

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

**FORM 10-KT**

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

For the Fiscal Year Ended \_\_\_\_\_

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

For the transition period from July 1, 2020 to December 31, 2020

**BUNKER HILL MINING CORP.**

(Exact name of registrant as specified in its charter)

<b>Nevada</b> (State or other jurisdiction of incorporation)	<b>333-150028</b> (Commission File Number)	<b>32-0196442</b> (IRS Employer Identification Number)
<b>82 Richmond Street East, Toronto, Ontario, Canada</b> (Address of principal executive offices)		<b>M5C 1P1</b> (Zip Code)

Registrant's telephone number, including area code: **416-477-7771**

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange 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 Section 15(d) of the [X] Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).  Yes  No.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price on December 31, 2020: CDN\$41,890,318. As a result of the change in fiscal year, the second quarter during the most recent fiscal year ended as of December 31, 2020.

As of March 31, 2021, the Issuer had 163,548,867 Common Shares issued and outstanding.

## PART I

### ITEM 1. BUSINESS

#### Transition Period

On February 12, 2021, the Company's Board of Directors (the "Board") approved a change in our fiscal year end from the last day of June to a calendar fiscal year ending on the last day of December of each year, effective January 1, 2021. In this report, references to "fiscal year" refer to years ending June 30. References in this report to the "transition period" refer to the six-month period ended December 31, 2020.

#### Our Business

##### Corporate Information

Bunker Hill Mining Corp. (the "Company") was incorporated for the purpose of engaging in sustainable mineral exploration, development and mining activities. The Company's sole focus is the Bunker Hill mine and assets related thereto (the "Mine"), as described below.

##### Corporate History

###### *Bunker Hill Mine Lease and Option Agreement*

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. On February 11, 2010, the Company changed its name to Liberty Silver Corp and subsequently, 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, and its telephone number is 416-477-7771. The Company's website is www.bunkerhillmining.com. Information appearing on the website is not incorporated by reference into this report.

On August 28, 2017, the Company announced that it signed a definitive agreement with Placer Mining Corporation ("Placer Mining"), the current owner of the Mine, for the lease and option to purchase the Mine in Idaho (the "Lease and Option Agreement").

The Mine remains the largest single producing mine by tonnage in the Coeur d'Alene lead, zinc and silver mining district in Northern Idaho. Historically and according to the Bunker Hill Mines Annual Report 1980, the Mine produced over 35,000,000 tonnes of ore grading on average 8.76% lead, 3.67% zinc, and 155 g/t silver. The Mine is the Company's only focus, with a view to raising capital to rehabilitate the mine and put it back into production.

On November 1, 2019, the Lease and Option Agreement was amended (the "Amended Agreement"). Under the terms of the Amended Agreement, the Company has an option to purchase the marketable assets of the Mine for a purchase price of \$11,000,000 at any time prior to the expiration of the Amended Agreement, payable \$6,200,000 in cash, and \$4,800,000 in unregistered Common Shares of the Company (calculated using the market price at the time of exercise of the purchase option). Upon signing the Amended Agreement, the Company paid a one-time, non-refundable cash payment of \$300,000 to Placer Mining. This payment will be applied to the cash portion of the purchase price upon execution of the purchase option. In the event the Company elects not to exercise the purchase option, the payment shall be treated as an additional care and maintenance payment. An additional term of the Amended Agreement provides for the elimination of all royalty payments that were to be paid to Placer Mining.

Under the terms of the Amended Agreement, during the term of the lease, the Company must make care and maintenance payments in the amount of \$60,000 monthly plus other expenses, i.e. taxes, utilities and mine rescue payments.

On July 27, 2020, the Company announced that it secured, for a \$150,000 cash payment, a further extension to the Lease and Option, Amended and Extension Agreements to purchase the Mine from Placer Mining (the "Second Extension"). The Second Extension is for a further 18 months and is in addition to the 6-month extension. This Second Extension expires on August 1, 2022. This Second Extension provides the Company with more time to invest the proceeds of the ongoing financing in ways that compile and digitize fully over 95 years of historical and geological data, verify the historical reserves, and explore the high-grade silver targets within the Mine complex.

On November 20, 2020 the Company successfully renegotiated the Amended Agreement. Under the new terms, the purchase price has been decreased from \$11,000,000 to \$7,700,000, 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 an aggregate of \$5,400,000 payable in cash outstanding) and \$2,000,000 in Common Shares of the Company. The reference price for the payment in Common Shares will be based on the share price of the last equity raise before the option is exercised. The Company will continue to make a monthly care and maintenance payment of \$60,000 to the Lessor in return for on-going technical support to the Company. Under this amendment to the Amended Agreement, the Company's contingent obligation to settle \$1,787,300 of accrued payments due to the Lessor has been waived. Further, under the amendment to the Amended Agreement, the Company is to make an advance payment of \$2,000,000 to Placer Mining, which shall be credited toward the purchase price of the Mine when the Company elects to exercise its purchase right. In the event that the Company irrevocably elects not to exercise its purchase right, the advance payment of \$2,000,000 will be repaid to the Company within twelve months from the date of such election. The Company made this advance payment, 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 Shares of the Company.

As a part of the purchase price, the Amended Agreement also requires payments pursuant to an agreement with the U.S. Environmental Protection Agency (“EPA”) whereby for so long as the Company leases, owns and/or occupies the Mine, the Company will make payments to the EPA on behalf of Placer Mining in satisfaction of the EPA’s claim for cost recovery. These payments, if all are made, will total \$20,000,000. The agreement calls for payments starting with \$1,000,000 30 days after a fully ratified agreement was signed (which payment was made) followed by \$2,000,000 on November 1, 2018 and \$3,000,000 on each of the next 5 anniversaries with a final \$2,000,000 payment on November 1, 2024. In addition to these payments, the Company is to make semi-annual payments of \$480,000 on June 1 and December 1 of each year, to cover the EPA’s estimated costs of maintaining and treating water at the water treatment facility with a true-up to be paid by the Company once the actual costs are determined. The November 1, 2018, December 1, 2018, June 1, 2019, November 1, 2019 and November 1, 2020 payments, totaling \$8,960,000, were not made, and concurrent with discussions concerning the long-term water management solutions the Company is having discussions with the EPA in an effort to reschedule these payments in ways that enable the sustainable operation of the Mine as a viable long-term business.

Management believes the Amended Agreement will provide the Company time to complete exploratory drilling, engineering studies, produce a mine plan and raise the money needed to move forward. Management continues to push forward and advance the timeline to realizing shareholder value.

The Company believes that there are numerous exploration targets of opportunity left in the Mine from surface, in parallel to known and mined mineralization and at depth, below existing workings. In addition to the zinc-rich zones, these also include high-grade lead-silver veins which are currently the primary focus of the Company’s exploration programs.

#### Recent Developments

##### *Board and Officer Appointments*

On March 27, 2020, the Company appointed Mr. Richard Williams to the Company’s Board and as Executive Chairman of the Company.

On April 14, 2020, Mr. Sam Ash was appointed as President and CEO of the Company to replace in this position Mr. John Ryan. Mr. Ryan continued to serve the Company as a non-executive member of the Board until his resignation on November 2, 2020.

On October 30, 2020, the Company appointed Ms. Pamela Saxton to serve as an independent director, and Chair of the Audit Committee, replacing Hugh Aird.

On November 2, 2020, the Company appointed Ms. Cassandra Joseph to the Board as an independent director, and Chair of the new Governance Committee, replacing John Ryan who retired from the Board after serving since 2016.

Effective as of January 12, 2021, the Board appointed Mr. David Wiens to the role of Chief Financial Officer and Corporate Secretary of the Company, replacing Mr. Wayne Parsons, who continues to serve on the Board.

##### *Financing Transactions*

On April 24, 2020, the Company extended the demand date of a promissory note payable to August 1, 2020. In consideration, the Company issued 400,000 Common Share purchase warrants to the lender at an exercise price of C\$0.50. The Common Share purchase warrants expire on November 13, 2021.

On May 12, 2020, the Company issued 107,143 Common Shares at a price of \$0.56 per Common Share (the “May \$0.56 Issuance”), pursuant to the terms of a private placement of Common Shares at \$0.56 per Common Share. The previous tranche closed on February 26, 2020. The May \$0.56 Issuance was made in consultation with the Canadian Securities Exchange (“CSE”). Additionally, the Company issued two promissory notes. The first promissory note was in the amount of \$362,650 (C\$500,000), net of \$89,190 of debt issue costs (the “First Note”). The First Note bears no interest and is due on demand 90 days after the issue date. Subsequent to June 30, 2020, the balance of the First Note was repaid in full. The second promissory note was in the amount of \$141,704 (C\$200,000), net of \$35,676 of debt issue costs (the “Second Note”). The Second Note bears no interest and is due on demand 90 days after the issue date. The Second Note was settled in full by shares issued subsequent to June 30, 2020.

On June 30, 2020, the Company issued a promissory note in the amount of \$75,000 (C\$103,988). The note bears no interest and is due on demand. The promissory note was repaid in full subsequent to June 30, 2020.

On June 30, 2020, the Company issued a promissory note in the amount of \$75,000 (C\$103,988) to a director of the Company. The note bears no interest and is due on demand. The promissory note was repaid in full subsequent to June 30, 2020.

In addition, the Company entered into a loan agreement with an arm's length third party for an unsecured loan facility of \$1,200,000 (the "Loan") due August 31, 2020. As consideration for the Loan, the Company agreed to pay the lender a one-time origination fee of \$360,000. The purpose of the Loan is to provide the Company with working capital pending the completion of an equity financing. In addition, the Company announced that it has entered into an extension agreement with Placer Mining to extend the Lease and Option and Amended Agreements for the Mine (the "Extension") for an additional six-month term subject to the same terms and conditions of the Lease. The term of the Extension began on August 2, 2020 and will expire on February 1, 2021. In connection with the Extension, a one-time payment of \$60,000 was paid to Placer Mining.

On August 14, 2020, the Company closed the first tranche of the brokered private placement of units of the Company (the "August 2020 Offering"), issuing 35,212,142 units of the Company (the "August 2020 Units") at C\$0.35 per August 2020 Unit for gross proceeds of C\$12,324,250. Each August 2020 Unit consisted of one Common Share and one Common Share purchase warrant of the Company ("August 2020 Warrant"). Each August 2020 Warrant is exercisable into a Common Share of the Company at C\$0.50 per August 2020 Warrant until August 31, 2023. In connection with the first tranche of the August 2020 Offering, the Company paid cash compensation of C\$739,455 and issued 2,112,729 compensation options (the "August 2020 Compensation Options"). Each August 2020 Compensation Option is exercisable into one August 2020 Unit until August 31, 2023.

On August 25, 2020, the Company closed the second tranche of the August 2020 Offering, issuing 20,866,292 August 2020 Units at C\$0.35 per August 2020 Unit for gross proceeds of C\$7,303,202. In connection with the second tranche of the August 2020 Offering, the Company paid cash compensation of C\$314,512 and issued 1,127,178 August 2020 Compensation Options. The Company also issued 2,205,714 August 2020 Units to settle C\$772,000 of debt. The registration statement of which this report is a part was filed by the Company as a result of an agreement with the placement agents in the August 2020 Offering.

On October 9, 2020, the Company issued 5,572,980 shares at a deemed price of C\$0.50 based on the fair value of the share issued to settle \$1,600,000 of convertible loan payable and \$500,000 of interest payable. As a result, the Company recorded a loss on debt settlement of \$106,113.

On December 28, 2020, the Company announced that early-stage strategic investors have entered into voluntary lock up agreements pursuant to which they will not sell, transfer or pledge any of the Company shares acquired in the 2019 recapitalization. This represents approximately 35 million shares or 24.5% of the issued share capital of the Company. The lock-up includes shares held by Hummingbird Resources PLC ("Hummingbird") as well as management and advisors and is in effect until December 31, 2021. In addition, the term of the Common Share purchase warrants issued with the 2019 recapitalization has been amended to December 31, 2025, and the exercise price has been amended from C\$0.25 to C\$0.59.

On February 24, 2021, the Company closed a non-brokered private placement of 19,994,080 Units of the Company at \$0.40 per Unit for gross proceeds of approximately C\$8,000,000. Each Unit consists of one Common Share of the Company and one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share of the Company at a price of C\$0.60 per Common Share for a period of five years. Pursuant to the offering, certain directors and officers of the Company acquired 626,580 Units. This issuance of such Units in connection with the offering was considered a "related party transaction" as such term is defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101").

#### *Bunker Hill Mine Re-start Developments*

Since March 2020, the Company has been working systematically to validate in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") standards up to 9 million tons of primarily zinc ore contained within the UTZ, Quill and Newgard Ore Bodies. This was conducted between April and July 2020, and involved over 9,000 feet of drilling from Underground and extensive sampling from the many open stopes above the water-level. These zones could provide the majority of the early feed if the Company were to achieve a re-start of the Mine.

On September 28, 2020, the Company announced its maiden mineral resources estimate consisting of a total of 8.9 million tons in the Inferred category, containing 11 million ounces of silver, 880 million pounds of zinc, and 410 million pounds of lead, which represented the result of the Company's extensive drilling and sampling efforts conducted between April and July 2020.

On November 12, 2020, the Company announced the launch of a Preliminary Economic Assessment ("PEA") to assess the potential for a rapid re-start of the Mine for minimal capital by focusing on the de-watered upper areas of the Mine, utilizing existing infrastructure, and based on truck haulage and toll milling methods.

On January 26, 2021, the Company reported continued progress towards completing the previously announced PEA, and further detail regarding the potential parameters of the re-start, including: i) low up-front capital costs through utilization of existing infrastructure, potentially enabling a rapid production re-start; ii) a staged approach to mining, potentially supporting a long-life operation; iii) underground processing and tailings deposition with potential for high recovery rates; iv) development of a sustainable operation with minimal environmental footprint; and v) potential increase in the existing resource base.

To support the Company's strategy of targeting a rapid production re-start as outlined above, development drilling subsequent to November 2020 focused on targets in the upper levels of the Mine located in close proximity to existing infrastructure, aimed at expanding the resource base for the PEA.



On March 19, 2021, the Company announced an updated mineral resources estimate consisting of a total of: 4.4 million tons in the Indicated category, containing 3.0 million ounces of silver, 487 million pounds of zinc, and 176 million pounds of lead; 5.6 million tons in the Inferred category, containing 8.3 million ounces of silver, 548 million pounds of zinc, and 312 million pounds of lead.

Further details regarding the Company's mineral resources as noted above, including estimation methodologies, can be found in the news releases dated September 28, 2020 and March 19, 2021 on EDGAR, SEDAR and the Company's website [www.bunkerhillmining.com](http://www.bunkerhillmining.com).

It should be noted that mineral resources as stated above, including those delineated in the Inferred, Measured and Indicated categories, are not mineral reserves as defined by U.S. Securities and Exchange Commission ("SEC") guidelines, and do not show demonstrated economic viability. Due to the uncertainty that may be attached to Inferred mineral resources, it cannot be assumed that all or any part of an Inferred mineral resource will be upgraded to an Indicated or Measured mineral resource as a result of continued exploration. A PEA is preliminary in nature and will include Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Consequently, there is no certainty that a PEA will be realized.

#### *Silver-Focused Exploration*

With the completion of exploration drilling related to the updated mineral resources estimate as announced on March 19, 2021 (as described above), the Company's exploration strategy has been focused on high-grade silver targets within the upper areas of the Mine that have been identified by the data review and digitization process. The aim of this program is to identify, develop and add high-grade silver resources in ways that materially increase the relative quantity of silver resources relative to lead and zinc.

Consistent with that strategy and concurrent with the announcement of the updated mineral resources estimate, the Company announced the identification of a new silver exploration opportunity in the hanging wall of the Cate Fault which it intends to include in its ongoing drilling campaign. In conjunction with this drilling campaign, continued digitization, geologic modeling and interpretation will continue to focus on identifying additional high grade silver exploration targets.

On March 29, 2021, the Company announced multiple high-grade silver mineralization results through chip-channel sampling of newly accessible areas of the Mine identified through the Company's proprietary 3D digitization program, and as part of its ongoing silver-focused drilling program. An area was identified on the 9-level that resulted in ten separate chip samples greater than 900 g/t AgEq<sup>(1)</sup>, each with minimum 0.6m length. Mineralization remains open up dip, down dip and along strike from the sampling location. The Company also reported drill results including a 3.8m intercept with a grade of 996.6 g/t AgEq<sup>(1)</sup>, intersected at the down-dip extension of the UTZ zone at the 5-level. The Company will continue to report mineralized drill intercepts concurrent with its ongoing exploration program that is currently envisaged to comprise 10,000 to 12,000 feet in 2021.

<sup>(1)</sup> Prices used to calculate Ag Eq are as follows: Zn=\$1.16/lb; Pb=\$0.92/lb; and Ag=\$20/oz.

#### *Water Management Optimization*

In September 2020, the Company began its water management program with the goal of improving the understanding of the Mine's water system and enacting immediate improvement in the water quality of effluent leaving the Mine for treatment at the Central Treatment Plant ("CTP"). Informed by historical research provided by the EPA, the Company initiated a study of the water system of the Mine to: i) identify of the areas where sulphuric acid (Acid Mine Drainage, or "AMD") is generated in the greatest and most concentrated quantities, and ii) understand the general flow paths of AMD on its way through and out of the mine as it travels to the CTP.

Leveraging its improved understanding through this study, on February 11, 2021 the Company announced the successful commissioning of a water pre-treatment plant located within the Mine, designed to significantly improve the quality of Mine water discharge, which in turn would support a rapid re-start of the Mine. Specifically, the water pre-treatment plant achieves this goal by reducing significantly the amount of treatment required at the CTP, and the associated costs, before the Mine water is discharged into the south fork of the Coeur D'Alene River, removing over 70% of the metals from water before it leaves the Mine, with the potential for further improvements.

In an effort to improve transparency to all stakeholders with regard to the results of this system, the Company launched a water quality tracking platform on its website on March 15, 2021, which uploads real-time data every five minutes and provides an interactive database to allow detailed historical analysis.

### **Business Operations**

The Mine is a lead-silver-zinc Mine. When back in production, the Company intends to mill mineralized material on-site or at a local third-party mill to produce both lead-silver and zinc concentrates which will then be shipped to third party smelters for processing.

The Company will continue to explore the property with a view to proving additional resources.

#### Infrastructure

The acquisition of 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. The acquisition 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.

### Government Regulation and Approval

The current exploration 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 is anticipated that it may be necessary to obtain the following environmental permits or approved plans prior to commencement of mine operations:

- Reclamation and Closure Plan
- Water Discharge Permit
- Air Quality Operating Permit
- Industrial Artificial (tailings) pond permit
- Obtaining Water Rights for Operations

### Property Description

The Amended Agreement includes mineral rights to approximately 440 patented mining claims covering over 5700 acres. Of these claims, 35 include surface ownership of approximately 259 acres. The transaction also includes certain parcels of fee property which includes 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.

The Amended Agreement specifically excludes the following: the Machine Shop Building and Parcel number 21 including all fixed equipment located inside the building and personal property located upon this parcel; unmilled ore located at the Mine yard; and residual lead/zinc ore mined and broken, but not removed from the Mine.

Surface rights were originally owned by various previous owners of the claims until the acquisition of the properties by Bunker Limited Partners ("BLP"). BLP sold off surface rights to various parties over the years while maintaining access to conduct mining operations and exploration activities as well as easements to a cross over and access other of its properties containing mineral rights. Said rights were reserved to its assigns and successors in continuous perpetuity. Idaho Law also allows mineral right holders access to mine and explore for minerals on properties to which they hold minerals rights.

Title to all patented mining claims included in the transaction was transferred from Bunker Hill Mining Co. (U.S.) Inc. by Warranty Deed in 1992. The sale of the property was approved of by the U.S. Trustee and U.S. Bankruptcy Court.

Over 90% of surface ownership of patented mining claims not owned by Placer Mining is owned by different landowners. These include: Stimpson Lumber Co.; Riley Creek Lumber Co.; Powder LLC.; Golf LLC.; C & E Tree Farms; and Northern Lands LLC.

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 take on the water treatment responsibility in the future and obtain an appropriate discharge permit.

### 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 three employees in executive positions. 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

As a Smaller Reporting Company, this item is not required under SEC rules. However, the Company believes that it is important to have an understanding of the risks associated with an investment in the Company. In addition, these risk factors are incorporated by reference in press releases and other Company publications for purposes of the Private Securities Reform Act of 1995.

### General Risk Factors

#### *The Company's ability to operate as a going concern is in doubt.*

The audit opinion and notes that accompany the Company's Financial Statements disclose a going concern qualification to its ability to continue in business. The accompanying Financial Statements have been prepared under the assumption that the Company will continue as a going concern. The Company is an exploration stage company and has incurred losses since its inception. The Company has incurred losses resulting in an accumulated deficit of \$66,088,873 and further losses are anticipated in the development of its business.

The Company currently has no historical recurring source of revenue and its ability to continue as a going concern is dependent on its ability to raise capital to fund its future exploration and working capital requirements or its ability to profitably execute its business plan. The Company's plans for the long-term return to and continuation as a going concern include financing its future operations through sales of its Common Shares and/or debt and the eventual profitable exploitation of the Mine. Additionally, the volatility in capital markets and general economic conditions in the U.S. and elsewhere can pose significant challenges to raising the required funds. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company's consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying Financial Statements.

#### *The Company will require significant additional capital to fund its business plan.*

The Company will be required to expend significant funds to determine whether proven and probable mineral reserves exist at its properties, to continue exploration and, if warranted, to develop its existing properties, and to identify and acquire additional properties to diversify its property portfolio. The Company anticipates that it will be required to make substantial capital expenditures for the continued exploration and, if warranted, development of the Mine. The Company has spent and will be required to continue to expend significant amounts of capital for drilling, geological, and geochemical analysis, assaying, and feasibility studies with regard to the results of its exploration at the Mine. The Company may not benefit from some of these investments if it is unable to identify commercially exploitable mineral reserves.

The Company's ability to obtain necessary funding for these purposes, in turn, depends upon a number of factors, including the status of the national and worldwide economy and the price of metals. Capital markets worldwide were adversely affected by substantial losses by financial institutions, caused by investments in asset-backed securities and remnants from those losses continue to impact the ability for the Company to raise capital. The Company may not be successful in obtaining the required financing or, if it can obtain such financing, such financing may not be on terms that are favorable to us.

The Company's inability to access sufficient capital for its operations 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 the Company's Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. 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 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. 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.

***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 into the development stage will require significant capital and time, and successful commercial production from the Mine will be subject to completing feasibility studies, permitting and re-commissioning of the Mine, constructing processing plants, and 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 feasibility 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, 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 its 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:

- \$9,454,396 for the six months ended December 31, 2020; and \$5,841,502 for the six months ended December 31, 2019; and
- \$10,793,823 for the year ended June 30, 2020; and \$8,113,926 for the year ended June 30, 2019.

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.

***Epidemics, pandemics or other public health crises, including COVID-19, could adversely affect the Company's business.***

The Company's operations could be significantly adversely affected by the effects of a widespread outbreak of epidemics, pandemics or other health crises, including the recent outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"), which was declared a pandemic by the World Health Organization on March 12, 2020. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

## **Risks Related to Mining and Exploration**

The Mine is in the exploration stage. There is no assurance that the Company can establish the existence of any mineral reserve on the Mine or any other properties the Company may acquire in commercially exploitable quantities. Unless and until the Company does so, the Company cannot earn any revenues from these properties and if the Company does not do so, the Company will lose all of the funds that it expends on exploration. If the Company does not discover any mineral reserve in a commercially exploitable quantity, the exploration component of its business could fail.

***The Company has not established that any of its mineral properties contain any mineral reserve according to recognized reserve guidelines, nor can there be any assurance that the Company will be able to do so.***

A mineral reserve is defined by the SEC in its Industry Guide 7 as that part of a mineral deposit that could be economically and legally extracted or produced at the time of the reserve determination. In general, the probability of any individual prospect having a “reserve” that meets the requirements of the SEC’s Industry Guide 7 is small, and the Mine may not contain any “reserves” and any funds that the Company spends on exploration could be lost. Even if the Company does eventually discover a mineral reserve on the Mine, there can be no assurance that it can be developed into a producing mine and that the Company can extract those minerals. Both mineral exploration and development involve a high degree of risk, and few mineral properties that are explored are ultimately developed into producing mines.

The commercial viability of an established mineral deposit will depend on a number of factors including, by way of example, the size, grade, and other attributes of the mineral deposit, the proximity of the mineral deposit to infrastructure such as processing facilities, roads, rail, power, and a point for shipping, government regulation, and market prices. Most of these factors will be beyond its control, and any of them could increase costs and make extraction of any identified mineral deposit unprofitable.

***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 of 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 its 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 production, development plans and cost estimates in the PEA or pre-feasibility study (“PFS”) may vary and/or not be achieved.***

The PEA will be preliminary in nature and will include Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Consequently, there is no certainty that the PEA will be realized. The decision to implement the Mine re-start scenario to be included in the PEA will not be based on a feasibility study of mineral reserves demonstrating economic and technical viability, and therefore there is increased risk that the PEA results will not be realized. If the Company is unable to achieve the results in the PEA, it may have a material negative impact on the Company and its capital investment to implement the re-start scenario may be lost.

The Company also intends to proceed with a PFS later in 2021 to further assess a rapid re-start of the Mine, which is expected to include estimates of future production, development plans, operating and capital costs and other economic and technical estimates. Such estimates will be based on a variety of factors and assumptions and there is no assurance that such production, plans, costs or other estimates will be achieved. Actual production, costs and financial returns may vary significantly from the estimates depending on a variety of factors many of which are not within the Company's control. These factors include, but are not limited to: actual ore mined varying from estimates of grade, tonnage, dilution, and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, wildfires, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; exchange rate and commodity price fluctuations; shortages of principal supplies needed for operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labor shortages or strikes; epidemics, pandemics and public health emergencies, including those related to the outbreak of COVID-19; high rates of inflation; civil disobedience and protests; and restrictions (including changes to the taxation regime) or regulations imposed by governmental or regulatory authorities, including permitting and environmental regulations, or other changes in the regulatory environments. Failure to achieve estimates or material increases in costs could have a material adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

***Estimates of mineralized material and resources are subject to evaluation uncertainties that could result in project failure.***

Its 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 mineralized material and resources/reserves within the earth using statistical sampling techniques. Estimates of any mineralized material or resource/reserve on the Mine would be made using samples obtained from appropriately placed trenches, test pits, underground workings, and intelligently 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 mineralized material and 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 completed feasibility studies on the Mine and has not commenced actual production, mineralization 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 its 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, if warranted, 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.

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.

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 its 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 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.

In order to carry out reclamation obligations imposed on the Company in connection with its potential development activities, the Company must allocate financial resources that might otherwise be spent on further exploration and development programs. The Company plans to set up a provision for its reclamation obligations on its properties, as appropriate, but this provision may not be adequate. If the Company is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

***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 the Company's, the Company may be unable to acquire additional properties, if any, or 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 its 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 Shares.



***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 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’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 its business and results of operations.

***There are amounts due and owing under the Company’s agreement with the EPA that have not been paid in accordance with the agreed upon payment schedule. In the event that the EPA or Placer Mining assert default under the terms of the agreement or the Amended Agreement, respectively, the Company may lose its ability to exercise its right to purchase the Mine, which would have a material adverse impact on the Company.***

Pursuant to the terms of the Company’s agreement with the EPA, the Company is required to make certain payments to the EPA on behalf of Placer Mining in the amount of \$20,000,000 for cost recovery. The Company has made one payment of \$1,000,000 but has not paid the other payments as they have become due. Failure to pay could be considered a default under the terms of the agreement with the EPA and the Amended Agreement with Placer Mining. While the Company has been in discussions with the EPA related to the restructuring of the required payments, there is no guarantee that such efforts will be successful. To date, the Company and the EPA have not come to terms on a restructuring of the payments required by the agreement. In the event the EPA or Placer Mining declares a default under the terms of the agreement or the Amended Agreement, respectively, the Company could lose its right to purchase the Mine, which would have a material adverse impact on the business of the Company.

***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.

## **Risks Related to the Common Shares**

### ***There is no material market for the Company's Common Shares in the United States***

As of the date hereof, there is no material market in the United States for the Common Shares. The Common Shares traded in the Over-the-Counter Market in the United States prior to 2012. In October 2012, the SEC issued an order against the Company as a result of alleged improper trading activity by a then principal shareholder of the Company. As a result, all market making activity in the United States ceased and to this date no market maker in the United States has been willing to file with the Financial Institutions Regulatory Authority ("FINRA") the paperwork necessary to permit market making to take place. While the Company intends to pursue the establishment of a market in the United States, there can be no assurance that it will be successful in doing so. The Common Shares are traded on the CSE, although investors in the United States may find it more difficult to effect transactions on the CSE.

### ***The Company's Common Share 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 Common Shares:

- disappointing results from the Company's exploration efforts;
- decline in demand for its Common Shares;
- 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 Share price on the CSE 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 Shares. As a result, an investor may be unable to sell any Common Shares such investor acquires at a desired price.

### ***Potential future sales under Rule 144 may depress the market price for the Company's Common Shares.***

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 Common Shares 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 Shares 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 Shares in the over-the-counter market.

### ***The Company's Common Shares currently deemed a "penny stock", which may make it more difficult for investors to sell their Common Shares.***

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 Common Share or an exercise price of less than \$5.00 per Common 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 which 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 Shares.

***The Company has never paid dividends on its Common Shares.***

The Company has not paid dividends on its Common Shares to date, and it 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 Shares will depend upon the Company's earnings, its then-existing financial requirements, and other factors, and will be at the discretion of the Board.

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

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 Shares, which may limit an investor's ability to buy and sell its stock and have an adverse effect on the market for the Common Shares.

***Investors' interests in the Company will be diluted and investors may suffer dilution in their net book value per share of Common Shares if the Company issues additional employee/director/consultant options or if the Company sells additional Common Shares 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 of and issuance of additional Common Shares, 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 Shares 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 to some or all of its directors, officers, and key employees and/or consultants options to purchase Common Shares as non-cash incentives. The issuance of any equity securities could, and the issuance of any additional Common Shares will, cause the Company's existing shareholders to experience dilution of their ownership interests.

If the Company issues additional Common Shares 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 of Common Shares depending on the price at which such securities are sold.

***The issuance of additional shares of Common Shares may negatively impact the trading price of the Company's securities.***

The Company has issued Common Shares in the past and will continue to issue Common Shares to finance its activities in the future. In addition, newly issued or outstanding options, warrants, and broker warrants to purchase Common Shares may be exercised, resulting in the issuance of additional Common Shares. Any such issuance of additional Common Shares 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 Shares.

***The Company is subject to the continued listing criteria of the CSE, and its failure to satisfy these criteria may result in delisting of its Common Shares from the CSE.***

The Company's Common Shares are currently listed for trading on the CSE. In order to maintain the listing on the CSE or any other securities exchange the Company may trade on, 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 may delist the securities of any issuer if, in the exchange's opinion: its 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 CSE or any other exchange were to delist the Common Shares, investors may face material adverse consequences, including, but not limited to, a lack of trading market for the Common Shares, 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 2. PROPERTIES.

### Office Space

Effective June 1, 2017, the Company has a lease agreement for office space at 401 Bay Street, Suite 2702, Toronto, Ontario, Canada, M5H 2Y4. The 5-year lease provides for a monthly base rent of CDN\$12,964 for the first two years, increasing to CDN\$13,504 per month for years three through five. The Company has signed sub-leases with other companies that cover 100% of the monthly lease amount.

### 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 orebodies discovered and mined, consisting of lead-silver-zinc mineralization. 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 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.

When the Mine first closed in 1981, it was estimated to still contain significant resources (Bunker Limited Partnership, 1985). 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. The Bunker Hill Lead Smelter, Electrolytic Zinc Plant and historic milling facilities were demolished about 25 years ago, and the area became part of the "National Priority List" for cleanup under EPA regulations, thereby pausing development of the Mine for over 30 years.

The cleanup of the old smelter, zinc plant, and associated sites has now been completed and the Mine is now poised for development and an eventual return to production. The Company has been in contact with government officials and other local stakeholders who have expressed strong support and cooperation for the Company in its efforts to return the mine to a productive, modern and sustainable mining asset.

### Geology and Mineralization

#### Geology

The Coeur d'Alene Mining District is one of the most prolific mining districts in North America. It has been in constant production since its discovery in the 1880s, historically is the second largest silver-producing area in the world, and is one of the largest zinc and lead producers, as well. Over 100 mines historically have reached commercial production in the District, which currently hosts two major mines, the Lucky Friday/Gold Hunter owned by Hecla Mining Company, and the Galena Mine, owned by America's Silver. A number of other mines including the Sunshine, the Crescent, and the Coeur Mine have the potential to be re-started should silver prices rise sufficiently to justify reactivation.

The geology of the Silver Valley district occurs within the Precambrian meta-sedimentary rocks of the Belt-Purcell Supergroup, a Middle Proterozoic sedimentary basin occurring primarily in western Montana, Idaho and Southeastern British Columbia. In the Coeur d'Alene region these comprise a 21,000' thick sequence of clastic, (argillites, siltites, and quartzites) and carbonate sedimentary rocks.

These rocks have been metamorphosed and strongly deformed by compressional tectonics during the Sevier Orogenic event of the cretaceous age. Following this, later in the cretaceous age, the Bitterroot Lobe of the Idaho Batholith was emplaced to the south of the Coeur d'Alene district which was accompanied by dike emplacement.

The mining district lies within the west-central part of a regional tectonic lineament known as the Lewis and Clark line, a major fault system, consisting of numerous faults that display strike slip, normal and reverse movements over a protracted geological history.

The Bunker Hill deposit occurs within the Revett and St Regis formations of the Ravalli Group, with the quartzites and siltites of the Middle Revett formation dominating. Most significant, and the common host to the larger Bunker Hill ore bodies is the M2 Unit of the Middle Revett formation, which is the thickest and most continuous quartzite package in the formation.

The Mine area lies on the north limb of an anticline fold in these rocks, which establishes a west-northwest to northeast trend for bedding planes. With the axis of this anticline inclined southwesterly, the formations on the north limb dip steeply upright to the northwest or are overturned steeply to the south or southwest.

The structural features that dominate the broad framework in which the Mine is located are the Osburn Fault to the North, which has a right-lateral offset of several miles bringing the older Prichard formation rocks opposite the mine formations, the Alhambra Fault to the east, and the large Anticline to the west and south.

The structure of the Bunker Hill deposits is associated with this anticline and are hosted by the fold-generated fractures and brecciation in the quartzite beds created in the hinge and near-hinge limbs of the broad flexure.

Fold-associated elements include sphalerite-pyrite-siderite filled reverse shears, replacement mineralization of stratiform-like fabric composed of both sphalerite and galena, and principally sphalerite replacement as fine “crackle breccia” and irregular dense soaking. The development of these various fabrics appears to be dependent on location relative to the hinge, lithology of the host unit, and the stratigraphic horizon in the Revett formation

#### Mineralization

Mineralization is hosted by parallel mesothermal veins related to metamorphic/hydrothermal events that sourced metals from the Belt sediments. This consists of wide veins with variable proportions of sphalerite, galena and tetrahedrite in either a quartz or siderite gangue.

