested DSUs elected to be redeemed multiplied by (B) the fair market value of the Company's common stock less (C) any applicable withholdings pursuant to the DSU Plan. The purposes of the DSU Plan are to: (i) align the interests of directors of the Company with the long term interests of shareholders of the Company; and (ii) allow the Company to attract and retain high quality directors.

The following information is intended to be a brief description and summary of the material features of the DSU Plan:

- (a) A committee of directors of the Company appointed by the Board to administer the DSU Plan may grant DSUs to any director of the Company in its sole discretion.
- (b) Awards may be made under the DSU Plan to any director of the Company, as the committee appointed by the Board shall determine and designate from time to time.
- (c) Should the Company's common stock no longer be publicly traded at the relevant time such that the fair market value of the common stock cannot be determined in accordance with the formula set out in the definition of that term pursuant to the DSU Plan, the fair market value of a share of common stock shall be determined by the committee appointed by the Board in its sole discretion.
- (d) At the time a grant of DSUs is made, the committee appointed by the Board may, in its sole discretion, establish a vesting period applicable to such DSUs.

Director Compensation

The general policy of the Board is that compensation for independent directors should be a fair mix between cash and equity-based compensation. Additionally, the Company reimburses directors for reasonable expenses incurred during the course of their performance. There are no long-term incentive or medical reimbursement plans. The Company does not pay directors, who are part of management, for Board service in addition to their regular employee compensation. The Board determines the amount of director compensation. The board may appoint a compensation committee to take on this role.

The following table provides a summary of compensation paid to directors during the year ended December 31, 2023.

| Director | Fees Earned or Paid in Cash (\$) | Stock Awards (\$) | Option Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Nonqualified Deferred Compensation Earnings | All Other Compensation (\$)⁽¹⁾ | Total (\$) |
|------------------|---|----------------------------------|-----------------------------------|--|--|--|-----------------------|
| Dickson Hall | — | — | — | — | — | 65,103 | 65,103 |
| Mark Cruise | 31,240 | — | — | — | — | 65,103 | 96,343 |
| Richard Williams | 286,253 | 339,846 | — | — | — | — | 626,099 |
| Paul Smith | 19,322 | — | — | — | — | 40,684 | 60,006 |
| Pam Saxton | 34,832 | — | — | — | — | 75,119 | 109,951 |
| Cassandra Joseph | 34,832 | — | — | — | — | 75,119 | 109,951 |

(1) DSUs granted to Dickson Hall, Mark Cruise, Pam Saxton, and Cassandra Joseph are calculated using a share price of C\$0.23 on the applicable grant date.

(2) DSUs granted to Paul Smith are calculated using a share price of C\$0.22 on the applicable grant date.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Directors and Executive Officers

The following table sets forth the number of shares of Bunker Hill common stock owned beneficially by each director and named executive officer of the Company as of March 5, 2024 (unless another date is specified by footnote below), and by all current directors and executive officers of Bunker Hill as a group:

| Name of Individual or Group (a) | Amount and Nature of Beneficial Ownership * | |
|---|--|---------------------------------|
| | Shares | Percent of Class (b) |
| Richard Williams, Executive Chairman | 8,934,194 (c) | 2.7% |
| Sam Ash, CEO and Director | 4,551,713 (d) | 1.4% |
| David Wiens, Former CFO | 3,770,626 (e) | 1.1% |
| Cassandra Joseph, Director | 744,116 (f) | ** |
| Dickson Hall, Director | 736,000 (g) | ** |
| Pamela Saxton, Director | 483,000 (h) | ** |
| Mark Cruise, Director | 350,000 (i) | ** |
| Gerbrand Van Heerden, CFO | 0 | ** |
| Paul Smith, Director | 0 | ** |
| Current Directors and Executive Officers as a Group (a total of 8 persons) | 15,799,023 | 4.7% |

* Unless otherwise indicated, each person listed has the sole power to vote and dispose of the shares listed. Pursuant to Rule 13d-3 under the Exchange Act, beneficial ownership includes shares as to which the individual or entity has or shares voting power or investment power, and any shares that the individual or entity has the right to acquire within 60 days of March 5, 2024, including through the exercise of any option, warrant, or right. For each individual or entity that holds options, warrants or rights to acquire shares, the shares of Bunker Hill common stock underlying those securities are treated as owned by that holder and as outstanding shares when that holder's percentage ownership of Bunker Hill common stock is calculated. That Bunker Hill common stock is not treated as outstanding when the percentage ownership of any other holder is calculated.

- ** The percent of class owned is less than 1%.
- (a) Except as otherwise indicated below, the address and telephone number of each of these persons is c/o Bunker Hill Mining Corp., 82 Richmond Street East, Toronto, Ontario M5C 1P1, Canada and (416) 477-7771, respectively.
- (b) Based on a total of 330,054,341 shares of Bunker Hill common stock outstanding as of March 5, 2024.
- (c) Includes (i) 3,529,064 shares of common stock, (ii) 3,957,659 shares subject to stock options exercisable within 60 days of March 5, 2024, (iii) 547,619 shares subject to warrants exercisable within 60 days of March 5, 2024, and (iv) 899,852 shares subject to RSUs convertible within 60 days of March 5, 2024.
- (d) Includes (i) 2,550,877 shares of common stock, (ii) 988,503 shares subject to warrants exercisable within 60 days of March 5, 2024, and (iii) 1,012,333 shares subject to RSUs convertible within 60 days of March 5, 2024.
- (e) Includes (i) 2,109,456 shares of common stock, (ii) 1,037,977 shares subject to stock options exercisable within 60 days of March 5, 2024, and (iii) 542,193 shares subject to warrants exercisable within 60 days of March 5, 2024.
- (f) Includes (i) 403,558 shares of common stock and (ii) 340,558 shares subject to warrants exercisable within 60 days of March 5, 2024.
- (g) Includes (i) 368,000 shares of common stock and (ii) 368,000 shares subject to warrants exercisable within 60 days of March 5, 2024.
- (h) Includes (i) 273,000 shares of common stock and (ii) 210,000 shares subject to warrants exercisable within 60 days of March 5, 2024.
- (i) Includes (i) 175,000 shares of common stock and (ii) 175,000 shares subject to warrants exercisable within 60 days of March 5, 2024.

Holders of More Than 5% of Bunker Hill Common Stock

The following table sets forth information (as of the date indicated) as to all persons or groups known to Bunker Hill to be beneficial owners of more than 5% of issued and outstanding shares of Bunker Hill common stock as of March 5, 2024.

| Name and Address of Beneficial Holder | Shares Beneficially Owned | Percent of Class (a) |
|--|---------------------------------|----------------------|
| Sprott Asset Management LP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2600, P.O. Box 26, Toronto, Ontario M5J 2J1, Canada | 135,177,742(b) | 31.9% |
| Sprott Asset Management USA, Inc., 320 Post Road, Suite 230, Darien, Connecticut 06820 | | |
| Resource Capital Investment Corp., 1910 Palomar Point Way, Suite 200, Carlsbad, California 92008 | | |

- (a) Based on a total of 330,054,341 shares of Bunker Hill common stock outstanding as of March 5, 2024.

- (b) Includes (i) 42,093,972 shares of common stock, (ii) 339,000 shares subject to warrants exercisable within 60 days of March 5, 2024, and (iii) 92,744,770 shares subject to convertible debentures convertible within 60 days of March 5, 2024. This information is based on a Form 62-103F3 (Required Disclosure by an Eligible Institutional Investor Under Part 4) filed on the SEDAR+ website (www.sedarplus.ca) on January 10, 2024.

Equity Compensation Plan

The following table gives information about the Company's Equity Compensation Plan as of December 31, 2023:

| Plan category | Number of securities to be issued upon exercise of outstanding options, warrants | Weighted average exercise price of outstanding options, warrants | Number of securities remaining available for future issuances under equity compensation plans, excluding securities reflected in column (a) |
|--|--|--|---|
| | (a) | (b) | (c) |
| Equity compensation plans approved by security holders | 8,970,636 | \$ 0.38 | 23,295,512 |
| Equity compensation plans not approved by security holders | - | - | - |
| Total | 8,970,636 | \$ 0.38 | 23,295,512 |

| Plan category | Number of securities to be issued upon exercise of outstanding RSUs and DSUs | Weighted average grant date price of outstanding RSUs and DSUs | Number of securities remaining available for future issuances under equity compensation plans, excluding securities reflected in column (a) |
|-----------------|--|--|---|
| | (a) | (b) | (c) |
| RSU Plan | 7,044,527 | \$ 0.18 | 19,536,548 |
| DSU Plan | 0 ⁽¹⁾ | N/A | N/A |
| Total | 7,044,527 | \$ 0.18 | 19,536,548 |

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions

There were no material transactions, or series of similar transactions, during the Company's last fiscal year, or any currently proposed transactions, or series of similar transactions, to which the Company was or is to be a party, in which the amount involved exceeded the lesser of \$120,000 or one percent of the average of the small business issuer's total assets at year-end for the last three completed fiscal years and in which any director, executive officer or any security holder who is known to the Company to own of record or beneficially more than five percent of any class of the Company's common stock, or any member of the immediate family of any of the foregoing persons, had an interest.

Director Independence

The Company's common stock is currently traded on the TSXV, under the symbol BNKR, and as such, is not subject to the rules of any national securities exchange which requires that a majority of a listed company's directors and specified committees of its board of directors meet independence standards prescribed by such rules. For the purpose of preparing the disclosures in this document with respect to director independence, the Company has used the definition of "independent director" within the meaning of National Instrument 52-110 – *Audit Committees* adopted by the Canadian Securities Administration and as set forth in the Marketplace Rules of the NASDAQ, which defines an "independent director" generally as being a person, other than an executive officer or employee of the company or any other individual having a relationship which, in the opinion of the company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Pam Saxton, Cassandra Joseph, Mark Cruise, Dickson Hall and Paul Smith are currently the only "independent" directors of the Company.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

Effective September 2, 2014, the Company appointed the firm of MNP LLP, Chartered Professional Accountants, as the Company's independent audit firm.