The individual deposits that form the Mine are numerous and relatively large with strike lengths up to 900 ft (274 m) with plunge lengths up to 3,000 ft (914 m) with many open at depth. Wall rock alteration associated with veining consists of changes in carbonate mineralogy plus sulfidation and silicification. Pyritization of wall rocks is locally strong. Bleached halos resulting from destruction of hematite by hydrothermal fluids are also characteristic. The mineralization is partly oxidized to a depth of approximately 1,800 ft (549 m). There are three distinct types of mineralization at the Mine:

- The NW trending Bluebird mineral zones are zinc rich and consist of sphalerite in excess of galena with variable amount of pyrite in a gangue of greyish quartz and minor siderite. This mineralized material is commonly localized in smaller parasitic folds, broken by reverse shears (Meyer, 1982).
- The Jersey type mineral bodies consist principally of veins containing galena with lesser amounts of sphalerite, chalcopyrite and tetrahedrite (Meyer, 1981). These NE to N trending veins are referred to as “link” veins as they extend between the NW trending Cate and Dull faults, or other faults in the mine. Gangue minerals are primarily white quartz with lesser siderite.
- “Hybrid” mineral bodies comprise the third type and are associated with zones of brecciation located at the junctions of major faults. These are multi-stage systems where “Bluebird” type fracture zones were reopened and brecciated prior to flooding by galena from the newly opened “link” veins. The galena penetrated and partially replaced the previous minerals and filled remaining open spaces (Meyer, 1981).

Many of the deposits, and especially those of the Bluebird system, may have originally comprised a parallel set of only four or five persistent fracture sets. However, extremely complex post-mineralization shearing has segmented and displaced the deposits.

#### Mine and Mill Operations

Starting with the original Bunker Hill and Sullivan claims, the Mine eventually encompassed 620 patented mining claims totaling 6,200 acres. From the discovery cuts some 3600 feet above sea level, over 20 major ore zones were mined to nearly 1600 feet below sea level, a vertical distance of about one mile.

Four major mining methods were historically employed in the Mine. The oldest is square set or cut and fill. These methods employ support of the stope where the vein is mined with sets of timbers and/or rock bolts, and then sand-fill is pumped from the surface as the mining activity moves to a higher elevation. The broken ore was scraped into chutes by compressed air powered slushers and dropped into ore pockets on the level below.

The second method called shrink stoping is similar to the above, but no ground support is required. Instead, the broken ore is used as both ground support and a mining floor and the full mining cut is completed prior to withdrawing the ore from the stope. Air powered slushers or compressed air operated mucking machines on rubber tires were historically used.

A third mining method is known as room and pillar mining. In this operation, no timber is required but pillars of ore are left in place as supports until the stoping moves to a higher elevation, at which time sand fill is pumped in to provide the floor for the next cut. As the ore is broken, rubber tired, compressed air operated mucking machines picked it up putting it into a box on the back of the loader. It was then transported to a chute in the stope where it dropped into the ore pocket on a lower level.

The fourth method is sublevel blasthole stoping. Diesel powered equipment cuts horizontal slices every forty feet in the ore zones. Then long holes are drilled in the pillars between horizontal slices. The holes are blasted allowing the ore to fall to the bottom slice and scooped up by diesel powered loaders and transported to ore passes. This method was used above the Kellogg Tunnel, and ore was transported by gravity to the tunnel and hauled out by train to the surface.

From the ore pockets on the various levels of the mine below the Kellogg Tunnel, ore trains powered by battery driven locomotives transported the ore to ore pockets located at the shaft. In the shaft, large steel buckets, called skips, were loaded and hoisted to the Kellogg Tunnel level where the ore was dumped into two large concrete bins. Drawn from these storage areas by gravity, the ore was next transported two miles to the surface in 22-car ore trains pulled by trolley and diesel locomotives.

Blasthole stoping, cut and fill, and shrinkage stoping methods are likely to be employed in the re-start of the Mine. The main improvement and productivity gain over historic operations will be the widespread use of rubber-tired equipment, which will be used for mucking and transport of the broken mineralized material. The upper part of the Mine is largely already developed with ramps, which will be used by the Company for rubber-tired access. Most of these ramps were completed by the Bunker Hill Company and ramp expansion also occurred during the BLP mine reopening.

Company engineers have already inspected many portions of the ramp system in the upper part of the Mine and the ramps are generally in very good shape and will only require minor repair and clean-up.

Historically, the Mine ore was milled in the milling facility located approximately 2,000 yards from the main Kellogg Tunnel portal and the concentrate was treated at the nearby smelting and refining complex, which was located approximately one mile to the west of the mill. The milling facility and smelting complex have all been razed and remediation of these sites has been largely completed.

An existing water treatment plant, the CTP, which was originally built by the Bunker Hill Company remains in operation and is operated by the EPA through a local contractor. This plant has received numerous upgrades and capacity improvements in the last twenty-five years. All mine water which is discharged from the Mine has been treated by the EPA during the ownership of the mine by Placer Mining.

### Index of Geologic and Mining Terms

<b>TERM</b>	<b>DEFINITION</b>
Argillite	A fine-grained sedimentary rock composed predominantly of indurated muds and oozes.
Breccia	A rock composed of broken fragments of minerals or rock cemented together by a fine-grained matrix, which can be either similar to or different from the composition of the fragments.
Chalcopyrite	A major ore mineral containing copper, iron, and sulfur.
Cretaceous	A geologic period from 145 to 65 million years ago.
Dikes	A type of sheet intrusion referring to any geologic body that cuts discordantly across rock structures.
Galena	The natural mineral form of lead sulfide.
Hydrothermal	Relating to or produced by hot water, especially water heated underground by the Earth's internal heat.
Mineral	A mineral is a naturally occurring solid chemical substance having characteristic chemical composition, highly ordered atomic structure, and specific
Mineralization	The act or process of mineralizing.
Ore	Mineralized material that can be mined and processed at a positive cash flow.
Oxidized	A process whereby the sulfur in a mineral has been removed and replaced by oxygen.
Pyrite	A very common sulfide mineral consisting of iron and sulfur found in a wide variety of geological occurrences. Commonly known as "Fools Gold"
Quartzite	A hard metamorphic rock which was originally sandstone
Silicification	A hydrothermal or metamorphic process involving the introduction of, alteration to, or replacement by silica.
Sphalerite	A mineral containing zinc and sulfur.
Sulfides	Sulfide minerals are a class of minerals containing sulfur with sulfide ( $S^{2-}$ ) as the major anion.
Tetrahedrite	A sulfosalt mineral containing copper, antimony, and sulfur.

### Completed Work and Future Development Plans

#### Mineral Resources and Exploration

Concurrent with the digitization work, and since March 2020, the Company has been working systematically to bring a number of mineralized zones into accordance with NI 43-101 through drilling and channel sampling of the open stopes. This work focused upon the mineralization that is closest to the existing infrastructure and above the current water-level.

In doing so, the Company's first objective was to validate in accordance with NI 43-101 standards up to 9 million tons of primarily zinc ore contained within the UTZ, Quill and Newgard Ore Bodies. This was conducted between April and July 2020, and involved over 9,000 feet of drilling from Underground and extensive sampling from the many open stopes above the water-level. These zones could provide the majority of the early feed if the Company were to achieve a re-start of the Mine.

On September 28, 2020, the Company announced its maiden mineral resources estimate consisting of a total of 8.9 million tons in the Inferred category, containing 11 million ounces of silver, 880 million pounds of zinc, and 410 million pounds of lead, which represented the result of the Company's extensive drilling and sampling efforts conducted between April and July 2020.

Following the program as described above, through February 2021 the Company conducted approximately 10,000 feet of additional drilling, primarily focused on expanding and upgrading its maiden mineral resources estimate in support of its intention to target a rapid re-start of the Mine, as announced on November 12, 2020.

On March 19, 2021, the Company announced an updated mineral resources estimate consisting of a total of 4.4 million tons in the Indicated category, containing 3.0 million ounces of silver, 487 million pounds of zinc, and 176 million pounds of lead; and a total of 5.6 million tons in the Inferred category, containing 8.3 million ounces of silver, 548 million pounds of zinc, and 312 million pounds of lead.

Further details regarding the Company's mineral resources as noted above, including estimation methodologies, can be found in the news releases dated September 28, 2020, and March 19, 2021 on EDGAR, SEDAR and the Company's website [www.bunkerhillmining.com](http://www.bunkerhillmining.com).

It should be noted that mineral resources as stated above, including those delineated in the Inferred, Measured and Indicated categories, are not mineral reserves as defined by SEC guidelines, and do not show demonstrated economic viability. Due to the uncertainty that may be attached to Inferred mineral resources, it cannot be assumed that all or any part of an Inferred mineral resource will be upgraded to an Indicated or Measured mineral resource as a result of continued exploration.

The Company currently anticipates that its 2021 drilling program will comprise approximately 32,000 feet to 39,000 feet of drilling in total. Exploration activities will focus on high-grade lead-silver mineralization targets, in the upper levels of the mine and identified by the data review and digitization process.

Consistent with that strategy, on March 19, 2021, the Company announced the identification of a new silver exploration opportunity in the hanging wall of the Cate Fault which it intends to include in its ongoing drilling campaign.

On March 29, 2021, the Company announced multiple high-grade silver mineralization results through chip-channel sampling of newly accessible areas of the Mine identified through the Company's proprietary 3D digitization program, and as part of its ongoing silver-focused drilling program. An area was identified on the 9-level that resulted in ten separate chip samples greater than 900 g/t AgEq<sup>(1)</sup>, each with minimum 0.6m length. Mineralization remains open up dip, down dip and along strike from the sampling location. The Company also reported drill results including a 3.8m intercept with a grade of 996.6 g/t AgEq<sup>(1)</sup>, intersected at the down-dip extension of the UTZ zone at the 5-level. The Company will continue to report mineralized drill intercepts concurrent with its ongoing exploration program that is currently envisaged to comprise 10,000 to 12,000 feet in 2021.

<sup>(1)</sup> Prices used to calculate Ag Eq are as follows: Zn=\$1.16/lb; Pb=\$0.92/lb; and Ag=\$20/oz.

#### Water Management Optimization

The EPA currently provides mine water treatment services for the Mine to ensure compliance with existing discharge standards. This is done via its management of the EPA's CTP, located adjacent and downstream to the Mine. Although it also treats other contaminated water collected from other sources in the vicinity, with respect to its service to the Mine, this facility treats all the water that exits the Kellogg Tunnel before it is discharged into the South Fork of the Coeur D'Alene River.

In September 2020, the Company began its water management program with the goal of improving the understanding of the Mine's water system and enacting immediate improvement in the water quality of effluent leaving the mine for treatment at the CTP. Informed by historical research provided by the EPA, the Company initiated a study of the water system of the mine to: i) identify of the areas where AMD is generated in the greatest and most concentrated quantities, and ii) understand the general flow paths of AMD on its way through and out of the mine as it travels to the CTP.

Leveraging its improved understanding through this study, on February 11, 2021, the Company announced the successful commissioning of a water pre-treatment plant located within the Mine, designed to significantly improve the quality of Mine water discharge water which in turn would support a rapid re-start of the Mine. Specifically, the water pre-treatment plant achieves this goal by reducing significantly the amount of treatment required at the CTP, and the associated costs, before the Mine water is discharged into the south fork of the Coeur D'Alene River, removing over 70% of the metals from water before it leaves the Mine, with the potential for further improvements.

In an effort to improve transparency to all stakeholders with regard to the results of this system, the Company launched a water quality tracking platform on its website on March 15, 2021, which uploads real-time data every five minutes and provides an interactive database to allow detailed historical analysis.

#### Infrastructure Review

The Mine main level is termed the nine level and is the largest level in the Mine. It is connected to the surface by the approximately 12,000 foot-long Kellogg Tunnel. Three major inclined shafts with associated hoists and hoistrooms are located on the nine level. These are the No. 1 shaft, which is used for primary muck hoisting in the main part of the Mine; the No. 2 shaft, which is a primary shaft for men and materials in the main part of the Mine; and the No. 3 Shaft, which is used for personnel, materials and muck hoisting for development in the northwest part of the Mine.

The top stations of these shafts and the associated hoistrooms and equipment have all been examined by Company personnel and are in moderately good condition. The Company believes that all three shafts remain in a condition that they are repairable and can be brought back into good working order over the next few years.

The water level in the Mine is held at approximately the ten level of the Mine, roughly 200 feet below the nine level. The Mine was historically developed to the 27 level, although the 25 level was the last major level that underwent significant development and past mining. Each level is approximately 200 feet vertically apart.

The southeastern part of the Mine was historically serviced by the Cherry Raise, which consisted of a two-compartment shaft with double drum hoisting capability that ran at an incline up from the nine level to the four level. The central part of the Mine was serviced upward by the Last Chance Shaft from the nine level to the historic three or four level. Neither the Cherry Raise or the Last Chance shaft are serviceable at this time. However, the upper part of the Mine from eight level up to the four level has been developed by past operators by a thorough-going rubber tire ramp system, which is judged to be about 65% complete.

The Company has repaired the first several thousand feet of the Russell Tunnel, which is a large rubber-tire capable tunnel with an entry point at the head of Milo Gulch. This tunnel will provide early access to the UTZ Zone, and Quill and Newgard Zones, following ramp and access development. The Company has made development plans to provide interconnectivity of the ramp system from the Russell Tunnel at the four level down to the eight level, with further plans to extend the ramp down to the nine level. Thus rubber-tired equipment will be used for mining and haulage throughout the upper Mine mineral zones, which have already been identified, and for newly found zones.

The Kellogg Tunnel will be used as a tracked rail haulage tunnel for supply of personnel and materials into the Mine and for haulage of mined material out of the Mine. Historically, the Kellogg Tunnel was used in this manner when the Mine was producing upwards of 3,000 tons per day of mined material. The Company has inspected the Kellogg Tunnel for its entire length and has determined that significant timbered sections of the tunnel will need extensive repairs. These are areas that intersect various faults passing through the Kellogg Tunnel at normal to oblique angles and create unstable ground.

The Company has determined that all of the track, as well as spikes, plates and ties holding the track will need to be replaced, and has started that process in support of the on-going exploration program. Additionally, the water ditch that runs parallel to the track will need to be thoroughly cleaned out and new timber supports and boards that keep the water contained in its path will need to be installed. All new water lines, compressed air lines and electric power feeds will also need to be installed. The total cost estimate for this Kellogg Tunnel work is still in process as of the date hereof, but the time estimate for these repairs is approximately twelve months.

#### Development of Re-start Options

On November 12, 2020, the Company announced the launch of a PEA to assess the potential for a rapid re-start of the Mine for minimal capital by focusing on the de-watered upper areas of the Mine, utilizing existing infrastructure, and based on truck haulage and toll milling methods.

On January 26, 2021, the Company reported continued progress towards completing the previously announced PEA. While engineering work, trade-off studies and economic analysis remain to be completed, the PEA is expected to contemplate a re-start with the following parameters:

*Low up-front capital costs through utilization of existing infrastructure, potentially enabling rapid production re-start*

MineTech is conducting a comprehensive review of existing infrastructure in the context of preliminary engineering designs and costing for re-start capital, including areas of rehabilitation, electrical infrastructure, utility reticulation, ventilation, and material haulage. In addition, a review of the existing hoisting and shaft infrastructure is underway to engineer and evaluate options to access lower areas of the Mine. Preliminary results indicate the potential for low up-front capital costs underpinned by: i) minimal development and rehabilitation work required to access initial stopes; ii) utilization of existing underground and surface infrastructure; iii) no de-watering requirement to commence re-start; iv) no requirement for above-ground tailings storage capacity; and v) no requirement for purchase of mobile equipment given the use of contract mining. Lastly, opportunity exists to offset initial capital costs during the re-start period with revenue from toll mining.

Given the presence of extensive existing infrastructure, the fully permitted status of the Mine, and the above approach to the re-start, a potential re-start timeframe of less than two years is currently being contemplated.

*Staged approach to mining, potentially supporting a long-life operation*

Mine planning is advancing within the framework of three distinct stages to exploit the majority of the resource. Stage 1 will contemplate mining to the 11 level to exploit shallow resources located above the current water table. In Stage 2, higher-grade zinc resources extending to the 16 level could be accessed either through the existing shaft system, or alternatively through the construction of a new decline. Incremental investment in capital required for Stage 2 is contemplated to be financed from cash flow generated in Stage 1. A final Stage 3 will contemplate mining to the 23 level, facilitated through either shaft or ramp access.

*Underground processing and tailings deposition with potential for high recovery rates*

Consistent with the Company's objective of developing a sustainable operation with a low environmental footprint, the PEA will contemplate construction of an underground processing facility with a design capacity of approximately 1,500 tons per day. The majority of tailings generated from ore processing will be utilized for geotechnical paste back-fill, with the remaining material to be thickened and deposited in historic mine voids. As a result, the PEA will contemplate minimal surface disturbance and no requirement for above-ground tailings capacity. Resource Development Inc. has been engaged to design and conduct a metallurgical testing program, with assay results being incorporated into the geological and metallurgical models as received. Historical production has shown high recoverability of silver and base metals with approximately 87% silver recovery, 92% lead recovery and 93% zinc recovery. The ongoing metallurgical test program is designed to update and confirm these recoveries, and is expected to confirm extensive historical metallurgical data.



*Development of a sustainable operation with minimal environmental footprint*

The preservation and enhancement of the water quality of the Coeur d'Alene lake is integral to the PEA and is fundamental to management's vision and strategy. As such, the Company's underground pre-treatment facility is near completion, and has demonstrated the potential for removal of more than seventy percent of metal from effluent before it leaves the Mine. Implementation of a successful long-term water management strategy will be contemplated in the PEA, consistent with the Company's ongoing achievements. In addition, as outlined, utilization of underground processing and tailings deposition further contributes to minimizing the operation's environmental footprint and surface disturbance activities.

The Company currently plans to proceed with a PFS later in 2021 to further assess a rapid re-start of the Mine. If the PFS demonstrates the potential for a rapid production re-start, the Company intends to approach capital markets participants to obtain sufficient financing to do so.

**ITEM 3. LEGAL PROCEEDINGS.**

Neither the Company nor its property is the subject of any current or 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.

**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 Company currently does not operate any mines and, as such, is not subject to disclosure requirements regarding mine safety that were imposed by the Act.

## PART II

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

#### Market Information

Our common shares are traded on Canadian Securities Exchange under the symbol "BNKR."

#### Stockholders

As of March 31, 2021, there were approximately 110 stockholders of record of our common shares and, according to our estimates, approximately 500 beneficial owners of our common shares.

#### Unregistered Sales of Securities

All unregistered sales of securities have been previously reported on Form 8-K

#### Issuer Purchases of Equity Securities

None.

### ITEM 6. SELECTED FINANCIAL DATA.

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

On August 28, 2017, the Company announced that it signed the Lease and Option Agreement for the lease and option to purchase the Mine in Idaho. The Lease and Option Agreement is between the Company and Placer Mining, the current owner of the Mine.

Highlights of the Agreement are as follows:

- Effective date: November 1, 2017;
- Initial lease term: 24 months;
- The Company shall pay Placer Mining US\$100,000 monthly mining lease payments, which shall be paid quarterly;
- The lease can be extended for another 12 months at any time by the Company by paying Placer Mining a US\$600,000 bonus payment and by continuing to pay the monthly US\$100,000 lease payments;
- The option to purchase is exercisable at the Company's discretion; and
- Purchase by the Company can be made at any time during lease period and any extension thereto.

On October 2, 2018, the Company announced that it was in default of the Lease and Option Agreement. The default arose as a result of missed lease and operating cost payments, totaling \$400,000, which were due at the end of September and on October 1, 2018. As per the Lease and Option Agreement, the Company had 15 days, from the date the notice of default was provided (September 28, 2018), to remediate the default by making the outstanding payment. While management worked with urgency to resolve this matter, management was ultimately unsuccessful in remedying the default, resulting in the Lease and Option Agreement being terminated.

On November 13, 2018, the Company announced that it was successful in renewing the Lease and Option Agreement, effectively with the original Lease and Option Agreement intact, except that monthly payments were reduced to \$60,000 per month for 12 months, with the accumulated reduction in payments of \$140,000 per month added to the purchase price of the Mine should the Company choose to exercise its option.

On November 1, 2019, the Amended Agreement became effective. The key terms of the Amended Agreement are as follows:

- The lease period was extended for an additional period of nine months to August 1, 2020, with the option to extend for a further 6 months based upon payment of a one-time \$60,000 extension fee;
- The Company will continue to make monthly care and maintenance payments to Placer Mining of \$60,000 until exercising the option to purchase; and
- The purchase price is set at \$11,000,000 for 100% of the marketable assets of the Mine to be paid with \$6,200,000 in cash, and \$4,800,000 in Common Shares. The purchase price also includes the negotiable EPA costs of \$20,000,000. The Amended Agreement provides for the elimination of all royalty payments that were to be paid to the mine owner. Upon signing the amended agreement, the Company paid a one time, non-refundable cash payment of \$300,000 to the mine owner. This payment will be applied to the purchase price upon execution of the purchase option. In the event the Company elects not to exercise the purchase option, the payment shall be treated as an additional care and maintenance payment.

On November 20, 2020, the Company signed a further amendment to the Amended Agreement. Under the terms of the amendment:

- The Company will continue to make monthly care and maintenance payments to Placer Mining of \$60,000 until exercising the option to purchase;
- The purchase price was reduced to \$7,700,000, with \$5,700,000 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 an aggregate of \$5,400,000 payable in cash outstanding) and \$2,000,000 in Common Shares. The reference price for the payment in Common Shares will be based on the Common Share price of the Company's last equity raise before the option is exercised;
- The Company's contingent obligation to settle \$1,787,300 of accrued payments due to Placer Mining has been waived; and
- The Company is to make an advance payment of \$2,000,000 (paid) to Placer Mining, which shall be credited toward the purchase price if and when the Company elects to exercise its purchase right. In the event that the Company irrevocably elects not to exercise its purchase right, the advance payment of \$2,000,000 will be repaid to the Company within twelve months from the date of such election. This payment 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 Shares of the Company.

## 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 six-month period ended December 31, 2020, as compared to the six-month period ended December 31, 2019, and the fiscal year ended June 30, 2020, as compared to the fiscal year ended June 30, 2019. Unless otherwise stated, all figures herein are expressed in U.S. dollars, which is the Company's functional currency.

### *Comparison of the six months ended December 31, 2020 and December 31, 2019*

#### Revenue

During the six months ended December 31, 2020 and December 31, 2019, the Company generated no revenue.

#### Expenses

During the six months ended December 31, 2020, the Company reported total operating expenses of \$9,454,396 as compared to \$5,841,502 during the six months ended December 31, 2019, an increase of \$3,612,894 or approximately 62%.

The increase in total operating expenses is primarily due to an increase in exploration expense by \$3,111,538 (\$8,379,845 in 2020 compared to \$5,268,307 in 2019) due to increased exploration activities in 2020 compared to the previous six months. The same is true for increases in operating and administration (increased by \$1,387,773 to \$1,681,093 in 2020 compared to \$293,320 in 2019), legal and accounting (increased by \$441,131 to \$523,106 in 2020 compared to \$81,975 in 2019), and consulting (increased by \$459,752 to \$657,652 in 2020 compared to \$197,900 in 2019) due to increased corporate activities this year compared to last year.

For financial accounting purposes, the Company reports all direct exploration expenses under the exploration expense line item of the statement of operations. Certain indirect expenses may be reported as operation and administration expense or consulting expense on the statement of operations.

### Net Loss and Comprehensive Loss

The Company had a net loss and comprehensive loss of \$2,164,454 for the six months ended December 31, 2020, as compared to a net loss and comprehensive loss of \$17,740,813 for the six months ended December 31, 2019, a decrease of \$15,576,539 or approximately 88%. The decrease in net loss and comprehensive loss was due to a gain related to the valuation of derivative liabilities in the six months ended December 31, 2020, relative to a loss in the six months ended December 31, 2019. It was partially offset by an increase in operating expenses as outlined above, financing costs, loss on debt settlement and share issuance costs.

Gain related to change in derivative liability increased by \$21,133,060 (gain of \$10,503,941 in the six months ended December 31, 2020 compared to loss of \$10,629,119 in the six months ended December 31, 2019) as the fair value of the Company's outstanding warrants decreased mainly due to a decrease in the Company's share price (C\$0.52 per Common Share as at December 31, 2020 compared to C\$1.00 per Common Share as at June 30, 2020).

### ***Comparison of the fiscal years ended June 30, 2020 and June 30, 2019***

#### Revenue

During the fiscal years ended June 30, 2020 and June 30, 2019, the Company generated no revenue.

#### Expenses

During the fiscal year ended June 30, 2020, the Company reported total operating expenses of \$10,793,823 as compared to \$8,113,926 during the fiscal year ended June 30, 2019, an increase of \$2,679,897 or approximately 33%.

The increase in total operating expenses is primarily due to an increase in exploration expense by \$2,228,698 (\$8,645,431 in 2020 compared to \$6,416,733 in 2019) resulting from increased exploration activities in 2020 compared to the previous year. The same is true for increases in operating and administration (increased by \$137,833 to \$1,327,059 in 2020 compared to \$1,189,226 in 2019), legal and accounting (increased by \$27,212 to \$268,181 in 2020 compared to \$240,969 in 2019), and consulting (increased by \$286,154 to \$553,152 in 2020 compared to \$266,998 in 2019) due to increased corporate activities this year compared to last year.

For financial accounting purposes, the Company reports all direct exploration expenses under the exploration expense line item of the statement of operations. Certain indirect expenses, which are related to the exploration activities, may be reported as operation and administration expense or consulting expense on the statement of operations, or in certain cases, these expenses may also be capitalized to the balance sheet if they relate to costs incurred to acquire mineral properties.

### Net Loss and Comprehensive Loss

The Company had a net loss and comprehensive loss of \$31,321,791 for the fiscal year ended June 30, 2020, as compared to a net loss and comprehensive loss of \$8,453,250 for the fiscal year ended June 30, 2019, an increase of \$22,879,471 or approximately 271%. The increase in net loss and comprehensive loss was due to an increase in operating expenses as outlined above, change in derivative liabilities, and loss on debt settlement. It was partially offset by a decrease in accretion expense, interest expense, and loss on loan extinguishment.

Loss related to change in derivative liability increased by \$20,736,435 (loss of \$18,843,947 in 2020 compared to gain of \$1,892,488 in 2019) as the fair values of the Company's outstanding warrants increased mainly due to an increase in the Company's share price (C\$1.00 per Common Share as at June 30, 2020 compared to C\$0.06 as at June 30, 2019).

### **Liquidity and Capital Resources**

The Company does not have sufficient working capital needed to meet its current fiscal obligations when including commitments associated with the acquisition on the Mine. In order to continue to meet its fiscal obligations in the current fiscal year and beyond the next twelve months, the Company must seek additional financing. Management is considering various financing alternatives, specifically raising capital through the equity markets and debt financing.

On June 13, 2018, the Company entered into a loan and warrant agreement with Hummingbird, an arm's length investor, for an unsecured convertible loan in the aggregate sum of \$1,500,000, bearing interest at 10% per annum, maturing in one year. Contemporaneously, the Company agreed to issue 229,464 share purchase warrants, entitling the lender to acquire 229,464 Common Shares of the Company, at a price of C\$8.50 per Common Share, for two years. Under the terms of the loan agreement, the lender may, at any time prior to maturity, convert any or all of the principal amount of the loan and accrued interest thereon, into Common Shares of the Company at a price of C\$8.50 per Common Share. In the event that a notice of conversion would result in the lender holding 10% or more of the Company's issued and outstanding shares, then, in the alternative, and under certain circumstances, the Company would be required to pay cash to the lender in an amount equal to C\$8.50 multiplied by the number of shares intended to be issued upon conversion. Further, in the event that the lender holds more than 5% of the issued and outstanding shares of the Company subsequent to the exercise of any of its convertible securities held under this placement, it shall have the right to appoint one director to the board of the Company. Lastly, among other things, the loan agreement further provides that for as long as any amount is outstanding under the convertible loan, the investor retains a right of first refusal on any Company financing or joint venture/strategic partnership/disposal of assets.

In August 2018, the amount of the Hummingbird convertible loan payable was increased to \$2,000,000 from its original \$1,500,000 million loan, net of \$45,824 of debt issue costs. Under the terms of the amended and restated loan agreement, Hummingbird may, at any time prior to maturity, convert any or all of the principal amount of the loan and accrued interest thereon, into Common Shares of the Company as follows: i) \$1,500,000, being the original principal amount (the “Principal Amount”), may be converted at a price of C\$8.50 per Common Share; ii) 229,464 Common Shares may be acquired upon exercise of warrants at a price of C\$8.50 per warrant for a period of two years from the date of issuance; iii) \$500,000, being the additional principal amount (the “Additional Amount”), may be converted at a price of C\$4.50 per Common Share; and iv) 116,714 Common Shares may be acquired upon exercise of warrants at a price of C\$4.50 per warrant for a period of two years from the date issuance. In the event that Hummingbird would acquire Common Shares in excess of 9.999% through the conversion of the Principal Amount or the Additional Amount, including interest accruing thereon, or on exercise of the warrants as disclosed herein, the Company shall pay to Hummingbird a cash amount equal to the Common Shares exercised in excess of 9.999%, multiplied by the conversion price.

In August 2018, the Company closed a private placement, issuing 160,408 Units to Gemstone 102 Ltd. (“Gemstone”) at a price of C\$4.50 per Unit, for gross proceeds of C\$721,834 (\$549,333) and incurring financing costs of \$25,750. Each Unit entitles Gemstone to acquire one Common Share (“Unit Share”) and one Common Share purchase warrant (“Unit Warrant”), with each Unit Warrant entitling Gemstone to acquire one Common Share of the Company at a price of C\$4.50 per Common Share for a period of three years. Prior to the issuance of the Units, Gemstone held 400,000 Common Shares of the Company and 200,000 warrants (“Prior Warrants”) exercisable at a price of C\$20.00 per Common Share. Immediately prior to closing, the Prior Warrants were early terminated by mutual agreement of the Company and Gemstone. Upon issuance of the 160,408 Units to Gemstone, Gemstone beneficially owns or exercises control or direction over 560,408 Common Shares of the Company. Assuming exercise of the Unit Warrants, Gemstone would hold 720,816 of the outstanding Common Shares of the Company. Gemstone’s participation in the Offering constitutes a “related party transaction” under MI 61-101.

Given the urgent need to secure financing to meet certain new lease obligations, the Company’s Board approved an equity private placement of Units to be sold at C\$0.75 per Unit with each Unit consisting of one Common Share and one Common Share purchase warrant. On November 28, 2018, the Company closed on a total of 645,866 Units for gross proceeds of C\$484,400 (\$365,341) and incurring financing costs of \$10,062, with each purchase warrant exercisable into a Common Share at C\$1.00 per Common Share for a period of thirty-six months.

In March 2019, Hummingbird agreed to extend the scheduled maturity date of the loan to June 30, 2020.

On June 27, 2019, the Company closed the first tranche (the “June 2019 First Tranche”) of a non-brokered private placement, issuing 11,660,000 Units (the “June 2019 Units”) at a price of C\$0.05 per June 2019 Unit for gross proceeds of C\$583,000 (\$436,608) and incurring financing costs of \$19,640. Each June 2019 Unit consists of one Common Share of the Company and one Common Share purchase warrant (“June 2019 Warrant”). Each whole June 2019 Warrant entitles the holder to acquire one Common Share at a price of C\$0.25 per Common Share for a period of two years. As a part of the June 2019 First Tranche, Hummingbird acquired 2,660,000 June 2019 Units for C\$133,000 (\$100,000) which was applied to reduction of the principal amount owing under the convertible loan facility.

On August 1, 2019, the Company closed the second and final tranche of a non-brokered private placement, issuing 6,042,954 Units (the “August 2019 Units”) at C\$0.05 per August 2019 Unit for gross proceeds of C\$302,148 (\$228,202) and incurring financing costs of \$36,468. Each August 2019 Unit consists of one Common Share of the Company and one Common Share purchase warrant, which entitles the holder to acquire one Common Share at a price of C\$0.25 per Common Share for a period of two years. The Company also issued 16,962,846 August 2019 Units to settle \$640,556 of debt at a deemed price of C\$0.09 based on the fair value of the Common Shares issued.

On August 23, 2019, the Company closed the first tranche of a non-brokered private placement, issuing 27,966,002 Common Shares of the Company at C\$0.05 per Common Share for gross proceeds of C\$1,398,300 (\$1,049,974) and incurring financing costs of \$28,847. The Company also issued 2,033,998 Common Shares to settle \$77,117 of debt at a deemed price of C\$0.18 based on the fair value of the Common Shares issued.

On August 30, 2019, the Company closed the second and final tranche of a non-brokered private placement, issuing 1,000,000 Common Shares at C\$0.05 per Common Share for gross proceeds of C\$50,000 (\$37,550).

On November 13, 2019, the Company issued a promissory note (“Samper Note”) in the amount of \$300,000. The Samper Note is unsecured, bears interest of 1% monthly, and is due on demand after 90 days from issuance. In consideration for the loan, the Company issued 400,000 Common Share purchase warrants to the lender. Each whole warrant entitles the lender to acquire one Common Share of the Company at a price of C\$0.80 per Common Share for a period of two years.

On February 26, 2020, the Company closed a non-brokered private placement, issuing 2,991,073 Common Shares of the Company at C\$0.56 per Common Share for gross proceeds of C\$1,675,000 (\$1,256,854) and incurring financing costs of \$95,763 and 239,284 broker warrants. Each broker warrant entitles the holder to acquire one Common Share at a price of C\$0.70 per Common Share for a period of two years. The Company also issued 696,428 Common Shares for \$300,000 which was applied to reduce the principal amount owing under the convertible loan facility.

On April 24, 2020, the Company extended the maturity date of the Samper Note to August 1, 2020. In consideration, the Company issued 400,000 Common Share purchase warrants to the lender at an exercise price of C\$0.50. The warrants expire on November 13, 2021.

On May 12, 2020, the Company closed a non-brokered private placement, issuing 107,143 Common Shares of the Company at C\$0.56 per Common Share for gross proceeds of C\$60,000 (\$44,671).

On May 12, 2020, the Company issued a promissory note in the amount of \$362,650 (C\$500,000). The note bears no interest and is due on demand after 90 days after the issue date. Subsequent to June 30, 2020, C\$288,000 was settled by Common Shares and the remaining balance was repaid in full.

On May 12, 2020, the Company issued a promissory note in the amount of \$141,704 (C\$200,000). The note bears no interest and is due on demand after 90 days after the issue date. The promissory note was settled in full subsequent to June 30, 2020.

In June 2020, Hummingbird agreed to extend the scheduled maturity date of the loan to July 31, 2020. An extension of the loan is being negotiated and the loan has not been repaid.

On June 30, 2020, the Company issued a promissory note in the amount of \$75,000 (\$103,988). The note bears no interest and is due on demand. The promissory note was repaid in full subsequent to June 30, 2020.

On June 30, 2020, the Company issued a promissory note in the amount of \$75,000 (\$103,988) to a director of the Company. The note bears no interest and is due on demand. The promissory note was repaid in full subsequent to June 30, 2020.

During the year ended June 30, 2020, the Company issued 1,403,200 June 2019 Units and 1,912,000 August 2019 Units at a deemed price of C\$0.05 as a compensation to a finder valued at C\$165,760 (\$125,180).

On August 14, 2020, the Company closed the first tranche of the August 2020 Offering, issuing 35,212,142 August 2020 Units of the Company at C\$0.35 per August 2020 Unit for gross proceeds of \$9,301,321 (C\$12,324,250). Each August 2020 Unit consisted of one Common Share of the Company and one August 2020 Warrant, which entitles the holder to acquire a Common Share of the Company at C\$0.50 per Common Share of the Company until August 31, 2023. In connection with the first tranche, the Company incurred financing costs of \$709,016 (C\$829,719) and issued 2,112,729 August 2020 Compensation Options. Each August 2020 Compensation Option is exercisable into one August 2020 Unit at an exercise price of C\$0.35 until August 31, 2023.

On August 25, 2020, the Company closed the second tranche of the August 2020 Offering, issuing 20,866,292 August 2020 Units at C\$0.35 per August 2020 Unit for gross proceeds of \$5,510,736 (C\$7,303,202). In connection with the second tranche, the Company incurred financing costs of \$238,140 (C\$314,512) and issued 1,127,178 August 2020 Compensation Options.

The Company also issued 2,205,714 August 2020 Units to settle \$170,093 of accounts payable, \$55,676 of accrued liabilities, \$28,300 of interest payable, and \$331,046 of promissory notes payable at a deemed price of \$0.67 based on the fair value of the units issued. As a result, the Company recorded a loss on debt settlement of \$899,237.

On October 9, 2020, the Company issued 5,572,980 Common Shares at a deemed price of C\$0.50 based on the fair value of the Common Shares issued to settle \$1,600,000 of convertible loan payable and \$500,000 of interest payable. As a result, the Company recorded a gain on debt settlement of \$23,376.

On February 24, 2021, the Company closed a non-brokered private placement of 19,994,080 units of the Company at C\$0.40 per unit for gross proceeds of C\$7,997,632. Each unit consists of one Common Share of the Company and one Common Share purchase warrant, which entitles the holder to acquire one Common Share at a price of C\$0.60 per Common Share for a period of five years. In connection with the financing, the Company paid a cash commission of C\$140,400 and issued 351,000 finder options, which are exercisable into units at an exercise price of C\$0.40 for a period of three years. Pursuant to the offering, certain directors and officers of the Company acquired 626,580 Units. This issuance of such Units in connection with the offering was considered a "related party transaction" as such term is defined under MI 61-101.

The Company has accounted for the warrants issued through units issuance in accordance with ASC Topic 815. These warrants issued through units issuance 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 marks to market at each financial reporting period. The change in fair value of the warrant liability is recorded in the interim condensed consolidated statement of operations and comprehensive loss as a gain or loss and is estimated using the Binomial model.

#### ***Current Assets and Total Assets***

As of December 31, 2020, the Company's balance sheet reflects that the Company had: i) total current assets of \$4,045,618, compared to total current assets of \$243,379 at June 30, 2020 – an increase of \$3,802,239 or approximately 1562%; and ii) total assets of \$6,709,016, compared to total assets of \$732,884 at June 30, 2020 – an increase of \$5,976,132 or approximately 815%. The increase in current assets was due to the increase in cash and cash equivalents and the advance payment of \$2,000,000 paid to Placer Mining.

As of June 30, 2020, the Company's balance sheet reflects that the Company had: i) total current assets of \$243,379, compared to total current assets of \$106,100 at June 30, 2019 – an increase of \$137,279 or approximately 129%; and ii) total assets of \$732,884, compared to total assets of \$227,090 at June 30, 2019 – an increase of \$505,794 or approximately 223%. The increase in current assets was due to the increase in accounts receivable and prepaid expenses.

***Total Current Liabilities and Liabilities***

As of December 31, 2020, the Company's balance sheet reflects that the Company had total current liabilities of \$14,178,553 and total liabilities of \$38,246,613, compared to total current liabilities of \$15,098,294 and total liabilities of \$33,974,803 at June 30, 2020. The decrease in the current liabilities are reflective of decreased in accounts payable, interest payable, convertible loan payable and promissory notes payable, offset by an increase in accrued liabilities due to increased EPA accruals and deferred share units ("DSUs") liability. The increase in total liabilities is reflective of an increase in changes in derivative warrant liability.

As of June 30, 2020, the Company's balance sheet reflects that the Company had total current liabilities of \$15,098,294 and total liabilities of \$33,974,803, compared to total current liabilities of \$8,320,791 and total liabilities of \$8,437,600 at June 30, 2019. These increases are reflective of increased Placer Mining and EPA accruals, promissory notes payable in the company, and changes in derivative warrant liability year-over-year.

***Cash Flow***

During the six months ended December 31, 2020, cash was primarily used to fund activities at the Mine operations. The Company reported a net increase in cash during the six months ended December 31, 2020 as a result of an increase in cash provided by financing activities due to the financing in August 2020, offset by cash flows used in operating and investing activities.

During the fiscal year ended June 30, 2020 cash was primarily used to fund activities at the Mine operations. The Company reported a net increase in cash during the fiscal years ended June 30, 2020 as a result of the proceeds of financing activities, offset by cash used in operating and investing activities.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Not Applicable.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

**BUNKER HILL MINING CORP**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED DECEMBER 31, 2020**  
**AND YEARS ENDED JUNE 30, 2020 AND 2019**  
**(EXPRESSED IN UNITED STATES DOLLARS)**

**BUNKER HILL MINING CORP.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED DECEMBER 31, 2020 AND**  
**YEARS ENDED JUNE 30, 2020 AND 2019**  
**(EXPRESSED IN UNITED STATES DOLLARS)**



**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, 2020 and June 30, 2020, and the related consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' deficiency for the six-month period ended December 31, 2020 and for the years ended June 30, 2020 and June 30, 2019, 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, 2020 and June 30, 2020, and the results of its consolidated operations and its consolidated cash flows for the six-month period ended December 31, 2020 and for the years ended June 30, 2020 and June 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

**Material Uncertainty Related to Going Concern – See also Critical Audit Matter section below**

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered an accumulated deficit and recurring net losses and does not have sufficient working capital which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**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.

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**Critical Audit Matter Description**

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***Going Concern – see also Material Uncertainty Related to Going Concern above***

As described in Note 1 of the consolidated financial statements, the Company has been incurring losses and does not have sufficient working capital needed to meet its current obligations and commitments. In order to continue as a going concern, the Company must seek additional financing.

Significant assumptions and judgements on cash flow projections were made by management in estimating future cash flows, which are subject to high degree of uncertainty.

Refer to Note 1 Nature and Continuance of Operations and Going Concern.

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**Audit Response**

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We responded to this matter by performing audit procedures in relation to the assessment of the ability of the Company to continue as a going concern. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluated the impact of the Company's existing financial arrangements and conditions in relation to the ability to continue as a going concern.
- Obtained an understanding from management on the Company's future plans on the operations including financing arrangements.
- Evaluated the assumptions and estimates on cashflow projections used in the forecast incorporating information established from our understanding above and any materialized arrangements subsequent to the period end.
- Assessed the appropriateness of the related disclosures.

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***Completeness of Accounts Payables and Accrued Liabilities***

The Company had significant exploration expenditures during the six-month period ended December 31, 2020.

Invoices and reconciliation from vendors are not received on timely basis. Estimates may be required to accrue for liabilities.

In addition, the Company is in negotiation with the Environmental Protection Agency ("EPA") on fees charged in the past that the Company disputed due to lack of support provided by EPA.

Due to the uncertainty of completeness of accounts payable and accrued liabilities we consider this to be a critical audit matter.

Refer to Note 3 Significant Account Policies – Use of Estimates and Assumptions and Note 7 Mining Interests.

We responded to this matter by performing audit procedures in relation to completeness of accounts payable and accrued liabilities. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained an understanding from management of the Company's significant vendors. Obtained confirmations from these vendors of payables outstanding at year end and reconciled any discrepancies from these confirmations.
  - Examined selective invoices and payments of expenditures subsequent to the period end to determine if they pertain to current year expenditures.
  - Obtained management's assessment and estimates of accounts payable and accruals and assessed the reasonableness of assumptions made in determining the accruals, including additional fees that may be charged by the EPA.
  - Obtained correspondences related to the EPA status of negotiations and assessed the reasonableness of the payable recorded.
  - Assessed the appropriateness of the related disclosures.
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**Critical Audit Matter Description**

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***Derivative Liability***

The Company had a warrant derivative liability of \$24,006,236 as at December 31, 2020 which was required to be fair value at each period end.

The calculation of the fair value of the warrant liability requires management to use an appropriate valuation model and assumptions on volatility rate and life of the warrants as inputs into the model.

Due to the estimates and assumptions involved in the determination of fair value we consider this to be a critical audit matter.

**Refer to Note 3 Significant Accounting Policies - Use of Estimates and Assumptions, Note 9 Promissory Notes Payable and Note 11 Capital Stock, Warrants and Stock Options.**

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*MNP LLP*

Chartered Professional Accountants  
Licensed Public Accountants

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

Mississauga, Canada

March 31, 2021

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**Audit Response**

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We responded to this matter by performing audit procedures in relation to the derivative liability. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained evidence of the issuance including financing documents, warrant certificates and the terms of the warrants.

- Assessed the mathematical accuracy of management's valuation models and assessed the appropriateness of the assumptions, including volatility rate and life of the warrants, used in the models.

Assessed the appropriateness of the related disclosures.

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

	As at December 31, 2020	As at June 30, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,568,661	\$ 61,973
Accounts receivable	100,032	78,692
Prepaid expenses	376,925	102,714
<b>Total current assets</b>	<b>4,045,618</b>	<b>243,379</b>
<b>Non-current assets</b>		
Equipment (note 4)	435,727	207,810
Right-of-use assets (note 5)	158,731	212,755
Long term deposit (note 6)	2,068,939	68,939
Mining interests (note 6)	1	1
<b>Total assets</b>	<b>\$ 6,709,016</b>	<b>\$ 732,884</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable (notes 6 and 15)	\$ 2,392,761	\$ 4,389,964
Accrued liabilities (notes 6 and 13)	10,560,884	7,216,114
DSU liability (note 12)	1,110,125	549,664
Interest payable (notes 7 and 8)	-	403,933
Convertible loan payable (note 7)	-	1,600,000
Promissory notes payable (note 8)	-	836,592
Current portion of lease liability (note 9)	114,783	102,027
<b>Total current liabilities</b>	<b>14,178,553</b>	<b>15,098,294</b>
<b>Non-current liabilities</b>		
Lease liability (note 9)	61,824	112,712
Derivative warrant liability (notes 8 and 10)	24,006,236	18,763,797
<b>Total liabilities</b>	<b>38,246,613</b>	<b>33,974,803</b>
<b>Shareholders' Deficiency</b>		
Preferred shares, \$0.000001 par value, 10,000,000 preferred shares authorized; Nil preferred shares issued and outstanding (note 10)	-	-
Common shares, \$0.000001 par value, 750,000,000 common shares authorized; 143,117,068 and 79,259,940 common shares issued and outstanding, respectively (note 10)	143	79
Additional paid-in-capital (note 10)	34,551,133	30,133,058
Shares to be issued	-	549,363
Deficit accumulated during the exploration stage	(66,088,873)	(63,924,419)
<b>Total shareholders' deficiency</b>	<b>(31,537,597)</b>	<b>(33,241,919)</b>
<b>Total shareholders' deficiency and liabilities</b>	<b>\$ 6,709,016</b>	<b>\$ 732,884</b>

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

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

	Six Months Ended December 31, 2020	Year Ended June 30, 2020	Year Ended June 30, 2019
<b>Operating expenses</b>			
Operation and administration (notes 10, 11 and 12)	\$ 1,681,093	\$ 1,327,059	\$ 1,189,226
Exploration	8,379,845	8,645,431	6,416,733
Legal and accounting	523,106	268,181	240,969
Consulting (note 15)	657,652	553,152	266,998
Gain on settlement of accounts payable (note 6)	(1,787,300)	-	-
<b>Loss from operations</b>	<b>(9,454,396)</b>	<b>(10,793,823)</b>	<b>(8,113,926)</b>
<b>Other income or gain (expense or loss)</b>			
Change in derivative liability (notes 8 and 10)	10,503,941	(18,843,947)	1,892,488
Gain (loss) on foreign exchange	152,063	(26,625)	(15,261)
Accretion expense (notes 7 and 8)	(118,388)	(359,267)	(734,589)
Interest expense (notes 7 and 8)	(124,367)	(202,426)	(256,029)
Financing costs (note 8)	(360,000)	(30,000)	-
Loss on debt settlement (notes 8 and 10)	(875,861)	(1,056,296)	-
Loss on private placement (note 10)	(940,290)	-	-
Share issuance costs (note 10)	(947,156)	-	-
Loss on loan extinguishment (note 7)	-	(9,407)	(1,204,073)
Loss on sale of equipment	-	-	(10,930)
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (2,164,454)</b>	<b>\$ (31,321,791)</b>	<b>\$ (8,442,320)</b>
<b>Net loss per common share</b>			
- basic and fully diluted	\$ (0.02)	\$ (0.47)	\$ (2.14)
<b>Weighted average number of common shares</b>			
- basic and fully diluted	124,424,407	67,180,554	3,951,072

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)**

	Six Months Ended December 31, 2020	Year Ended June 30, 2020	Year Ended June 30, 2019
<b>Operating activities</b>			
Net loss for the year	\$ (2,164,454)	\$ (31,321,791)	\$ (8,442,320)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation	1,411,657	1,047,388	43,403
Depreciation expense	106,808	123,956	9,897
Change in fair value of warrant liability	(10,503,941)	18,843,947	(1,892,488)
Accretion expense	118,388	359,267	734,589
Financing costs	360,000	30,000	-
Loss on loan extinguishment	-	9,407	1,204,073
Interest expense on lease liability (note 9)	10,038	27,062	-
Foreign exchange loss (gain) on re-translation of lease liability (note 9)	13,334	(10,766)	-
Loss on debt settlement	875,861	1,056,296	-
Loss on private placement	940,290	-	-
Share issuance costs	947,156	-	-
Loss on sale of equipment	-	-	10,930
Changes in operating assets and liabilities:			
Accounts receivable	(21,340)	(35,828)	186,182
Deposit	-	-	90,248
Prepaid expenses	(274,211)	(67,542)	553,458
Long term deposit	-	-	(68,939)
Accounts payable	(1,827,113)	1,479,992	2,670,639
Accrued liabilities	3,402,435	4,320,089	2,421,011
Other liabilities	-	(11,117)	(110)
Interest payable	124,367	202,426	198,219
<b>Net cash used in operating activities</b>	<b>(6,480,725)</b>	<b>(3,947,214)</b>	<b>(2,281,208)</b>
<b>Investing activities</b>			
Deposit on mining interest	(2,000,000)	-	-
Purchase of machinery and equipment	(280,701)	(219,528)	(6,555)
Proceeds on disposal of equipment	-	-	10,000
<b>Net cash used in investing activities</b>	<b>(2,280,701)</b>	<b>(219,528)</b>	<b>3,445</b>
<b>Financing activities</b>			
Proceeds from convertible loan payable	-	-	500,000
Proceeds from issuance of common stock	13,315,538	2,428,530	1,195,830
Proceeds from warrants exercised	-	417,006	-
Shares to be issued	-	549,363	107,337
Lease payments	(61,504)	(120,690)	-
Proceeds from promissory note	840,000	1,084,536	-
Repayment of promissory note	(1,825,920)	(158,094)	-
<b>Net cash provided by financing activities</b>	<b>12,268,114</b>	<b>4,200,651</b>	<b>1,803,167</b>
<b>Net change in cash and cash equivalents</b>	<b>3,506,688</b>	<b>33,909</b>	<b>(474,596)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>61,973</b>	<b>28,064</b>	<b>502,660</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,568,661</b>	<b>\$ 61,973</b>	<b>\$ 28,064</b>

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

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	<b>Six Months Ended December 31, 2020</b>	<b>Year Ended June 30, 2020</b>	<b>Year Ended June 30, 2019</b>
<b>Supplemental disclosures</b>			
Non-cash activities:			
Common stock issued to settle accounts payable, accrued liabilities, interest payable, and promissory notes	\$ 1,085,115	\$ 717,673	\$ -
Common stock issued to settle convertible loan	1,600,000	300,000	100,000
Disposal of equipment used to settle accounts payable	-	-	20,930
Stock options exercised used to settle accrued liabilities	-	-	268,930

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	Shares to be issued	Deficit accumulated during the exploration stage	Total
	Shares	Amount				
<b>Balance, June 30, 2018</b>	<b>3,301,372</b>	<b>\$ 3</b>	<b>\$ 23,397,259</b>	<b>\$ -</b>	<b>\$(24,160,308)</b>	<b>\$ (763,046)</b>
Stock-based compensation	-	-	43,403	-	-	43,403
Units issued at \$3.42 per share (i)	160,408	-	549,333	-	-	549,333
Units issued at \$0.57 per share (ii)	645,866	1	365,340	-	-	365,341
Units issued at \$0.04 per share (iii)	11,660,000	12	436,596	-	-	436,608
Stock options exercised	43,750	-	268,930	-	-	268,930
Issue costs	-	-	(55,452)	-	-	(55,452)
Shares to be issued	-	-	-	107,337	-	107,337
Warrant valuation	-	-	(720,644)	-	-	(720,644)
Net loss for the year	-	-	-	-	(8,442,320)	(8,442,320)
<b>Balance, June 30, 2019</b>	<b>15,811,396</b>	<b>\$ 16</b>	<b>\$ 24,284,765</b>	<b>\$ 107,337</b>	<b>\$(32,602,628)</b>	<b>\$ (8,210,510)</b>
Stock-based compensation	-	-	497,724	-	-	497,724
Shares and units issued at \$0.04 per share (iii)	35,008,956	35	1,315,691	(107,337)	-	1,208,389
Units issued for debt settlement at \$0.09 per share	16,962,846	17	1,499,034	-	-	1,499,051
Shares issued for debt settlement at \$0.14 per share	2,033,998	2	274,916	-	-	274,918
Shares issued at \$0.42 per share (iv)	3,098,216	3	1,301,522	-	-	1,301,525
Shares issued for debt settlement at \$0.42 per share (iv)	696,428	1	299,999	-	-	300,000
Finder's units issued	3,315,200	3	125,177	-	-	125,180
Finder's warrants issued	-	-	50,223	-	-	50,223
Warrants exercised at \$0.18 per share (v)	2,332,900	2	1,288,714	-	-	1,288,716
Issue costs	-	-	(336,480)	-	-	(336,480)
Warrant valuation	-	-	(468,227)	-	-	(468,227)
Shares to be issued	-	-	-	549,363	-	549,363
Net loss for the year	-	-	-	-	(31,321,791)	(31,321,791)
<b>Balance, June 30, 2020</b>	<b>79,259,940</b>	<b>\$ 79</b>	<b>\$ 30,133,058</b>	<b>\$ 549,363</b>	<b>\$(63,924,419)</b>	<b>\$(33,241,919)</b>
Stock-based compensation	-	-	851,196	-	-	851,196
Units issued at \$0.26 per unit (vi)	56,078,434	56	14,812,001	(549,363)	-	14,262,694
Units issued for debt settlement at \$0.67 per unit	2,205,714	2	1,484,350	-	-	1,484,352
Shares issued for debt settlement at \$0.37 per share (vii)	5,572,980	6	2,076,618	-	-	2,076,624
Warrant valuation	-	-	(14,806,090)	-	-	(14,806,090)
Net loss for the period	-	-	-	-	(2,164,454)	(2,164,454)
<b>Balance, December 31, 2020</b>	<b>143,117,068</b>	<b>\$ 143</b>	<b>\$ 34,551,133</b>	<b>\$ -</b>	<b>\$(66,088,873)</b>	<b>\$(31,537,597)</b>

- (i) Units issued at C\$4.50, converted to US at \$3.42 (note 10)
- (ii) Units issued at C\$0.75, converted to US at \$0.57 (note 10)
- (iii) Shares and units issued at C\$0.05, converted to US at \$0.04 (note 10)
- (iv) Shares issued at C\$0.56, converted to US at \$0.42 (note 10)
- (v) Shares issued upon warrants exercised at C\$0.25, converted to US at \$0.18 (note 10)
- (vi) Units issued at C\$0.35, converted to US at \$0.26 (note 10)
- (vii) Shares issued at C\$0.49, converted to US at \$0.37 (note 10)

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

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**Bunker Hill Mining Corp.**  
**Notes to Consolidated Financial Statements**  
**Six Months Ended December 31, 2020 and Years Ended June 30, 2020 and 2019**  
**(Expressed in United States Dollars)**

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**1. Nature and continuance of operations and going concern**

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-KT, the Company had one subsidiary, Silver Valley Metals Corp. (formerly American Zinc Corp.), an Idaho corporation created to facilitate the work being conducted at the Bunker Hill Mine in Idaho.

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

These consolidated financial statements have been prepared on a going concern basis. The Company has incurred losses since inception resulting in an accumulated deficit of \$66,088,873 and further losses are anticipated in the development of its business. The Company does not have sufficient working capital needed to meet its current fiscal obligations and commitments. In order to continue to meet its fiscal obligations in the current fiscal year and beyond, the Company must seek additional financing. This raises substantial doubt about the Company’s ability to continue as a going concern. Its ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management is considering various financing alternatives including, but not limited to, raising capital through the capital markets and debt financing. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

The ability of the Company to emerge from the exploration stage is dependent upon, among other things, obtaining additional financing to continue operations, explore and develop the mineral properties and the discovery, development, and sale of reserves.

These financial statements of the Company for the six months ended December 31, 2020 were approved and authorized for issue by the Board of Directors of the Company on March 30, 2021.

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of epidemics, pandemics, or other health crises, including the recent outbreak of respiratory illness caused by the novel coronavirus (“COVID-19”). The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations.



## **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 functional currency.

In February 2021, the Company changed its fiscal year from June 30 to December 31. As a result, the Company is reporting financial information for the transition period from July 1, 2020 to December 31, 2020. Subsequent to the transition period, the Company will cover the period beginning January 1 and ending December 31, which will be the Company's fiscal year. See note 18 for unaudited comparative period information.

## **3. Significant accounting policies**

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

### **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 has been in the exploration stage since its formation on February 20, 2007 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties.

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.

### **3. Significant accounting policies (continued)**

#### **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 and comprehensive loss.

The Company is required to make additional payments for certain variable costs. These costs are expensed and included in operation and administration expenses in the consolidated statements of loss and comprehensive loss. 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 cash flow models used to assess impairment. The ability to achieve the estimated quantities of recoverable minerals from exploration 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.

### **3. Significant accounting policies (continued)**

#### **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 and cash equivalents, accounts receivable excluding HST, accounts payable, accrued liabilities, interest payable, convertible loan payable, promissory notes payable, lease liability, and other liabilities, 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 Company measured its DSU liability at fair value on recurring basis using level 1 inputs and derivative warrant liabilities at fair value on recurring basis using level 3 inputs.

#### **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. No costs have been recognized by the Company for environmental expenditures.

### **3. Significant accounting policies (continued)**

#### **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.

FASB 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, 2020 and June 30, 2020, the Company has not taken any tax positions that would require disclosure under FASB ASC 740.

#### **Basic and diluted net loss per share**

The Company computes net loss per share in accordance with FASB ASC 260, Earnings per Share (“FASB ASC 260”). Under the provisions of FASB ASC 260, basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and warrants and the conversion of convertible loan payable. As of December 31, 2020, 8,015,159 stock options, 95,777,806 warrants, and 3,239,907 broker options were considered in the calculation but not included, as they were anti-dilutive (June 30, 2020 - 7,580,159 stock options, 37,844,404 warrants, and nil 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.

### **3. Significant accounting policies (continued)**

#### **Restricted share units (“RSUs”)**

The Company estimates the grant date fair value of RSUs using the Company’s common shares 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 shares 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 as discussed in note 1.

##### *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.

##### *Convertible loans, promissory notes and warrants*

Estimating the fair value of derivative warrant liability and conversion feature derivative 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 and conversion feature derivative liability, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value of warrants and conversion feature derivative liability are disclosed in notes 7, 8 and 10.

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.

### **3. Significant accounting policies (continued)**

#### **Concentrations of credit risk**

The Company's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents 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 mineralized material exploration industry that is subject to significant risks and uncertainties, including financial, operational, and other risks associated with operating a mineralized material 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.

#### **Segment reporting**

FASB ASC 280-10, Disclosures about Segments of an Enterprise and Related Information, establishes standards for the way that public business enterprises report information about operating segments in the Company's consolidated financial statements. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has one operating segment and reporting unit. The Company operates in one reportable business segment and is organized and operated as one business. Management reviews its business as a single operating segment, using financial and other information rendered meaningful only by the fact that such information is presented and reviewed in the aggregate.

#### **Convertible loans and promissory notes payable**

The Company reviews the terms of its convertible loans and promissory notes payable to determine whether there are embedded derivatives, including the embedded conversion option, that are required to be bifurcated and accounted for as individual derivative financial instruments. In circumstances where the convertible debt 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.

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 presents its embedded derivatives and related debenture host contracts as separate instruments on the consolidated balance sheets.

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**4. Equipment**

Equipment consists of the following:

	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Equipment	\$ 509,279	\$ 228,578
	509,279	228,578
Less accumulated depreciation	(73,552)	(20,768)
Equipment, net	<u>\$ 435,727</u>	<u>\$ 207,810</u>

The total depreciation expense during the six months ended December 31, 2020 was \$52,784 (years ended June 30, 2020 and 2019 - \$17,577 and \$9,897, respectively).

**5. Right-of-use asset**

Right-of-use asset consists of the following:

	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Office lease	\$ 319,133	319,133
Less accumulated depreciation	(160,402)	(106,378)
Right-of-use asset, net	<u>\$ 158,731</u>	<u>\$ 212,755</u>

The total depreciation expense during the six months ended December 31, 2020 was \$54,024 (years ended June 30, 2020 and 2019 - \$106,378 and \$nil, respectively).

**6. Mining interests**

**Bunker Hill Mine Complex**

On November 27, 2016, the Company entered into a non-binding letter of intent with Placer Mining Corp. (“Placer Mining”), which letter of intent was further amended on March 29, 2017, to acquire the Bunker Hill Mine in Idaho and its associated milling facility located in Kellogg, Idaho, in the Coeur d’Alene Basin (as amended, the “Letter of Intent”). Pursuant to the terms and conditions of the Letter of Intent, the acquisition, which was subject to due diligence, would include all mining claims, surface rights, fee parcels, mineral interests, existing infrastructure, machinery and buildings at the Kellogg Tunnel portal in Milo Gulch, or anywhere underground at the Bunker Hill Mine Complex. The acquisition would also include 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.

During the year ended June 30, 2017, the Company made payments totaling \$300,000 as part of this Letter of Intent. These amounts were initially capitalized and subsequently written off during fiscal 2018 and were included in exploration expenses.

On August 28, 2017, the Company announced that it signed a definitive agreement (the “Agreement”) for the lease and option to purchase the Bunker Hill Mine assets (the “Bunker Assets”).

**6. Mining interests (continued)**

**Bunker Hill Mine Complex (continued)**

Under the terms of the Agreement, the Company was required to make a \$1,000,000 bonus payment to Placer Mining no later than October 31, 2017, which payment was made, along with two additional \$500,000 bonus payments in December 2017. The 24-month lease commenced November 1, 2017. During the term of the lease, the Company was to make \$100,000 monthly mining lease payments, paid quarterly.

The Company had an option to purchase the Bunker Assets at any time before the end of the lease and any extension for a purchase price of \$45,000,000 with purchase price payments to be made over a ten-year period to Placer Mining. Under the terms of the agreement, there is a 3% net smelter return royalty ("NSR") on sales during the lease and a 1.5% NSR on the sales after the purchase option is exercised, which post-acquisition NSR is capped at \$60,000,000.

On October 2, 2018, the Company announced that it was in default of the Agreement. The default arose as a result of missed lease and operating cost payments, totaling \$400,000, which were due at the end of September and on October 1, 2018. As per the Agreement, the Company had 15 days, from the date notice of default was provided (September 28, 2018), to remediate the default by making the outstanding payment. While management worked with urgency to resolve this matter, management was ultimately unsuccessful in remedying the default, resulting in the Agreement being terminated.

On November 13, 2018, the Company announced that it was successful in renewing the Agreement, effectively with the original Agreement intact, except that monthly payments were reduced to \$60,000 per month for 12 months, with the accumulated reduction in payments of \$140,000 per month ("deferred payments") being accrued. As at December 31, 2020, the Company has accrued for a total of \$nil (June 30, 2020 - \$1,847,300), which is included in accounts payable. These deferred payments will be waived should the Company choose to exercise its option.

On November 1, 2019, the Agreement was amended (the "Amended Agreement"). The key terms of the Amended Agreement are as follows:

- The lease period was extended for an additional period of nine months to August 1, 2020, with the option to extend for a further six months based upon payment of a one time \$60,000 extension fee (extended);
- The Company will make monthly care and maintenance payments to Placer Mining of \$60,000 until exercising the option to purchase; and
- The purchase price is set at \$11,000,000 for 100% of the Bunker Assets to be paid with \$6,200,000 in cash, and \$4,800,000 in common shares. The purchase price also includes the negotiable United States Environmental Protection Agency ("EPA") costs of \$20,000,000. The Amended Agreement provides for the elimination of all royalty payments that were to be paid to the mine owner. Upon signing the Amended Agreement, the Company paid a one-time, non-refundable cash payment of \$300,000 to the mine owner. This payment will be applied to the purchase price upon execution of the purchase option. In the event the Company elects not to exercise the purchase option, the payment shall be treated as an additional care and maintenance payment.

On July 27, 2020, the Company extended the lease with Placer Mining for a further 18 months for a \$150,000 extension fee. This extension expires on August 1, 2022.



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**6. Mining interests (continued)**

**Bunker Hill Mine Complex (continued)**

On November 20, 2020, the Company signed a further amendment to the Amended Agreement. Under the terms of this amendment:

- The Company will continue to make monthly care and maintenance payments to Placer Mining of \$60,000 until exercising the option to purchase;
- The purchase price was reduced to \$7,700,000 in cash, with \$5,700,000 payable in cash (with an aggregate of \$300,000 to be credited toward the purchase price of the Bunker Assets as having been previously paid by the Company and an aggregate of \$5,400,000 payable in cash outstanding) and \$2,000,000 in common shares. The reference price for the payment in common shares will be based on the common share price of the last equity raise before the option is exercised;
- The Company's contingent obligation to settle \$1,787,300 of accrued payments due to Placer Mining has been waived. As a result, the Company recorded a gain on settlement of accounts payable of \$1,787,300; and
- The Company is to make an advance payment of \$2,000,000 (paid) to Placer Mining which shall be credited toward the purchase price if and when the Company elects to exercise its purchase right. In the event that the Company irrevocably elects not to exercise its purchase right, the advance payment of \$2,000,000 will be repaid to the Company within twelve months from the date of such election. This payment had the effect of decreasing the remaining amount payable to purchase the Bunker Assets to an aggregate of \$3,400,000 payable in cash and \$2,000,000 in common shares of the Company.

In addition to the payments to Placer Mining, and pursuant to an agreement with the EPA whereby for so long as Bunker leases, owns and/or occupies the Bunker Hill Mine, the Company will make payments to the EPA on behalf of the current owner in satisfaction of the EPA's claim for cost recovery. These payments, if all are made, will total \$20,000,000. The agreement calls for payments starting with \$1,000,000 30 days after a fully ratified agreement was signed followed by a payment schedule detailed below:

<b>Date</b>	<b>Amount</b>	<b>Action</b>
Within 30 days of the effective date	\$ 1,000,000	Paid
November 1, 2018	\$ 2,000,000	Not paid
November 1, 2019	\$ 3,000,000	Not paid
November 1, 2020	\$ 3,000,000	Not paid
November 1, 2021	\$ 3,000,000	
November 1, 2022	\$ 3,000,000	
November 1, 2023	\$ 3,000,000	
November 1, 2024	\$ 2,000,000	

In addition to these cost recovery payments, the Company is to make semi-annual payments of \$480,000 on June 1 and December 1 of each year, to cover the EPA's costs of operating and maintaining the water treatment facility that treats the water being discharged from the Bunker Hill Mine. The Company also has received invoices from the EPA for additional water treatment charges for the periods from December 2017 to October 2019. A total of \$2,309,388 was outstanding as at December 31, 2020 (June 30, 2020 and 2019 - \$2,309,388 and 1,209,530, respectively). The Company, having requested and subsequently received supporting detail from the EPA began, in late September 2020, the process of reconciling and reviewing these invoices. The unpaid EPA balance is subject to interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund. As at December 31, 2020, the interest accrued on the unpaid EPA balance is \$162,540 (June 30, 2020 - \$89,180).

As of December 31, 2020, the Company has accrued an estimate for additional water treatment charges based on 2018 and 2019 invoices received from the EPA, for a total of an additional annual accrual of \$640,000. The Company has included all unpaid and accrued EPA payments and accrued interest in accounts payable and accrued liabilities amounting to \$11,298,594 (June 30, 2020 - \$11,096,542).

## **7. Convertible loan payable**

On June 13, 2018, the Company entered into a loan and warrant agreement with Hummingbird Resources PLC (“Hummingbird”), an arm’s length investor, for an unsecured convertible loan in the aggregate sum of \$1,500,000, bearing interest at 10% per annum, maturing in one year. Contemporaneously, the Company agreed to issue 229,464 share purchase warrants, entitling the lender to acquire 229,464 common shares of the Company, at a price of C\$8.50 per common share, for two years. Under the terms of the loan agreement, the lender may, at any time prior to maturity, convert any or all of the principal amount of the loan and accrued interest thereon, into common shares of the Company at a price per share equal to C\$8.50. In the event that a notice of conversion would result in the lender holding 10% or more of the Company’s issued and outstanding shares, then, in the alternative, and under certain circumstances, the Company would be required to pay cash to the lender in an amount equal to C\$8.50 multiplied by the number of shares intended to be issued upon conversion. Further, in the event that the lender holds more than 5% of the issued and outstanding shares of the Company subsequent to the exercise of any of its convertible securities held under this placement, it shall have the right to appoint one director to the board of the Company. Lastly, among other things, the loan agreement further provides that for as long as any amount is outstanding under the convertible loan, the investor retains a right of first refusal on any Company financing or joint venture/strategic partnership/disposal of assets.

In August 2018, the amount of the Hummingbird convertible loan payable was increased to \$2,000,000 from its original \$1,500,000 loan, net of \$45,824 of debt issue costs. An additional 116,714 warrants with each warrant exercisable at C\$4.50 were issued. Under the terms of the amended and restated loan agreement, Hummingbird may, at any time prior to maturity, convert any or all of the principal amount of the loan and accrued interest thereon, into common shares of Bunker as follows: (i) \$1,500,000, being the original principal amount (the “Principal Amount”), may be converted at a price per share equal to C\$8.50; (ii) 229,464 common shares may be acquired upon exercise of warrants at a price of C\$8.50 per warrant for a period of two years from the date of issuance; (iii) \$500,000, being the additional principal amount (the “Additional Amount”), may be converted at a price per share equal to C\$4.50; and (iv) 116,714 common shares may be acquired upon exercise of warrants at a price of C\$4.50 per warrant for a period of two years from the date issuance. In the event that Hummingbird would acquire common shares in excess of 9.999% through the conversion of the Principal Amount or the Additional Amount, including interest accruing thereon, or on exercise of the warrants as disclosed herein, the Company shall pay to Hummingbird a cash amount equal to the common shares exercised in excess of 9.999%, multiplied by the conversion price.

During the year ended June 30, 2019, Hummingbird agreed to extend the scheduled maturity date of the loan to June 30, 2020. This was accounted for as a loan extinguishment which resulted in the recording of a net loss on loan extinguishment of \$1,195,880.