MNP LLP, Chartered Professional Accountants, 50 Burnhamthorpe Road West, Mississauga, ON L5B 3C2, served as the Company's independent registered public accounting firm for the years ended December 31, 2023 and 2022, and is expected to serve in that capacity for the ensuing year 2024. Principal accounting fees for professional services rendered for the Company by MNP LLP for the years ended December 31, 2023 and 2022 are summarized in the following table:

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|---------------|------------------------------------|------------------------------------|
| Audit | \$ 119,599 | \$ 92,292 |
| Audit related | 93,663 | 101,616 |
| Tax | 2,603 | - |
| All other | 50,043 | 95,387 |
| Total | <u>\$ 265,908</u> | <u>\$ 289,295</u> |

Audit Related Fees

The aggregate fees billed by MNP LLP for assurance and related services that were related to its review of the Company's quarterly financial statements.

Tax Fees

The aggregate fees billed by MNP LLP for tax compliance, advice and planning.

All Other Fees

The aggregate fees billed by MNP LLP for all other professional services, including services associated with financing activities.

Audit Committee's Pre-approval Policies and Procedures

At the Company's regularly scheduled and special meetings, the Board, or the Board-appointed audit committee, considers and pre-approves any audit and non-audit services to be performed by the Company's independent registered public accounting firm. The audit committee has the authority to grant pre-approvals of non-audit services.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1)(2) Financial Statements and Financial Statement Schedule.

The financial statements and financial statement schedules identified in Item 8 are filed as part of this report.

(a)(3) Exhibits.

The exhibits required by this item are set forth on the Exhibit Index below.

| Exhibit No. | Description |
|--------------------|---|
| 3.1 | <u>Amended and Restated Articles of Incorporation of Liberty Silver Corp., effective as of January 30, 2015 (incorporated by reference to Exhibit 3.9 to the Form S-1 filed on October 27, 2020)</u> |
| 3.1.1 | <u>Certificate of Amendment to Articles of Incorporation for Nevada Profit Corporations, effective as of September 29, 2017 (incorporated by reference to Exhibit 3.7 to the Form 8-K filed on September 18, 2017)</u> |
| 3.1.2 | <u>Certificate of Change, effective as of May 3, 2019 (incorporated by reference to Exhibit 3.10 to the Form S-1 filed on October 27, 2020)</u> |
| 3.1.3 | <u>Certificate of Amendment, dated as of June 17, 2020 (incorporated by reference to Exhibit 3.11 to the Form S-1 filed on October 27, 2020)</u> |
| 3.1.4 | <u>Certificate of Amendment, dated as of November 17, 2022 (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on November 18, 2022)</u> |
| 3.1.5 | <u>Certificate of Correction, dated as of December 6, 2022 (incorporated by reference to Exhibit 3.5 to Amendment No. 1 to the Form S-1 filed on December 23, 2022)</u> |
| 3.2 | <u>Amended and Restated Bylaws of Liberty Silver Corp., dated as of December 21, 2012 (incorporated by reference to Exhibit 3.6 to the Form 8-K filed on December 28, 2012)</u> |
| 4.1 | <u>Warrant Indenture, dated as of August 14, 2020 (incorporated by reference to Exhibit 4.1 to the Form S-1 filed on October 27, 2020)</u> |
| 4.2 | <u>Form of Warrant Certificate, dated as of February 2021 (incorporated by reference to Exhibit 4.2 to Amendment No. 3 to the Form S-1 filed on January 25, 2023)</u> |
| 4.3 | <u>Underlying Warrant Indenture, dated as of April 1, 2022, by and between Bunker Hill Mining Corp. and Capital Transfer Agency (incorporated by reference to Exhibit 10.13 to the Form S-1 filed on May 2, 2022)</u> |
| 4.4 | <u>Special Warrant Indenture, dated as of March 27, 2023, by and between Bunker Hill Mining Corp. and Capital Transfer Agency ULC, as warrant agent (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on March 31, 2023)</u> |

- 4.5 [Warrant Indenture, dated as of March 27, 2023, by and between Bunker Hill Mining Corp. and Capital Transfer Agency ULC, as warrant agent \(incorporated by reference to Exhibit 10.3 to the Form 8-K filed on March 31, 2023\)](#)
- 10.1 [Settlement Agreement and Order on Consent for Response Action by Bunker Hill Mining Corp., effective as of May 15, 2018 \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on May 21, 2018\)](#)
- 10.1.1 [First Amendment to the Settlement Agreement with EPA, effective as of December 19, 2021 \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on January 3, 2022\)](#)
- 10.2 [Purchase and Sale Agreement for the Bunker Hill Mine, dated as of December 15, 2023, by and among Placer Mining Corporation, William Pangburn and Shirley Pangburn, as sellers, and Silver Valley Metals Corp., as buyer \(incorporated by reference to Exhibit 10.2 to the Form 8-K filed on January 3, 2022\)](#)
- 10.3 [Form of Secured Convertible Debenture, dated as of January 28, 2022 \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on February 4, 2022\)](#)
- 10.4 [Secured Royalty Convertible Debenture, dated as of January 7, 2022, held by Sprott Private Resource Streaming and Royalty \(Collector\), LP \(incorporated by reference to Exhibit 10.2 to the Form 8-K filed on February 4, 2022\)](#)
- 10.5* [Omnibus Agreement Amendment, dated as of January 28, 2022, by and among Silver Valley Metals Corp. and Bunker Hill Mining Corp., as obligors, and the other party named therein](#)

| Exhibit No. | Description |
|--------------------|---|
| 10.6 | Second Omnibus Amendment Agreement, dated as of June 17, 2022, by and among Silver Valley Metals Corp. and Bunker Hill Mining Corp., as obligors, and the other parties named therein (incorporated by reference to Exhibit 10.7 to Amendment No. 1 to the Form S-1 filed on December 23, 2022) |
| 10.7* | Third Omnibus Amendment Agreement, dated as of December 5, 2022, by and among Silver Valley Metals Corp. and Bunker Hill Mining Corp., as obligors, and the other parties named therein |
| 10.8 | Fourth Omnibus Amendment Agreement, dated as of June 23, 2023, by and among Silver Valley Metals Corp. and Bunker Hill Mining Corp., as obligors, and the other parties named therein (incorporated by reference to Exhibit 10.3 to the Form 8-K filed on June 29, 2023) |
| 10.6 | Asset Sale and Purchase Agreement for the Pend Oreille Process Plant, dated as of March 1, 2022, by and between Silver Valley Metals Corp. and Teck Washington Incorporated (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on March 14, 2022) |
| 10.7 | Series 2 Convertible Debenture, dated as of June 17, 2022, held by the holder named therein (incorporated by reference to Exhibit 10.5 to Amendment No. 1 to the Form S-1 filed on December 23, 2022) |
| 10.8 | Bridge Loan Facility, dated as of December 5, 2022, by and between Bunker Hill Mining Corp., as borrower, Silver Valley Metals Corp., as guarantor, and the lenders named therein (incorporated by reference to Exhibit 10.6 to Amendment No. 1 to the Form S-1 filed on December 23, 2022) |
| 10.9 | Form of Subscription Agreement for Special Warrant Financing, dated as of March 27, 2023, by and between Bunker Hill Mining Corp. and each Purchaser (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on March 31, 2023) |
| 10.10‡ | Metals Purchase Agreement, dated as of June 23, 2023, by and among Silver Valley Metals Corp., as seller, Bunker Hill Mining Corp., and the purchaser named therein (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on June 29, 2023) |
| 10.11‡ | Loan Agreement, dated as of June 23, 2023, by and among Bunker Hill Mining Corp., as borrower, Silver Valley Metals Corp., as guarantor, and the lenders and agent named therein (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on June 29, 2023) |
| 10.12 | Royalty Agreement, dated as of June 23, 2023, by and among Bunker Hill Mining Corp., as guarantor, Silver Valley Metals Corp., as grantee, and grantee and royalty holder named therein (incorporated by reference to Exhibit 10.4 to the Form 8-K filed on June 29, 2023) |
| 10.13† | Bunker Hill Mining Corp. Amended and Restated Restricted Stock Unit Incentive Plan, effective as of August 4, 2023 (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on August 11, 2023) |

| | |
|----------|--|
| 10.14† | Bunker Hill Mining Corp. Amended and Restated Stock Option Plan, effective as of August 4, 2023 (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on August 11, 2023) |
| 10.15†* | Bunker Hill Mining Corp. Deferred Share Unit Plan, effective as of April 21, 2020 |
| 10.16†** | Form of Board Member Agreement |
| 21.1 | List of Subsidiaries (incorporated by reference to Exhibit 21.1 to the Form 10-KT filed on April 1, 2021) |
| 23.2* | Consent of Independent Registered Public Accounting Firm |
| 23.3* | Consent of Resource Development Associates Inc. |
| 23.4* | Consent of Robert H. Todd |
| 23.5* | Consent of Peter Kondos |
| 31.1* | Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2* | Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1** | Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2** | Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 95.1* | Mine Safety Disclosure pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act |
| 96.1 | S-K 1300 Technical Report Summary, Bunker Hill Mine Pre-Feasibility Study, Coeur d'Alene Mining District, Shoshone County, Idaho, USA (incorporated by reference to Exhibit 96.1 to the Form 10-K filed on April 17, 2023) |
| 101.INS | Inline XBRL Instance Document |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan, contract or arrangement.

‡ Certain schedules or similar attachments to this exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K. The registrant hereby agrees to furnish supplementally to the Securities and Exchange Commission upon request a copy of any omitted schedule or attachment to this exhibit.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Sam Ash

Sam Ash, Chief Executive Officer, Principal
Executive Officer

By: /s/ Gerbrand Van Heerden
Gerbrand Van Heerden, Chief Financial Officer and
Corporate Secretary, Principal Financial Officer,
Principal Accounting Officer

Date: March 12, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 12, 2024 By: /s/ Sam Ash
Name: Sam Ash
Title: Chief Executive Officer, Principal Executive Officer

Date: March 12, 2024 By: /s/ Gerbrand Van Heerden
Name: Gerbrand Van Heerden
Title: Chief Financial Officer and Corporate Secretary,
Principal Financial Officer, Principal Accounting Officer

Date: March 12, 2024 By: /s/ Richard Williams
Name: Richard Williams
Title: Executive Chairman and Director

Date: March 12, 2024 By: /s/ Dickson Hall
Name: Dickson Hall
Title: Director

Date: March 12, 2024 By: /s/ Mark Cruise
Name: Mark Cruise
Title: Director

Date: March 12, 2024 By: /s/ Cassandra Joseph
Name: Cassandra Joseph
Title: Director

Date: March 12, 2024 By: /s/ Pamela Saxton
Name: Pamela Saxton
Title: Director

Date: March 12, 2024 By: /s/ Paul Smith
Name: Paul Smith
Title: Director

OMNIBUS AMENDMENT AGREEMENT

THIS OMNIBUS AMENDMENT AGREEMENT (this “**Agreement**”) dated as of January 28, 2022 (the “**Effective Date**”) by and among Silver Valley Metals Corp. (“**Mine Owner**”) and Bunker Hill Mining Corp. (“**BHMC**” and

together with Mine Owner, the “Obligors”) [Redacted – Affiliate of Sprott Private Resource Streaming and Royalty Corp.] (“SPRSR”).