In June 2019, the Company settled \$100,000 of the Additional Amount by issuing 2,660,000 common shares, which resulted in the recording of a net loss on loan extinguishment of \$8,193.

In February 2020, the Company settled \$300,000 of the Additional Amount by issuing 696,428 common shares, which resulted in the recording of a net loss on loan extinguishment of \$9,407.

In June 2020, Hummingbird agreed to extend the scheduled maturity date of the loan to July 31, 2020.

In October 2020, the Company settled the full amount of the outstanding loan by issuing 5,572,980 common shares at a deemed price of C\$0.49 based on the fair value of the shares issued. As a result, the Company recorded a gain on debt settlement of \$23,376 on the consolidated statements of loss and comprehensive loss.

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**7. Convertible loan payable (continued)**

The Company has accounted for the conversion features and warrants in accordance with ASC Topic 815. The conversion features and warrants are considered derivative financial liabilities as they are convertible into common shares at a conversion price denominated in a currency other than the Company's functional currency of the U.S. dollar. The estimated fair value of the conversion features and warrants was determined on the date of issuance and marks to market at each financial reporting period. As at December 31, 2020, the fair values of the conversion feature and warrants were \$nil (June 30, 2020 - \$nil).

Accretion expense for the six months ended December 31, 2020 was \$nil (years ended June 30, 2020 and 2019 - \$146,266 and \$734,589, respectively) based on an effective interest rate of 16% after the loan extension.

Interest expense for the six months ended December 31, 2020 was \$118,767 (years ended June 30, 2020 and 2019 - \$179,726 and \$198,219, respectively). As at December 31, 2020, the Company has an outstanding interest payable of \$nil (June 30, 2020 - \$381,233).

	<u>Amount</u>
Balance, June 30, 2019	\$ 1,744,327
Accretion expense	146,266
Loss on loan extinguishment	9,407
Partial extinguishment	(300,000)
Balance, June 30, 2020	<u>\$ 1,600,000</u>
Loan extinguishment	(1,600,000)
Balance, December 31, 2020	<u>\$ -</u>

**8. Promissory notes payable**

(i) On November 13, 2019, the Company issued a promissory note in the amount of \$300,000. The note was unsecured, bore interest of 1% monthly, and is due on demand after 90 days from issuance. In consideration for the loan, the Company issued 400,000 common share purchase warrants to the lender. Each whole warrant entitles the lender to acquire one common share of the Company at a price of C\$0.80 per share for a period of two years.

On April 24, 2020, the Company extended the maturity date of the promissory note payable to August 1, 2020. In consideration, the Company issued 400,000 common share purchase warrants to the lender at an exercise price of C\$0.50. The warrants expire on November 13, 2021. This was accounted for as a loan modification.

During the six months ended December 31, 2020, the Company repaid \$110,658 of the promissory note and settled the remaining balance of \$218,281 (C\$288,000), which included interest payable of \$28,939, in full by issuing 822,857 August 2020 Units (as defined in note 10), recognizing a loss on debt settlement of \$335,467.

The Company has accounted for the warrants in accordance with ASC Topic 815. The warrants are considered derivative financial liabilities as they are convertible into common shares at a conversion price denominated in a currency other than the Company's functional currency of the US dollar. The estimated fair value of the warrants was determined on the date of issuance and marks to market at each financial reporting period.

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**8. Promissory notes payable (continued)**

(i) (continued)

The fair value of the warrants were estimated using the Binomial model to determine the fair value of the derivative warrant liabilities using the following assumptions:

<b>November 2019 issuance</b>	<b>June 30, 2020</b>	<b>December 31, 2020</b>
Expected life	501 days	317 days
Volatility	100%	100%
Risk free interest rate	0.94%	0.64%
Dividend yield	0%	0%
Share price	\$ 0.73	\$ 0.41
Fair value	\$ 150,161	\$ 40,999
Change in derivative liability		\$ 109,162

<b>April 2020 issuance</b>	<b>June 30, 2020</b>	<b>December 31, 2020</b>
Expected life	501 days	317 days
Volatility	100%	100%
Risk free interest rate	0.30%	0.27%
Dividend yield	0%	0%
Share price	\$ 0.73	\$ 0.41
Fair value	\$ 186,410	\$ 58,373
Change in derivative liability		\$ 128,037

Accretion expense for the six months ended December 31, 2020 was \$51,522 (years ended June 30, 2020 and 2019 - \$155,001 and \$nil, respectively) based on an effective interest rate of 11% after the loan extension.

Interest expense for the six months ended December 31, 2020 was \$5,600 (years ended June 30, 2020 and 2019 - \$22,700 and \$nil, respectively). As at December 31, 2020, the Company has an outstanding interest payable of \$nil (June 30, 2020 - \$22,700).

	<b>Amount</b>
Balance, June 30, 2019	\$ -
Proceeds on issuance	300,000
Warrant valuation	(206,523)
Accretion expense	155,001
Balance, June 30, 2020	\$ 248,478
Accretion expense	51,522
Debt settlement	(189,342)
Repayment	(110,658)
Balance, December 31, 2020	\$ -

**8. Promissory notes payable (continued)**

(ii) On December 31, 2019, the Company issued a promissory note in the amount of \$82,367 (C\$107,000). The note bore no interest and was due on demand. This promissory note was repaid during the year ended June 30, 2020.

(iii) On January 29, 2020, the Company issued a promissory note in the amount of \$75,727 (C\$100,000). The note bore no interest and was due on demand. This promissory note was repaid during the year ended June 30, 2020.

(iv) On May 12, 2020, the Company issued a promissory note in the amount of \$362,650 (C\$500,000), net of \$89,190 of debt issue costs. The note bore no interest and was due on demand after 90 days after the issue date. This promissory note was repaid during the six months ended December 31, 2020. Accretion expense for the six months ended December 31, 2020 was \$47,737 (years ended June 30, 2020 and 2019 - \$41,453 and \$nil, respectively) based on effective interest rate of 7%.

(v) On May 12, 2020, the Company issued a promissory note in the amount of \$141,704 (C\$200,000), net of \$35,676 of debt issue costs. The note bore no interest and was due on demand after 90 days after the issue date. During the six months ended December 31, 2020, the Company settled the promissory note in full by issuing 714,285 common shares (see note 10). As a result, the Company recorded a loss on debt settlement of \$291,203 on the consolidated statements of loss and comprehensive loss. Accretion expense for the six months ended December 31, 2020 was \$19,129 (years ended June 30, 2020 and 2019 - \$16,547 and \$nil, respectively) based on an effective interest rate of 8%.

(vi) On June 30, 2020, the Company issued a promissory note in the amount of \$75,000, net of \$15,000 of debt issue costs. The note bore no interest and was due on demand. This promissory note was repaid in full during the six months ended December 31, 2020. Financing cost for the six months ended December 31, 2020 was \$nil (years ended June 30, 2020 and 2019 - \$15,000 and \$nil, respectively).

(vii) On June 30, 2020, the Company issued a promissory note in the amount of \$75,000 to a director of the Company. The note bore no interest and was due on demand. This promissory note was repaid in full during the six months ended December 31, 2020. Financing cost for the six months ended December 31, 2020 was \$nil (years ended June 30, 2020 and 2019 - \$15,000 and \$nil, respectively).

(viii) On July 13, 2020, the Company issued a promissory note in the amount of \$1,200,000, net of \$360,000 debt issue costs. The note bore no interest and was due on August 31, 2020. This promissory note was repaid in full during the six months ended December 31, 2020. Financing cost for the six months ended December 31, 2020 was \$360,000 (years ended June 30, 2020 and 2019 - \$nil).

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**9. Lease liability**

The Company has an operating lease for office space that expires in 2022. Below is a summary of the Company's lease liability as of December 31, 2020:

	<u>Office lease</u>
Balance, June 30, 2019	\$ -
Addition	319,133
Interest expense	27,062
Lease payments	(120,690)
Foreign exchange gain	(10,766)
Balance, June 30, 2020	<u>214,739</u>
Addition	-
Interest expense	10,038
Lease payments	(61,504)
Foreign exchange loss	(13,334)
Balance, December 31, 2020	<u>176,607</u>
Less: current portion	(114,783)
Long-term lease liability	<u>\$ 61,824</u>

In addition to the minimum monthly lease payments of C\$13,504, the Company is required to make additional monthly payments amounting to C\$12,505 for certain variable costs. The schedule below represents the Company's obligations under the lease agreement in Canadian dollars.

	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>Total</u>
Base rent	\$ 162,048	\$ 67,520	\$ -	\$ 229,568
Additional rent	150,060	62,524	-	212,584
	<u>\$ 312,108</u>	<u>\$ 130,044</u>	<u>\$ -</u>	<u>\$ 442,152</u>

The monthly rental expenses are offset by rental income obtained through a series of short term subleases held by the Company.

**10. Capital stock, warrants and stock options**

**Authorized**

The total authorized capital is as follows:

- 750,000,000 common shares with a par value of \$0.000001 per common share; and
- 10,000,000 preferred shares with a par value of \$0.000001 per preferred share

On May 23, 2019, the Company affected a consolidation of its issued and outstanding share capital on the basis of one (1) post-consolidation share for each ten (10) pre-consolidation common shares, which has been retrospectively applied in these consolidated financial statements.

On July 19, 2019, the Company amended its articles of incorporation to change the total authorized capital and the par values, which have been retrospectively applied in these consolidated financial statements.

## **10. Capital stock, warrants and stock options (continued)**

### **Issued and outstanding**

On June 27, 2019, the Company closed the first tranche (the "First Tranche") of a non-brokered private placement, issuing 11,660,000 units ("June 2019 Unit") at a price of C\$0.05 per June 2019 Unit for gross proceeds of C\$583,000 (\$436,608) and incurring financing costs of \$19,640. Each June 2019 Unit consists of one common share of the Company and one common share purchase warrant ("June 2019 Warrant"). Each whole June 2019 Warrant entitles the holder to acquire one common share at a price of C\$0.25 per common share for a period of two years. As a part of the First Tranche, Hummingbird has acquired 2,660,000 June 2019 Units for C\$133,000 (\$100,000) which was applied to reduction of the principal amount owing under the convertible loan facility (see note 7).

On August 1, 2019, the Company closed the second and final tranche of the non-brokered private placement, issuing 6,042,954 units (the "August 2019 Units") at C\$0.05 per August 2019 Unit for gross proceeds of C\$302,148 (\$228,202) and incurring financing costs of \$36,468. Each August 2019 Unit consists of one common share of the Company and one common share purchase warrant, which entitles the holder to acquire one common share at a price of C\$0.25 per common share for a period of two years. The Company also issued 16,962,846 August 2019 Units to settle \$640,556 of debt at a deemed price of C\$0.09 based on the fair value of the shares issued. As a result, the Company recorded resulting in loss on debt settlement of \$858,495.

On August 23, 2019, the Company closed the first tranche of a non-brokered private placement, issuing 27,966,002 common shares of the Company at C\$0.05 per common share for gross proceeds of C\$1,398,300 (\$1,049,974) and incurring financing costs of \$28,847. The Company also issued 2,033,998 common shares to settle \$77,117 of debt at a deemed price of C\$0.18 based on the fair value of the shares issued. As a result, the Company recorded a loss on debt settlement of \$197,800.

On August 30, 2019, the Company closed the second and final tranche of the non-brokered private placement, issuing 1,000,000 common shares at C\$0.05 per common share for gross proceeds of C\$50,000 (\$37,550).

On February 26, 2020, the Company closed a non-brokered private placement, issuing 2,991,073 common shares of the Company at C\$0.56 per common share for gross proceeds of C\$1,675,000 (\$1,256,854) and incurring financing costs of \$95,763, and issuing 239,284 broker warrants. Each broker warrant entitles the holder to acquire one common share at a price of C\$0.70 per common share for a period of two years. The Company also issued 696,428 common shares for \$300,000 which was applied to reduce the principal amount owing under the convertible loan facility (see note 7).

On May 12, 2020, the Company closed a non-brokered private placement, issuing 107,143 common shares of the Company at C\$0.56 per common share for gross proceeds of C\$60,000 (\$44,671).

During the year ended June 30, 2020, the Company issued 1,403,200 June 2019 Units and 1,912,000 August 2019 Units at a deemed price of C\$0.05 as finder's fees with a total value of C\$165,760 (\$125,180) to a shareholder of the Company.

On August 14, 2020, the Company closed the first tranche of a brokered private placement of units of the Company (the "August 2020 Offering"), issuing 35,212,142 units of the Company ("August 2020 Units") at C\$0.35 per August 2020 Unit for gross proceeds of \$9,301,321 (C\$12,324,250). Each August 2020 Unit consisted of one common share of the Company and one common share purchase warrant of the Company (each, an "August 2020 Warrant"), which entitles the holder to acquire a common share of the Company at C\$0.50 per common share until August 31, 2023. In connection with the first tranche of the August 2020 Offering, the Company incurred share issuance costs of \$709,488 (C\$849,978) and issued 2,112,729 compensation options (the "August 2020 Compensation Options"). Each August 2020 Compensation Option is exercisable into one August 2020 Unit at an exercise price of C\$0.35 until August 31, 2023.

On August 25, 2020, the Company closed the second tranche of the August 2020 Offering, issuing 20,866,292 August 2020 Units at C\$0.35 per August 2020 Unit for gross proceeds of \$5,510,736 (C\$7,303,202). In connection with the second tranche of the August 2020 Offering, the Company incurred share issuance costs of \$237,668 (C\$314,512) and issued 1,127,178 August 2020 Compensation Options.

In the August 2020 Offering, the fair value of warrants, which are treated as a liability and fair value accounted for, were greater than gross proceeds. As a result, a loss of \$940,290 has been recognized in the consolidated statements of loss and \$947,156 of total share issue costs were also expensed.

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**10. Capital stock, warrants and stock options (continued)**

**Issued and outstanding (continued)**

The Company also issued 2,205,714 August 2020 Units to settle \$177,353 of accounts payable, \$55,676 of accrued liabilities, \$28,300 of interest payable, and \$344,185 of promissory notes payable at a deemed price of \$0.67 based on the fair value of the units issued. As a result, the Company recorded a loss on debt settlement of \$899,237.

On October 9, 2020, the Company issued 5,572,980 common shares at a deemed price of C\$0.49 based on the fair value of the common shares issued to settle \$1,600,000 of convertible loan payable and \$500,000 of interest payable. As a result, the Company recorded a gain on debt settlement of \$23,376.

For each financing, the Company has accounted for the warrants in accordance with ASC Topic 815. 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 marks 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 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, 2020:

<b>August 2020 issuance</b>	<b>August 14, 2020</b>	<b>December 31, 2020</b>
Expected life	1112 days	973 days
Volatility	100%	100%
Risk free interest rate	1.53%	1.31%
Dividend yield	0%	0%
Share price	\$ 0.42	\$ 0.41
Fair value	\$ 15,746,380	\$ 14,493,215
Change in derivative liability		\$ 1,253,165

The warrant liabilities as a result of the December 2017, August 2018, November 2018, June 2019 and August 2019 private placements were revalued as at December 31, 2020 and June 30, 2020 using the Binomial model and the following assumptions:

<b>December 2017 issuance</b>	<b>June 30, 2020</b>	<b>December 31, 2020</b>
Expected life	166 days	Expired
Volatility	100%	
Risk free interest rate	0.69%	
Dividend yield	0%	
Share price	\$ 0.73	
Fair value	\$ 0	\$ 0
Change in derivative liability		\$ 0



**Bunker Hill Mining Corp.**  
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**10. Capital stock, warrants and stock options (continued)**

**Issued and outstanding (continued)**

<b>August 2018 issuance</b>	<b>June 30, 2020</b>	<b>December 31, 2020</b>
Expected life	405 days	221 days
Volatility	100%	100%
Risk free interest rate	1.20%	1.23%
Dividend yield	0%	0%
Share price	\$ 0.73	\$ 0.41
Fair value	\$ 6,132	\$ 0
Change in derivative liability		\$ 6,132

<b>November 2018 issuance</b>	<b>June 30, 2020</b>	<b>December 31, 2020</b>
Expected life	516 days	332 days
Volatility	100%	100%
Risk free interest rate	1.34%	1.09%
Dividend yield	0%	0%
Share price	\$ 0.73	\$ 0.41
Fair value	\$ 206,253	\$ 52,540
Change in derivative liability		\$ 153,713

<b>June 2019 issuance (i)</b>	<b>June 30, 2020</b>	<b>December 31, 2020</b>
Expected life	363 days	1826 days
Volatility	100%	100%
Risk free interest rate	1.15%	0.85%
Dividend yield	0%	0%
Share price	\$ 0.73	\$ 0.41
Fair value	\$ 6,582,920	\$ 3,438,839
Change in derivative liability		\$ 3,144,081

(i) During the six months ended December 31, 2020, the Company amended the exercise price to C\$0.59 per common share and extended the expiry date to December 31, 2025 for 11,660,000 warrants.

<b>August 2019 issuance (ii)</b>	<b>June 30, 2020</b>	<b>December 31, 2020</b>
Expected life	397 days	213-1826 days
Volatility	100%	100%
Risk free interest rate	1.11%	0.81%
Dividend yield	0%	0%
Share price	\$ 0.73	\$ 0.41
Fair value	\$ 11,631,921	\$ 5,922,270
Change in derivative liability		\$ 5,709,651

(ii) During the six months ended December 31, 2020, the Company amended the exercise price to C\$0.59 per common share and extended the expiry date to December 31, 2025 for 17,920,000 warrants. The terms of the remaining 2,752,900 warrants remain unchanged.

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**10. Capital stock, warrants and stock options (continued)**

**Warrants**

	<u>Number of warrants</u>	<u>Weighted average exercise price (C\$)</u>	<u>Weighted average grant date value (\$)</u>
Balance, June 30, 2019	13,046,484	\$ 0.88	\$ 0.27
Issued	27,360,284	0.27	0.03
Expired	(229,464)	8.50	3.54
Exercised (i)	(2,332,900)	0.25	0.02
Balance, June 30, 2020	37,844,404	\$ 0.43	\$ 0.09
Issued	58,284,148	0.50	0.11
Expired	(350,746)	14.84	5.63
Balance, December 31, 2020	<u>95,777,806</u>	<u>\$ 0.54</u>	<u>\$ 0.08</u>

(i) During the year ended June 30, 2020, 2,332,900 warrants were exercised at C\$0.25 per warrant for gross proceeds of C\$583,225 (\$417,006). In conjunction with the exercise of warrants, the Company recognized a change in derivative liability of \$871,710.

(ii) During the six months ended December 31, 2020, the Company amended the exercise price to C\$0.59 per share and extended the expiry date to December 31, 2025 for 3,315,200 finder's warrants. As a result, the Company recognized stock-based compensation of \$210,839, which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

<u>Expiry date</u>	<u>Exercise price (C\$)</u>	<u>Number of warrants</u>	<u>Number of warrants exercisable</u>
August 1, 2021	0.25	2,752,900	2,752,900
August 9, 2021	4.50	160,408	160,408
November 28, 2021	1.00	645,866	645,866
November 13, 2021	0.80	400,000	400,000
November 13, 2021	0.50	400,000	400,000
February 26, 2022	0.70	239,284	239,284
August 31, 2023	0.50	58,284,148	58,284,148
December 31, 2025	0.59	32,895,200	32,895,200
		<u>95,777,806</u>	<u>95,777,806</u>

**10. Capital stock, warrants and stock options (continued)**

**Broker options**

	<b>Number of broker options</b>	<b>Weighted average exercise price (C\$)</b>
Balance, June 30, 2019 and June 30, 2020	-	\$ -
Issued - August 2020 Compensation Options	3,239,907	0.35
Balance, December 31, 2020	<u>3,239,907</u>	<u>\$ 0.35</u>

(i) The grant date fair value of the August 2020 Compensation Options were estimated at \$521,993 using the Black-Scholes valuation model with the following underlying assumptions:

Risk free interest rate	Dividend yield	Volatility	Stock price	Weighted average life
0.31%	0%	100%	C\$0.35	3 years

<b>Expiry date</b>	<b>Exercise price (C\$)</b>	<b>Number of broker options</b>	<b>Fair value (\$)</b>
August 31, 2023 (i)	<u>0.35</u>	<u>3,239,907</u>	<u>521,993</u>

(i) Exercisable into one August 2020 Unit

**Stock options**

The following table summarizes the stock option activity during the years ended December 31, 2020:

	<b>Number of stock options</b>	<b>Weighted average exercise price (C\$)</b>
Balance, June 30, 2019	287,100	\$ 7.50
Granted (i)(ii)	7,532,659	0.56
Forfeited	(239,600)	9.78
Balance, June 30, 2020	7,580,159	\$ 0.62
Granted (iii)(iv)	435,000	0.55
Balance, December 31, 2020	<u>8,015,159</u>	<u>\$ 0.62</u>

(i) On October 24, 2019, 1,575,000 stock options were issued to directors and officers of the Company. These options have a 5-year life and are exercisable at C\$0.60 per share. The grant date fair value of the stock options was estimated at \$435,069. The vesting of these options resulted in stock-based compensation of \$74,949 for the six months ended December 31, 2020 (years ended June 30, 2020 and 2019 - \$309,211 and \$nil, respectively), which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

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**10. Capital stock, warrants and stock options (continued)**

**Stock options (continued)**

(ii) On April 20, 2020, 5,957,659 stock options were issued to certain directors of the Company. Each stock option entitles the holder to acquire one common share of the Company at an exercise price of C\$0.55. The stock options vest in one fourth increments upon each anniversary of the grant date and expire in 5 years. The grant date fair value of the stock options was estimated at \$1,536,764. The vesting of these options results in stock-based compensation of \$403,456 (years ended June 30, 2020 and 2019 - \$162,855 and \$nil, respectively), which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

(iii) On September 30, 2020, 200,000 stock options were issued to a consultant. Each stock option entitles the holder to acquire one common share of the Company at an exercise price of C\$0.60. The stock options vest 50% at 6 months and 50% at 12 months from the grant date and expire in 3 years. The grant date fair value of the options was estimated at \$52,909. The vesting of these options resulted in stock-based compensation of \$20,259 for the six months ended December 31, 2020 (years ended June 30, 2020 and 2019 - \$nil), which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

(iv) On October 30, 2020, 235,000 stock options were issued to a former director. Each stock option entitles the holder to acquire one common share of the Company at an exercise price of C\$0.50. The stock options vested immediately and expire on December 31, 2022. The grant date fair value of the options was estimated at \$46,277. The vesting of these options resulted in stock based compensation of \$46,277 for the six months ended December 31, 2020 (years ended June 30, 2020 and 2019 \$nil), which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

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
(i)	1.54%	0%	100%	C\$0.50	5 years
(ii)	0.44%	0%	100%	C\$0.50	5 years
(iii)	0.25%	0%	100%	C\$0.58	3 years
(iv)	0.26%	0%	100%	C\$0.49	2.2 years

The following table reflects the actual stock options issued and outstanding as of December 31, 2020:

Exercise price (C\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Grant date fair value (\$)
10.00	1.33	47,500	47,500	258,013
0.50	2.00	235,000	235,000	46,277
0.60	2.75	200,000	-	52,909
0.60	3.82	1,575,000	975,000	435,069
0.55	4.30	5,957,659	-	1,536,764
		<u>8,015,159</u>	<u>1,257,500</u>	<u>2,329,032</u>

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**11. Restricted share units**

Effective March 25, 2020, the Board of Directors approved a Restricted Share Unit (“RSU”) Plan to grant RSUs to its officers, directors, key employees and consultants.

The following table summarizes the RSU activity during the years ended December 31, 2020:

	<u>Number of shares</u>	<u>Weighted average grant date fair value per share (C\$)</u>
Unvested as at June 30, 2019	-	\$ -
Granted (i)(ii)	600,000	0.40
Unvested as at June 30, 2020	600,000	\$ 0.40
Granted (iii)(iv)	388,990	0.39
Unvested as at December 31, 2020	<u>988,990</u>	<u>\$ 0.39</u>

(i) On April 20, 2020, the Company granted 400,000 RSUs to a certain officer of the Company. The RSUs vest in one fourth increments upon each anniversary of the grant date. The vesting of these RSUs results in stock-based compensation of \$41,540 for the six months ended December 31, 2020 (years ended June 30, 2020 and 2019 - \$17,384 and \$nil, respectively), which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

(ii) On April 20, 2020, the Company granted 200,000 RSUs to a certain director of the Company. The RSUs vest in one fourth increments upon each anniversary of the grant date. The vesting of these RSUs results in stock-based compensation of \$20,574 for the six months ended December 31, 2020 (years ended June 30, 2020 and 2019 - \$8,274 and \$nil, respectively), which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

(iii) On November 16, 2020, the Company granted 168,000 RSUs to certain directors of the Company. The RSUs vest in one fourth increments upon each anniversary of the grant date. The vesting of these RSUs results in stock-based compensation of \$3,998 for the six months ended December 31, 2020 (years ended June 30, 2020 and 2019 - \$nil), which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

(iv) On December 6, 2020, the Company granted 220,990 RSUs to a consultant of the Company. The RSUs vest in one sixth increments per month. The vesting of these RSUs results in stock-based compensation of \$29,304 for the six months ended December 31, 2020 (years ended June 30, 2020 and 2019 - \$nil), which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

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**12. 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 share on the date of redemption in exchange for cash.

The following table summarizes the DSU activity during the years ended December 31, 2020:

	<u>Number of shares</u>	<u>Weighted average grant date fair value per share (C\$)</u>
Unvested as at June 30, 2019	-	\$ -
Granted (i)	7,500,000	0.65
Unvested as at June 30, 2020 and December 31, 2020	<u>7,500,000</u>	<u>\$ 0.65</u>

(i) On April 21, 2020, the Company granted 7,500,000 DSUs. The DSUs vest in one fourth increments upon each anniversary of the grant date and expire in 5 years. During the six months ended December 31, 2020, the Company recognized \$560,461 stock-based compensation related to the DSUs (years ended June 30, 2020 and 2019 - \$549,664 and \$nil, respectively), which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

**13. Commitments and contingencies**

As stipulated by the agreements with Placer Mining as described in note 6, the Company is required to make monthly payment of \$60,000 for care and maintenance.

As stipulated in the agreement with the EPA and as described in note 6, the Company is required to make two payments to the EPA, one for cost-recovery, and the other for water treatment. As at December 31, 2020, \$11,298,594 payable to the EPA has been included in accounts payable and accrued liabilities. The Company is now engaged with the EPA to discuss an amendment to or deferral of these payments.

The Company has entered into a lease agreement which expires in May 2022. Monthly rental expenses are approximately C\$26,000 and are offset by rental income obtained through a series of short term subleases held by the Company. See note 9.

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**14. Income taxes**

As at December 31, 2020 and June 30, 2020 and 2019, 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 and state income tax rates of 26.9% (June 30, 2019 - 26.9%) to pretax loss from operations for the periods ended December 31, 2020 and June 30, 2020 and 2019 due to the following:

	<b>Six Months Ended December 31, 2020</b>	<b>Year Ended June 30, 2020</b>	<b>Year Ended June 30, 2019</b>
Loss before income taxes	\$ 2,164,454	\$ 31,321,791	\$ 8,442,320
Expected income tax recovery	(582,238)	(8,425,600)	(2,271,000)
Adjustment on losses	668,936	673,000	563,070
Change in valuation allowance	(86,698)	7,752,600	1,707,930
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Deferred tax assets and the valuation account are as follows:

	<b>December 31, 2020</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Deferred tax asset:			
Net operating loss carry forward	\$ 5,715,740	\$ 6,374,700	\$ 4,285,020
Other deferred tax assets	8,821,870	8,916,350	3,392,290
Valuation allowance	(14,550,740)	(15,304,180)	(7,687,200)
Unrealized foreign exchange loss	13,130	13,130	8,870
Equipment	-	-	1,020
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	<b>December 31, 2020</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Deferred tax asset:			
Non-capital losses carried forward	\$ 16,716	\$ 10,050	\$ 1,530,460
Lease liabilities	-	57,120	-
Deferred tax liabilities:			
Convertible debt	-	-	(1,530,460)
Equipment	(16,716)	(10,050)	-
Right of use assets and lease obligations	-	(57,120)	-
<b>Net deferred tax asset</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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**14. Income taxes (continued)**

As of December 31, 2020 and June 30, 2020, the Company has an unused net operating loss carry-forward balance of \$21,310,259 and \$19,775,710, respectively, that is available to offset future taxable income. The US non-capital loss carryforwards generated before 2018 expire between 2031 and 2037. The losses generated after 2018 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 tax years that remain subject to examination by major taxing jurisdictions are those for the period ended December 31, 2020 and years ended June 30, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013.

**15. Related party transactions**

(i) During the six months ended December 31, 2020, John Ryan (Director and former CEO) billed \$13,500 (years ended June 30, 2020 and 2019 - \$51,500 and \$50,000, respectively) for consulting services to the Company.

(ii) During the six months ended December 31, 2020, Wayne Parsons (Director and former CFO) billed \$71,390 (years ended June 30, 2020 and 2019 - \$136,045 and \$nil, respectively) for consulting services to the Company.

(iii) During the six months ended December 31, 2020, Hugh Aird (former Director) billed \$18,223 (years ended June 30, 2020 and 2019 - \$9,774 and \$nil, respectively) for consulting services to the Company.

(iv) During the six months ended December 31, 2020, Richard Williams (Director and Executive Chairman) billed \$78,201 (years ended June 30, 2020 and 2019 - \$134,927 and \$nil, respectively) for consulting services to the Company. At December 31, 2020, \$45,000 is owed to Mr. Williams (June 30, 2020 - \$121,161) with all amounts included in accounts payable and accrued liabilities

During the six months ended December 31, 2020, the Company issued 214,286 August 2020 Units at \$0.67 to settle \$56,925 of debt owed to Mr. Williams.

On June 30, 2020, the Company issued a promissory note in the amount of \$75,000, net of \$15,000 debt issue costs, to Mr. Williams. The promissory note has been repaid in full. See note 8(vii).

(v) During the six months ended December 31, 2020 Sam Ash (President and CEO) billed \$125,000 (years ended June 30, 2020 and 2019 - \$60,000) for consulting services to the Company. At December 31, 2020, \$nil is owed to Mr. Ash (June 30, 2020 - \$60,000) with all amounts included in accounts payable and accrued liabilities.

During the six months ended December 31, 2020, the Company issued 77,143 August 2020 Units at a deemed price of \$0.67 to settle \$20,000 of debt owed to Mr. Ash.

(vi) During the six months ended December 31, 2020, Pam Saxton (Director) billed \$7,000 (years ended June 30, 2020 and 2019 - \$nil) for consulting services to the Company.

(vii) During the six months ended December 31, 2020, Cassandra Joseph (Director) billed \$11,290 (years ended June 30, 2020 and 2019 - \$nil) for consulting services to the Company.

(viii) During the six months ended December 31, 2020, the Company issued 300,000 August 2020 Units at a deemed price of \$0.67 to settle \$77,696 (C\$105,000) of debt owed to a shareholder of the Company.



## **16. Financial instruments**

### **Fair values**

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable excluding HST, accounts payable, accrued liabilities, DSU liability, interest payable, convertible loan payable, promissory notes payable and lease liability, all of which are 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 Company measured its DSU liability at fair value on recurring basis using level 1 inputs and derivative warrant liabilities at fair value on recurring basis using level 3 inputs. There were no transfers of financial instruments between levels 1, 2, and 3 during the period ended December 31, 2020 and year ended June 30, 2020.

### **Foreign currency risk**

Foreign currency risk is the risk that changes the rates of exchange on foreign currencies will impact the financial position of cash flows of the Company. The Company is exposed to foreign currency risks in relation to certain activities that are to be settled in Canadian dollars. Management monitors its foreign currency exposure regularly to minimize the risk of an adverse impact on its cash flows.

### **Concentration of credit risk**

Concentration of credit risk is the risk of loss in the event that certain counterparties are unable to fulfill its obligations to the Company. The Company's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents 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.

### **Liquidity risk**

Liquidity risk is the risk that the Company's consolidated cash flows from operations will not be sufficient for the Company to continue operating and discharge its liabilities. The Company is exposed to liquidity risk as its continued operation is dependent upon its ability to obtain financing, either in the form of debt or equity, or achieving profitable operations in order to satisfy its liabilities as they come due.

## **17. Subsequent events**

On February 19, 2021, 1,037,977 stock options were issued to an officer of the Company, of which 273,271 stock options vest immediately and the balance of 764,706 stock options shall vest on December 31, 2021. These options have a 5-year life and are exercisable at C\$0.335 per common share.

On February 24, 2021, the Company closed a non-brokered private placement of 19,994,080 units of the Company at C\$0.40 per unit for gross proceeds of C\$7,997,632. Each unit consists of one common share of the Company and one common share purchase warrant, which entitles the holder to acquire one common share at a price of C\$0.60 per common share for a period of five years. In connection with the financing, the Company paid a cash commission of C\$140,400 and issued 351,000 finder options, which are exercisable into units at an exercise price of C\$0.40 for a period of three years.

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**18. Comparative year information (unaudited)**

The Company's condensed interim consolidated statements of loss and comprehensive loss, condensed interim consolidated statements of cash flows, and condensed interim consolidated statements of changes in shareholders' deficiency were as follows for the six months ended December 31, 2019.

**Condensed interim consolidated statements of loss and comprehensive loss**

**Six Months Ended December 31, 2019**

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<b>Operating expenses</b>	
Operation and administration	\$ 293,320
Exploration	5,268,307
Legal and accounting	81,975
Consulting	197,900
<b>Loss from operations</b>	<b>(5,841,502)</b>
<b>Other expense or loss</b>	
Change in derivative liability	(10,629,119)
Accretion expense	(107,258)
Loss on foreign exchange	(6,757)
Interest expense	(99,881)
Loss on debt settlement	(1,056,296)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (17,740,813)</b>
<b>Net loss per common share - basic and fully diluted</b>	<b>\$ (0.31)</b>
<b>Weighted average number of common shares - basic and fully diluted</b>	<b>56,973,827</b>

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**18. Comparative year information (unaudited) (continued)**

**Condensed Interim Consolidated Statements of Cash Flows**

**Six Months Ended December 31, 2019**

<b>Operating activities</b>	
Net loss for the period	\$ (17,740,813)
Adjustments to reconcile net loss to net cash used in operating activities:	
Stock-based compensation	167,770
Depreciation expense	53,921
Change in fair value of warrant liability	10,629,119
Accretion expense	107,258
Interest expense on lease liability (note 9)	14,944
Loss on debt settlement	1,056,296
Changes in operating assets and liabilities:	
Accounts receivable	(15,161)
Prepaid expenses	25,455
Accounts payable	727,258
Accrued liabilities	3,458,948
Other liabilities	(11,117)
Interest payable	99,881
<b>Net cash used in operating activities</b>	<b>(1,426,241)</b>
<b>Financing activities</b>	
Proceeds from issuance of common stock	1,157,464
Lease payments	(59,096)
Proceeds from promissory note	382,367
Repayment of promissory note	-
<b>Net cash provided by financing activities</b>	<b>1,480,735</b>
<b>Net change in cash and cash equivalents</b>	<b>54,494</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>28,064</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 82,558</b>
<b>Supplemental disclosures</b>	
Non-cash activities:	
Common stock issued to settle accounts payable and, accrued liabilities	\$ 717,673

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**18. Comparative year information (unaudited) (continued)**

**Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency**

	Common stock		Additional paid-in- capital	Shares to be issued	Deficit accumulated during the exploration stage	Total
	Shares	Amount				
<b>Balance, June 30, 2019</b>	<b>15,811,396</b>	<b>\$ 16</b>	<b>\$24,284,765</b>	<b>\$ 107,337</b>	<b>\$(32,602,628)</b>	<b>\$ (8,210,510)</b>
Stock-based compensation	-	-	167,770	-	-	167,770
Shares and units issued at \$0.04 per share	35,008,956	35	1,315,691	(107,337)	-	1,208,389
Units issued for debt settlement at \$0.09 per share	16,962,846	17	1,499,034	-	-	1,499,051
Shares issued for debt settlement at \$0.14 per share	2,033,998	2	274,916	-	-	274,918
Issue costs	-	-	(65,315)	-	-	(65,315)
Warrant valuation	-	-	(468,227)	-	-	(468,227)
Net loss for the period	-	-	-	-	(17,740,813)	(17,740,813)
<b>Balance, December 31, 2019</b>	<b>69,817,196</b>	<b>\$ 70</b>	<b>\$27,008,634</b>	<b>\$ -</b>	<b>\$(50,343,441)</b>	<b>\$(23,334,737)</b>

## **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 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 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 identification of significant deficiencies. Based on the context in which the individual deficiencies occurred, management has concluded that these significant deficiencies, in combination, represent a material weakness. The Company's CEO and CFO also concluded that updates to the disclosure controls and procedures should be made to improve the effectiveness of the controls and procedures to provide reasonable assurance of the assurance of these objectives.

## 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 and internal controls 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, 2020 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. Based on that evaluation, the Company's CEO and CFO have concluded that significant deficiencies exist over the Company's internal control over financial reporting, as follows:

- The Company does not have an ideal amount of segregation of duties within accounting functions, which is a basic internal control. Due to the Company's size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions are performed by separate individuals. Based on the current magnitude of the Company's operations, it is impractical to employ sufficient staff to fully address the separation of duties issue. As the Company's business plan is implemented and additional staff is added, including a new CFO, management will be able to address this identified weakness.
- On December 1, 2017, a Consent Decree with the Company and the EPA was put in place. From December 1, 2017, the Company is to pay the EPA semi-annual payments for the treatment of water discharged from the Mine. In addition, annually, the EPA is to send written notification to the Company to reconcile costs paid with actual costs incurred. As part of this reconciliation process, the Consent Decree has dispute resolution procedures. As a result of these dispute resolution procedures, both parties have the right to reconcile and dispute the calculation of the actual costs incurred and can informally resolve any disagreements. The Company received the annual invoices from the EPA for the period from December 1, 2017 to December 31, 2019 and having requested and subsequently received supporting detail from the EPA began, in late September 2020, the process of reconciling and reviewing these complete invoices. However, the Company did not address accounting for these invoices in a timely manner. Additionally, there was an invoice for a finder's fee for the Company's February 2020 private placement that was not accounted for in a timely manner.
- As a result, in November 2020, it was determined that the Company had under accrued for invoices issued by the EPA for excess water treatment costs relating to years ended June 30, 2018, 2019 and 2020, interest payable on the outstanding EPA balance, and for a finder's fee related to the Company's February 2020 private placement, which resulted in an understatement of liabilities for 2019 and 2020, an understatement of opening and closing deficit for 2019 and 2020, and an understatement of exploration expenses and net losses for 2019 and 2020.
- The Company has also identified weaknesses in its accounts payable accrual and reconciliation processes, particularly as it relates to exploration expenses.

Based on the context in which the individual deficiencies occurred and the resulting restatement of its previously filed financial statements, management has concluded that these significant deficiencies, in combination, represent a material weakness.

Mitigating these significant deficiencies, however, is that, commencing in 2020, the Company has a new management team and new members of the Board, including a new Chair of the Audit Committee, which are focused on transitioning the Company to a new management approach, modern thinking, new systems and practices, modern approaches to engagement and a system of internal controls and procedures. Management's daily involvement in the business provides it with more than adequate knowledge to identify the areas of financial reporting risks and related controls. In addition, the procedures followed are integrated within the daily responsibilities of the Company's employees, allowing management to rely on their own intimate knowledge and supervision of controls. As the Company's business plan is implemented and additional staff is added, including a new CFO, management will be able to address these significant deficiencies.

Management also plans to engage a third-party firm to assist in developing Disclosure Controls and Procedures and Internal Controls Over Financial Reporting. The Company intends to remedy these significant deficiencies dependent on having the financial resources available to complete them.

This report does not include an attestation report of the Company's registered public accounting firm regarding 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.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE.

#### 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, 2020. 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	42	April 14, 2020
Richard Williams	Executive Chairman and Director	53	March 27, 2020
David Wiens	CFO and Corporate Secretary	41	January 12, 2021
Wayne Parsons	Director	58	January 5, 2018
Cassandra Joseph	Director	49	November 2, 2020
Dickson Hall	Director	68	January 5, 2018
Pamela Saxton	Director	68	October 30, 2020

#### **Biographical Information**

**Sam Ash** was a Partner from 2015 at Barrick Gold Corp. (“Barrick”) and held various roles over the nine years employed there. This includes three years as General Manager of the Lumwana Copper Mine in Zambia, Technical Support Manager to Barrick’s Copper Business Unit, General Support Manager on the Cortez Mine in Nevada and Chief Engineer leading the roll-out of new Underground Mining standards in the USA and Tanzania. 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 a Non-Executive Director of Trevali Mining Corporation and an advisor to companies facing complex operational, political or ESG challenges. Formerly the Chief Operating Officer of Barrick and the company’s Executive Envoy to Tanzania, he has also served as Chief Executive Officer of the Afghan Gold and Minerals Company and as a Non-Executive Director of Gem Diamonds Limited. 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.

**David Wiens** is the Company’s Chief Financial Officer and Corporate Secretary. Mr. Wiens is an experienced mining executive with over 17 years’ experience in corporate finance, financial planning & analysis (“FP&A”), treasury and investor relations. Mr. Wiens spent the last eight years with Americas-focused precious metals companies, including over six years at SSR Mining Inc. where he was part of a team that transformed the company from a single asset silver producer with limited mine life to a diversified long-life precious metals company, while meeting production and cost guidance seven years in a row. As Director, Corporate Finance, he led a number of functions including corporate finance, FP&A, treasury, investor relations, concentrate marketing and gold dore sales. SSR Mining Inc. completed a \$5 billion merger with Alacer Gold Corp. in September 2020. Most recently, Mr. Wiens was the Vice President, Corporate Finance & Treasury at Great Panther Mining Limited where he delivered several non-dilutive financings and led a team responsible for corporate development, corporate finance, FP&A, treasury, concentrate marketing, and gold dore sales. Prior to his corporate roles, he was an investment banker at a number of financial institutions, including Deutsche Bank AG in London, United Kingdom. Mr. Wiens earned his Bachelor of Commerce with a Finance specialization at the University of British Columbia in Canada, is a CFA® Charterholder, and is completing the CPA designation.

**Wayne Parsons** is a Director of the Company. Mr. Parsons has 30 years of investment industry experience, having served with numerous Canadian financial institutions, including Nesbitt Thomson Bongard, RBC Dominion Securities, and National Bank Financial Services. Previously Mr. Parsons served on boards of Intertainment Media Inc., American Paramount Gold Corp. and Yappn Corp. He is the owner and founder of Parsons Financial Consulting, a consulting company focused on the technology and mining sectors. Mr. Parsons has an HBA degree from University of Western Ontario.

**Cassandra Joseph** is an American lawyer with extensive experience managing the commercial relationship between mining companies and environmental regulators. She is currently Senior Vice President, General Counsel and Corporate Secretary for Nevada Copper Corp., having previously been Associate General Counsel for Tahoe Resources Inc. until it was acquired by Pan American Silver Corp. in 2019. Before this, she worked for the Attorney Generals of California and Nevada, as Deputy and Senior Deputy Attorney General, and as a partner in Watson Rounds PLC (now Brownstein Hyatt Farber Schreck LLP). Educated at Santa Clara University, and University of California at Berkeley, she was called to the State Bar of California in 1999; the US Court of Appeals, Ninth Circuit in 2001; State Bar of Nevada in 2005; and the US Supreme Court, US Court of Appeals and Federal Circuit in 2007.



**Dickson Hall** currently serves as a Director. He is a partner in Valuestone Advisory Limited and 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. 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. Mr. Hall is also 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. He is or has been a director of various resource and non-resource companies. 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 is currently on the Board of Aquila Resources Inc. and serving on a North American Advisory Board for Damstra Technology – Damstra Holdings Limited and was previously a Board Member and Audit Committee Chair at Pershing Gold Corporation. As an Executive, she has served as CFO for Thompson Creek Metals Company and NewWest Gold Corporation, both in Colorado. Having started her professional life working as an auditor for Arthur Anderson LLP in Denver, 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.

#### **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 <sup>(1)</sup>	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (#)	Non-qualified Deferred Compensation Earnings (\$)	All other Compensation (\$)	Total (\$)
Howard Crosby <sup>(3)</sup> CEO and CFO	December 31, 2020	—	—	—	—	—	—	—	—
	June 30, 2020	—	—	—	—	—	—	—	—
	June 30, 2019	20,000	—	—	—	—	—	—	20,000
Julio DiGirolamo <sup>(4)</sup> CFO	December 31, 2020	—	—	—	—	—	—	—	—
	June 30, 2020	—	—	—	—	—	—	—	—
	June 30, 2019	70,150	—	—	—	—	—	—	70,150
Dan Hrushewsky <sup>(5)</sup> Executive VP	December 31, 2020	—	—	—	—	—	—	—	—
	June 30, 2020	—	—	—	—	—	—	—	—
	June 30, 2019	39,264	—	—	—	—	—	—	39,264
John Ryan <sup>(6)</sup> CEO	December 31, 2020	13,500	—	—	—	—	—	—	13,500
	June 30, 2020	51,500	—	—	107,731	—	—	71,240 <sup>(9)</sup>	230,471
	June 30, 2019	50,000	—	—	—	—	—	—	50,000
Wayne Parsons <sup>(7)</sup> CFO	December 31, 2020	71,390	—	—	—	—	—	—	71,390
	June 30, 2020	136,045	—	—	630,532	—	—	1,144,163 <sup>(10)</sup>	1,910,740
	June 30, 2019	—	—	—	—	—	—	—	—
Richard Williams President/ Executive Chairman	December 31, 2020	78,201	—	—	—	—	—	—	78,201
	June 30, 2020	134,927	—	—	1,020,869	—	—	2,288,325 <sup>(11)</sup>	3,444,121
	June 30, 2019	—	—	—	—	—	—	—	—
Sam Ash CEO	December 31, 2020	125,000	—	—	—	—	—	—	125,000
	June 30, 2020	60,000	—	—	—	—	—	158,228 <sup>(9)</sup>	218,228
	June 30, 2019	—	—	—	—	—	—	—	—

(1) The period ended December 31, 2020 refers to the six-month period ended December 31, 2020.

(2) Option awards reflect the aggregate grant date fair value computed using the Black-Scholes model; for a discussion, please refer to Note 10 in the Notes to the Financial Statements herein.

(3) Howard Crosby was the Company's CEO and CFO from October 6, 2016 to April 18, 2017, after which he became Executive Vice President until November 2018.

(4) Julio DiGirolamo was the Company's CFO from April 18, 2017 to May 22, 2019.

(5) Dan Hrushewsky was the Company's Executive Vice President from December 1, 2017 to October 15, 2018.

(6) John Ryan was the Company's CEO from October 12, 2018 to April 14, 2020.

(7) Wayne Parsons became the Company's CFO on May 22, 2019.

(8) Sam Ash became the Company's CEO on April 14, 2020.

(9) Restricted share units ("RSUs") granted to Mr. Ryan are calculated using a share price of C\$0.50 on the applicable grant date. RSUs granted to Mr. Ash are calculated using a share price of C\$0.73 on the applicable grant date.

(10) DSUs granted to Mr. Parsons are calculated as follows: 2,500,000 \* C\$0.65 \* 0.7041 (the foreign exchange rate as of date of grant).

(11) DSUs granted to Mr. Williams are calculated as follows: 5,000,000 \* C\$0.65 \* 0.7041 (the foreign exchange rate as of date of grant)

### Grant of Plan Based Awards

On October 24, 2019, 1,575,000 stock options were issued to directors and officers of the Company. These options have a 5-year life and are exercisable at C\$0.60 per Common Share.

On April 20, 2020, 5,957,659 stock options were issued to certain directors of the Company. Each stock option entitles the holder to acquire one Common Share of the Company at an exercise price of C\$0.55. The stock options vest in one fourth increments upon each anniversary of the grant date and expire in 5 years.

On September 30, 2020, 200,000 stock options were issued to a consultant of the Company. These options have a 3-year life and are exercisable at C\$0.60 per Common Share.

On October 30, 2020, 235,000 stock options were issued to a consultant of the Company. These options expire on December 31, 2022 and are exercisable at C\$0.50 per Common Share.

On February 19, 2021, 1,037,977 stock options were issued to an officer of the Company, of which 273,271 stock options vest immediately and the balance of 764,706 stock options shall vest on December 31, 2021. These options have a 5-year life and are exercisable at C\$0.335 per Common Share.

### Outstanding Stock Options Awards At Fiscal Year End

The following table provides a summary of equity awards outstanding at December 31, 2020, 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	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
John Ryan	40,000	—	—	10.00	May 2, 2022				
	270,000	120,000	—	0.60	October 24, 2024	—	—	—	—
Wayne Parsons	295,000	120,000	—	0.60	October 24, 2024				
	—	2,000,000	—	0.55	April 20, 2025	—	—	—	—
Richard Williams	—	3,957,659	—	0.55	April 20, 2025	—	—	—	—

### Long-Term Incentive and Compensation Plans

In May 2020, and as part of its overall compensation planning, the Board introduced a long term incentive plan (the “Long Term Incentive Plan” or “LTIP”) that provides for time-based RSUs, DSUs, options (“Options”) and performance-based share unit awards (“PSUs”, and collectively with RSUs, DSUs and Options, “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 Incentive Plan.** The LTIP consists of DSUs, RSUs, PSUs, 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. The LTIP 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. These benefits have a "double trigger" meaning that an event of termination is also required in a change of control to trigger a severance payment.

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**

On April 19, 2011, subject to shareholder approval, which was obtained at the Company's annual and special meeting of shareholders held on December 21, 2012, the Board approved the adoption of the Liberty Silver Corp. Incentive Share Plan (the "Plan") under which Common Shares of the Company's 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. Under the Plan, the maximum number of Common Shares reserved for issuance shall not exceed 10% of the Common Shares of the Company outstanding from time to time. The purpose of the Plan shall be to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. In order to maintain flexibility in the award of stock benefits, the Plan constitutes a single plan, but is composed of two parts. The first part is the Share Option Plan which provides grants of both incentive stock options under Section 422A of the Internal Revenue Code of 1986, as amended, and nonqualified stock options. The second part is the Share Bonus Plan which provides grants of shares of Company common stock. The following is intended to be a summary of some of the material terms of the Plan, and is subject to, and qualified in its entirety, by the full text of the Plan.

#### The Plan

The Plan is a rolling plan, under which the maximum number of Common Shares reserved for issuance under the Share Option Plan, together with the Share Bonus Plan, shall not exceed 10% of the Common Shares outstanding (on a non-diluted basis) at any given time. The purpose of the 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.

### Share Option Plan

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

- (a) The aggregate maximum number of Common Shares available for issuance from treasury under the Share Option Plan, together with the Share Bonus Plan, at any given time is 10% of the outstanding Common Shares as at the date of grant of an option under the Plan, subject to adjustment or increase of such number pursuant to the terms of the Plan. Any Common Shares subject to an option which has been granted under the Share Option Plan and which has been surrendered, terminated, or expired without being exercised, in whole or in part, will again be available under the 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 Shares on the principal stock exchange(s) upon which the Common Shares are listed and posted for trading on the trading day immediately preceding the day of the grant of the option.
- (c) Options granted to persons conducting Investor Relations Activities (as defined in the 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 Share 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 Plan.
- (e) In the event that a take-over bid or issuer bid is made for all or any of the issued and outstanding Shares, then the Board may, by resolution, permit all options outstanding to become immediately exercisable in order to permit Common Shares issuable under such options to be tendered to such bid.

### Share Bonus Plan

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

- (a) Participants in the Share Bonus Plan shall be directors, officers, employees, or consultants of the Company who, by the nature of their positions are, in the opinion of the Board and upon the recommendation of the President of the Company, in a position to contribute to the success of the Company.
- (b) The determination regarding the amount of bonus Common Shares issued pursuant to the Share Bonus Plan will take into consideration the Optionee's present and potential contribution to the success of the Company and shall be determined from time to time by the Board. However, in no event shall the number of bonus Common Shares pursuant to the Share Bonus Plan, together with the Share Option Plan, exceed 10% of the issued and outstanding Common Shares in the aggregate.

### General Features of the Plan

In addition to the above summaries of the Share Option Plan and the Share Bonus Plan, the following is intended to be a brief description and summary of some of the general features of the Plan:

- (a) The aggregate number of Common Shares reserved pursuant to the Plan for issuance to insiders of the Company within any twelve-month period, under all security-based compensation arrangements of the Company, shall not exceed 10% of the total number of Common Shares then outstanding.
- (b) The aggregate number of Common Shares reserved for issuance pursuant to the Plan to any one person in any twelve-month period shall not exceed 5% of the total number of Common Shares outstanding from time to time, unless disinterested shareholder approval is obtained pursuant to the policies of the Company's principal stock exchange(s) upon which the Common Shares are listed and posted for trading or any stock exchange or regulatory authority having jurisdiction over the securities of the Company. No more than 2% of the outstanding Common Shares may be granted to any one Consultant (as defined in the Plan) in any twelve-month period, or to persons conducting Investor Relations Activities (as defined in the Plan) in any twelve-month period.

### **RSU Plan**

On March 25, 2020, the Board of the Company approved the adoption of the Company's Restricted Stock Unit Incentive Plan (the "RSU Plan") under which RSUs of the Company, whereby each RSU represents the right to receive one Common Share, have been reserved for purposes of possible future issuances of RSUs. 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 Common Shares available for issuance under the RSU Plan shall be 7,249,278, subject to adjustment or increase of such number pursuant to the terms of the RSU Plan.
- (b) The number of Common Shares to be issued under the RSU Plan shall not exceed 10% of the total number of the issued and outstanding Common Shares.
- (c) In the event that an RSU Award is exercised for Common Shares, the Common Shares reserved for issuance in connection with such RSU Award will be returned to the pool of available Common Shares 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 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.
- (f) 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.

#### 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 Common Shares 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 Common Shares no longer be publicly traded at the relevant time such that the fair market value of the Common Shares 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 Common Share 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 six months ended December 31, 2020.

Director	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings	All Other Compensation (\$) <sup>(2)</sup>	Total (\$)
Dickson Hall	—	—	—	—	—	—	—
John Ryan	13,500	—	—	—	—	—	13,500
Wayne Parsons	71,390	—	—	—	—	—	71,390
Hugh Aird	18,223	—	—	—	—	—	18,223
Richard Williams	78,201	—	—	—	—	—	78,201
Pam Saxton	7,000	—	—	—	—	31,135	38,135
Cassandra Joseph	11,290	—	—	—	—	31,135	42,425

<sup>(1)</sup> Option awards reflect the aggregate grant date fair value computed using the Black-Scholes model; for a discussion, please refer to Note 10 in the Notes to the Financial Statements herein.

<sup>(2)</sup> RSUs granted to each of Ms. Saxton and Ms. Joseph are calculated using a share price of C\$0.485 on the applicable grant date.

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

**Equity Compensation Plan**

The following table gives information about the Company's Equity Compensation Plan as of December 31, 2020:

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	8,015,159	\$ 0.62	6,296,548
Equity compensation plans not approved by security holders	-	-	-
<b>Total</b>	<b>8,015,159</b>	<b>\$ 0.62</b>	<b>6,296,547</b>

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)
<b>RSU Plan</b>	988,990	\$ 0.43	6,260,288
<b>DSU Plan</b>	7,500,000	\$ 0.65	N/A
<b>Total</b>	<b>8,488,990</b>	<b>\$ 0.63</b>	<b>6,260,288</b>

## Security Ownership of Certain Beneficial Owners

The following table sets forth as of March 31, 2021, the name and the number of shares of the Company's common stock, par value \$0.000001 per Common Share, held of record or beneficially by each person who held of record, or was known by the Company to own beneficially, more than 5% of the issued and outstanding shares of the Company's common stock, and the name and shareholdings of each director and significant employee, and of all executive officers and directors and significant employees as a group.

Title and Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of class
Common	Dickson Hall <sup>(1)</sup> 1890 Waterloo St. Vancouver, BC V6R 3G4 Canada	Common Shares 150,000	0.09%
Common	Wayne Parsons <sup>(1)</sup>	Common Shares 5,011,672	3.06%
Common	David Wiens <sup>(1)</sup>	Common Shares 208,860	0.13%
Common	Sam Ash <sup>(1)</sup>	Common Shares 286,003	0.17%
Common	Richard Williams <sup>(1)</sup>	Common Shares 1,330,286	0.81%
Common	Pam Saxton <sup>(1)</sup>	Common Shares NIL	0.00%
Common	Cassandra Joseph <sup>(1)</sup>	Common Shares NIL	0.00%
Common	Sebastian Marr	Common Shares 11,615,200	7.10%
Common	Gemstone 102 Ltd. ASA Gold and Precious Metals Limited	Common Shares 12,558,393	7.68%
Common		Common Shares 12,964,957	7.93%

(1) Director, Officer or Significant Employee of Company

## 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 CSE, 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, Dickson Hall, and Wayne Parsons are currently the only "independent" directors of the Company.

## ITEM 14. PRINCIPAL ACCOUNTING 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 six months ended December 30, 2020 and year ended June 30, 2020, and is expected to serve in that capacity for the ensuing year 2021. Principal accounting fees for professional services rendered for the Company by MNP, LLP for the six months ended December 31, 2020 and year ended June 30, 2020 are summarized in the following table:

	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Audit	\$ 115,272	62,179
Audit related	28,432	22,180
Tax	34,118	—
All other	13,160	7,012
Total	\$ 190,982	91,371



**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 financial statements during the six months ended December 31, 2020 and fiscal year ended June 30, 2020 are \$28,432 and \$22,180, respectively.

**Tax Fees**

The aggregate fees billed by MNP, LLP for tax compliance, advice and planning during the six months ended December 31, 2020 are \$34,118. MNP, LLP did not bill the Company for tax compliance, advice and planning related to the fiscal year ended June 30, 2020.

**All Other Fees**

The aggregate fees billed by MNP, LLP for all other professional services during the six months ended December 31, 2020 are \$13,160. MNP, LLP did not bill the Company for other professional services related to the fiscal year ended June 30, 2020.

**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.

- 3.1 [Amended and Restated Articles of Incorporation of Liberty Silver Corp.\\*](#)
- 3.2 [Certificate of Change dated May 1, 2019\\*](#)
- 3.3 [Certificate of Amendment dated September 11, 2020\\*](#)
- 4.1 [Warrant Indenture dated as of August 14, 2020\\*](#)
- 10.1 [Mining Lease with Option to Purchase, by and between Liberty Silver Corp. and Placer Mining Corporation, dated August 17, 2017 \(included as exhibits to Form 8-K filed with the Securities and Exchange Commission on August 23, 2017\).](#)
- 10.2 [First Amendment to the Amended and Restated Loan Agreement and Notice, dated January 20, 2017 \(included as exhibits to the Form 8-K filed with the Securities and Exchange Commission on January 24, 2017\).](#)
- 10.3 [Settlement Agreement with EPA\\*](#)
- 10.4 [Lease with Option to Purchase dated November 1, 2017\\*](#)
- 10.5 [Lease Amendment\\*](#)
- 10.6 [Clarification and Second Amendment to Lease\\*](#)
- 10.7 [Reinstatement and Amendment to Lease\\*](#)
- 10.8 [Fourth Amendment to Lease\\*](#)
- 10.9 [Notice of intention to extend the Lease\\*](#)
- 10.10 [Second Agreement to Extend Lease\\*](#)
- 10.11 [Notice of Lease Extension\\*](#)
- 10.12 [Employment agreement dated April 14, 2020 between the Company and Sam Ash\\*](#)
- 10.13 [Employment agreement dated November 30, 2020 between the Company and David Wiens\\*](#)
- 21.1 [List of Subsidiaries\\*](#)
- 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.\\*](#)
- 101\* SCH XBRL Schema Document \*
- 101\* INS XBRL Instance Document \*
- 101\* CAL XBRL Taxonomy Extension Calculation Linkbase Document\*
- 101\* LAB XBRL Taxonomy Extension Label Linkbase Document \*
- 101\* PRE XBRL Taxonomy Extension Presentation Linkbase Document \*
- 101\* DEF XBRL Taxonomy Extension Definition Linkbase Document\*

\* Filed Herewith

## 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/ David Wiens

David Wiens, Chief Financial Officer and Corporate Secretary,  
Principal Financial Officer, Principal Accounting Officer

Date: March 31, 2021

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 31, 2021

By: /s/ Sam Ash

Name: Sam Ash  
Title: Chief Executive Officer, Principal Executive Officer

Date: March 31, 2021

By: /s/ David Wiens

Name: David Wiens  
Title: Chief Financial Officer and Corporate Secretary, Principal  
Financial Officer, Principal Accounting Officer

Date: March 31, 2021

By: /s/ Richard Williams

Name: Richard Williams  
Title: Executive Chairman and Director

Date: March 31, 2021

By: /s/ Dickson Hall

Name: Dickson Hall  
Title: Director

Date: March 31, 2021

By: /s/ Wayne Parsons

Name: Wayne Parsons  
Title: Director

Date: March 31, 2021

By: /s/ Cassandra Joseph

Name: Cassandra Joseph  
Title: Director

Date: March 31, 2021

By: /s/ Pamela Saxton

Name: Pamela Saxton  
Title: Director

STATE OF NEVADA

BARBARA K. CEGAVSKE  
Secretary of State



JEFFERY LANDERFELT  
Deputy Secretary  
for Commercial Recordings

OFFICE OF THE  
SECRETARY OF STATE

Certified Copy

January 27, 2015

**Job Number:** C20150128-0603  
**Reference Number:**  
**Expedite:**  
**Through Date:**

The undersigned filing officer hereby certifies that the attached copies are true and exact copies of all requested statements and related subsequent documentation filed with the Secretary of State's Office, Commercial Recordings Division listed on the attached report.

Document Number(s)	Description	Number of Pages
20150038364-12	Amended & Restated Articles	5 Pages/1 Copies



Respectfully,

Handwritten signature of Barbara K. Cegavske in black ink.

BARBARA K. CEGAVSKE  
Secretary of State

Certified By: Nita Hibshman  
Certificate Number: C20150128-0603  
You may verify this certificate  
online at <http://www.nvsos.gov/>

Commercial Recording Division  
202 N. Carson Street  
Carson City, Nevada 89701-4201  
Telephone (775) 684-5708  
Fax (775) 684-7138



**BARBARA K. CEGAVSKE**  
 Secretary of State  
 202 North Carson Street  
 Carson City, Nevada 89701-4201  
 (775) 684-5708  
 Website: [www.nvsos.gov](http://www.nvsos.gov)



\*090503\*

**Certificate to Accompany  
 Restated Articles or  
 Amended and Restated Articles**  
 (PURSUANT TO NRS)

Filed in the office of <i>Barbara K. Cegavske</i>	Document Number <b>20150038364-12</b>
Barbara K. Cegavske Secretary of State State of Nevada	Filing Date and Time <b>01/27/2015 4:13 PM</b>
	Entity Number <b>E0118672007-1</b>

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

**This Form is to Accompany Restated Articles or Amended and Restated Articles of Incorporation**

(Pursuant to NRS 78.403, 82.371, 86.221, 87A, 88.355 or 88A.250)

(This form is also to be used to accompany Restated Articles or Amended and Restated Articles for Limited-Liability Companies, Certificates of Limited Partnership, Limited-Liability Limited Partnerships and Business Trusts)

1. Name of Nevada entity as last recorded in this office:

Liberty Silver Corp.

2. The articles are: (mark only one box)  Restated  Amended and Restated

Please entitle your attached articles "Restated" or "Amended and Restated," accordingly.

3. Indicate what changes have been made by checking the appropriate box:\*

- No amendments; articles are restated only and are signed by an officer of the corporation who has been authorized to execute the certificate by resolution of the board of directors adopted on: \_\_\_\_\_  
The certificate correctly sets forth the text of the articles or certificate as amended to the date of the certificate.
- The entity name has been amended.
- The registered agent has been changed. (attach Certificate of Acceptance from new registered agent)
- The purpose of the entity has been amended.
- The authorized shares have been amended.
- The directors, managers or general partners have been amended.
- IRS tax language has been added.
- Articles have been added.
- Articles have been deleted.
- Other. The articles or certificate have been amended as follows: (provide article numbers, if available)

\_\_\_\_\_

4. Effective date and time of filing: (optional) Date:  Time:   
 (must not be later than 90 days after the certificate is filed)

\* This form is to accompany Restated Articles or Amended and Restated Articles which contain newly altered or amended articles. The Restated Articles must contain all of the requirements as set forth in the statutes for amending or altering the articles for certificates.

**IMPORTANT:** Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

*This form must be accompanied by appropriate fees.*

Nevada Secretary of State Restated Articles  
 Revised: 1-5-15

**AMENDED AND RESTATED ARTICLES OF INCORPORATION  
OF  
LIBERTY SILVER CORP.**

**Article I  
Name**

The name of the corporation shall be Liberty Silver Corp. (the "Corporation").

**Article II  
Resident Agent**

The resident agent shall be Nevada Business Center, LLC, 311 West Third Street, Carson City, Nevada 89703.

**Article III  
Authorized Capital**

The total number of shares of all classes of capital stock which the Corporation has the authority to issue is Three Hundred Ten Million (310,000,000) shares consisting of the following classes.

1. Three Hundred Million (300,000,000) common shares, US\$0.001 par value ("Common Stock").
2. Ten Million (10,000,000) shares of serial preferred stock, US\$0.001 par value, to be issued in series from time to time ("Preferred Stock"), the voting powers, designations, preferences, limitations, restrictions, relative rights and distinguishing designation of which the Corporation's Board of Directors shall designate from time to time without any further need to amend these Amended and Restated Articles of Incorporation, as permitted by Chapter 78 of the Nevada Revised Statutes ("NRS") and any other applicable law, subject to the affirmative vote of the Stockholders.

**Article IV  
Board of Directors**

For the management of the Corporation, the governing Board of the Corporation shall be natural persons styled and called the Board of Directors. The initial number of members of the Board of Directors shall be five. However, the number of Directors shall be specified in the Bylaws of the Corporation and such number may, from time to time, be increased or decreased in such manner as prescribed by the Bylaws, provided the number of members of the Board of Directors shall not be less than three.

**Article V  
Business Purpose**

The purpose of this Corporation shall be any lawful business activity.

**Article VI  
Amendment**

A. The provisions of these Amended and Restated Articles of Incorporation may be amended, altered or repealed from time to time by a vote of the Stockholders of the Corporation to the extent and in the manner prescribed by the laws of the State of Nevada and additional provisions authorized by such laws as are then in force may be added. All rights herein conferred on the Directors, Officers and Stockholders are granted subject to this reservation.

B. Each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote; provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to these Amended and Restated Articles of Incorporation (including any Certificate of Designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to these Amended and Restated Articles of Incorporation (including any Certificate of Designations relating to any series of Preferred Stock) or pursuant to the NRS.

**Article VII  
Liability and Indemnification**

A. **Limitation of Personal Liability.** To the maximum extent permitted under applicable law, there shall be no personal liability of a Director or an Officer to the Corporation or its Stockholders for damages for breach of fiduciary duty as a Director or an Officer.

B. **Indemnification.** Subject to the requirements of applicable law requiring mandatory indemnification, if any, the Corporation may indemnify, to the maximum extent permitted by the law:

1. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Corporation, by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid

in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(a) Notwithstanding the foregoing, no indemnification shall be required if it is proven such person's act, or failure to act, constituted a breach of his fiduciary duties as a director or officer, and his breach of those duties involved intentional misconduct, fraud or a knowing violation of law, making him liable pursuant to NRS 78.138.

(b) The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful.

2. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit unless it is proven his act, or failure to act, constituted a breach of his fiduciary duties as a director or officer, and his breach of those duties involved intentional misconduct, fraud or a knowing violation of law, making him liable pursuant to NRS 78.138; provided, however, that he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation.

C. Time of Indemnification. The Corporation shall indemnify the Officers and Directors for expenses incurred in defending a civil or criminal action, suit or proceeding as they are incurred in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Director or Officer to repay the amount of such expenses if it is ultimately determined by a court of competent jurisdiction that such Officer or Director is not entitled to be indemnified by the Corporation.

D. Benefit. The indemnification and advancement of expenses hereby authorized is continuing and shall inure to the benefit of the heirs, executors and administrators of each such Officer and Director.



E. Repeal. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitations on the personal liability of a Director or an Officer of the Corporation for acts or omissions prior to such repeal or modification.

**Article VIII  
Combinations with Interested Stockholders**

The Corporation expressly elects not to be governed by NRS 78.411 to 78.444, inclusive.

**Article IX  
Preemptive Rights**

The Stockholders in the Corporation shall not have preemptive rights.

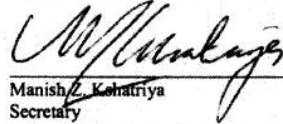
**Article X  
Anti-Takeover Laws**

The Corporation expressly elects not to be governed by NRS 78.378 to 78.3793, inclusive.

These Amended and Restated Articles of Incorporation were approved by a majority vote of the stockholders of the Corporation entitled to vote in person or by proxy at a meeting duly noticed and validly held in accordance with NRS §§78.390 and 78.403.

IN WITNESS WHEREOF, the Corporation has caused these Amended and Restated Articles of Incorporation to be signed this 30<sup>th</sup> day of January 2015.

By:

  
Manish Kohariya  
Secretary

STATE OF NEVADA



**BARBARA K. CEGAVSKE**  
*Secretary of State*

**KIMBERLEY PERONDI**  
*Deputy Secretary  
for Commercial Recordings*

**Commercial Recordings Division**  
*202 N. Carson Street  
Carson City, NV 89701-4201  
Telephone (775) 684-5708  
Fax (775) 684-7138*

OFFICE OF THE  
SECRETARY OF STATE

**Certified Copy**

May 9, 2019

**Job Number:** C20190509-0163  
**Reference Number:** 00011322949-11  
**Expedite:**  
**Through Date:**

The undersigned filing officer hereby certifies that the attached copies are true and exact copies of all requested statements and related subsequent documentation filed with the Secretary of State's Office, Commercial Recordings Division listed on the attached report.