RECITALS:

- A. Mine Owner, as debtor, and BHMC, as guarantor, issued in favour of SPRSR, as holder, the secured royalty convertible debenture in the principal amount of US\$8,000,000 dated as of January 7, 2022 (the “**Royalty Convertible Debenture**”);
- B. BHMC granted security to SPRSR as agent for the benefit of the Sprott Entities over all of its present and after acquired equity securities and related assets (including without limitation the shares in the capital of Mine Owner) pursuant to the pledge agreement dated as of January 7, 2022 (the “**Pledge Agreement**”) between BHMC, as pledgor, and SPRSR, as secured party;
- C. the Obligors granted to SPRSR certain exclusivity and other rights pursuant to the exclusivity agreement dated as of January 7, 2022 (the “**Exclusivity Agreement**”) between SPRSR and the Obligors;
- D. the Obligors granted to SPRSR a right of first refusal over certain mineral interests pursuant to the ROFR agreement dated as of January 7, 2022 (the “**ROFR Agreement**”) between SPRSR and the Obligors; and
- E. the Obligors and SPRSR wish to amend the Royalty Convertible Debenture, the Pledge Agreement, the Exclusivity Agreement and ROFR Agreement on the terms of this Agreement

NOW THEREFORE in consideration of the foregoing premises and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Parties), the Parties mutually agree as follows:

Section 1 Defined Terms.

- (1) As used in this Agreement and the recitals hereto, the following term has the following meanings:
“**Parties**” means SPRSR, the Mine Owner and BHMC and their respective successors and assigns.
- (2) Capitalized terms used in this Agreement that are not defined in it have the meanings given to them in the Royalty Convertible Debenture.

Section 2 Amendments to the Royalty Convertible Debenture.

- (1) Section 12(k) of the **Royalty Convertible Debenture** is hereby amended by deleting the words “four months” in the 6th line thereof and replacing them with the words “six months”.

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- (2) Exhibit “A” to the Royalty Convertible Debenture is hereby amended as follows:
 - (a) the definition of “Convertible Debentures” in paragraph (k) thereof is deleted in its entirety and replaced with the following:
“**Convertible Debentures**” means, collectively, secured convertible debentures in the aggregate principal amount of \$6,000,000.00 bearing interest at 7.5% per annum payable quarterly in arrears, to be issued by the Obligors to Debentureholder and/or any other Person designated by Debentureholder and convertible at the option of the holder into Common Shares and is otherwise issued on the terms and conditions set forth in a \$50,000,000 Term Sheet dated December 4, 2021

issued by Debentureholder to Guarantor in respect of a financing package for the Project or such other terms as are acceptable to Debentureholder in its sole discretion.

- (b) the definition of “Project Finance Documents” in paragraph (kkk) thereof is deleted in its entirety and replaced with the following:

“**Project Finance Documents**” means the Convertible Debentures, the Royalty Convertible Debenture, the Exclusivity Agreement, the ROFR agreement dated as of the date hereof between Debentureholder and Obligors, the funding indemnity dated January 4, 2022 between the Obligors and Debentureholder, the Stream, the Security granted in connection herewith and therewith and all other agreements, instruments and documents from time to time (both before and after the date of this Debenture) delivered to or in favour of any Sprott Entity in connection with any of the foregoing agreements and includes any agreement designated from time to time by the Obligors and Debentureholder as a “Project Finance Document” for purposes of the Security.

- (c) the definition of ‘Project Assets’ in paragraph (jjj) thereof is deleted in its entirety and replace with the following:

“**Project Assets**” means, collectively:

- (i) the Property and all other Real Property (as defined in the Royalty);
- (ii) the Products and the Other Rights;
- (iii) the mining, processing, development, production, maintenance, administration, water, electrical and conveyor facilities, railway infrastructure and rolling stock, storage facilities, stockpiling facilities, shipping infrastructure, utilities, and related ancillary infrastructure, other buildings, structures, improvements, fixtures and other real and personal property, including equipment, re-commissioned, constructed, operated or otherwise used by or on behalf of Obligor to extract, beneficiate, market, transport and sell Products derived from the Property or to develop, operate or administer the Mine, whether or not located within the physical boundaries of the Property; and
- (iv) any rights (including Authorizations, surface, access and water rights), privileges, concessions or franchises owned, controlled, leased or operated by or on behalf of an Obligor at any time and not included within the definition of “Property” which are required for the development and construction of the Mine and operation thereof.

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- (d) the definition of “Sprott Entities” in paragraph (uuu) thereof is deleted in its entirety and replaced with the following:

“**Sprott Entities**” means, collectively, Debentureholder, the holders of the Convertible Debentures, any Affiliate of Sprott Inc. and any fund managed or sub-managed by an Affiliate of Sprott Inc. which in each case is party to a Project Finance Document together with any successor, assign or transferee thereof that is party from time to time to any Project Finance Document and “**Sprott Entity**” means any one of them.

- (3) Exhibit “D” to the Royalty Convertible Debenture is hereby deleted in its entirety and replaced with Exhibit “D” appended to this Agreement.

Section 3 Amendment to the Pledge Agreement.

Section 1 of the **Pledge Agreement** is hereby amended as follows:

- (a) The definition of “Convertible Debentures” is deleted in its entirety and replaced with the following:
- “**Convertible Debentures**” means, collectively, secured convertible debentures in the aggregate principal amount of \$6,000,000.00 bearing interest at 7.5% per annum payable quarterly in arrears, to be issued after the date of this Agreement by the Obligors to SPRSR and/or any other Persons designated by SPRSR and convertible at the option of the holder into Common Shares and is otherwise issued on the terms and conditions set forth in a \$50,000,000 Term Sheet dated December 4, 2021 issued by Debentureholder to Guarantor in respect of a financing package for the Project or such other terms as are acceptable to Debentureholder in its sole discretion.
- (b) The definition of “Project Finance Documents” is deleted in its entirety and replaced with the following:
- “**Project Finance Documents**” means the Convertible Debentures, the Royalty Convertible Debenture, the Exclusivity Agreement, the ROFR agreement dated as of the date hereof between SPRSR and Obligors, the funding indemnity dated January 4, 2022 between the Obligors and SPRSR, the Stream, the Security granted in connection herewith and therewith and all other agreements, instruments and documents from time to time (both before and after the date of this Debenture) delivered to or in favour of any Sprott Entity in connection with any of the foregoing agreements and includes without limitation any agreement designated from time to time by the Obligors and SPRSR as a “Project Finance Document” for purposes of the Security.
- (c) the definition of “Sprott Entities” is deleted in its entirety and replaced with the following:
- “**Sprott Entities**” means, collectively, SPRSR, the holders of the Convertible Debentures, any Affiliate of Sprott Inc. and any fund managed or sub-managed by an Affiliate of Sprott Inc. which in each case is party to a Project Finance Document together with any successor, assign or transferee thereof that is party from time to time to any Project Finance Document and “**Sprott Entity**” means any one of them.

Section 4 Amendment to the Exclusivity Agreement.

Section 1.1 of the **Exclusivity Agreement** is amended as follows:

- (a) The definition of “Convertible Debentures” is deleted in its entirety and replaced with the following:
- “**Convertible Debentures**” means, collectively, secured convertible debentures in the aggregate principal amount of \$6,000,000.00 bearing interest at 7.5% per annum payable quarterly in arrears, to be issued after the date of this Agreement by the Obligors to SPRSR and/or any other Persons designated by SPRSR and convertible at the option of the holder into Common Shares and is otherwise issued on the terms and conditions set forth in a \$50,000,000 Term Sheet dated December 4, 2021 issued by Debentureholder to Guarantor in respect of a financing package for the Project or such other terms as are acceptable to Debentureholder in its sole discretion.
- (b) The definition of “Project Finance Documents” is deleted in its entirety and replaced with the following:
- “**Project Finance Documents**” means the Convertible Debentures, the Royalty Convertible Debenture, the Exclusivity Agreement, the ROFR agreement dated as of the date hereof between SPRSR and Obligors, the funding indemnity dated January 4, 2022 between the Obligors and

SPRSR, the Stream, the Security granted in connection herewith and therewith and all other agreements, instruments and documents from time to time (both before and after the date of this Debenture) delivered to or in favour of any Sprott Entity in connection with any of the foregoing agreements and includes any agreement designated from time to time by the Obligors and SPRSR as a “Project Finance Document” for purposes of the Security.

- (c) the definition of “Sprott Entities” is deleted in its entirety and replaced with the following:

“**Sprott Entities**” means, collectively, SPRSR, the holders of the Convertible Debentures, any Affiliate of Sprott Inc. and any fund managed or sub-managed by an Affiliate of Sprott Inc. which in each case is party to a Project Finance Document together with any successor, assign or transferee thereof that is party from time to time to any Project Finance Document and “**Sprott Entity**” means any one of them.

Section 5 Amendment to the ROFR Agreement.

Section 1.1 of the ROFR Agreement is amended as follows:

- (a) The definition of “Convertible Debentures” is deleted in its entirety and replaced with the following:

“**Convertible Debentures**” means, collectively, secured convertible debentures in the aggregate principal amount of \$6,000,000.00 bearing interest at 7.5% per annum payable quarterly in arrears, to be issued after the date of this Agreement by the Obligors to SPRSR and/or any other Persons designated by SPRSR and convertible at the option of the holder into Common Shares and is otherwise issued on the terms and conditions set forth in a \$50,000,000 Term Sheet dated December 4, 2021 issued by Debentureholder to Guarantor in respect of a financing package for the Project or such other terms as are acceptable to Debentureholder in its sole discretion.

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- (b) The definition of “Project Finance Documents” is deleted in its entirety and replaced with the following:

“**Project Finance Documents**” means the Convertible Debentures, the Royalty Convertible Debenture, the Exclusivity Agreement, the ROFR agreement dated as of the date hereof between SPRSR and Obligors, the funding indemnity dated January 4, 2022 between the Obligors and SPRSR, the Stream, the Security granted in connection herewith and therewith and all other agreements, instruments and documents from time to time (both before and after the date of this Debenture) delivered to or in favour of any Sprott Entity in connection with any of the foregoing agreements and includes any agreement designated from time to time by the Obligors and SPRSR as a “Project Finance Document” for purposes of the Security.

- (c) the definition of “Sprott Entities” is deleted in its entirety and replaced with the following:

“**Sprott Entities**” means, collectively, SPRSR, the holders of the Convertible Debentures, any Affiliate of Sprott Inc. and any fund managed or sub-managed by an Affiliate of Sprott Inc. which in each case is party to a Project Finance Document together with any successor, assign or transferee thereof that is party from time to time to any Project Finance Document and “**Sprott Entity**” means any one of them.

Section 6 Reference to and Effect on the Amended Agreements.

On and after the Effective Date, any reference to “**this Agreement**”, “**hereof**”, “**hereunder**” and words of like effect in the Royalty Convertible Debenture, the Exclusivity Agreement, the ROFR Agreement and/or the Pledge

Agreement, and any reference to the Royalty Convertible Debenture, the Exclusivity Agreement, the ROFR Agreement and/or the Pledge Agreement in any other agreements will mean and be a reference to the Royalty Convertible Debenture, the Exclusivity Agreement, the ROFR Agreement and/or the Pledge Agreement as amended by this Agreement, respectively. Except as specifically amended by this Agreement, the provisions of the Royalty Convertible Debenture, the Exclusivity Agreement, the ROFR Agreement and/or the Pledge Agreement remain in full force and effect.

Section 7 Successors and Assigns.

This Agreement shall be binding upon and enure to the benefit of and be enforceable by each Party and its respective successors and permitted assigns.

Section 8 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

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Section 9 Governing Law.

- (1) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein (other than the conflict of laws rules).
- (2) Each Party agrees that any legal proceeding with respect to this Agreement or to enforce any judgment obtained against the other Parties, or any of them, may be brought in the courts of the Province of Ontario, Canada or in the courts of any jurisdiction where a Party may have assets or carries on business, and each Party hereby irrevocably submits to the non-exclusive jurisdiction of each such court and acknowledges its competence.

Section 10 Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[Remainder of this page left intentionally blank. Signature page follows.]

The parties have executed this Agreement as of the date first written above.

SILVER VALLEY METALS CORP.

By: [Redacted]

Name: [Redacted]

Title: [Redacted]

By: [Redacted]

Name: [Redacted]

Title: [Redacted]

BUNKER HILL MINING CORP.

By: [Redacted]

Name: [Redacted]

Title: [Redacted]

By: [Redacted]

Name: [Redacted]

Title: [Redacted]

Omnibus Amending Agreement

**[REDACTED – AFFILIATE OF SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY CORP.],
by its general partner, SPROTT RESOURCE
STREAMING AND ROYALTY CORP.**

By: [Redacted]

Name: [Redacted]

Title: [Redacted]

**[REDACTED – AFFILIATE OF SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY CORP.],
by its general partner, SPROTT RESOURCE
STREAMING AND ROYALTY CORP., as Secured
Party**

By: [Redacted]

Name: [Redacted]

Title: [Redacted]

Omnibus Amending Agreement

Exhibit 10.7

THIRD OMNIBUS AMENDMENT AGREEMENT

THIS THIRD OMNIBUS AMENDMENT AGREEMENT (this “**Agreement**”) dated as of December 5, 2022 (the “**Effective Date**”) by and among Silver Valley Metals Corp. (“**Mine Owner**”) and Bunker Hill Mining Corp. (“**BHMC**” and together with Mine Owner, the “**Obligors**”), [Redacted – Affiliate of Sprott Private Resource Streaming and Royalty Corp.] in its own capacity (“**SPRSR**”) and in its capacity as security agent for and on behalf of the Sprott Entities (the “**Security Agent**”), [Redacted – Affiliates of Sprott Private Resource Streaming and Royalty Corp.], [Redacted – Funds managed or sub-managed by Affiliates of Sprott Private Resource Streaming and Royalty Corp.], and [Redacted – Affiliates of Ninepoint Partners LP].

RECITALS:

- A. Mine Owner, as debtor, and BHMC, as guarantor, issued in favour of SPRSR, as holder, the secured royalty convertible debenture in the principal amount of US\$8,000,000 dated as of January 7, 2022 (as amended by the First Omnibus Amendment and the Second Omnibus Amendment, the “**Royalty Convertible Debenture**”);
- B. BHMC, as debtor, and Mine Owner, as guarantor, issued on January 28, 2022 to and in favour of the Series 1 CD Holders convertible debentures in the aggregate principal amount of US\$6,000,000 (as amended by the Second Omnibus Amendment, the “**Series 1 Convertible Debentures**”);
- C. BHMC, as debtor, and Mine Owner, as guarantor, will issue to and in favour of the Series 2 CD Holders series 2 convertible debentures in the aggregate principal amount of up to US\$20,000,000 (the “**Series 2 Convertible Debentures**” and together with the Series 1 Convertible Debentures, the “**Convertible Debentures**”);
- D. [Redacted – Affiliates of Sprott Private Resource Streaming and Royalty Corp.], as lenders (collectively, the “**Lenders**”) have agreed to make available a \$5,000,000 bridge loan facility to BHMC, as borrower, pursuant to the bridge loan agreement dated as of December 5, 2022, between the Borrower, the Guarantor and the Lenders (as amended, supplemented, modified or replaced from time to time, the “**Bridge Loan Agreement**”)
- E. SPRSR, the Series 1 CD Holders and the Series 2 CD Holders have agreed to (i) consent to the incurrence of the indebtedness under the Bridge Loan Agreement, (ii) acknowledge and confirm that the Lenders are “Sprott Entities” and the Bridge Loan Agreement is a “Project Finance Document” for purposes of the Security and the Security Sharing Agreement and (iii) agree to certain related amendments to the Royalty Convertible Debenture, the Series 1 Convertible Debentures and the Series 2 Convertible Debentures, in each case, on the terms of this Agreement.

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NOW THEREFORE in consideration of the foregoing premises and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Parties), the Parties mutually agree as follows:

Section 1 Defined Terms.

- (1) As used in this Agreement and the recitals hereto, the following terms have the following meanings:

“**Amended Agreements**” means, collectively, the Royalty Convertible Debenture, the Series 1 Convertible Debentures and the Series 2 Convertible Debentures.

“**Guarantees**” means, collectively, the guarantee made by BHMC contained in the Royalty Convertible Debenture and the guarantee made by Mine Owner contained in each of the Series 1 Convertible Debentures, as each may be amended, amended and restated, modified, supplemented or replaced from time to time.

“**First Omnibus Amendment**” means the omnibus amendment agreement dated as of January 28, 2022 among the Obligors and SPRSR.

“**Second Omnibus Amendment**” means the second omnibus amendment agreement dated as of June 17, 2022 among SPRSR, the Security Agent, the Series 1 CD Holders, the Series 2 CD Holders, the Mine Owner and BHMC and their respective successors and assigns.

“**Parties**” means SPRSR, the Security Agent, the Series 1 CD Holders, the Series 2 CD Holders, the Mine Owner and BHMC and their respective successors and assigns.

“**Security Sharing Agreement**” means the security sharing agreement dated as of January 28, 2022 between the Security Agent, SPRSR, the Series 1 CD Holders and the Series 2 CD Holders, as amended by the Second Omnibus Amendment, which was acknowledged and agreed to be the Obligors.

“**Series 1 CD Holders**” means [Redacted – Affiliate of Sprott Private Resource Streaming and Royalty Corp.], [Redacted – Funds managed or sub-managed by Affiliates of Sprott Private Resource Streaming and Royalty Corp.], and [Redacted – Affiliates of Ninepoint Partners LP] and their respective successors and assigns.

“**Series 2 CD Holders**” means [Redacted – Affiliate of Sprott Private Resource Streaming and Royalty Corp.], as holders of the Series 2 Convertible Debentures to be issued on the date of this Agreement and their respective successors and assigns.

- (2) Capitalized terms used in this Agreement that are not defined in it have the meanings given to them in the Security Sharing Agreement.

Section 2 Amendments to the Royalty Convertible Debenture.

SPRSR and each Obligor agree to amend the Royalty Convertible Debenture as follows:

- (1) Exhibit “A” to the Royalty Convertible Debenture is hereby amended as follows:
- (a) the definition of Permitted Indebtedness in paragraph (bbb) thereof is hereby amended as follows:
- (i) by deleting the word “and” at the end of subparagraph (viii);
- (ii) by renumbering subparagraph (ix) as subparagraph (x); and

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- (iii) by adding the following subparagraph (ix) immediately after subparagraph (viii):

(ix) Indebtedness of up to US\$5,000,000 pursuant to a bridge loan agreement, in favour of certain Sprott Entities provided that (A) the proceeds thereof are used solely to fund the construction and development of the Mine, and (B) such Indebtedness will constitute part of the PF Obligations and will be secured by the Security as a “Project Finance Document”; and”

Section 3 Amendments to the Series 1 Convertible Debentures.

Each Series 1 CD Holder and each Obligor agree to amend the Series 1 Convertible Debenture to which such Series 1 CD Holder is a party as follows:

- (1) Section 12 of such Series 1 **Convertible Debenture** is hereby amended by deleting paragraph (u) thereof and replacing it with the following paragraph (u):

“(u) **No Distributions.** No Obligor shall (i) retire, redeem, retract, purchase or otherwise acquire any Equity Securities of such Obligor; (ii) declare or pay any dividend, return of capital or other distribution (in cash, securities or other property, or otherwise) of, on or in respect of, any Equity Securities of such Obligor; (iii) make any payment or distribution (in cash, securities or other property, or otherwise) on or in respect of, its Equity Securities; (iv) pay, redeem, repurchase or otherwise acquire any Funded Debt, including any payment on account of principal, interest, bonus, premium, make-whole or otherwise; or (v) pay any management, consulting or similar fee or any bonus payment or comparable payment, or by way of gift or gratuity, to any Related Party of such

Person or to any director or officer thereof, excluding, for greater certainty, (i) employment compensation in the ordinary course of business, and (ii) principal, interest and other amounts that may become payable under this Debenture, the Convertible Debentures or other Permitted Indebtedness.”