Document Number(s)	Description	Number of Pages
20190192151-81	Stock Split	1 Pages/1 Copies



Respectfully,

Barbara K. Cegavske  
Secretary of State

Certified By: Rhonda Tuin  
Certificate Number: C20190509-0163

**Commercial Recording Division**  
202 N. Carson Street  
Carson City, Nevada 89701-4201  
Telephone (775) 684-5708  
Fax (775) 684-7138



BARBARA K. CEGAVSKE  
 Secretary of State  
 202 North Carson Street  
 Carson City, Nevada 89701-4201  
 (775) 684-5706  
 Website: www.nvsos.gov

FILED WITH THE SECRETARY OF STATE  
 #090302\*

**Certificate of Change Pursuant  
 to NRS 78.209**

Filed in the office of <i>Barbara K. Cegavske</i>	Document Number <b>20190192151-81</b>
Barbara K. Cegavske Secretary of State State of Nevada	Filing Date and Time <b>05/01/2019 11:16 AM</b>
	Entity Number <b>E0118672007-1</b>

USE BLACK INK ONLY - DO NOT HIGHLIGHT

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**Certificate of Change filed Pursuant to NRS 78.209**  
**For Nevada Profit Corporations**

- Name of corporation:  
Bunker Hill Mining Corp.
- The board of directors have adopted a resolution pursuant to NRS 78.209 and have obtained any required approval of the stockholders.
- The current number of authorized shares and the par value, if any, of each class or series, if any, of shares before the change:  
Common Shares- par value \$0.001 per share- 300,000,000 authorized  
Preferred Shares- par value \$0.001 per share- 10,000,000 authorized
- The number of authorized shares and the par value, if any, of each class or series, if any, of shares after the change:  
Common Shares- par value \$0.001 per share- 30,000,000 authorized  
Preferred Shares- par value \$0.001 per share- 10,000,000 authorized
- The number of shares of each affected class or series, if any, to be issued after the change in exchange for each issued share of the same class or series:  
Approximately 4,151,395 shares (reflecting a reverse stock split of ten for one) of common stock  
No shares of Preferred Stock outstanding
- The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby:  
Fractional shares will be rounded up to the next whole share
- Effective date and time of filing: (optional) Date: May 3 2019 Time: 5:00PM
- Signature: (required) (must not be later than 90 days after the certificate is filed)

X (signed) "John Ryan" \_\_\_\_\_ CEO  
 Signature of Officer Title

**IMPORTANT:** Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.  
 Nevada Secretary of State Stock Split



**BARBARA K. CEGAVSKE**  
 Secretary of State  
 202 North Carson Street  
 Carson City, Nevada 89701-4201  
 (775) 684-5708  
 Website: www.nvsos.gov

Filed in the Office of <i>Barbara K. Cegavske</i>	Business Number E0118672007-1
Secretary of State State Of Nevada	Filing Number 20200730517
	Filed On 6/17/2020 12:37:00 PM
	Number of Pages 1

**Certificate of Amendment**  
 (PURSUANT TO NRS 78.385 AND 78.390)

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**Certificate of Amendment to Articles of Incorporation  
 For Nevada Profit Corporations  
 (Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)**

1. Name of corporation:  
 Bunker Hill Mining Corp.

2. The articles have been amended as follows: (provide article numbers, if available)  
 The first paragraph of Article Fourth is amended as follows:

The total number of shares of capital stock which the Corporation shall have authority to issue is: Seven Hundred and Sixty Million (760,000,000). These shares shall be divided into two classes with 750,000,000 shares designated as common stock at \$0.000001 par value (the "Common Stock") and 10,000,000 shares designated as preferred stock at \$.000001 par value (the "Preferred Stock").

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation\* have voted in favor of the amendment is:

4. Effective date and time of filing: (optional)      Date:                                      Time:  
 (must not be later than 90 days after the certificate is filed)

5. Signature: (required)

Wayne Parsons, Chief Financial Officer.

Signature of Officer

\*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

**BUNKER HILL MINING CORP.**

as the Corporation

and

**CAPITAL TRANSFER AGENCY ULC**

as the Warrant Agent

---

**WARRANT INDENTURE**  
**Providing for the Issue of Warrants**

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Dated as of August 14, 2020

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## WARRANT INDENTURE

THIS WARRANT INDENTURE is dated as of August 14, 2020.

BETWEEN:

**BUNKER HILL MINING CORP.**, a corporation existing under the laws of the State of Nevada (the “**Corporation**”),

- and -

**CAPITAL TRANSFER AGENCY ULC**, a corporation existing under the laws of Canada and authorized to carry on business in all provinces of Canada (the “**Warrant Agent**”)

**WHEREAS**, the Corporation is proposing to issue up to 58,285,714 Warrants pursuant to this Indenture, consisting of Warrants issuable in connection with a private placement (the “**Private Placement**”) of common share units of the Corporation (the “**Warrants**”);

**AND WHEREAS**, pursuant to this Indenture, each Warrant shall, subject to adjustment as described herein, entitle the holder thereof to acquire one (1) Common Share upon payment of the Exercise Price prior to the Expiry Time, upon the terms and conditions herein set forth;

**AND WHEREAS**, all acts and deeds necessary have been done and performed to make the Warrants, when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture;

**AND WHEREAS**, the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent.

**NOW THEREFORE**, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions.

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

“**Adjustment Period**” means the period from the Effective Date up to and including the Expiry Time;

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“**Applicable Legislation**” means any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and obligations of warrant agents under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

“**Auditors**” means MNP, LLP or such other firm of chartered accountants duly appointed as auditors of the Corporation, from time to time;

“**Authenticated**” means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized officer of the Warrant Agent, and (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, “**Authenticate**”, “**Authenticating**” and “**Authentication**” have the appropriate correlative meanings;

“**Book Entry Only Participants**” or “**Participants**” means institutions that participate directly or indirectly in the Depository’s book entry registration system for the Warrants;

“**Book Entry Only Warrants**” means Warrants that are to be held only by or on behalf of the Depository;

“**Brokered Warrants**” has the meaning ascribed thereto in the recitals to this Indenture;

“**Business Day**” means any day other than Saturday, Sunday or a statutory or civic holiday, or any other day on which banks are not open for business in the City of Toronto, Province of Ontario, and shall be a day on which the CSE is open for trading;

“**CDS Global Warrants**” means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

“**Certificated Warrant**” means a Warrant evidenced by a writing or writings substantially in the form of Schedule “A”, attached hereto;

“**Common Shares**” means, subject to Article 4, fully paid and non-assessable common shares of the Corporation as presently constituted;

“**Compensation Warrants**” has the meaning ascribed thereto in the recitals to this Indenture;

“**Corporation**” means Bunker Hill Mining Corp. or any successor entity thereto;

“**Counsel**” means a barrister and/or solicitor or a firm of barristers and/or solicitors retained by the Warrant Agent or retained by the Corporation and acceptable to the Warrant Agent, which may or may not be counsel for the Corporation;

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“**CSE**” means the Canadian Securities Exchange or any subsequent recognized Canadian national exchange on which the Common Shares are traded;

“**Current Market Price**” of the Common Shares at any date means the weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the twenty (20) consecutive Trading Days ending five (5) days prior to such date on the CSE or if on such date the Common Shares are not listed on the CSE, on such stock exchange upon which such Common Shares are listed and as selected by the directors, or, if such Common Shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors of the Corporation;

“**Depository**” means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

“**Dividends**” means any dividends paid by the Corporation on its Common Shares;

“**Effective Date**” means the date of this Indenture;

“**Exchange Rate**” means the number of Common Shares subject to the right of purchase under each Warrant;

“**Exercise Date**” means, in relation to a Warrant, the Business Day on which such Warrant is validly exercised or deemed to be validly exercised in accordance with Article 3 hereof;

“**Exercise Notice**” has the meaning set forth in Section 3.2(a);

“**Exercise Price**” at any time means the price at which a whole Common Share may be purchased by the exercise of a whole Warrant, which is initially \$0.50 per Common Share, payable in immediately available Canadian funds, subject to adjustment in accordance with the provisions of Section 4.1;

“**Expiry Date**” means August 31, 2023;

“**Expiry Time**” means 4:00 p.m. (Toronto time) on the Expiry Date;

“**Extraordinary Resolution**” has the meaning set forth in Section 7.11(a) of this Indenture;

“**Indemnified Parties**” has the meaning ascribed thereto in Section 9.7(e) of this Indenture

“**Internal Procedures**” means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership), the minimum number of the Warrant Agent’s internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent, it being understood that neither preparation nor issuance shall constitute part of such procedures for any purpose of this definition;

---

“**Issue Date**” means the day of closing of the Private Placement;

“**person**” means an individual, body corporate, partnership, limited liability company, trust, warrant agent, executor, administrator, legal representative or any unincorporated organization;

“**Private Placement**” has the meaning ascribed thereto in the recitals to this Indenture;

“**register**” means the one set of records and accounts maintained by the Warrant Agent pursuant to Section 2.9 of this Indenture:

“**Registered Warrantholders**” means the persons who are registered owners of Warrants as appearing on the register;

“**Regulation D**” means Regulation D as promulgated by the United States Securities and Exchange Commission under the U.S. Securities Act;

“**Regulation S**” means Regulation S as promulgated by the United States Securities and Exchange Commission under the U.S. Securities Act;

“**Restricted Uncertificated Warrant**” means an Uncertificated Warrant that is marked to bear the U.S. Legend;

“**SEC**” means the U.S. Securities and Exchange Commission;

“**Shareholders**” means holders of Common Shares;

“**Subscription Agreement**” has the meaning ascribed thereto in Section 3.2(d)(ii);

“**successor entity**” has the meaning ascribed thereto in Section 8.2 of this Indenture;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder;

“**this Warrant Indenture**”, “**this Indenture**”, “**this Agreement**”, “**hereto**” “**herein**”, “**hereby**”, “**hereof**” and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions “**Article**”, “**Section**”, “**subsection**” and “**paragraph**” followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

“**Trading Day**” means, with respect to the CSE, a day on which such exchange is open for the transaction of business or, with respect to another exchange or an over-the-counter market, a day on which such exchange or market is open for the transaction of business;

“**U.S. Common Share Legend**” has the meaning set forth in Section 3.3(b);

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;

“**U.S. Legend**” has the meaning set forth in Section 2.8(a).

---

“**U.S. Person**” has the meaning set forth in Rule 902(k) of Regulation S;

“**U.S. Purchaser**” means an original purchaser of the units of which the Warrants comprise a part, who was, at the time of purchase, (a) a U.S. Person, (b) any person purchasing such units on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States, (c) any person who receives or received an offer to acquire such units while in the United States, and (d) any person who was in the United States at the time such person’s buy order was made or the subscription agreement pursuant to which such convertible debenture units were acquired was executed or delivered;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder;

“**U.S. Warrantholder**” means any (a) Warrantholder that (i) is a U.S. Person, (ii) is in the United States, (iii) received an offer to acquire Warrants while in the United States, or (iv) was in the United States at the time such Warrantholder’s buy order was made or such Warrantholder executed or delivered its purchase order for the Warrants or (b) person who acquired Warrants on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States;

“**U.S. Warrantholder Letter**” means the U.S. Warrantholder letter in substantially the form attached hereto as Schedule “D”;

“**Uncertificated Warrant**” means any Warrant that is not a Certificated Warrant;

“**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

“**Warrant Agency**” means the principal office of the Warrant Agent in the City of Toronto, Ontario or such other place as may be designated in accordance with Section 3.5;

“**Warrant Agent**” means Capital Transfer Agency ULC, in its capacity as warrant agent of the Warrants, or its successors from time to time;

“**Warrant Certificate**” means a certificate, substantially in the form set forth in Schedule “A” hereto, to evidence those Warrants that will be evidenced by a certificate;

“**Warrantholders**”, or “**holders**” without reference to Warrants, means the persons entered in the register hereinafter mentioned as holders of Warrants outstanding at such time;

“**Warrantholders’ Request**” means an instrument signed in one or more counterparts by Registered Warrantholders holding in the aggregate not less than 25% of the aggregate number of all Warrants then-unexercised and then-outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;

---

“**Warrants**” means the Common Share purchase warrants created by and authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Certificated Warrant and/or Uncertificated Warrant held through the book entry registration system on a no certificate issued basis, entitling the holder or holders thereof to purchase one (1) Common Shares (subject to adjustment as herein provided) per Warrant at the Exercise Price prior to the Expiry Time and, where the context so requires, also means the Warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant; and

“**written order of the Corporation**”, “**written request of the Corporation**”, “**written consent of the Corporation**” and “**certificate of the Corporation**” mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any two duly authorized signatories of the Corporation and may consist of one or more instruments so executed.

**1.2 Gender and Number.**

Words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa.

**1.3 Headings, Etc.**

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Warrants.

**1.4 Day not a Business Day.**

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

**1.5 Time of the Essence.**

Time shall be of the essence of this Indenture.

**1.6 Monetary References.**

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

**1.7 Applicable Law.**

This Indenture, the Warrants, the Warrant Certificates (including all documents relating thereto, which by common accord have been and will be drafted in English) shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as Ontario contracts. Each of the parties hereto, which shall include the Warrantholders, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario with respect to all matters arising out of this Indenture and the transactions contemplated herein.

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**ARTICLE 2  
ISSUE OF WARRANTS**

**2.1 Creation and Issue of Warrants.**

A maximum of 58,285,714 Warrants (subject to adjustment as herein provided) are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order of the Corporation, the Warrant Agent shall issue and deliver Warrant Certificates to Registered Warranholders and record the name of the Registered Warranholders on the Warrant register. Registration of interests in Warrants held by the Depository may be evidenced by a position appearing on the register for Warrants of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

**2.2 Terms of Warrants.**

- (a) Subject to the applicable conditions for exercise set out in Article 3 having been satisfied and subject to adjustment in accordance with Section 4.1, each Warrant shall entitle each holder thereof, upon the exercise thereof at any time after the Issue Date and prior to the Expiry Time, to acquire one (1) Common Share upon payment of the Exercise Price.
- (b) No fractional Warrants shall be issued or otherwise provided for hereunder and Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Warrants shall be rounded down to the nearest whole number.
- (c) Each Warrant shall entitle the holder thereof to such other rights and privileges as are set forth in this Indenture.
- (d) The number of Common Shares that may be purchased pursuant to the Warrants, and the Exercise Price therefor shall be adjusted upon the events and in the manner specified in Section 4.1.

**2.3 Warranholder not a Shareholder.**

Except as may be specifically provided herein, nothing in this Indenture or in the holding of a Warrant Certificate, entitlement to a Warrant or otherwise, shall, in itself, confer or be construed as conferring upon a Warranholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to Dividends and other allocations.

**2.4 Warrants to Rank Pari Passu.**

All Warrants shall rank equally and without preference over each other, whatever may be the actual date of issue thereof.

---

## **2.5 Form of Warrants, Certificated Warrants.**

The Warrants may be issued in both certificated and uncertificated form. Each Warrant (a) will be evidenced by a Warrant Certificate that bears the U.S. Legend or (b) shall be issued in the form of a Restricted Uncertificated Warrant that is marked to bear the U.S. Legend. All Warrants issued in certificated form shall be evidenced by a Warrant Certificate (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule "A" hereto, which shall be dated as of the Issue Date, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.9.

## **2.6 Book Entry Only Warrants.**

- (a) Registration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have Warrants registered in their names and shall not receive or be entitled to receive Warrants in definitive form or to have their names appear in the register referred to in Section 2.9 herein. Notwithstanding any terms set out herein, Warrants having any legend set forth in Section 2.8 herein and held in the name of the Depository or in the form of Uncertificated Warrants [NTD: it appears that the end of this sentence has been cut off].
  - (b) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:
    - (i) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Only Warrants and the Corporation is unable to locate a qualified successor;
    - (ii) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;
-



- (iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;
- (iv) the Corporation determines that the Warrants shall no longer be held as Book Entry Only Warrants through the Depository;
- (v) such right is required by applicable law, as determined by the Corporation and the Corporation's Counsel;
- (vi) the Warrant is to be Authenticated to or for the account or benefit of a U.S. Warrantholder; or
- (vii) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

following which, Warrants for those holders requesting the same shall be registered and issued to the beneficial owners of such Warrants or their nominees as directed by the holder. The Corporation shall provide a certificate of the Corporation giving notice to the Warrant Agent of the occurrence of any event outlined in this Section 2.6(b)(i) – (vi).

- (c) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants that are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.11, mutatis mutandis. All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants) as the CDS Global Warrants or portion thereof surrendered upon such exchange.
  - (d) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.
  - (e) Notwithstanding anything to the contrary in this Indenture, subject to applicable law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.
  - (f) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Only Participants and between such Book Entry Only Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Only Participant in accordance with the rules and procedures of the Depository.
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- (g) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:
  - (i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);
  - (ii) maintaining, supervising or reviewing any records of the Depository or any Book Entry Only Participant relating to any such interest; or
  - (iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Only Participant.
- (h) The Corporation may terminate the application of this Section 2.6 in its sole discretion in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a person other than the Depository.

**2.7 Warrant Certificate.**

- (a) For Warrants issued in certificated form, the form of certificate representing Warrants shall be substantially as set out in Schedule "A" hereto or such other form as is authorized from time to time by the Warrant Agent. Each Warrant Certificate shall be Authenticated manually on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by any duly authorized signatory of the Corporation; whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Warrant Certificate which has a signature as hereinbefore provided shall be valid notwithstanding that the person whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.
  - (b) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures, and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that each such Uncertificated Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.
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- (c) Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and applicable law, validly entitle the holder to acquire Common Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Indenture.
  - (d) No Warrant shall be considered issued, valid or obligatory nor shall the holder thereof be entitled to the benefits of this Indenture until the Warrant has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof. Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.
  - (e) No Certificated Warrant shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by manual signature by or on behalf of the Warrant Agent substantially in the form of the Warrant Certificate set out in Schedule "A" hereto. Such Authentication on any such Certificated Warrant shall be conclusive evidence that such Certificated Warrant is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.
  - (f) No Uncertificated Warrant shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.
  - (g) The Authentication by the Warrant Agent of any Warrants whether by way of entry on the register or otherwise shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or such Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or the proceeds thereof.
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**2.8 Legends.**

- (a) Neither the Warrants nor the Common Shares issuable upon exercise of the Warrants have been registered under the U.S. Securities Act or under any United States state securities laws. Each Warrant Certificate and Uncertificated Warrant, and each Warrant Certificate and each Uncertificated Warrant issued in exchange therefor or in substitution thereof, shall bear or be deemed to bear the following legends or such variations thereof as the Corporation may prescribe from time to time (the “**U.S. Legend**”) (and, in the case of an Uncertificated Warrant, shall be issued in the form of a Restricted Uncertificated Warrant) unless in the opinion of U.S. securities counsel to the Corporation the U.S. Legend is not required:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) IF THE SECURITIES HAVE BEEN REGISTERED IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT IN ACCORDANCE WITH RULE 144 THEREUNDER, IF APPLICABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING, OR OTHER EVIDENCE OF EXEMPTION, REASONABLY SATISFACTORY TO THE CORPORATION. HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH U.S. SECURITIES LAWS.”

“THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. “UNITED STATES” AND “U.S. PERSON” ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.”

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provided that, if any such securities are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the legend may be removed (or the Warrants may be transferred to an unrestricted CUSIP) by delivery to the Warrant Agent and the Corporation of an opinion of counsel, of recognized standing satisfactory to the Corporation and the Warrant Agent, to the effect that such legend (or restricted CUSIP) is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws;

*provided further that*, if any such securities are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in substantially the form set forth as Schedule "C" of this Warrant Indenture (or in such other form as the Corporation may prescribe from time to time);

The Warrant Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

- (b) Each CDS Global Warrant originally issued in Canada and held by the Depository, and each CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO BUNKER HILL MINING CORP. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

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- (c) Each Certificated Warrant and each CDS Global Warrant issued on the date hereof (and each such Certificated Warrant or CDS Global Warrant, as the case may be, issued in exchange therefore or in substitution thereof prior to the date that is four months and a day after the date hereof) shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE 4 MONTHS AND 1 DAY FOLLOWING ISSUANCE DATE].”

- (d) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legend contained in subsections 2.8(a) or 2.8(b), or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Warrant Agent shall be entitled to assume that all transfers that are processed in accordance with this Indenture are legal and proper.

## 2.9 Register of Warrants.

- (a) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether certificated or uncertificated, which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):
- (i) the name and address of the holder of the Warrants, the date of Authentication thereof and the number of Warrants;
  - (ii) whether such Warrant is a Certificated Warrant or an Uncertificated Warrant and, if a Warrant Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto if any;
  - (iii) whether such Warrant has been cancelled; and
  - (iv) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.
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The register shall be available for inspection by the Corporation or any Warrantholder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any Warrantholder exercising such right of inspection shall first provide an affidavit, in form satisfactory to the Corporation and the Warrant Agent, stating the name and address of the Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

- (b) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably: (i) consented to the foregoing authority of the Warrant Agent to make such minor error corrections; and, (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent) sustained by the Corporation or the Warrant Agent as a proximate result of such error if, but only if, and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

**2.10 Issue in Substitution for Warrant Certificates Lost, etc.**

- (a) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue, and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor and bearing the same legend, if applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent, and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.
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- (b) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issuance thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent, in their sole discretion, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent, in their sole discretion, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

**2.11 Exchange of Warrant Certificates.**

- (a) Any one or more Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent (including compliance with applicable securities legislation), be exchanged for one or more other Warrant Certificates representing the same aggregate number of Warrants, and bearing the same legend, if applicable, as represented by the Warrant Certificate or Warrant Certificates so exchanged.
- (b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate from the holder (or such other instructions, in form satisfactory to the Warrant Agent), tendered for exchange shall be surrendered to the Warrant Agency and cancelled by the Warrant Agent.
- (c) Warrant Certificates exchanged for Warrant Certificates that bear the legend set forth in Section 2.8(a) shall bear the same legend.

**2.12 Transfer and Ownership of Warrants.**

- (a) The Warrants may only be transferred on the register kept by the Warrant Agent at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon: (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificate representing the Warrants to be transferred together with a duly executed transfer form as set forth in Schedule "A" (together with a declaration for removal of legend or opinion of counsel, if required by Section 2.8(a)); (b) in the case of Book Entry Only Warrants, in accordance with procedures prescribed by the Depository under the book entry registration system; and (c) upon compliance with:
    - (i) the conditions herein;
    - (ii) such reasonable requirements as the Warrant Agent may prescribe; and
    - (iii) all applicable securities legislation and requirements of regulatory authorities;
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and such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee of a Warrant Certificate, or the Warrant Agent shall Authenticate and deliver a Warrant Certificate upon request that part of the CDS Global Warrant be certificated. Transfers within the systems of the Depository are not the responsibility of the Warrant Agent and will not be noted on the register maintained by the Warrant Agent.

- (b) If a Warrant Certificate tendered for transfer bears the legend set forth in Section 2.8(a), the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and: (A) the transfer is made to the Corporation; (B) the transfer is made outside of the United States in a transaction meeting the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply, and in compliance with applicable local laws and regulations, and the transferor delivers to the Warrant Agent a declaration substantially in the form set forth in Schedule "C" to this Warrant Indenture, or in such other form as the Warrant Agent or the Corporation may from time to time prescribe, together with such other evidence of the availability of an exemption (which may, without limitation, include an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation and the Warrant Agent) as the Warrant Agent may reasonably require; (C) the transfer is made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144 thereunder, if available, and in each case in accordance with any applicable state securities or "blue sky" laws; or (D) the transfer is made in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws; provided that, it has prior to any transfer pursuant to Sections 2.12(b)(C) or 2.12(b)(D) furnished to the Warrant Agent and the Corporation an opinion of counsel in form and substance reasonably satisfactory to the Corporation and the Warrant Agent, to such effect. In relation to a transfer under (C) or (D) above, unless the Corporation and the Warrant Agent receive an opinion of counsel, of recognized standing, reasonably satisfactory to the Corporation in form and substance to the effect that the U.S. restrictive legend set forth in subsection 2.8(a) is no longer required on the Warrant Certificates representing the transferred Warrants, the Warrant Certificates received by the transferee will continue to bear the legend set forth in Section 2.8(a).
- (c) Subject to the provisions of this Indenture, Applicable Legislation and applicable law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Common Shares by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants, and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

### **2.13 Cancellation of Surrendered Warrants.**

All Warrant Certificates surrendered pursuant to Article 3 or transferred or exchanged pursuant to Article 2 shall be cancelled by the Warrant Agent, and, upon such circumstances, all such Uncertificated Warrants shall be deemed cancelled and so noted on the register by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a cancellation certificate identifying the Warrant Certificates so cancelled, the number of Warrants evidenced thereby, the number of Common Shares, if any, issued pursuant to such Warrants and the details of any Warrant Certificates issued in substitution or exchange for such Warrant Certificates cancelled.

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**ARTICLE 3  
EXERCISE OF WARRANTS**

**3.1 Right of Exercise.**

Subject to the provisions hereof, each Warrantholder may exercise the right conferred on such holder to subscribe for and purchase one (1) Common Share for each Warrant after the Issue Date and prior to the Expiry Time, subject to adjustment, and in accordance with the conditions herein; provided, however, that if a Warrant tendered for exercise bears the legend set forth in Section 2.8(a), such exercise must be permitted under the U.S. Securities Act or under any United States state securities laws.

**3.2 Warrant Exercise.**

- (a) Registered Warrantholders of Warrant Certificates who wish to exercise the Warrants held by them in order to acquire Common Shares must, if permitted pursuant to the terms and conditions hereunder and as set forth in any applicable legend, complete the exercise form (the “**Exercise Notice**”) attached to the Warrant Certificate(s) which form is attached hereto as Schedule “B”, which may be amended by the Corporation with the consent of the Warrant Agent, if such amendment does not, in the reasonable opinion of the Corporation and the Warrant Agent, which may be based on the advice of Counsel, materially and adversely affect the rights, entitlements and interests of the Warrantholders, and deliver such certificate(s), the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Warrants represented by a Warrant Certificate shall be deemed to be surrendered upon personal delivery of such certificate, Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.
  - (b) In addition to completing the Exercise Notice attached to the Warrant Certificate(s), a Warrantholder who is (i) present in the United States, (ii) a U.S. Person, (iii) a person exercising such Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) executing or delivering the Exercise Form attached as Schedule “B” hereto in the United States, or (v) requesting delivery in the United States of the Common Shares issuable upon exercise of the Warrants, must provide: (a) a completed and executed U.S. Warrantholder Letter; (b) an opinion of counsel, of recognised standing, in form and substance reasonably satisfactory to the Corporation and the Warrant Agent, that the exercise is exempt from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States; or (c) in the case of a Warrantholder that is the original U.S. purchaser who purchased the Warrants pursuant to a Subscription Agreement and is exercising such Warrants for its own account or for the account or benefit of a disclosed principal that was named in the Subscription Agreement pursuant to which it purchased such Warrants, and was and is, and such disclosed principal, if any, was and is, an “accredited investor” within the meaning of Rule 501(a) of Regulation D both on the date the Warrants were purchased and at the time of exercise of such Warrants and the representations and warranties of the Warrantholder made in the original Subscription Agreement, including the Certificate of U.S. Accredited Investor Status attached thereto, remain true and correct as of the date of exercise of the Warrants (which written certification shall be deemed delivered by checking Box B in the Exercise Form attached as Schedule “B” hereto).
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- (c) A Registered Warrantholder evidenced by a security entitlement in respect of Warrants must complete the Exercise Notice and deliver the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Uncertificated Warrants shall be deemed to be surrendered upon receipt of the Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.
  - (d) A beneficial owner of Warrants issued in uncertificated form evidenced by a security entitlement in respect of Warrants in the book entry registration system who desires to exercise his or her Warrants must do so by causing a Book Entry Only Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a "**Confirmation**") in a manner acceptable to the Warrant Agent, including by electronic means through a book based registration system, including CDSX. An electronic exercise of the Warrants initiated by the Book Entry Only Participant through a book based registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants either:
    - (i) (A) is not in the United States; (B) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States; (C) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of a U.S. Person or a person in the United States; (D) did not receive an offer to exercise the Warrant in the United States; (E) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States; and (F) has, in all other respects, complied with the terms of Regulation S under the U.S. Securities Act in connection with such exercise; or
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- (ii) is the original purchaser of the Warrants and who executed and delivered a subscription agreement (a “**Subscription Agreement**”) to the Corporation in connection with its purchase of units of the Corporation pursuant to the private placement under which the Warrants were issued, and the representations, warranties and covenants made by the U.S. Warrantholder in such Subscription Agreement remain true and correct.

If the Book Entry Only Participant is not able to make or deliver either the representations in Section 3.2(d)(i) or the representations in Section 3.2(d)(ii) by initiating the electronic exercise of the Warrants, then (a) such Warrants shall be withdrawn from the book based registration system, including CDSX, by the Book Entry Only Participant; (b) an individually registered Warrant Certificate shall be issued by the Warrant Agent to such Beneficial Owner or Book Entry Only Participant and (c) the exercise procedures set forth in Section 3.2(a) shall be followed.

- (e) Payment representing the aggregate Exercise Price must be provided to the appropriate office of the Book Entry Only Participant in a manner acceptable to it. A notice in form acceptable to the Book Entry Only Participant and payment from such beneficial holder should be provided to the Book Entry Only Participant sufficiently in advance so as to permit the Book Entry Only Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to Expiry Time. The Depository will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent for prompt onward payment by the Warrant Agent to the Corporation which the Warrant Agent will promptly pay to the Corporation, and the Warrant Agent will execute the exercise by issuing to the Depository through the book entry registration system the Common Shares to which the exercising beneficial owner is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Entry Only Participant exercising the Warrants on its behalf.
  - (f) By causing a Book Entry Only Participant to deliver notice to the Depository, a beneficial owner shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Book Entry Only Participant to act as his or her exclusive settlement agent with respect to the exercise of the Warrants and the receipt of Common Shares in connection with the obligations arising from such exercise.
  - (g) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Entry Only Participant to exercise or to give effect to the settlement thereof in accordance with the beneficial owner’s instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Book Entry Only Participant or the beneficial owner.
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- (h) Any exercise form or Exercise Notice referred to in this Section 3.2 shall be signed by the Registered Warrantholder, or its executors or administrators or other legal representatives or an attorney of the Registered Warrantholder, duly appointed by an instrument in writing satisfactory to the Warrant Agent, but such exercise form need not be executed by the Depository.
- (i) Any exercise referred to in this Section 3.2 shall require that the entire Exercise Price for Common Shares subscribed must be paid at the time of subscription, and such Exercise Price and original Exercise Notice executed by the Registered Warrantholder or the Confirmation from the Depository must be received by the Warrant Agent prior to the Expiry Time.
- (j) Warrants may only be exercised pursuant to this Section 3.2 by or on behalf of a Registered Warrantholder, as applicable, who makes the certifications set forth on the Exercise Notice set out in Schedule "B" or as provided herein.
- (k) If the form of Exercise Notice set forth in the Warrant Certificate shall have been amended, the Corporation shall cause the amended Exercise Notice to be forwarded to all Registered Warrantholders.
- (l) Exercise Notices and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent's actual business hours on any Business Day prior to the Expiry Time. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day.
- (m) Any Warrant with respect to which an Exercise Notice or Confirmation is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

### **3.3 U.S. Prohibition.**

The Warrants and the Common Shares issuable upon exercise thereof have not been registered under the U.S. Securities Act or any state securities laws, and the Warrants may not be exercised unless a registration statement under the U.S. Securities Act is in effect or an exemption from such registration requirements is available.

- (a) Warrants may not be exercised except in compliance with the requirements set forth herein, in the Warrant Certificate and in the Exercise Notice attached thereto.
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- (b) Common Shares issued upon the exercise of any Certificated Warrant shall be issued in certificated form and, upon such issuance, shall bear the following legend (the “**U.S. Common Share Legend**”) unless in the opinion of U.S. securities counsel to the Corporation the U.S. Common Share Legend is not required:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) IF THE SECURITIES HAVE BEEN REGISTERED IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT IN ACCORDANCE WITH RULE 144 THEREUNDER, IF APPLICABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING, OR OTHER EVIDENCE OF EXEMPTION, REASONABLY SATISFACTORY TO THE CORPORATION. HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH U.S. SECURITIES LAWS.”

*provided that*, if any such securities are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, the legend may be removed by delivery to the registrar and transfer agent of the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws;

*provided further that*, if any such securities are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in substantially the form set forth as Schedule “C” of this Warrant Indenture (or in such other form as the Corporation may prescribe from time to time).

- (c) Common Shares issued upon the exercise of a Restricted Uncertificated Warrant shall be issued in uncertificated form and will bear the U.S. Common Share Legend unless in the opinion of U.S. securities counsel to the Corporation the U.S. Common Share Legend is not required.
- (d) Certificates representing Common Shares issued upon the exercise of Warrant Certificates (and issued in substitution or exchange therefor) prior to the date that is four months and one day after the Issue Date hereof shall bear the following legend:
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“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE 4 MONTHS AND 1 DAY FOLLOWING ISSUANCE DATE].”

### **3.4 Transfer Fees and Taxes.**

If any of the Common Shares subscribed for are to be issued to a person or persons other than the Registered Warrantholder, the Registered Warrantholder shall execute the form of transfer and will comply with such reasonable requirements as the Warrant Agent may stipulate and will pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes, and the Corporation will not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder shall have paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation and the Warrant Agent that such tax has been paid or that no tax is due.

### **3.5 Warrant Agency.**

To facilitate the exchange, transfer or exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agency, as the agency at which Warrants may be surrendered for exchange or transfer or at which Warrants may be exercised, and the Warrant Agent has accepted such appointment. The Corporation may, from time to time, designate alternate or additional places as the Warrant Agency (subject to the Warrant Agent’s prior approval) and will give notice to the Warrant Agent of any proposed change of the Warrant Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. The Warrant Agent will, from time to time, when requested to do so by the Corporation or any Registered Warrantholder and upon payment of the Warrant Agent’s reasonable charges, furnish a list of the names and addresses of Registered Warrantholders showing the number of Warrants held by each such Registered Warrantholder.

### **3.6 Effect of Exercise of Warrant Certificates.**

- (a) Upon the exercise of Warrants pursuant to and in compliance with Section 3.2 and subject to Section 3.3 and Section 3.4, the Common Shares to be issued pursuant to the Warrants exercised shall be deemed to have been issued, and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of such Common Shares on the Exercise Date unless the register shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Common Shares, on the date on which such register is reopened. It is hereby understood that, in order for persons to whom Common Shares are to be issued, to become holders of Common Shares of record on the Exercise Date, beneficial holders must commence the exercise process sufficiently in advance so that the Warrant Agent is in receipt of all items of exercise at least one Business Day prior to such Exercise Date.
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- (b) As soon as practicable, and in any event no later than within five Business Days after the Exercise Date with respect to a Warrant, the Warrant Agent shall cause to be delivered or mailed to the person or persons in whose name or names the Warrant is registered or, if so specified in writing by the holder, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Common Shares subscribed for, or any other appropriate evidence of the issuance of Common Shares to such person or persons in respect of Common Shares issued under the book entry registration system.

**3.7 Partial Exercise of Warrants; Fractions.**

- (a) The holder of any Warrants may exercise his right to acquire a number of whole Common Shares less than the aggregate number that the holder is entitled to acquire. In the event of any exercise of a number of Warrants less than the number that the holder is entitled to exercise, the holder of Warrants upon such exercise shall, in addition, be entitled to receive, without charge therefor, one or more new Warrant Certificates, bearing the same legend, if applicable, or other appropriate evidence of Warrants, in respect of the balance of the Warrants held by such holder and which were not then exercised.
- (b) Notwithstanding anything herein contained including any adjustment provided for in Section 4.1, no fractional Common Shares will be issuable upon any exercise of any Warrant, and the holder of such Warrant will not be entitled to any cash payment or compensation in lieu of a fractional Common Share. Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Common Shares shall be rounded down to the nearest whole number.