- (2) Exhibit “A” of such Series 1 **Convertible Debenture** is hereby amended by as follows:
- (a) the definition of “Permitted Indebtedness” in paragraph (kkk) thereof is hereby amended as follows:
- (i) by deleting the word “and” at the end of subparagraph (iv);
- (ii) by renumbering subparagraph (v) as subparagraph (vi);
- (iii) by adding the following subparagraph (v) immediately after subparagraph (iv):

“(v) Indebtedness of up to US\$5,000,000 pursuant to a bridge loan agreement, in favour of certain Sprott Entities provided that (A) the proceeds thereof are used solely to fund the construction and development of the Mine, and (B) such Indebtedness will constitute part of the PF Obligations and will be secured by the Security as a “Project Finance Document”; and”

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Section 4 Amendments to the Series 2 Convertible Debentures.

Each Series 2 CD Holder and each Obligor agree to amend the Series 2 Convertible Debenture to which such Series 2 CD Holder is a party as follows:

- (1) Section 12 of such Series 2 **Convertible Debenture** is hereby amended by deleting paragraph (u) thereof and replacing it with the following paragraph (u):

“(u) **No Distributions.** No Obligor shall (i) retire, redeem, retract, purchase or otherwise acquire any Equity Securities of such Obligor; (ii) declare or pay any dividend, return of capital or other distribution (in cash, securities or other property, or otherwise) of, on or in respect of, any Equity Securities of such Obligor; (iii) make any payment or distribution (in cash, securities or other property, or otherwise) on or in respect of, its Equity Securities; (iv) pay, redeem, repurchase or otherwise acquire any Funded Debt, including any payment on account of principal, interest, bonus, premium, make-whole or otherwise; or (v) pay any management, consulting or similar fee or any bonus payment or comparable payment, or by way of gift or gratuity, to any Related Party of such Person or to any director or officer thereof, excluding, for greater certainty, (i) employment compensation in the ordinary course of business, (ii) principal, interest and other amounts that may become payable under this Debenture, the Convertible Debentures or other Permitted Indebtedness.”

- (2) Exhibit “A” of such Series 2 **Convertible Debenture** is hereby amended by as follows:
- (a) the definition of “Permitted Indebtedness” therein is hereby amended as follows:
- (i) by deleting the word “and” at the end of subparagraph (ix);
- (ii) by renumbering subparagraph (x) as subparagraph (xi);
- (iii) by adding the following subparagraph (x) immediately after subparagraph (ix):

“(v) Indebtedness of up to US\$5,000,000 pursuant to a bridge loan agreement, in favour of certain Sprott Entities provided that (A) the proceeds thereof are used solely to fund the construction and development of the Mine, and (B) such Indebtedness will constitute part of the PF Obligations and will be secured by the Security as a “Project Finance Document”; and”

Section 5 Confirmation by the Sprott Entities

Each Sprott Entity hereby acknowledges, confirms and agrees that:

- (a) each Lender is a “Sprott Entity”, the Bridge Loan Agreement constitutes a “Project Finance Document” and the obligations owing thereunder are “PF Obligations”, in each case, for purposes of the Security Documents and the Security Sharing Agreement;
- (b) the funding indemnity agreement executed in favour of SPRSR in connection with the Bridge Loan Agreement constitutes a “Project Finance Document” for purposes of the Security Documents and the Security Sharing Agreement;
- (c) each Series 2 CD Holder and each Lender is a “Creditor” (together with the Series 1 CD Holders and SPRSR) for purposes of the Security Sharing Agreement as each of them had entered in a joinder agreement in accordance with Section 4.11 thereof.

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Section 6 Confirmation.

Each Obligor hereby acknowledges, confirms and agrees that:

- (a) each Project Finance Document to which it is a party remains in full force and effect, and, except as amended by this Agreement, unamended and constitutes legal, valid and binding obligations of it enforceable against it in accordance with its respective terms;
- (b) each Guarantee to which it is a party remains in full force and effect, and except as amended by this Agreement, unamended, and continues to guarantee the payment and performance of all Obligations (as defined in each Guarantee) and constitutes legal, valid and binding obligations of it enforceable against it in accordance with its respective terms;
- (c) each of the Security Documents to which it is a party remains in full force and effect, and except as amended by this Agreement, unamended, and constitutes legal, valid and binding obligations of it enforceable against it in accordance with its respective terms; and
- (d) the security interests, assignments, mortgages, charges, liens, hypothecations and pledges granted by it in favour of the Security Agent for and the benefit of the Sprott Entities pursuant to the Security and constitutes legal, valid and binding obligations of it enforceable against it in accordance with its respective terms.

Section 7 Reference to the Amended Agreements.

On and after the Effective Date, any reference to “**this Agreement**”, “**hereof**”, “**hereunder**” and **words of like effect** in any Amended Agreement, and any reference to any Amended Agreement in any other agreements will mean and be a reference to such Amended Agreement, as amended by this Agreement, as applicable.

Section 8 Further Assurances.

Each Obligor will execute and deliver to any other Party hereto all such documents, instruments and agreements, and do all such other acts and things, as may be reasonably required, in the opinion of such other Party, to carry out the amendments and other transactions contemplated under this Agreement.

Section 9 Project Finance Document.

The parties to this Agreement acknowledge and agree that:

- (a) any failure of the Obligors to perform their obligations under this Agreement shall constitute an event of default under the Convertible Debentures;
- (b) this Agreement constitutes a “Project Finance Document” for the purposes of the Security Documents.

Section 10 Successors and Assigns.

This Agreement shall be binding upon and enure to the benefit of and be enforceable by each Party and its respective successors and permitted assigns.

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Section 11 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 12 Governing Law.

- (1) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein (other than the conflict of laws rules).
- (2) Each Party agrees that any legal proceeding with respect to this Agreement or to enforce any judgment obtained against the other Parties, or any of them, may be brought in the courts of the Province of Ontario, Canada or in the courts of any jurisdiction where a Party may have assets or carries on business, and each Party hereby irrevocably submits to the non-exclusive jurisdiction of each such court and acknowledges its competence.

Section 13 Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[Remainder of this page left intentionally blank. Signature page follows.]

The parties have executed this Agreement as of the date first written above.

SILVER VALLEY METALS CORP.

By: [Redacted]

Name:[Redacted]
Title: [Redacted]

By: [Redacted]
Name:[Redacted]
Title: [Redacted]

BUNKER HILL MINING CORP.

By: [Redacted]
Name:[Redacted]
Title: [Redacted]

By: [Redacted]
Name:[Redacted]
Title: [Redacted]

Third Omnibus Amendment Agreement

**[REDACTED – AFFILIATE OF SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY CORP.],
by its general partner, SPROTT RESOURCE STREAMING AND ROYALTY CORP.**

By: [Redacted]
Name:[Redacted]
Title: [Redacted]

**[REDACTED – AFFILIATE OF SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY CORP.],
by its general partner, SPROTT RESOURCE STREAMING AND ROYALTY CORP., as Security Agent**

By: [Redacted]
Name:[Redacted]
Title: [Redacted]

Third Omnibus Amendment Agreement

**[REDACTED – AFFILIATE OF SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY CORP.],
by its general partner, SPROTT RESOURCE STREAMING AND ROYALTY CORP.**

By: [Redacted]
Name:[Redacted]

Title: [Redacted]

[REDACTED – AFFILIATE OF SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY CORP.], by its general partner, SPROTT RESOURCE STREAMING AND ROYALTY CORP.

By: [Redacted]

Name:[Redacted]

Title: [Redacted]

[REDACTED – AFFILIATE OF SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY CORP.], by its general partner, SPROTT RESOURCE STREAMING AND ROYALTY CORP.

By: [Redacted]

Name:[Redacted]

Title: [Redacted]

Third Omnibus Amendment Agreement

[REDACTED – FUNDS MANAGED OR SUB-MANAGED BY AFFILIATES OF SPROTT PRIVATE RESOURCE STREAMING AND ROYALTY CORP.]

By: [Redacted]

Name:[Redacted]

Title: [Redacted]

Third Omnibus Amendment Agreement

[REDACTED – AFFILIATE OF NINEPOINT PARTNERS LP], by its Manager, NINEPOINT PARTNERS LP

By: [Redacted]

Name:[Redacted]

Title: [Redacted]

[REDACTED – AFFILIATE OF NINEPOINT PARTNERS LP], by its Manager, NINEPOINT PARTNERS LP

By: [Redacted]

Name:[Redacted]

Exhibit 10.15

**BUNKER HILL MINING CORP.
DEFERRED SHARE UNIT PLAN**

Section 1. Interpretation and Administrative Provisions

1.1 Purpose

The purposes of the Plan are to: (i) align the interests of directors of the Corporation with the long term interests of shareholders; and (ii) allow the Corporation to attract and retain high quality directors.

1.2 Definitions

For the purposes of the Plan, the following terms have the following meanings:

“**Affiliate**” means any entity that is an “affiliate” for purposes of the Canadian Securities Administrators National Instrument 45-106 Prospectus and Registration Exemptions, as amended from time to time.

“**Applicable Withholdings**” means all income taxes and statutory amounts required to be withheld by the Corporation.

“**Award Date**” means the date that compensation is paid to a Participant.

“**Board**” means the board of directors of the Corporation.

“**Canadian Participant**” means any Participant who is not a U.S. Participant and who is a Canadian resident for tax purposes.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder.

“**Committee**” means the Committee of the Board to which the Board has delegated responsibility for the administration of this Plan and, in the absence of such a delegation means the Board.

“**Common Share**” means a common share of the Corporation.

“**Corporation**” means **Bunker Hill Mining Corp.**, and such of its Affiliates as are designated by the Board from time to time.

“**Deferred Share Unit**” means a right granted to an Eligible Person to receive, as set out in the Plan, the Share Unit Amount.

“**Dividend Deferred Share Unit**” has the meaning set out in Section 3.3.

“**Election Notice**” means a notice substantially in the form set out as Schedule B, as amended by the Committee from time to time.

“Eligible Person” means any director of the Corporation.

“Expiry Date” means December 15 of the year following the year in which the Eligible Person ceases to hold all offices and employment with the Corporation.

“Fair Market Value” means the volume weighted average trading price of a Common Share of the Corporation on the principal stock exchange on which such Common Shares are traded for the 20 trading days immediately preceding the applicable day (calculated as the total value of Common Shares traded over the 20 day trading period divided by the total number of Common Shares traded over the 20 trading day period).

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“Grant Agreement” means an agreement substantially in the form set out as Schedule A, as amended by the Committee from time to time.

“Grant Date” means the date the Committee completes all requisite actions required to approve the grant of a Deferred Share Unit.

“Participant” means any Eligible Person to whom a Deferred Share Unit is granted.

“Plan” means the **Bunker Hill Mining Corp.** Deferred Share Unit Plan as amended from time to time.

“Redemption Date” means the date elected by a Canadian Participant pursuant to Section 3.4(a) and the date elected by a U.S. Participant pursuant to section 3.4(b).

“Redemption Notice” mean a notice substantially in the form set out as Schedule C, as amended by the Committee from time to time.

“Separation from Service” means, with respect to a U.S. Participant, the first date on or after the U.S. Participant’s Termination Date on which the Participant has a separation from service under Treasury Regulation Section 1.409A-1(h).

“Share Unit Account” means the notional account maintained for each Participant to which Deferred Share Units are credited.

“Share Unit Amount” has the meaning set out in Section 3.5.

“Termination Date” means the date a Participant ceases to be a director of the Corporation and ceases to hold any other position with the Corporation.

“Treasury Regulations” means the Treasury Regulations promulgated under the Code.

“U.S. Participant” means, any Participant who is a United States citizen or United States resident alien as defined for purposes of Code Section 7701(b)(1)(A).

“Vested Deferred Share Unit” has the meaning set out in Section 3.8.

“Vesting Date” means the date or dates designated in the Grant Agreement, or such earlier date as is provided for in the Plan or is determined by the Committee.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

1.3 Effective Date of Plan

The effective date of the Plan is April 21, 2020.

Section 2. Administration

2.1 Administration of the Plan

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee's mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) grant Deferred Share Units to Eligible Persons; (ii) interpret and administer the Plan; (iii) establish, amend and rescind any rules and regulations relating to the Plan; (iv) establish conditions to the vesting of Deferred Share Units; and (v) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Participants.

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To the extent that any Deferred Share Unit granted to a U.S. Participant is determined to constitute "nonqualified deferred compensation" within the meaning of Code Section 409A, such Deferred Share Unit shall be subject to such additional rules and requirements as specified by the Committee from time to time in order to comply with Code Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Committee may, in its sole discretion and without the U.S. Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest or penalties under Code Section 409A, and otherwise (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Deferred Share Unit and does not guarantee that Deferred Share Units will not be subject to taxes, interest and penalties under Code Section 409A.

2.2 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

2.3 Determination of Value if Common Shares Not Publicly Traded

Should Common Shares no longer be publicly traded at the relevant time such that the Fair Market Value cannot be determined in accordance with the formula set out in the definition of that term, the Fair Market Value of a Common Share shall be determined by the Committee in its sole discretion.

2.4 Taxes and Other Source Deductions

The Corporation shall be authorized to deduct from any amount to be paid or credited hereunder any Applicable Withholdings in such manner as the Corporation determines, to the extent such Applicable Withholdings are not satisfied through the sale of Shares as provided in Section 3.5.

2.5 U.S. Participant

Notwithstanding any other provision of the Plan to the contrary:

- (a) If at the time of Separation from Service the Company's stock is publicly traded on an established securities market or otherwise, each U.S. Participant who is a "specified employee" of the Company within the meaning of Section 409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-1(i), shall not receive any payment under the Plan until the first day of the seventh month following the date of such Participant's Separation from Service (or, if earlier, the date of death).
- (b) The acceleration of the time of any payment under the Plan is prohibited except as provided in Treasury Regulation Section 1.409A-3(j)(4) and administrative guidance promulgated under Section 409A of the Code.

Section 3. Deferred Share Units

3.1 Awards of Deferred Share Units

The Committee may grant Deferred Share Units to Eligible Persons in its sole discretion. The award of a Deferred Share Unit to an Eligible Person at any time shall neither entitle such Eligible Person to receive nor preclude such Eligible Person from receiving a subsequent grant of Deferred Share Units.

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3.2 Election to Defer Director Retainer

An Eligible Person may elect to defer all or any portion of the retainer or compensation that would otherwise be received by the Eligible Person in cash, by electing to receive such retainer or compensation in the form of Deferred Share Units, by delivering to the Corporation an Election Notice not later than December 31 of the year preceeding the first date of any period in respect of which the retainer or incentive compensation would be earned. An Eligible Person who elects to defer retainer or compensation by electing to receive such retainer in the form of Deferred Share Units will be awarded the number of Deferred Share Units determined by dividing the dollar amount of the retainer or compensation to be deferred by the Fair Market Value of a Common Share as at the Award Date. Elections pursuant to this section, when made, shall be irrevocable and may not be made during a period when the Eligible Person is prohibited from trading in securities of the Corporation by the Corporation's disclosure and insider trading policy.

3.3 Crediting of Deferred Share Units and Dividend Deferred Share Units

Deferred Share Units granted to a Participant shall be credited to the Participant's Share Unit Account on the Grant Date. Each grant of Deferred Share Units must be confirmed by a Grant Agreement signed by the Corporation and the Participant. From time to time, a Participant's Share Unit Account shall be credited with Dividend Deferred Share Units in the form of additional Deferred Share Units ("**Dividend Deferred Share Units**") in respect of outstanding Deferred Share Units on each dividend payment date in respect of which normal cash dividends are paid on Shares. Such Dividend Deferred Share Units shall be computed as:

- (a) the amount of the dividend declared and paid per Common Share multiplied by the number of Deferred Share Units recorded in the Participant's Share Unit Account on the date for the payment of such dividend, divided by
- (b) the Fair Market Value of a Common Share as at the dividend payment date.

3.4 Redemption Date Notice

Participants shall elect a Redemption Date for Deferred Share Units as follows:

- a) Canadian Participants may elect at any time to redeem Vested Deferred Share Units on any date or dates after the Termination Date and on or before the Expiry Date (the "**Redemption Date**"); and

- b) U.S. Participants shall elect to redeem Vested Deferred Share Units on a fixed date or dates during the period commencing after the Termination Date and on or before the Expiry Date (the “**Redemption Date**”) provided that such election must be irrevocably made prior to the earlier of: (i) receipt by the U.S. Participant of each award of Deferred Share Units; and (ii) the first day of the taxable year of the U.S. Participant in which the period over which the award is to be earned, begins. For this purpose a “fixed date” may include any permissible payment event under Section 409A of the Code, for example, Separation from Service. Notwithstanding anything to the contrary in this Section, the Redemption Date with respect to U.S. Participants shall mean the later of the elected date and the date the U.S. Participant has a Separation from Service.

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Provided that if the Participant does not elect a Redemption Date in respect of an award of Deferred Share Units, the Deferred Share Units shall be redeemed on the Expiry Date.

3.5 Redemption of Deferred Share Units

The Company shall redeem the Vested Deferred Share Units elected to be redeemed by the Participant on the elected Redemption Date by paying to the Participant an amount (the “**Share Unit Amount**”) equal to: (A) the number of Vested Deferred Share Units elected to be redeemed multiplied by (B) the Fair Market Value minus (C) Applicable Withholdings. The Deferred Share Unit Amount shall be paid as a lump-sum by the Company within ten business days of the Redemption Date.

3.6 Effect of Redemption of Deferred Share Units.

A Participant shall have no further rights respecting any Vested Deferred Share Unit which has been redeemed in accordance with the Plan.

3.7 Reporting of Deferred Share Units

Statements of the Deferred Share Unit Accounts held by each Participant will be made available to the Participant annually.

3.8 Vesting Date

Each Deferred Share Unit shall vest (become a “**Vested Deferred Share Unit**”) on the Vesting Date, conditional on the satisfaction of any additional vesting conditions established by the Committee from time to time. Dividend Deferred Share Units shall vest at the same time and in the same proportion as the associated Deferred Share Units.

3.9 Ceasing to be an Eligible Person

If a Participant ceases to be an Eligible Person, except to the extent specifically provided to the contrary in the Grant Agreement, all the Participant’s Deferred Share Units and related Dividend Deferred Share Units shall vest immediately prior to the Participant’s termination date.

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Section 4. General

4.1 Capital Adjustments

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation’s assets to shareholders, or any other change

in the capital of the Corporation affecting Common Shares, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change (for the purpose of preserving the value of the Deferred Share Units), with respect to (i) the number or kind of shares or other securities on which the Deferred Share Units and Dividend Deferred Share Units are based; and (ii) the number of Deferred Share Units and Dividend Deferred Share Units; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares.

4.2 Amendment, Suspension, or Termination of Plan

The Committee may amend, suspend or terminate the Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange), if any, that require the approval of shareholders or any governmental or regulatory body.

If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Committee and in force at the time of this Plan, will continue in effect as long as a Deferred Share Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Committee may make any amendments to the Plan or the Deferred Share Units it would be entitled to make if the Plan were still in effect. The Committee may amend or modify any outstanding Deferred Share Unit in any manner to the extent that the Committee would have had the authority to initially grant the award as so modified or amended; provided that, where such amendment or modification is materially adverse to the holder, the consent of the holder is required to effect such amendment or modification.

4.3 Non-Exclusivity

Nothing contained herein will prevent the Committee from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

4.4 Unfunded Plan

To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the Corporation.

4.5 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and each Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the creditors of the Corporation or a Participant.

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4.6 Transferability of Awards

Rights respecting Deferred Share Units and Dividend Deferred Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

4.7 No Special Rights

Nothing contained in the Plan or in any Deferred Share Unit or Dividend Deferred Share Unit will confer upon any Participant any right to be nominated as a director of the Corporation or interfere in any way with the right of the Corporation at any time to accept the resignation of the Participant or not nominate the Participant for election as a director of the Corporation.