**3.8 Expiration of Warrants.**

Immediately after the Expiry Time, all rights under any Warrant in respect of which the right of acquisition provided for herein shall not have been exercised shall cease and terminate, and each Warrant shall be void and of no further force or effect.

**3.9 Accounting and Recording.**

- (a) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation with the bank or trust company designated by the Corporation for that purpose), all monies received by the Warrant Agent on the subscription of Common Shares through the exercise of Warrants. All such monies and any securities or other instruments, from time to time received by the Warrant Agent, shall be received as in trust for, and shall be segregated and kept apart by the Warrant Agent on behalf of the Warrant holders and the Corporation as their interests may appear.
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- (b) The Warrant Agent shall record the particulars of Warrants exercised, which particulars shall include the names and addresses of the persons who become holders of Common Shares on exercise and the Exercise Date, in respect thereof. The Warrant Agent shall provide such particulars in writing to the Corporation within five Business Days of any request by the Corporation therefor.

### 3.10 Securities Restrictions.

Notwithstanding anything herein contained, Common Shares will be issued upon exercise of a Warrant only in compliance with the securities laws of any applicable jurisdiction.

## ARTICLE 4 ADJUSTMENT OF NUMBER OF COMMON SHARES AND EXERCISE PRICE

### 4.1 Adjustment of Number of Common Shares and Exercise Price.

The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment, from time to time, as follows:

- (a) if, at any time during the Adjustment Period, the Corporation shall:
  - (i) subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares;
  - (ii) reduce, combine or consolidate its outstanding Common Shares into a lesser number of Common Shares; or
  - (iii) issue Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants or any outstanding options);

(any of such events in Section 4.1(a)(i), (ii) or (iii) being called a “**Common Share Reorganization**”), then the Exercise Price shall be adjusted as of the effective date or record date of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Share that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Exercise Price pursuant to Section 4.1(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

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- (b) if and whenever, at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that, if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;
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- (c) if and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of: (i) securities of any class, whether of the Corporation or any other trust (other than Common Shares); (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness; or (iv) any property or other assets, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Corporation reasonably and in good faith (whose determination shall be conclusive), subject to any required stock exchange approval, of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;
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- (d) if and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership, limited liability company or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership, limited liability company or other entity, any Registered Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Registered Warrantholder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership, limited liability company or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Registered Warrantholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Registered Warrantholder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Warrant Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, limited liability company, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Registered Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Registered Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, limited liability company, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances;
- (e) in any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Registered Warrantholder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Registered Warrantholder an appropriate instrument evidencing such Registered Warrantholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such Registered Warrantholder would, but for the provisions of this Section 4.1(e), have become the holder of record of such additional Common Shares pursuant to Section 4.1;
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- (f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Registered Warrantheolders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;
- (g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect; provided, however, that any adjustments that, by reason of this Section 4.1(g), are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and
- (h) after any adjustment pursuant to this Section 4.1, the term “**Common Shares**” where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Registered Warrantheolder is entitled to receive upon the exercise of his Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Registered Warrantheolder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.

#### **4.2 Entitlement to Common Shares on Exercise of Warrant.**

All Common Shares or shares of any class or other securities, which a Registered Warrantheolder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Common Shares that such Registered Warrantheolder is entitled to acquire pursuant to such Warrant.

#### **4.3 No Adjustment for Certain Transactions.**

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or in connection with: (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; (b) the satisfaction of existing instruments issued at the date hereof; or (c) payment of Dividends in the ordinary course.

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**4.4 Determination by Independent Firm.**

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by an independent firm of chartered accountants (other than the Auditors), who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all holders and all other persons interested therein.

**4.5 Proceedings Prior to any Action Requiring Adjustment.**

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

**4.6 Certificate of Adjustment.**

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.1, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's Auditors verifying such calculation. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's Auditor and any other document filed by the Corporation pursuant to this Article 4 for all purposes.

**4.7 Notice of Special Matters.**

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Registered Warranholders of its intention to fix a record date that is prior to the Expiry Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The Corporation shall use its reasonable commercial efforts to give such notice not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the Registered Warranholders of such adjustment computation.

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**4.8 No Action after Notice.**

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which would deprive the Registered Warrantholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 4.6 and Section 4.7.

**4.9 Other Action.**

If the Corporation, after the date hereof, shall take any action affecting the Common Shares (other than action described in Section 4.1), which in the reasonable opinion of the directors of the Corporation, would materially affect the rights of Registered Warrantholders, the Exercise Price and/or the Exchange Rate, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion, as they may determine to be equitable to the Registered Warrantholders in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

**4.10 Protection of Warrant Agent.**

The Warrant Agent shall not:

- (a) at any time be under any duty or responsibility to any Registered Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (b) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any other securities or property which may, at any time, be issued or delivered upon the exercise of the rights attaching to any Warrant;
- (c) be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article 4; and
- (d) incur any liability or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

**4.11 Participation by Warrantholder.**

No adjustments shall be made pursuant to this Article 4 if the Registered Warrantholders are entitled to participate in any event described in this Article 4 on the same terms, mutatis mutandis, as if the Registered Warrantholders had exercised their Warrants prior to, or on the effective date or record date of, such event.

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**ARTICLE 5**  
**RIGHTS OF THE CORPORATION AND COVENANTS**

**5.1 Optional Purchases by the Corporation.**

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, if any, the Corporation may, from time to time purchase, by private contract or otherwise any of the Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of Certificated Warrants, Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent and reflected accordingly on the register of Warrants. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of Warrant and in accordance with procedures prescribed by the Depository under the book entry registration system. No Warrants shall be issued in replacement thereof.

**5.2 General Covenants.**

The Corporation covenants with the Warrant Agent that, so long as any Warrants remain outstanding:

- (a) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants;
  - (b) it will cause the Common Shares from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrants and the terms hereof;
  - (c) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable;
  - (d) it will use reasonable commercial efforts to maintain its existence and carry on its business in the ordinary course;
  - (e) it will use reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Common Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the CSE (or such other Canadian stock exchange acceptable to the Corporation), provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the CSE, so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the CSE or other Canadian stock exchange on which the Common Shares are trading;
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- (f) it will make all requisite filings under applicable United States and Canadian securities legislation including those necessary to remain a reporting issuer not in default in each of the provinces and other Canadian jurisdictions where it is or becomes a reporting issuer provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the CSE (or such other Canadian stock exchange acceptable to the Corporation), so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the CSE or other Canadian stock exchange on which the Common Shares are trading;
- (g) it will perform and carry out all of the acts or things to be done by it as provided in this Indenture; and
- (h) the Corporation will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than five days following its occurrence.

### **5.3 Warrant Agent's Remuneration and Expenses.**

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the duties hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section 5.3 shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

### **5.4 Performance of Covenants by Warrant Agent.**

If the Corporation fails to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Registered Warrantholders of such failure on the part of the Corporation and may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform said covenants or to notify the Registered Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

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### **5.5 Enforceability of Warrants.**

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Common Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

## **ARTICLE 6 ENFORCEMENT**

### **6.1 Suits by Registered Warranholders.**

All or any of the rights conferred upon any Registered Warranholder by any of the terms of this Indenture may be enforced by the Registered Warranholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Registered Warranholders.

### **6.2 Suits by the Corporation.**

The Corporation shall have the right to enforce full payment of the Exercise Price of all Common Shares issued by the Warrant Agent to a Registered Warranholder hereunder and shall be entitled to demand such payment from the Registered Warranholder or alternatively to instruct the Warrant Agent to cancel the share certificates and amend the securities register accordingly.

### **6.3 Waiver of Default.**

Upon the happening of any default hereunder:

- (a) the Registered Warranholders of not less than 51% of the Warrants then-outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or
  - (b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, on the advice of Counsel, if, in the Warrant Agent's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefor;
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provided that no delay or omission of the Warrant Agent or of the Registered Warranholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Registered Warranholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

**ARTICLE 7  
MEETINGS OF REGISTERED WARRANTHOLDERS**

**7.1 Right to Convene Meetings.**

The Warrant Agent may, at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warranholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Registered Warranholders signing such Warranholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Registered Warranholders. If the Warrant Agent fails to so call a meeting within seven days after receipt of such written request of the Corporation or such Warranholders' Request and the indemnity and funding given as aforesaid, the Corporation or such Registered Warranholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Toronto, Ontario or at such other place as may be mutually approved or determined by the Warrant Agent and the Corporation.

**7.2 Notice.**

At least 21 days' prior written notice of any meeting of Registered Warranholders shall be given to the Registered Warranholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Registered Warranholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Section 7.2.

**7.3 Chairman.**

The Warrant Agent may nominate in writing an individual (who need not be a Registered Warranholder) to be chairman of the meeting and if no individual is so nominated, or if the individual so nominated is not present within 15 minutes after the time fixed for the holding of the meeting, the Registered Warranholders present in person or by proxy shall appoint an individual present to be chairman of the meeting. The chairman of the meeting need not be a Registered Warranholder.

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#### **7.4 Quorum.**

Subject to the provisions of Section 7.11, at any meeting of the Registered Warrantholders a quorum shall consist of Registered Warrantholder (s) present in person or by proxy holding at least 10% of the aggregate number of all the then outstanding Warrants. If a quorum of the Registered Warrantholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by Registered Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 10% of the aggregate number of all then outstanding Warrants.

#### **7.5 Power to Adjourn.**

The chairman of any meeting at which a quorum of the Registered Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

#### **7.6 Show of Hands.**

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

#### **7.7 Poll and Voting.**

- (a) On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Registered Warrantholders acting in person or by proxy and entitled to acquire in the aggregate at least 5% of all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll.
  - (b) On a show of hands, every person who is present and entitled to vote, whether as a Registered Warrantholder or as proxy for one or more absent Registered Warrantholders, or both, shall have one vote. On a poll, each Registered Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Registered Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.
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**7.8 Regulations.**

- (a) The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for the setting of the record date for a meeting for the purpose of determining Registered Warranholders entitled to receive notice of and to vote at the meeting.
- (b) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Registered Warranholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Registered Warranholders or proxies of Registered Warranholders.

**7.9 Corporation and Warrant Agent May be Represented.**

The Corporation and the Warrant Agent, by their respective directors, officers, agents, and employees and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Registered Warranholders.

**7.10 Powers Exercisable by Extraordinary Resolution.**

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Registered Warranholders at a meeting shall, subject to the provisions of Section 7.11, have the power exercisable from time to time by Extraordinary Resolution:

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Registered Warranholders or the Warrant Agent in its capacity as warrant agent hereunder (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the Registered Warranholders against the Corporation whether such rights arise under this Indenture or otherwise;
  - (b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Registered Warranholders;
  - (c) to direct or to authorize the Warrant Agent, subject to Section 9.2(b) hereof, to enforce any of the covenants on the part of the Corporation contained in this Indenture or to enforce any of the rights of the Registered Warranholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;
  - (d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture either unconditionally or upon any conditions specified in such Extraordinary Resolution;
  - (e) to restrain any Registered Warranholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or to enforce any of the rights of the Registered Warranholders;
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- (f) to direct any Registered Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Registered Warrantholder in connection therewith;
- (g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- (h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed; and
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

**7.11 Meaning of Extraordinary Resolution.**

- (a) The expression “**Extraordinary Resolution**” when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution: (i) proposed at a meeting of Registered Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Registered Warrantholders holding at least 25% of the aggregate number of Warrants and passed by the affirmative votes of Registered Warrantholders holding not less than 66 2/3% of the aggregate number of then outstanding Warrants at the meeting and voted on the poll upon such resolution; or (ii) in writing signed by the holders of at least 66 2/3% of the then outstanding Warrants on any matter that would otherwise be voted upon at a meeting called to approve such resolution as contemplated in Section 7.11(a)(i).
  - (b) If, at the meeting at which an Extraordinary Resolution is to be considered, Registered Warrantholders holding at least 25% of the aggregate number of then outstanding Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Registered Warrantholders or on a Warrantholders’ Request, shall be dissolved, but, in any other case, it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 14 days’ prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11(a) shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that Registered Warrantholders holding at least 25% of the aggregate number of then-outstanding Warrants are not present in person or by proxy at such adjourned meeting.
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- (c) Subject to Section 7.14, votes on an Extraordinary Resolution shall always be given on a poll, and no demand for a poll on an Extraordinary Resolution shall be necessary.

**7.12 Powers Cumulative.**

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Registered Warranholders by Extraordinary Resolution or otherwise may be exercised from time to time, and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Registered Warranholders to exercise such power or powers or combination of powers then or thereafter from time to time.

**7.13 Minutes.**

Minutes of all resolutions and proceedings at every meeting of Registered Warranholders shall be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

**7.14 Instruments in Writing.**

All actions that may be taken and all powers that may be exercised by the Registered Warranholders at a meeting held as provided in this Article 7 may also be taken and exercised by Registered Warranholders holding not less than 66 2/3% of the aggregate number of all of the then-outstanding Warrants by an instrument in writing signed in one or more counterparts by such Registered Warranholders in person or by attorney duly appointed in writing, and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

**7.15 Binding Effect of Resolutions.**

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Registered Warranholders shall be binding upon all the Warranholders, whether present at or absent from such meeting, and every instrument in writing signed by Registered Warranholders in accordance with Section 7.14 shall be binding upon all the Warranholders, whether signatories thereto or not, and each and every Warranholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

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**7.16 Holdings by Corporation Disregarded.**

In determining whether Registered Warrantheolders holding Warrants evidencing the required number of Warrants are present at a meeting of Registered Warrantheolders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Warrantheolders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation shall be disregarded in accordance with the provisions of Section 10.7.

**ARTICLE 8  
SUPPLEMENTAL INDENTURES**

**8.1 Provision for Supplemental Indentures for Certain Purposes.**

From time to time, the Corporation (when authorized by action of the directors) and the Warrant Agent may, subject to CSE approval and the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) setting forth any adjustments resulting from the application of the provisions of Article 4;
  - (b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Registered Warrantheolders;
  - (c) giving effect to any Extraordinary Resolution passed as provided in Section 7.11;
  - (d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Registered Warrantheolders;
  - (e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;
  - (f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Registered Warrantheolders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;
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- (g) providing for the issuance of additional Warrants hereunder, including Warrants in excess of the number set out in Section 2.1 and any consequential amendments hereto as may be required by the Warrant Agent relying on the advice of Counsel; and
- (h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent and of the Registered Warranholders are in no way prejudiced thereby.

## **8.2 Successor Entities.**

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity (“**successor entity**”), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent acting reasonably and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

## **ARTICLE 9 CONCERNING THE WARRANT AGENT**

### **9.1 Indenture Legislation.**

- (a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
- (b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

### **9.2 Rights and Duties of Warrant Agent.**

- (a) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own gross negligent action, willful misconduct, bad faith or fraud under this Indenture.
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- (b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Registered Warrantheolders hereunder shall be conditional upon the Registered Warrantheolders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.
- (c) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Registered Warrantheolders, at whose instance it is acting to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrants the Warrant Agent shall issue receipts.
- (d) Every provision of this Indenture that, by its terms, relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation.

### **9.3 Evidence, Experts and Advisers.**

- (a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.
  - (b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.
  - (c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.
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- (d) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or gross negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.
- (e) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

**9.4 Documents, Monies, etc. Held by Warrant Agent.**

- (a) Any monies, securities, documents of title or other instruments that may at any time be held by the Warrant Agent shall be placed in the deposit vaults of the Warrant Agent or of any Canadian chartered bank listed in Schedule I of the *Bank Act* (Canada), or deposited for safekeeping with any such bank. Any monies held pending the application or withdrawal thereof under any provisions of this Indenture, shall be held, invested and reinvested in "Permitted Investments" as directed in writing by the Corporation. "Permitted Investments" shall be treasury bills guaranteed by the Government of Canada having a term to maturity not to exceed ninety (90) days, or term deposits or bankers' acceptances of a Canadian chartered bank having a term to maturity not to exceed ninety (90) days, or such other investments that is in accordance with the Warrant Agent's standard type of investments. Unless otherwise specifically provided herein, all interest or other income received by the Warrant Agent in respect of such deposits and investments shall belong to the Corporation.
  - (b) Any written direction for the investment or release of funds received shall be received by the Warrant Agent by 9:00 a.m. (Toronto time) on the Business Day on which such investment or release is to be made, failing which such direction will be handled on a commercially reasonable efforts basis and may result in funds being invested or released on the next Business Day.
  - (c) The Warrant Agent shall have no responsibility or liability for any diminution of any funds resulting from any investment made in accordance with this Indenture, including any losses on any investment liquidated prior to maturity in order to make a payment required hereunder.
  - (d) In the event that the Warrant Agent does not receive a direction or only a partial direction, the Warrant Agent may hold cash balances constituting part or all of such monies and may, but need not, invest same in its deposit department, the deposit department of one of its affiliates, or the deposit department of a Canadian chartered bank; but the Warrant Agent, its affiliates or a Canadian chartered bank shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.
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**9.5 Actions by Warrant Agent to Protect Interest.**

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Registered Warranholders.

**9.6 Warrant Agent Not Required to Give Security.**

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

**9.7 Protection of Warrant Agent.**

By way of supplement to the provisions of any law for the time being relating to the Warrant Agent, it is expressly declared and agreed as follows:

- (a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in Section 9.9 or in the Authentication of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;
  - (b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
  - (c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof;
  - (d) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;
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- (e) notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (i) breach by any other party of securities law or other rule of any securities regulatory authority, (ii) lost profits or (iii) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages; provided, however, that the liability of the Warrant Agent shall not be limited or excluded under this 9.7(d) in the event of the negligence, wilful misconduct, bad faith, or fraud of the Warrant Agent. The Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the “**Indemnified Parties**”) from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties’ duties, or any other services that Warrant Agent may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that, notwithstanding any other provision of this Indenture, the Corporation shall not be required to hold harmless or indemnify the Indemnified Parties in the event of the gross negligence, bad faith, willful misconduct or fraud of the Warrant Agent or any Indemnified Party, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture; and
- (f) notwithstanding the foregoing or any other provision of this Indenture, any liability of the Warrant Agent shall be limited in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Warrant Agent receiving the first notice of the claim.

#### **9.8 Replacement of Warrant Agent; Successor by Merger.**

- (a) The Warrant Agent may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 60 days’ prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Registered Warrantheolders by Extraordinary Resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new warrant agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Registered Warrantheolders; failing such appointment by the Corporation, the retiring Warrant Agent or any Registered Warrantheolder may apply to a judge of the Province of Ontario on such notice as such judge may direct, for the appointment of a new warrant agent; but any new warrant agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Registered Warrantheolders. Any new warrant agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of Ontario and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.
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- (b) Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Registered Warranholders thereof in the manner provided for in Section 10.2.
- (c) Any Warrant Certificates Authenticated but not delivered by a predecessor Warrant Agent may be Authenticated by the successor Warrant Agent in the name of the predecessor or successor Warrant Agent.
- (d) Any corporation into which the Warrant Agent may be merged or consolidated or amalgamated or to which all or substantially all of its business is sold, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to substantially the corporate trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as successor Warrant Agent under Section 9.8(a).

**9.9 Acceptance of Agency**

The Warrant Agent hereby accepts the agency in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

**9.10 Warrant Agent Not to be Appointed Receiver.**

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

**9.11 Warrant Agent Not Required to Give Notice of Default.**

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

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**9.12 Anti-Money Laundering.**

- (a) The Corporation hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by, the Warrant Agent in connection with this Agreement, for or to the credit of such party, either: (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.
- (b) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the other parties to this Agreement, provided: (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

**9.13 Compliance with Privacy Code.**

The parties acknowledge that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (a) to provide the services required under this Indenture and other services that may be requested from time to time;
- (b) to help the Warrant Agent manage its servicing relationships with such individuals;
- (c) to meet the Warrant Agent's legal and regulatory requirements; and
- (d) if Social Insurance Numbers are collected by the Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Warrant Agent shall make available on its website or upon request, including revisions thereto. The Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

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#### 9.14 Securities Exchange Commission Certification.

The Corporation confirms that it has either (i) a class of securities registered pursuant to Section 12 of the U.S. Exchange Act; or (ii) a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, and has provided the Warrant Agent with an officers' certificate (in a form provided by the Warrant Agent certifying such reporting obligation and other information as requested by the Warrant Agent. The Corporation covenants that in the event that any such registration or reporting obligation shall be terminated by the Corporation in accordance with the U.S. Exchange Act, the Corporation shall promptly notify the Warrant Agent of such termination and such other information as the Warrant Agent may require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain SEC obligations with respect to those clients who are filing with the SEC.

### ARTICLE 10 GENERAL

#### 10.1 Notice to the Corporation and the Warrant Agent.

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or if emailed:

(i) If to the Corporation:

Bunker Hill Mining Corp.  
82 Richmond St. East  
Toronto, ON M5C 1P1

Attention: Wayne Parsons, Chief Financial Officer  
Email: [wp@bunkerhillmining.com](mailto:wp@bunkerhillmining.com)

(ii) If to the Warrant Agent:

Capital Transfer Agency ULC  
390 Bay St., Suite 920  
Toronto, ON M5H 2Y2

Attention: Sarah Morrison  
Email: [sarahmarrison@capitaltransfer.com](mailto:sarahmarrison@capitaltransfer.com)

and any such notice delivered in accordance with the foregoing shall be deemed to have been received and given on the date of delivery or, if mailed, on the fifth Business Day following the date of mailing such notice or, if transmitted by electronic means, on the next Business Day following the date of transmission.

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- (b) The Corporation or the Warrant Agent, as the case may be, may, from time to time, notify the other in the manner provided in Section 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.
- (c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed, as provided in Section 10.1(a), or given by facsimile or other means of prepaid, transmitted and recorded communication.

**10.2 Notice to Registered Warrantholders.**

- (a) Unless otherwise provided herein, notice to the Registered Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Warrants are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent.
  - (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Registered Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to such Registered Warrantholders to the address for such Registered Warrantholders contained in the register maintained by the Warrant Agent or such notice may be given, at the Corporation's expense, by means of publication in the Globe and Mail, National Edition, or any other English language daily newspaper or newspapers of general circulation in Canada, in each two successive weeks, the first such notice to be published within 5 Business Days of such event, and any so notice published shall be deemed to have been received and given on the latest date the publication takes place.
  - (c) Accidental error or omission in giving notice or accidental failure to mail notice to any Registered Warrantholder will not invalidate any action or proceeding founded thereon.
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### **10.3 Ownership of Warrants.**

The Corporation and the Warrant Agent may deem and treat the Registered Warrantholders as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary, except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Registered Warrantholder of the Common Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

### **10.4 Counterparts and Electronic Means.**

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, they shall be deemed to be dated as of the date hereof. Delivery of an executed copy of this Indenture by facsimile, electronic transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

### **10.5 Satisfaction and Discharge of Indenture.**

Upon the earlier of:

- (a) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore Authenticated hereunder, in the case of Certificated Warrants (or such other instructions, in a form satisfactory to the Warrant Agent) or, in the case of Uncertificated Warrants, by way of standard processing through the book entry only system in the case of a CDS Global Warrant; and
- (b) the Expiry Time;

and if all certificates or other entry on the register representing Common Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture shall cease to be of further effect, and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

### **10.6 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Registered Warrantholders.**

Nothing in this Indenture or in the Warrants, expressed or implied, shall give or be construed to give to any person, other than the parties hereto and the Registered Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Registered Warrantholders.

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#### **10.7 Warrants Owned by the Corporation - Certificate to be Provided.**

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

- (a) the names (other than the name of the Corporation) of the Registered Warranholders which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation; and
- (b) the number of Warrants owned legally or beneficially by the Corporation;

and the Warrant Agent, in making the computations in Section 7.16, shall be entitled to rely on such certificate without any additional evidence.

#### **10.8 Severability**

If, in any jurisdiction, any provision of this Indenture or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without (a) invalidating the remaining provisions of this Indenture, (b) affecting the validity or enforceability of such provision in any other jurisdiction or (c) affecting its application to other parties or circumstances.

#### **10.9 Force Majeure**

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

#### **10.10 Assignment, Successors and Assigns**

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in (a) Section 9.8 in the case of the Warrant Agent or (b) Section 8.2 in the case of the Corporation. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

#### **10.11 Rights of Rescission and Withdrawal for Holders**

Should a holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the holder's funds which were paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the holder. In such cases, the holder shall seek a refund directly from the Corporation and subsequently, the Corporation, upon surrender to the Corporation or the Warrant Agent of any underlying shares that may have been issued, or such other procedure as agreed to by the parties hereto, shall instruct the Warrant Agent in writing, to cancel the exercise transaction and any such underlying shares on the register, which may have already been issued upon the Warrant exercise. In the event that any payment is received from the Corporation by virtue of the holder being a shareholder for such Warrants that were subsequently rescinded, such payment must be returned to the Corporation by such holder. The Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce that the funds are returned pursuant to this section, nor shall the Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section. Notwithstanding the foregoing, in the event that the Corporation provides the refund to the Warrant Agent for distribution to the holder, the Warrant Agent shall return such funds to the holder as soon as reasonably practicable, and, in so doing, the Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds.

*[Signature Page Follows]*

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IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

**BUNKER HILL MINING CORP.**

By: /s/ "Sam Ash"

Name: Sam Ash

Title: Chief Executive Officer

**CAPITAL TRANSFER AGENCY ULC**

By: /s/ "Sarah Morrison"

Name: Sarah Morrison

Title: Managing Director

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**SCHEDULE "A"**

**FORM OF WARRANT**

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE ON OR BEFORE 4:00 P.M. (EST TIME) ON AUGUST 31, 2023, AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

*For all Warrants include the following legend until such time as it is no longer required in accordance with applicable Canadian securities laws and TSX Venture Exchange policies:*

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [THE DATE THAT IS FOUR MONTHS AND ONE DAY FROM THE ISSUE DATE].

*For all Warrants registered in the name of the Depository, also include the following legend:*

**(INSERT IF BEING ISSUED TO CDS)** UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO BUNKER HILL MINING CORP. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

*For all Warrants unless in the opinion of U.S. securities counsel to the Corporation sch legend is not required:*

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) IF THE SECURITIES HAVE BEEN REGISTERED IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT IN ACCORDANCE WITH RULE 144 THEREUNDER, IF APPLICABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING, OR OTHER EVIDENCE OF EXEMPTION, REASONABLY SATISFACTORY TO THE CORPORATION. HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH U.S. SECURITIES LAWS.

THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATIONS UNDER THE U.S. SECURITIES ACT.

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**WARRANT**

To acquire Common Shares of Bunker Hill Mining Corp.

CUSIP: 120613112  
ISIN: US1206131120

(existing under the laws of the State of Nevada)

Warrant Certificate No. \_\_\_\_\_ Certificate for \_\_\_\_\_ Warrants, each entitling the holder to acquire one (1) Common Share (subject to adjustment as provided for in the Warrant Indenture (as defined below)

**THIS IS TO CERTIFY THAT**, for value received,

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(the "**Warrantholder**") is the registered holder of the number of common share purchase warrants (the "**Warrants**") of Bunker Hill Mining Corp. (the "**Corporation**") specified above and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture, to purchase at any time before 4:00 p.m. (Toronto time) (the "**Expiry Time**") on August 31, 2023 (the "**Expiry Date**") one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a "**Common Share**") for each Warrant subject to adjustment in accordance with the terms of the Warrant Indenture.

The right to purchase Common Shares may only be exercised by the Warrantholder within the time set forth above by:

- (a) duly completing and executing the exercise form (the "**Exercise Form**") attached hereto; and
- (b) surrendering this warrant certificate (the "**Warrant Certificate**"), with the Exercise Form, to the Warrant Agent at the principal office of the Warrant Agent, in the city of Toronto, Ontario, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Corporation in an amount equal to the purchase price of the Common Shares so subscribed for.

The surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

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Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Common Share upon the exercise of Warrants shall be \$0.50 per Common Share (the “**Exercise Price**”).

Certificates for the Common Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Common Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Common Shares not so purchased. No fractional Common Shares will be issued upon exercise of any Warrant.

This Warrant Certificate evidences Warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the “**Warrant Indenture**”) dated as of August 14, 2020 between the Corporation and Capital Transfer Agency ULC, as Warrant Agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Corporation and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Corporation will furnish to the holder, on request and without charge, a copy of the Warrant Indenture.

On presentation at the principal office of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and on compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates representing the same number of Warrants as represented by the Warrant Certificate(s) so exchanged.

Neither the Warrants nor the Common Shares issuable upon exercise hereof have been registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or U.S. state securities laws. The Warrants may not be exercised by a person in the United States, a U.S. Person, a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or a person requesting delivery in the United States of the Common Shares issuable upon such exercise unless (i) this Warrant and such Common Shares have been registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption from such registration requirements is available and the requirements set forth in the Exercise Form have been satisfied. “United States” and “U.S. Person” are as defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Common Share upon the exercise of Warrants and the number of Common Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions making binding on all holders of Warrants outstanding thereunder resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants entitled to purchase a specific majority of the Common Shares that can be purchased pursuant to such Warrants.

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Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the holder hereof any right or interest whatsoever as a holder of Common Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in Toronto, Ontario, or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate will not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language. Les parties aux présentes déclarent qu'elles ont exigé que la présente convention, de même que tous les documents s'y rapportant, soient rédigés en anglais.

*[Signature Page Follows]*

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**IN WITNESS WHEREOF** the Corporation has caused this Warrant Certificate to be duly executed as of August 14, 2020.

**BUNKER HILL MINING CORP.**

By: \_\_\_\_\_  
Authorized Signatory

Countersigned and Registered by:

**CAPITAL TRANSFER AGENCY ULC**

By: \_\_\_\_\_  
Authorized Signatory

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**FORM OF TRANSFER**

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER

To: CAPITAL TRANSFER AGENCY ULC

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

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(print name and address) the Warrants of Bunker Hill Mining Corp. represented by this Warrant Certificate and hereby irrevocable constitutes and appoints \_\_\_\_\_ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

In the case of a warrant certificate that contains a U.S. restrictive legend, or in the case of a Restricted Uncertificated Warrant that is identified by a restricted CUSIP, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

- (A) the transfer is being made to the Corporation;
- (B) the transfer is being made pursuant to registration under the U.S. Securities Act, and in compliance with any applicable local securities laws and regulations,
- (C) the transfer is being made outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and the undersigned has executed a declaration addressed to the registrar and transfer agent of the Corporation and to the Corporation, in substantially the form set forth as Schedule "C" to the Warrant Indenture,
- (D) the transfer is being made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act and in accordance with applicable state securities laws, or
- (E) the transfer is being made in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws.

In the case of a transfer in accordance with (D) or (E) above, the Warrant Agent and the Corporation shall first have received an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent, to such effect.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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SPACE FOR GUARANTEES OF SIGNATURES (BELOW)

		Signature of Transferor
Guarantor's Signature/Stamp		Name of Transferor

**REASON FOR TRANSFER – For US Citizens or Residents only (where the individual(s) or corporation receiving the securities is a US citizen or resident). Please select only one (see instructions below).**

Gift     
  Estate     
  Private Sale     
  Other (or no change in ownership)

Date of Event (Date of gift, death or sale):

Value per Warrant on the date of event:

	/		/	
--	---	--	---	--

\$		.			<input type="checkbox"/>		<input type="checkbox"/>
						CAD OR	USD

**CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY**

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then-current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.
- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.



**OR**

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer with a "MEDALLION GUARANTEED" Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

**REASON FOR TRANSFER – FOR US CITIZENS OR RESIDENTS ONLY**

Consistent with U.S. IRS regulations, Capital Transfer Agency ULC is required to request cost basis information from U.S. securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized but, rather, the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

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**SCHEDULE "B"**

**EXERCISE FORM**

**TO:** Bunker Hill Mining Corp. (the "**Corporation**")

**AND TO:** Capital Transfer Agency ULC (the "**Warrant Agent**")

The undersigned holder of the Warrants evidenced by this Warrant Certificate hereby exercises the right to acquire \_\_\_\_\_ (A) Common Shares of Bunker Hill Mining Corp.

Exercise Price Payable: \_\_\_\_\_  
(A) multiplied by \$0.50, subject to adjustment

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Common Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

**Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.**

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

(A) the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; and (vii) is not requesting delivery in the United States of the Common Shares issuable upon such exercise; OR

(B) the undersigned holder is the original U.S. purchaser who purchased the Warrants pursuant a Subscription Agreement and is exercising the Warrants for its own account or for the account or benefit of a disclosed principal that was named in the Subscription Agreement pursuant to which it purchased such Warrants, and was and is, and such disclosed principal, if any, was and is, an accredited investor (a "**U.S. Accredited Investor**") within the meaning of Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") both on the date the Warrants were purchased and at the time of exercise of the Warrants and the representations and warranties of such Warrantholder made in the original Subscription Agreement, including the Certificate of U.S. Accredited Investor Status attached thereto, remain true and correct as of the date of exercise of these Warrants; OR

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(C) the undersigned holder

- (i) is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, (4) executing or delivering this exercise form in the United States, or (5) requesting delivery in the United States of the Common Shares issuable upon such exercise, and
- (ii) is a U.S. Accredited Investor, the undersigned holder has delivered to the Corporation and the Corporation's transfer agent a completed and executed U.S. Warrantholder Letter in substantially the form attached to the Warrant Indenture as Schedule "D";

\_\_\_\_\_ OR

(D) the undersigned holder

- (i) is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Common Shares issuable upon such exercise, and
- (ii) the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation and the Corporation's transfer agent a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect;

\_\_\_\_\_ OR

(E) the exercise of the Warrant is subject to an effective registration statement under the U.S. Securities Act and the securities laws of all applicable states of the United States.

The undersigned understands that unless the Common Shares issuable upon the exercise of the Warrants are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States and the undersigned has provided a written opinion of counsel satisfactory to the Corporation to such effect, the certificate representing the Common Shares issued upon exercise of this Warrant will bear the following restrictive legend:

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“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) IF THE SECURITIES HAVE BEEN REGISTERED IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT IN ACCORDANCE WITH RULE 144 THEREUNDER, IF APPLICABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING, OR OTHER EVIDENCE OF EXEMPTION, REASONABLY SATISFACTORY TO THE CORPORATION. HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH U.S. SECURITIES LAWS.”

It is understood that the Corporation and the Warrant Agent may require evidence to verify the foregoing representations.

- Notes: (1) Certificates representing Common Shares will not be registered or delivered to an address in the United States unless Box B, C, D or E above is checked.
- (2) If Box C above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation.

“United States” and “U.S. Person” are as defined in Rule 902 of Regulation S under the U.S. Securities Act.

The undersigned hereby irrevocably directs that the said Common Shares be issued, registered and delivered as follows:

Name(s) in Full and Social Insurance Number(s) (if applicable)	Address(es)	Number of Common Shares

Please print full name in which certificates representing the Common Shares are to be issued. If any Common Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

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Once completed and executed, this Exercise Form must be mailed or delivered to Capital Transfer Agency ULC, 390 Bay St., Suite 920, Toronto, ON M5H 2Y2.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

	)	
	)	
	)	
Witness	)	Signature of Warrantholder, to be the same as appears on the face of this Warrant Certificate
	)	
	)	
	)	
	)	Name of Registered Warrantholder

[ ] Please check if the certificates representing the Common Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.

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**SCHEDULE "C"**

**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

**TO:** CAPITAL TRANSFER AGENCY ULC, as registrar and transfer agent for the Warrants and Common Shares issuable upon exercise of the Warrants of Bunker Hill Mining Corp.