Deferred Share Units and Dividend Deferred Share Units shall not be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares, nor shall

any Participant be considered the owner of Common Shares by virtue of his ownership of Deferred Share Units or Dividend Deferred Share Units.

4.8 Tax Consequences

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. No Corporation shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

4.9 No Liability

The Corporation shall not be liable to any Participant for any loss resulting from a decline in the market value of any Common Shares.

SCHEDULE A

BUNKER HILL MINING CORP.

DEFERRED SHARE UNIT PLAN

GRANT AGREEMENT FOR DEFERRED SHARE UNITS

[Name of Director] (the "Participant")

Pursuant to the BUNKER HILL MINING CORP. Deferred Share Unit Plan effective April 21, 2020, (the "Plan"), and in consideration of services provided to the Corporation by the Participant, BUNKER HILL MINING CORP. hereby grants to the Participant _____ Deferred Share Units under the Plan.

All capitalized terms not defined in this Grant Agreement have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan.

The Vesting Date for this award is the Grant Date.

BUNKER HILL MINING CORP. and the Participant understand and agree that the granting and redemption of these Deferred Share Units and any related Dividend Deferred Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant, all of which are incorporated into and form a part of this Grant Agreement. For greater certainty, the Participant authorizes the Corporation to pay Applicable Withholdings on the redemption of any Deferred Share Units.

DATED _____

BUNKER HILL MINING CORP.

Per: _____

I agree to the terms and conditions set out herein.

Name:

SCHEDULE B

BUNKER HILL MINING CORP.

DEFERRED SHARE UNIT PLAN

ELECTION NOTICE FOR DEFERRED SHARE UNITS

To: BUNKER HILL MINING CORP.

Pursuant to the BUNKER HILL MINING CORP. Deferred Share Unit Plan effective April 21, 2020 (the "Plan"), the undersigned hereby elects to receive

- _____%;
- \$ _____; or
- All of the Participant's retainer excess of \$ _____

of the undersigned's director retainer in respect of the year ending December 31, ____, in the form of Deferred Share Units under the Plan. This election is irrevocable for such year's retainer.

Notwithstanding any other provision of the Plan or the Grant Agreement, the Deferred Share Units awarded pursuant to this Election Notice will vest immediately.

All capitalized terms not defined in this Election Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan.

Subject to any provisions to the contrary in this Election Notice, BUNKER HILL MINING CORP. and the Participant understand and agree that the granting and redemption of these Deferred Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant, all of which are incorporated into and form a part of this Election Notice.

DATED _____

Name:

SCHEDULE C

BUNKER HILL MINING CORP.

DEFERRED SHARE UNIT PLAN

REDEMPTION NOTICE

To: BUNKER HILL MINING CORP.

Pursuant to BUNKER HILL MINING CORP. Deferred Share Unit Plan effective April 21, 2020 (the "Plan"), the undersigned hereby elects to redeem _____ of the undersigned's Vested Deferred Share Units and related Dividend Deferred Share Units on _____ [date] by receiving the Share Unit Amount.

All capitalized terms not defined in this Redemption Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Deferred Share Units or Dividend Deferred Share Units which have been forfeited or terminated under the Plan.

The undersigned understands and agrees that the granting and redemption of these Deferred Share Units are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Redemption Notice.

DATED _____
Name: _____

Exhibit 10.16



BOARD MEMBER AGREEMENT

THIS AGREEMENT ("Agreement") is made effective as of the [●] day of [Month], [Year] (the "Effective Date")

BETWEEN:

BUNKER HILL MINING CORP, a company
incorporated under the laws of the State of Nevada,

(the "Company")

- and -

[Name]

(the "Member")

RECITALS:

- A. Successful realization of the Company's goal of developing and putting into profitable and sustainable production the Bunker Hill Mine and related corporate strategies depends upon management exercising the utmost prudence in safeguarding the confidentiality of the proceedings and strategic deliberations of the board of directors of the Company (the "Board"), and upon Board members avoiding both actual and apparent conflicts of interest;

- B. The Company wishes to invite the Member to serve on the Board, and the Member has expressed a willingness to do the same; and
- C. The Company and the Member wish to enter into this Agreement to establish the terms and conditions of the Member's service as a member of the Board;

NOW THEREFORE, the Company and the Member, each intending to be legally bound, hereby agree as follows:

**ARTICLE 1
SERVICES AND RESPONSIBILITIES**

1.1 Service. Commencing on the Effective Date, the Member agrees to serve on the Board as a[n] [Independent] [Non-]Executive Director, [and as [Chair][a Member] of the [●] Committee,] until such time as the Member may resign, be removed, or be re-elected pursuant to the Company's by-laws.

1.2 Other Board Memberships. The Member agrees to the following:

1.2.1 Multiple Board Memberships. No director shall sit on more than four public company boards in total and no director who also serves as an executive officer of a public company shall sit on more than two public company boards in total, without approval of the Board. No director that sits acts as Chair of two public company boards shall serve as a director of another public company other than Bunker Hill.

1.2.2 Interlocking Board Memberships. No more than two directors may sit together on any public company boards without the prior approval of the Board.

1.2.3 Multiple Audit Committee Memberships. No member of the audit committee may serve on the audit committee of more than three public companies in total, without the prior approval of the Board.

1.3 Compensation. The Company shall compensate the Member for services rendered as follows:

1.3.1. Initial package. As agreed, the following will apply:

| <u>Compensation</u> | <u>CAD</u> | <u>Comments</u> |
|--|---|--|
| Sign-on Payment | [\$●] [of Deferred Share Units (DSU)]. | To be issued immediately and vest after 12 months |
| Basic Annual Fee | [\$●] [to be paid in cash or DSU]. | To cover 12 Meetings/year[: 4 quarterly Board meetings and 8 monthly update meetings/year; typically conducted by video or tele conference]. |
| [[Annual Fee to] Chair the [●] Committee] Board, or [Investment][Audit] Committee Meetings conducted in addition to those described above. | [\$●] [to be paid in cash or DSU]. \$[●]/Meeting [to be paid in cash or DSUs]. | [To cover [●] meetings/year] |

1.3.2 Review. The compensation of all Directors will be reviewed annually.

1.4 General Duties. The Member shall support and assist in realizing Company's long- and short-term strategic and business objectives and shall perform all appropriate duties necessary or advisable to the effective and efficient operations of the Company, subject to the control and general supervision of the Board.

1.5 Meetings. The Member shall attend meetings of the Board and its sub-committees as often as may be reasonably be required, either in person or via phone or video conference. The Company shall reimburse the Member for reasonable costs incurred in connection with such attendance.

1.6 Professionalism. Members shall conduct themselves in a professional manner at all times, to promote and enhance the Company's reputation, visibility, and financial strength, and to represent and project the Company in the highest regard.

1.7 Fiduciary Duty. Member acknowledge and agrees that at all times during their tenure as a member of the Board, they have the fiduciary duties to act honestly and in good faith with a view to the best interests of the Company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

1.8 Standards of Conduct. Pursuant to its fiduciary duties to the Company as a Board member, the Member covenants and agrees as follows:

- (a) **Diligence and Efforts.** Member will perform all duties that may be required from them as a Board member faithfully, industriously, to the best of their ability, experience, and talents, and in a timely manner.
- (b) **Time Commitment.** Members will devote such time and effort to their duties as a member of the Board as may reasonably be necessary for their performance.
- (c) **Confidentiality.** Members will use extreme caution with, and take all steps to safeguard, the Company's confidential information, including strategic, financial, and geological information.
- (d) **Use of Confidential Information.** Members will not use or disclose any such confidential information for any reason or to further any interest other than the best interests of the Company.
- (e) **No Inconsistent Obligations.** Members will avoid all obligations, legal or otherwise, inconsistent with their duties to the Company, including, for greater certainty, avoiding any employment, consulting, agency, or other relationship of a fiduciary nature that could require a director to disclose the Company confidential information to a direct competitor, an actual or potential business partner, or a potential acquiror of the Company.

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- (f) **Prohibited Competition.** Members will not undertake or serve as an officer or director, or work as an employee or consultant for, a direct competitor, an actual or potential business partner, or a potential acquiror of the Company without prior approval of the Chairman of the Board.
- (g) **Avoidance of Conflicts of Interest:**
 - (i) Members will bring any conflict or potential conflict of interest to the attention of the Chairman of the Board forthwith upon perceiving the conflict or situation that may in time result in a conflict arising, fully describing the nature and extent of the conflict or potential conflict.
 - (ii) Members will not enter into any interest, activity, ownership, employment, or other relationship, whether direct or indirect, paid or not paid, on the Member's own behalf or on behalf of any member of the Member's family, that an ordinarily prudent person would reasonably believe to be actually or apparently in conflict with the Company's interests, without first advising the Board and taking such steps as the non-conflicted members of

the Board may deem necessary or advisable to neutralize the conflict, or otherwise protect the Company's interests.

- (iii) Members will not engage in any activity that creates an actual conflict of interest with the Company, regardless of whether such activity is prohibited by the Company's conflict of interest guidelines or this Agreement.

ARTICLE 2 PROPRIETARY INFORMATION

2.1 Proprietary Information. The following applies:

2.1.1. Members shall maintain in confidence and shall not, directly or indirectly, disclose or use, either during or after the term of this Agreement, any Proprietary Information or other confidential information belonging or relating to Company, whether or not it is in written or permanent form, except to the extent necessary to perform their duties under this Agreement, as required by a lawful government order or subpoena, or as authorized in writing by the Company. These non-disclosure obligations also apply to Proprietary Information belonging to customers and suppliers of Company, and other third parties, learned by the Member as a result of performing services for the Company.

2.1.2. "Proprietary Information" means all information pertaining in any manner to the business of the Company, unless (i) the information is or becomes publicly known through lawful means; (ii) the information was part of the Member's general knowledge prior to his/her relationship with the Company; or (iii) the information is disclosed to the Member without restriction by a third party who rightfully possesses the information and did not learn of it from the Company. Members shall not exploit or attempt to exploit in any way or manner whatsoever the Proprietary Information for their own private benefit or for the benefit of any person, firm or entity other than the Company. The Member shall notify the Company immediately upon discovery of any unauthorized use or disclosure of the Proprietary Information.

2.2 Non-Solicitation. During the term of this Agreement and for a period of two (2) years thereafter, the Member shall not, without the Company's prior written consent, solicit the employment of (or a consulting relationship with) or employ or engage, whether on the Member's own behalf or on the behalf of others, any employee, consultant, contractor, or advisor of the Company.

ARTICLE 3 TERMINATION

3.1 Remedies. The parties agree that, in the event of breach or threatened breach of any covenants of the Member, the damage or imminent damage to the value and the goodwill of the Company's business shall be inestimable, and that therefore any remedy at law or in damages shall be inadequate. Accordingly, the parties hereto agree that the Company shall be entitled to injunctive relief against the Member in the event of any breach or threatened breach of any of such provisions by the Member, in addition to any other relief (including damages) available to the Company under this Agreement or under law.

3.2 Termination. The following applies:

3.2.1 This Agreement will terminate upon the Member ceasing to serve as a member of the Board in accordance with the Company's by-laws and governing corporate statute.

3.2.2 Upon termination of this Agreement, the Member must promptly return all Company property, including, without limitation, all equipment, tangible Proprietary Information, documents, records, notes,

contracts, and computer-generated materials provided to or prepared by the Member incidental to the Member's service to the Company.

3.2.3 The Member will cooperate with the Company in the winding up or transferring to other directors of any pending work following any termination of this Agreement.

ARTICLE 4 GENERAL

4.1 Rules of Construction. Except as may be otherwise specifically provided in this Agreement and unless the context otherwise requires, in this Agreement:

- (a) the terms "Agreement", "this Agreement", "the Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an "Article", "Section", "Schedule" or "Exhibit" followed by a number or letter refer to the specified Article or Section of or Schedule or Exhibit to this Agreement;
- (c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;
- (e) the word "including" is deemed to mean including without limitation; and
- (f) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time.

4.2 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof and each provision is hereby declared to be separate, severable and distinct. To the extent that any provision is found to be invalid, illegal or unenforceable, the parties shall act in good faith to substitute for such provision, to the extent possible, a new provision with content and purpose as close as possible to the provision so determined to be invalid, illegal or unenforceable.

4.3 Applicable Law. This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable in such province. Each party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.

4.4 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument, transmission by facsimile or other electronic means of transmission of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

- 5 -

IN WITNESS WHEREOF the parties have executed this Agreement as of the [●] day of [Month], [Year]

BUNKER HILL MINING CORP.

Per: _____

[Name]
[Title]

SIGNED, SEALED AND DELIVERED)
on _____, [Year], in the presence of)
))
))
_____))
Signature) _____
) [Name]
Name & Address (please print):)
))
_____))
_____))

Exhibit 23.2



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-275339 and 333-275340) and Registration Statements on Form S-1 (File Nos. 333-150028, 333-184962, 333-249682, 333-261259, 333-264602, and 333-272589) of our auditor’s report dated March 12, 2024 with respect to the consolidated financial statements of Bunker Hill Mining Corp. as at December 31, 2023 and December 31, 2022 and for the years then ended, as included in the Annual Report on Form 10-K of Bunker Hill Mining Corp. for the year ended December 31, 2023, as filed with the United States Securities and Exchange Commission.

March 12, 2024

/s/ MNP LLP

Mississauga, Canada

Chartered Professional Accountants
Licensed Public Accountants



ACCOUNTING > CONSULTING > TAX
SUITE 900, 50 BURNHAMTHORPE ROAD W, MISSISSAUGA ON, L5B 3C2
T: 416.626.6000 F: 416.626.8650 MNP.ca

Exhibit 23.3

CONSENT OF RESOURCE DEVELOPMENT ASSOCIATES INC.

In connection with Bunker Hill Mining Corp.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “Form 10-K”), the undersigned consents to:

- the filing and use of the technical report summary titled “S-K 1300 Technical Report Summary, Bunker Hill Mine Pre-Feasibility Study, Coeur D’Alene Mining District, Shoshone County, Idaho, USA” (the “Technical Report Summary”), dated as of April 14, 2023 and effective as of August 29, 2022, as an exhibit to and referenced in the Form 10-K or any amendment or supplement thereto;
- the use of and references to our name, including our status as an expert or “qualified person” (as defined in Subpart 1300 of Regulation S-K promulgated by the Securities and Exchange Commission), in connection with the Form 10-K or any amendment or supplement thereto; and
- the information derived, summarized, quoted or referenced from the Technical Report Summary, or portions thereof, that was prepared by us, that we supervised the preparation of and/or that was reviewed and approved by us, that is included or incorporated by reference in the Form 10-K or any amendment or supplement thereto.

We are qualified persons responsible for authoring, and this consent pertains to, the following sections of the Technical Report Summary:

- Sections 1–9
- Section 11
- Sections 16–17
- Sections 20–25

Date: March 12, 2024

By: /s/ Signed “Resource Development Associates Inc.”
Resource Development Associates Inc.

Exhibit 23.4

CONSENT OF ROBERT H. TODD

I, Robert H. Todd, in connection with Bunker Hill Mining Corp.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “Form 10-K”), consent to:

- the filing and use of the technical report summary titled “S-K 1300 Technical Report Summary, Bunker Hill Mine Pre-Feasibility Study, Coeur D’Alene Mining District, Shoshone County, Idaho, USA” (the “Technical Report Summary”), dated as of April 14, 2023 and effective as of August 29, 2022, as an exhibit to and referenced in the Form 10-K or any amendment or supplement thereto;
- the use of and references to my name, including my status as an expert or “qualified person” (as defined in Subpart 1300 of Regulation S-K promulgated by the Securities and Exchange Commission), in connection with the Form 10-K or any amendment or supplement thereto; and
- the information derived, summarized, quoted or referenced from the Technical Report Summary, or portions thereof, that was prepared by me, that I supervised the preparation of and/or that was reviewed and approved by me, that is included or incorporated by reference in the Form 10-K or any amendment or supplement thereto.

I am a qualified person responsible for authoring, and this consent pertains to, the following sections of the Technical Report Summary:

- Sections 12–13
- Section 15
- Sections 18–19

Date: March 12, 2024

By: /s/ Robert H. Todd

Robert H. Todd, P.E.

Exhibit 23.5

CONSENT OF PETER KONDOS

I, Peter Kondos, in connection with Bunker Hill Mining Corp.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “Form 10-K”), consent to:

- the filing and use of the technical report summary titled “S-K 1300 Technical Report Summary, Bunker Hill Mine Pre-Feasibility Study, Coeur D’Alene Mining District, Shoshone County, Idaho, USA” (the “Technical Report Summary”), dated as of April 14, 2023 and effective as of August 29, 2022, as an exhibit to and referenced in the Form 10-K or any amendment or supplement thereto;
- the use of and references to my name, including my status as an expert or “qualified person” (as defined in Subpart 1300 of Regulation S-K promulgated by the Securities and Exchange Commission), in connection with the Form 10-K or any amendment or supplement thereto; and
- the information derived, summarized, quoted or referenced from the Technical Report Summary, or portions thereof, that was prepared by me, that I supervised the preparation of and/or that was reviewed and approved by me, that is included or incorporated by reference in the Form 10-K or any amendment or supplement thereto.

I am a qualified person responsible for authoring, and this consent pertains to, the following sections of the Technical Report Summary:

- Section 10
- Section 14

Date: March 12, 2024

By: /s/ Peter Kondos

Peter Kondos, Ph.D.

Exhibit 31.1

CERTIFICATION

I, Sam Ash, certify that:

1. I have reviewed this annual report on Form 10-K of Bunker Hill Mining Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2024

By: /s/ Sam Ash

Sam Ash, Chief Executive Officer, President and
Principal Executive Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant to be furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION

I, Gerbrand Van Heerden, certify that:

1. I have reviewed this annual report on Form 10-K of Bunker Hill Mining Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2024

By: /s/ Gerbrand Van Heerden
Gerbrand Van Heerden, Chief Financial Officer,
Principal Financial Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant to be furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Bunker Hill Mining Corp. (the “Company”) on Form 10-K for the period ending December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Sam Ash, Chief Executive Officer, President and Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Bunker Hill Mining Corp.

/s/ Sam Ash

DATE: March 12, 2024

Sam Ash, Chief Executive Officer and President

A signed original of this written statement required by Section 906 has been provided to Bunker Hill Mining Corp. and will be retained by Bunker Hill Mining Corp. to be furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Bunker Hill Mining Corp. (the “Company”) on Form 10-K for the period ending December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gerbrand Van Heerden, Chief Financial Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Bunker Hill Mining Corp.

/s/ Gerbrand Van Heerden

DATE: March 12, 2024

Gerbrand Van Heerden, Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Bunker Hill Mining Corp. and will be retained by Bunker Hill Mining Corp. to be furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 95.1

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, issued under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”) by the Mine Safety and Health Administration (the “MSHA”), as well as related assessments and legal actions, and mining-related fatalities.

The following table provides information for the year ended December 31, 2023

| Mine | Mine Act § 104 Violations (1) | Mine Act § 104(b) Orders (2) | Mine Act § 104(d) Citations and Orders (3) | Mine Act § 110(b)(2) Violations (4) | Mine Act § 107(a) Orders (5) | Proposed Assessments from MSHA (In dollars \$) | Mining Related Fatalities | Mine Act § 104(e) Notice (yes/no) (6) | Pending Legal Action before Federal Mine Safety and Health Commission (yes/no) |
|------------------|-------------------------------|------------------------------|--|-------------------------------------|------------------------------|--|---------------------------|---------------------------------------|--|
| Bunker Hill Mine | 7 | 0 | 0 | 0 | 0 | 1,001 | 0 | No | No |

- (1) The total number of violations received from MSHA under Section 104 of the Mine Act, which includes citations for health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.
- (2) The total number of orders issued by MSHA under Section 104(b) of the Mine Act, which represents a failure to abate a citation under Section 104(a) within the period of time prescribed by MSHA.
- (3) The total number of citations and orders issued by MSHA under Section 104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.
- (4) The total number of flagrant violations issued by MSHA under Section 110(b)(2) of the Mine Act.
- (5) The total number of orders issued by MSHA under Section 107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.
- (6) A written notice from the MSHA regarding a pattern of violations, or a potential to have such pattern under Section 104(e) of the Mine Act.