**AND TO:** BUNKER HILL MINING CORP. (the "Corporation")

The undersigned (A) acknowledges that the sale of \_\_\_\_\_ (the "Securities") The undersigned (A) acknowledges that the sale of the securities of Bunker Hill Mining Corp. (the "Corporation") to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act") and (B) certifies that (1) the undersigned is not an "affiliate" of the Corporation as that term is defined in Rule 405 under the U.S. Securities Act, a "distributor" or an affiliate of "distributor", (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a "designated offshore securities market" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing-off" the resale restrictions imposed because the securities are "restricted securities" as that term is described in Rule 144(a)(3) under the U.S. Securities Act, (5) the securities have been held for a period of at least six months, (6) the seller does not intend to replace such securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (7) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S under the U.S. Securities Act. The undersigned in making this Declaration acknowledges that the Corporation is relying on the contents hereof and hereby agrees to indemnify and hold harmless the Corporation for any and all liability, losses, claims and demands in any way related to the subject matter of this Declaration.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By: X \_\_\_\_\_  
Name:  
Title:

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**Affirmation by Seller's Broker-Dealer  
(required for sales under (B)2(b) above)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") dated \_\_\_\_\_, with regard to our sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of a designated offshore securities market (*i.e.*, the Toronto Stock Exchange, the TSX Venture Exchange or the Canadian Securities Exchange), (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

\_\_\_\_\_  
Name of Firm

By: X \_\_\_\_\_  
Authorized officer

Date: \_\_\_\_\_

\_\_\_\_\_

**SCHEDULE "D"**  
**FORM OF U.S. WARRANTHOLDER CERTIFICATION UPON EXERCISE OF WARRANTS**

**TO: BUNKER HILL MINING CORP.**

**AND TO: CAPITAL TRANSFER AGENCY ULC, as Warrant Agent**

Dear Sirs and Madams:

The undersigned is delivering this letter in connection with the purchase of common shares (the "**Common Shares**") of Bunker Hill Mining Corp., a corporation existing under the laws of the State of Nevada (the "**Corporation**") upon the exercise of warrants of the Corporation ("**Warrants**"), issued under the warrant indenture, dated as of August 14, 2020 between the Corporation and Capital Transfer Agency ULC.

The undersigned hereby represents and warrants to the Corporation that the undersigned, and each beneficial owner (each a "**Beneficial Owner**"), if any, on whose behalf the undersigned is exercising such Warrants, satisfies one or more of the following categories of accredited investor (**please write "W/H" for the undersigned holder, and "B/O" for each beneficial owner, if any, on each line that applies**):

- \_\_\_\_\_ any bank as defined in Section 3(a)(2) of the U.S. Securities Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity;
  - \_\_\_\_\_ any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended;
  - \_\_\_\_\_ any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act;
  - \_\_\_\_\_ any investment company registered under the Investment Company Act of 1940, as amended, or a business development company as defined in Section 2(a)(48) of that Act;
  - \_\_\_\_\_ any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;
  - \_\_\_\_\_ any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US\$5,000,000;
  - \_\_\_\_\_ any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US\$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are U.S. Accredited Investors;
-

- \_\_\_\_\_ any private business development company as defined in Section 202(a)(22) of the Investments Advisers Act of 1940;
- \_\_\_\_\_ any organization described in section 501(c)(3) of the Internal Revenue Code of 1986, corporation, Massachusetts or similar business trust, or partnership not formed for the specific purpose of acquiring the Class D Shares, with total assets in excess of US\$5,000,000;
- \_\_\_\_\_ a director or executive officer of the Corporation;
- \_\_\_\_\_ a natural person whose individual net worth (excluding (i) as an asset, the primary residence of the natural person and (ii) as a liability, indebtedness secured by such residence, up to the estimated fair market value of such residence at the time of sale of the Class D Shares (except that if the amount of such indebtedness outstanding at such time of sale exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability) or joint net worth with his or her spouse, at the time of that person's purchase, exceeds US\$1,000,000;
- \_\_\_\_\_ a natural person who had an individual income in excess of US\$200,000 in each of the two most recent years, or joint income with that person's spouse in excess of US\$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year;
- \_\_\_\_\_ any trust with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the Class D Shares, whose purchase is directed by a sophisticated person, being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment; or
- \_\_\_\_\_ any entity in which all the equity owners are within one or more of the foregoing categories.

The undersigned further represents and warrants to the Corporation that:

1. the undersigned has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Common Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;
  2. it is acquiring the Common Shares for its own account for, or if applicable, the account of one or more persons for whom it is exercising sole investment discretion (each, a "**Beneficial Owner**") and it, and if applicable, each Beneficial Owner for whose account it is purchasing the Units, is an "accredited investor" (a "**U.S. Accredited Investor**") as such term is defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), and the undersigned has initialed the category of U.S. Accredited Investor applicable to the undersigned;
-

3. it is acquiring the Common Shares for investment purposes only and not with a view to any resale, distribution or other disposition of the Common Shares in violation of the United States securities laws and, in particular, it has no intention to distribute either directly or indirectly any of the Common Shares in the United States or to a "U.S. person" as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act (a "**U.S. Person**"); provided, however, that the undersigned may sell or otherwise dispose of any of the Common Shares pursuant to registration thereof pursuant to the U.S. Securities Act, and any applicable state securities laws or if an exemption or exclusion from such registration requirements is available or registration is otherwise not required under this U.S. Securities Act;
4. it has not exercised the Warrants as a result of any "general solicitation" or "general advertising," as such terms are defined for purposes of Regulation D under the U.S. Securities Act, including without limitation any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio or television or other form of telecommunications, or published or broadcast by means of the internet or any other form of electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising; and
5. the funds representing the purchase price for the Common Shares, which will be advanced by the undersigned to the Corporation, will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the Corporation may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the purchase price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and the undersigned shall promptly notify the Corporation if the undersigned discovers that any of such representations ceases to be true and provide the Corporation with appropriate information in connection therewith.

The undersigned also acknowledges and agrees that:

6. the Corporation has provided to the undersigned a reasonable opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Corporation;
-

7. the Corporation has no obligation to register any of the Common Shares or to take any other action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);
  8. the undersigned acknowledges and agrees that the Common Shares will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will remain “restricted securities” notwithstanding any resale within or outside the United States unless the sale is completed pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption therefrom, including in accordance with Rule 144 under the U.S. Securities Act (“Rule 144”), if available; the undersigned acknowledges that the common shares will be subject to a minimum hold period of at least six months under Rule 144 from the date of issuance; the undersigned acknowledges that it has been advised to obtain independent legal and professional advice on the requirements of Rule 144, and that the undersigned has been advised that resales of the Common Shares may be made only under certain circumstances; the undersigned understands that to the extent that Rule 144 is not available, the undersigned may be unable to sell any Common Shares without either registration under the U.S. Securities Act or the availability of another exemption from such registration requirements, and in all cases pursuant to exemptions from applicable securities laws of any applicable state of the United States;
  9. the certificates representing the Common Shares as well as all certificates issued in exchange for or in substitution of therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act and applicable state securities laws, will bear, on the face of such certificate, restrictive legend substantially in the form set forth in Section 3.3(c) of the Warrant Indenture; provided that if the Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, such restrictive legend may be removed by providing a declaration to the registrar and transfer agent of the Corporation, substantially in the form annexed to the Warrant Indenture as Schedule “C” thereto (or in such other form as the Corporation may prescribe from time to time) and, if requested by the Corporation or transfer agent, an opinion of counsel, of recognized standing, in form and substance satisfactory to the Corporation to the effect that the transfer is in compliance with Rule 904; and provided, further, that, if any Common Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legend may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;
  10. it consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Corporation in order to implement the restrictions on transfer set forth and described in this Warrant Exercise Form; and
  11. it acknowledges and consents to the fact that the Corporation is collecting personal information (as that term is defined under applicable privacy legislation, including, without limitation, the Personal Information Protection and Electronic Documents Act (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time) of the undersigned for the purpose of facilitating the subscription for the Common Shares hereunder. The undersigned acknowledges and consents to the Corporation retaining such personal information for as long as permitted or required by law or business practices and agrees and acknowledges that the Corporation may use and disclose such personal information: (a) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the undersigned; (b) for use and disclosure for income tax-related purposes, including without limitation, where required by law disclosure to Canada Revenue Agency; (c) disclosure to professional advisers of the Corporation in connection with the performance of their professional services; (d) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trade or similar regulatory filings; (e) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure; (f) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with your prior written consent; (g) disclosure to a court determining the rights of the parties under this Agreement; and (h) for use and disclosure as otherwise required or permitted by law.
-

We acknowledge that you will rely upon our confirmations, acknowledgements and agreements set forth herein, and we agree to notify you promptly in writing if any of our representations or warranties herein ceases to be accurate or complete.

DATED \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Name of U.S. Warranholder (**please print**)

**X**

\_\_\_\_\_  
Signature of individual (if U.S. Warranholder **is** an individual)

**X**

\_\_\_\_\_  
Authorized signatory (if U.S. Warranholder **is not** an individual)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
AND THE UNITED STATES DEPARTMENT OF JUSTICE

_____ )	
IN THE MATTER OF: )	
BUNKER HILL SUPERFUND SITE )	U.S. EPA Region 10
KELLOGG, IDAHO )	CERCLA Docket No. 10-2017-0123
)	
)	
)	
SETTLEMENT AGREEMENT AND )	In re: BUNKER HILL MINING CORP.
ORDER ON CONSENT FOR RESPONSE )	
ACTION BY BUNKER HILL MINING )	
CORP., PURCHASER, UNDER THE )	
COMPREHENSIVE ENVIRONMENTAL )	
RESPONSE, COMPENSATION AND )	
LIABILITY ACT, 42 U.S.C. §§ 9601-9675 )	
_____ )	

**SETTLEMENT AGREEMENT AND ORDER ON CONSENT FOR  
RESPONSE ACTION BY  
BUNKER HILL MINING CORP.**





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## I. INTRODUCTION

1. This Settlement Agreement and Order on Consent for Response Action by Bunker Hill Mining Corp. ("Settlement Agreement") is voluntarily entered into by and between the United States, on behalf of the Environmental Protection Agency ("EPA"), and Bunker Hill Mining Corp. ("Purchaser"). As described in this Settlement Agreement, Purchaser agrees to perform a response action at or in connection with the property located at the Bunker Hill Mine, south of Kellogg, in the Silver Valley of Shoshone County, Idaho (the "Mine"), which is located in and part of the "Non-Populated Areas Operable Unit of the Bunker Hill Superfund Site" or the "Site," and to make payments for, and in partial or total satisfaction of the liability of Placer Mining Corp. and the Estate of Robert Hopper, relating to the Mine, under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. §§ 9601 – 9675, as provided below.

## II. JURISDICTION AND GENERAL PROVISIONS

2. This Settlement Agreement is issued pursuant to the authority of the Attorney General to compromise and settle claims of the United States, and the authority vested in the President of the United States by CERCLA, and delegated to the Administrator of EPA by Executive Order No. 12580, 52 Fed. Reg. 2923 (Jan. 23, 1987).

3. The Parties agree that the United States District Court for the District of Idaho will have jurisdiction pursuant to Section 113(b) of CERCLA, 42 U.S.C. § 9613(b), for any enforcement action brought with respect to this Settlement Agreement.

4. EPA has notified the State of Idaho (the "State") of this action pursuant to Section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

5. In view of the complex nature and significant extent of the work to be performed in connection with the response actions at the Mine and the Site, and the risk of claims under CERCLA being asserted against Purchaser as a consequence of Purchaser's activities at the Site pursuant to this Settlement Agreement, one of the purposes of this Settlement Agreement is to resolve, subject to the reservations and limitations contained in Section XVIII ("Reservations of Rights by United States"), any potential liability of Purchaser under CERCLA for the Existing Contamination and Work as defined by Paragraph 10.

6. The resolution of this potential liability in exchange for Purchaser's performance of the Work and payments made in accordance with Paragraph 40 of this Agreement, is in the public interest.

7. The United States and Purchaser recognize that this Settlement Agreement has been negotiated in good faith. Purchaser agrees to comply with and be bound by the terms of this Settlement Agreement and further agrees that it will not contest the basis or validity of this Settlement Agreement or its terms.

### III. PARTIES BOUND

8. This Settlement Agreement applies to and is binding upon the United States and upon Purchaser and its successors and assigns. Any change in ownership or corporate status of Purchaser including, but not limited to, any transfer of assets or real or personal property shall not alter Purchaser's responsibilities under this Settlement Agreement.

9. Purchaser shall ensure that its contractors, subcontractors, and representatives comply with this Settlement Agreement, and, where appropriate, receive a copy of this Settlement Agreement. Purchaser shall be responsible for any noncompliance with this Settlement Agreement.

### IV. DEFINITIONS

10. Unless otherwise expressly provided herein, terms used in this Settlement Agreement that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations, including any amendments thereto.

"Bunker Hill Mine" or the "Mine" shall mean that portion of the Site located at the Bunker Hill Mine, south of Kellogg, in the Silver Valley of Shoshone County, Idaho, which is described in the Lease Agreement and Option to Purchase ("Lease") attached hereto as Appendix 1, and that certain parcel not being listed in the Lease but that is an integral part of the Mine as more particularly described in Appendix 2.

"Bunker Hill Mining and Metallurgical Complex Special Account" shall mean the special account, within the EPA Hazardous Substance Superfund, established for the Site by EPA pursuant to Section 122(b)(3) of CERCLA, 42 U.S.C. § 9622(b)(3).

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601-9675.

"Day" or "day" shall mean a calendar day. In computing any period of time under this Settlement Agreement, where the last day would fall on a Saturday, Sunday, or federal or State holiday, the period shall run until the close of business of the next working day.

"Effective Date" shall mean the effective date of this Settlement Agreement as provided in Section XXVI.

"EPA" shall mean the United States Environmental Protection Agency and its successor departments, agencies, or instrumentalities.

"EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.

"Existing Contamination" shall mean any hazardous substances, pollutants or contaminants that migrated from the Mine prior to the Effective Date.

“Interest” shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year. Rates are available online at <http://www2.epa.gov/superfund/superfund-interest-rates>.

“National Contingency Plan” or “NCP” shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, and any amendments thereto.

“Paragraph” shall mean a portion of this Settlement Agreement identified by an Arabic numeral or an upper or lower case letter.

“Parties” shall mean the United States and Purchaser.

“Purchaser” or “Lessee” shall mean Bunker Hill Mining Corp., formerly Liberty Silver Corp., a Nevada Corporation, including any subsidiary entities.

“RCRA” shall mean the Solid Waste Disposal Act, 42 U.S.C. §§ 6901-6992 (also known as the Resource Conservation and Recovery Act).

“RPM” shall mean the Remedial Project Manager as defined in 40 C.F.R. § 300.5.

“Section” shall mean a portion of this Settlement Agreement identified by a Roman numeral.

“Settlement Agreement” shall mean this Settlement Agreement and Order on Consent for Response Action by Bunker Hill Mining Corp. (“Agreement”) and all appendices attached hereto (listed in Section XXIV). In the event of conflict between this Settlement Agreement and any Attachment, this Settlement Agreement shall control.

“Site” shall mean the Bunker Hill Mining and Metallurgical Superfund Site (the “Site”) encompassing approximately 21 square miles along Interstate 90 in the Silver Valley area of Northern Idaho, located in Shoshone County, Idaho, and depicted generally on the map attached as Appendix 3. The Site shall include the Mine, and all areas to which hazardous substances and/or pollutants or contaminants have been deposited, stored, disposed of, placed, or otherwise come to be located.

“State” shall mean the State of Idaho.

“United States” shall mean the United States of America and each department, agency, and instrumentality of the United States, including EPA.

“Waste Material” shall mean (a) any “hazardous substance” under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); (b) any pollutant or contaminant under Section 101(33) of CERCLA, 42 U.S.C. § 9601(33); (c) any “solid waste” under Section 1004(27) of RCRA,

42 U.S.C. § 6903(27); and (d) any "hazardous waste" under Section 39-4403(8) of the Idaho Hazardous Waste Management Act of 1983.

"Work" shall mean all activities and obligations Purchaser is required to perform under this Settlement Agreement except those required by Section XIII (Record Retention, Documentation and Availability of Information).

#### V. FINDINGS OF FACT

11. The Purchaser is Bunker Hill Mining Corp., formerly Liberty Silver Corporation.

12. The Mine is currently owned by Placer Mining Corporation ("PMC").

13. On August 17, 2017, the Purchaser and PMC entered into a Mining Lease with Option to Purchase ("Lease"). The Lease became effective December 1, 2017 and the term of the Lease is two years from the effective date. The Lease provides that the Purchaser will operate the Bunker Hill Mine and make certain improvements on the Mine along with making payments to PMC over the term of the Lease. Pursuant to the Lease, the Purchaser has the exclusive right to purchase the Bunker Hill Mine during the lease term upon notice to PMC and the United States. Consummation of the purchase of the Mine is conditioned on, among other things, reaching agreement with the United States regarding potential environmental liabilities arising from the purchase of the Mine. The Lease is attached as Appendix 1 hereto.

14. Purchaser intends to increase operations and increase the number of individuals employed at the Mine. This increase in employment would not occur absent the Lease and purchase of the Mine by the Purchaser.

15. The Mine is located south of Kellogg, in the Silver Valley of Shoshone County, Idaho within the Bunker Hill Mining and Metallurgical Superfund Site (the "Site"). The Site includes residential communities, industrial areas, and non-populated areas.

16. Environmental contamination of surface water, groundwater, soil, and sediment occurred at the Site as a result of mining, milling, and smelting operations in the Silver Valley, including but not limited to, at the Bunker Hill Mining and Metallurgical Complex ("Complex"), of which the Mine was a part. Operations at the Complex started in 1885 and continued through the 1980s, and included an integrated system of mining, milling, and smelting. Prior to 1928, liquid and solid waste from the Complex was discharged directly into the South Fork of the Coeur d'Alene River and its tributaries. Following 1928, waste from the Complex was directed to a nearby floodplain where a Central Impoundment Area ("CIA") was developed. Acid mine drainage ("AMD") and wastewater from the Complex were discharged to a settling pond in the CIA. In 1974, a Central Treatment Plant ("CTP") was built by the Bunker Hill Mining Company, the owner and operator of the Complex at the time. AMD and wastewater from the Complex were stored in an unlined pond in the CIA before being decanted to the CTP. In 1981, following the closure of the smelter, the CIA was no longer required to impound wastewater from the Complex, although surface runoff from the Complex and AMD from the Mine were still routed to the CIA prior to treatment at the CTP. Sludge which formed during the treatment process was also disposed in unlined ponds at the CIA.

17. Ownership of the Complex passed through a number of companies throughout the 100-year operation of the Complex. In early 1991, the Bunker Limited Partnership, then owner of the Complex and operator of the CTP, closed the Mine and filed for bankruptcy. In late 1991 and 1992, PMC purchased a portion of the Site, which includes underground workings, mineral rights, and much of the land surface above the Mine, from Bunker Limited Partnership. PMC did not purchase the entire Complex nor the CTP. In November 1994, federal and State governments assumed operation of the CTP for ongoing treatment of AMD.

18. AMD is a result of acid-forming reactions occurring within the Mine among water, oxygen, sulfide minerals (especially pyrite), and bacteria. AMD is acidic with typical pH levels between 2.5 and 3.5, and it contains high levels of dissolved and suspended heavy metals. For human receptors, the constituents of primary concern at the Site found in the AMD are arsenic, cadmium, lead, mercury, and thallium, and for aquatic and terrestrial receptors they are aluminum, arsenic, cadmium, copper, iron, lead, manganese, mercury, selenium, silver, and zinc. Impacts on human health from exposure to these constituents include carcinogenic effects, skin lesions, neuropathy, gastrointestinal irritation, kidney damage, interference with metabolism, and interference with the normal functioning of the central nervous system. Impacts on the environment from exposure to these constituents include significant mortality of fish and invertebrate species, elevated concentrations of metals in the tissues of fish, invertebrates, and plants, and reduced growth and reproduction of aquatic life.

19. AMD is generated and discharged from the Mine continuously. AMD from the Mine is drained through the Kellogg Tunnel portal and then passes through a conveyance system to the CTP for treatment. Average AMD discharge from the Mine during typical flow periods is approximately 1300 gallons per minute. During high flow periods AMD may be diverted to a lined surface impoundment on the Site, where it mixes with other minimal wastewater streams from the Mine. From the impoundment, it is pumped to the CTP for treatment. If not collected and treated at the CTP, AMD from the Mine would flow downhill through the mine yard, across properties where public and environmental exposures would occur, and into Bunker Creek and the South Fork Coeur d'Alene River where it would have significant detrimental effects on water quality and the ecosystem.

20. Initially, the Bunker Hill Superfund Site was divided into two operable units, the Populated Areas and the Non-Populated Areas, in order to focus investigation and cleanup efforts. A Record of Decision ("ROD") for the Non-Populated Areas Operable Unit was signed on September 22, 1992. A ROD Amendment for the Non-Populated Areas Operable Unit, addressing the management of AMD was issued in December 2001. A third operable unit was created to address contamination in the Coeur d'Alene Basin, and a ROD for Operable Unit 3, the Coeur d'Alene Basin, was issued in 2002.

21. In 1994, EPA issued a unilateral administrative order ("UAO") to PMC directing PMC to keep the mine pool pumped to an elevation below the level of the South Fork Coeur d'Alene River (at or below Level 11 of the Mine) to prevent discharges to the river, to convey mine water to the CTP for treatment unless an alternative form of treatment was approved, and to provide for emergency mine water storage within the mine. In 2017, EPA issued a UAO to PMC directing PMC to control mine water flows to the CTP during needed upgrades at the CTP and in high flow periods, to conduct operation and maintenance of the Reed Landing Flood Control

Project, to file an environmental covenant on a portion of the Mine property regarding access and operation and maintenance, and allowing PMC to fill the mine pool to Level 10 during diversion events.

22. Response actions required by the 1994 and 2017 UAOs are currently being performed by PMC. Upon the later of the Effective Date of this Settlement Agreement or the Consent Decree resolving the United States' pending CERCLA claims against PMC and the Estate of Robert Hopper, Sr., EPA will withdraw the 1994 and 2017 UAOs. To the extent that aspects of those UAOs require ongoing work, Purchaser agrees to perform such work when Purchaser becomes the operator of the Mine, and to continue to perform such work when Purchaser becomes the owner upon subsequent purchase of the Mine. Ongoing work requirements are described in detail in Section IX (Work to be Performed) below.

#### VI. DETERMINATIONS

23. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

- a. The Mine is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).
- b. The contaminants found at and released from the Mine, as identified in the Findings of Fact above, include "hazardous substances" as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).
- c. Purchaser is a "person" as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).
- d. The conditions described in Paragraphs 18-19 of the Findings of Fact above constitute an actual or threatened "release" of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C. § 9601(22).
- e. The Work is necessary to protect the public health, welfare, or the environment and, if carried out in compliance with the terms of this Settlement Agreement, will be considered consistent with the NCP, as provided in Section 300.700(e)(3)(ii) of the NCP.

#### VII. SETTLEMENT AGREEMENT

24. In consideration of and in exchange for the United States' Covenant Not to Sue in Section XVI Purchaser agrees to comply with all provisions of this Settlement Agreement, including, but not limited to, all attachments to this Settlement Agreement and all documents incorporated by reference into this Settlement Agreement.

#### VIII. DESIGNATION AND AUTHORITY OF EPA PROJECT MANAGER

25. EPA has designated Ed Moreen of the Office of Environmental Cleanup, Region 10, as its Project Manager (PM). EPA shall have the right to change its designated PM. EPA intends to notify Purchaser within 30 days of such change.

26. The PM shall be responsible for overseeing Purchaser's implementation of this Settlement Agreement. The PM shall have the authority to halt, conduct, or direct any Work required by this Settlement Agreement, or to direct any other response action undertaken at the Site. Absence of the PM from the Site shall not be cause for stoppage of work unless specifically directed by the PM.

#### IX. WORK TO BE PERFORMED

27. Purchaser's Project Coordinator. Within 10 days of the Effective Date of this Settlement Agreement, Purchaser shall identify a Project Coordinator who shall be available daily via email and phone, and act as the Project Coordinator on behalf of the Purchaser for the duration of the Work to be Performed. Purchaser may change its Project Coordinator with written notice to the RPM at least 15 days prior to such change.

28. Purchaser shall perform, at a minimum, all actions necessary to manage AMD as directed by EPA so as to allow necessary maintenance of and upgrades to the CTP and to avoid damaging or overwhelming the CTP, as described below in Paragraphs 29 through 34 (these actions, collectively, are the "Work to be Performed" by the Purchaser under this Settlement Agreement).

29. In-Mine Diversion System and Mine Pool. Purchaser shall construct an In-Mine Diversion System and manage the mine pool such that diverted flows of Mine Waters, as defined in Paragraph 29.a, will be stored within the mine or discharged at a controlled rate, and not result in uncontrolled discharge to the environment. The following criteria describe the performance criteria to be met.

- a. Mine Waters to be Stored: Waters to be stored by Purchaser include all mine water which originate upstream of the Barney Switch within the mine, including the east side (Milo) gravity flows, the west side (Deadwood) gravity flows, and the lower country (Mine Pool) pumped flows.
- b. Mine Pool Storage Volume: Purchaser shall provide storage volume using all void space (the mine workings) from a minimum of 30 feet below the sill of 11 Level at the No. 2 Raise to the sill of 10 Level at the No. 2 Raise.
- c. In-Mine Diversion System Construction: Purchaser shall construct a diversion dam system in the Kellogg Tunnel just downstream from the Barney Switch which backs up all Mine Waters into the Barney Vent Raise or other appropriate and approved location. The system shall have the capability to divert a minimum of 7,000 gallons per minute.
- d. In-Mine Diversion System Activation: Purchaser shall activate the In-Mine Diversion System under the following circumstances:
  - (1) For initial compliance inspection: Within 70 days of the Effective Date of this Settlement Agreement, for a duration to be determined and requested by EPA during the initial compliance inspection;



- (2) For emergencies: Within 4 hours of notification from EPA, for a duration to be determined and requested by EPA based on the emergency situation, which may occur at any time; and
  - (3) For CTP or Conveyance Line Maintenance: Within 14 days of notification from EPA, for a duration to be determined and requested by EPA based on the maintenance required.
- e. In-Mine Diversion System Operation and Maintenance: Purchaser shall maintain and operate the In-Mine Diversion System until notification from EPA that the system may be decommissioned and removed, in accordance with the following:
- (1) The amount of In-Mine Diversion System building materials continuously kept at the diversion structure location shall be sufficient to divert all flows as required by Paragraph 29.a, and to construct the diversion dam to provide the storage capacity required in Paragraph 29.c.
  - (2) The diversion dam structure, location as described in Paragraph 29.c, and adjoining ditches, are to be kept serviceable and in operable condition at all times for diversion dam construction, operation, and maintenance.
  - (3) The entire In-Mine Diversion conveyance system (e.g. Barney Vent Raise or other appropriate and approved location) shall be inspected a minimum of twice per year, and more frequently if there are concerns regarding its ability to convey the capacity required in Paragraph 29.c. Purchaser shall develop and maintain a written report of each inspection, and shall provide it to EPA upon request.
  - (4) The In-Mine Diversion conveyance system shall be cleaned, by hydraulic flushing or other means as necessary, at least once per year, and more frequently if needed to provide the capacity required in Paragraph 29.c. Purchaser shall inform EPA within 7 days of completing each cleaning.
  - (5) Written diversion dam construction procedures and In-Mine Diversion System operation and maintenance procedures are to be developed and posted near the diversion dam structure location within 70 days of the Effective Date of this Settlement Agreement which provide sufficient detail for diversion dam construction, and system operation and maintenance by all crew members. The written diversion dam construction procedures and system operation and maintenance procedures shall be periodically updated as needed. Purchaser shall provide the written procedures to EPA upon request.

- (6) Diversion dam construction procedures and system operation and maintenance procedures required by Paragraph 29.e(5) shall be periodically practiced, at least once per year, or more frequently as needed to ensure the required diversion response time can be met. Purchaser shall inform EPA a minimum of 7 days prior to each diversion dam construction practice.

30. Kellogg Portal Contingency Diversion System. Purchaser shall obtain and store a sufficient quantity of sand bags or other appropriate materials near the entrance to the Kellogg Tunnel with the designated purpose of containing, damming, and/or rerouting any flows into the Kellogg Tunnel ditch, in order to prevent any overland flow outside the ditch.

- a. Waters to be diverted: All mine waters that are not contained within the Kellogg Tunnel ditch that are either within the Kellogg Tunnel or outside of the Kellogg Tunnel in the mine yard.
- b. Contingency Diversion System Materials: Sand bags or other materials that could be easily transported and assembled to route mine water back to the ditch in an emergency situation.
- c. Contingency Diversion System Activation:
  - (1) Obtain materials: Within 90 days of the Effective Date of this Settlement Agreement.
  - (2) Deployment of Contingency Diversion System: Within 1 hour of the first indication, or when the Purchaser knows or should know, of mine water flowing outside of the Kellogg Tunnel ditch, regardless of cause.
- d. Contingency Diversion System Operation and Maintenance: Purchaser shall maintain and operate the Contingency Diversion System until notification from EPA that the system may be decommissioned and removed, in accordance with the following:
  - (1) The amount of Contingency Diversion System building materials continuously kept shall be sufficient to divert all flows as required by Paragraph 30.a, and shall be deployed in accordance with Paragraph 30.c to control flows during high flow events or to respond to emergencies.
  - (2) The Contingency Diversion System storage location and materials are to be kept serviceable and in operable condition at all times for Contingency Diversion System construction and operation.
  - (3) Written Contingency Diversion System construction procedures are to be developed and posted near the diversion system materials storage location within 90 days of the Effective Date of this

Settlement Agreement. Construction procedures shall provide sufficient detail for diversion system construction by all crew members. The construction procedures shall be periodically updated as needed. Purchaser shall provide the construction procedures to EPA upon request.

- (4) Contingency Diversion system procedures are to be periodically practiced, at least once per year, or more frequently as needed, to ensure the required diversion response times in Paragraph 30.c can be met. Purchaser shall inform EPA a minimum of 7 days prior to each Contingency Diversion System construction practice.

31. Reed Landing Flood Control Project Operations and Maintenance.

- a. Purchaser shall conduct operations and maintenance in accordance with the Reed Landing Flood Control Project Operations and Maintenance Manual ("O&M Manual"), attached as Appendix 4 to this Settlement Agreement.
- b. Purchaser shall conduct inspections of the Reed Landing Flood Control Project in accordance with the frequency described in the O&M Manual, fill out the Inspection Checklist for each inspection, and provide a copy of the completed checklist to EPA and the State upon request.
- c. Purchaser shall remove snow and take any other necessary steps to maintain access roads to provide for safe access to the Reed Landing Project area year-round.

32. Manage mine wastes, including existing piles of such waste around the Mine boundaries (i.e., the slope north of the wash building and south of the City of Kellogg offices) to prevent a release of such waste into the environment.

33. Purchaser shall obtain an NPDES permit for its discharge of AMD and any other Mine-related discharges within five years of the Effective Date. Until such time, Purchaser shall continue to convey AMD to the CTP for treatment. EPA may approve the conveyance of other Mine-related discharges to the CTP for treatment during the initial five-year period. By the end of the five-year period, Purchaser shall treat all AMD and Mine-related discharges pursuant to an EPA approved treatment option and in compliance with Section 402 of the Clean Water Act, 33 U.S.C. § 1342. Treatment options may include:

- a. Entering a lease agreement with EPA providing for Purchaser to lease and operate the CTP;
- b. Purchasing and operating the CTP; or
- c. Constructing and operating a treatment plant.

34. Treat flows from the Reed and Russell adits prior to discharge into surface waters or route back into the Mine to prevent discharge, without treatment, off-site.

35. Inspections.

- a. EPA may require an inspection of the In-Mine Diversion System following its initial construction pursuant to Paragraph 29(d)(1) to determine compliance with the requirements of Paragraph 29.
- b. EPA may have an on-site presence during the Work to be Performed. At EPA's request, the Purchaser or Purchaser's designee shall accompany EPA for inspections during the Work to be Performed.
- c. Purchaser shall provide specialty personal protective equipment needed for EPA personnel, transportation, and an escort for any oversight officials to perform their oversight and/or inspection duties within the mine.
- d. Upon notification by EPA of any deficiencies during the Work to be Performed on any component, Purchaser shall take all necessary steps to correct the deficiencies and/or bring the Work to be Performed into compliance. If applicable, Purchaser shall comply with any schedule provided by EPA in its notice of deficiency.

36. Emergency Response and Reporting. The reporting requirements under this Paragraph are in addition to the reporting required by CERCLA § 103 and/or the Emergency Planning and Community Right-to-Know Act ("EPCRA") § 304.

- a. If any incident occurs during performance of the Work to Be Performed that causes or threatens to cause a release of Waste Material on, at, or from the Mine and that either constitutes an emergency situation or that may present an immediate threat to public health or welfare or the environment, Purchaser shall: (1) immediately take all appropriate action to prevent, abate, or minimize such release or threat of release; (2) immediately notify the authorized EPA officer, as specified in Paragraph 36.c, orally; and (3) take such actions in consultation with the authorized EPA officer.
- b. Upon the occurrence of any incident during performance of the Work to be Performed that Purchaser is required to report pursuant to Section 103 of CERCLA, 42 U.S.C. § 9603, or Section 304 of EPCRA, 42 U.S.C. § 11004, Purchaser shall also immediately notify the authorized EPA officer orally.
- c. The "authorized EPA officer" for purposes of immediate oral notifications and consultations under Paragraphs 36.a and 36.b is the EPA RPM, or the EPA Emergency Response Unit, Region 10 at 206-553-1263 (if the RPM is not available).

- d. For any incident covered by Paragraphs 29.a and 29.b, Purchaser shall: (1) within 14 days after the onset of such incident, submit a report to EPA describing the actions or incidents that occurred and the measures taken, and to be taken, in response thereto; and (2) within 30 days after the conclusion of such incident, submit a written report to EPA describing all actions taken in response to such incident.

37. Purchaser shall perform all actions required by this Settlement Agreement in accordance with all applicable local, state, and federal laws and regulations, except as provided in Section 121(e) of CERCLA, 42 U.S.C. § 9621(e), and 40 C.F.R. §§ 300.400(e). All on-Site actions required pursuant to this Settlement Agreement shall attain applicable or relevant and appropriate requirements ("ARARs") under federal environmental or state environmental or facility siting laws as set forth in the 1992 Record of Decision and the 2001 Record of Decision Amendment referenced in Paragraph 20 above.

#### X. PAYMENT

38. For so long as the Purchaser leases, owns, and/or occupies the Mine, Purchaser shall pay on behalf of PMC, as a portion of the purchase price, and in satisfaction of EPA's claim for cost recovery against PMC as set forth in the Complaint filed by the United States on March 17, 2004 in the United States District Court for the District of Idaho (2:04-cv-00126), to EPA \$20,000,000 in accordance with the following payment schedule:

<u>Date</u>	<u>Amount</u>
Within 30 days of the Effective Date	\$1,000,000
November 1, 2018	\$2,000,000
November 1, 2019	\$3,000,000
November 1, 2020	\$3,000,000
November 1, 2021	\$3,000,000
November 1, 2022	\$3,000,000
November 1, 2023	\$3,000,000
November 1, 2024	\$2,000,000

Purchaser shall make such payments for each year in which Purchaser leases, owns, and/or occupies the Mine on or after July 1. Purchaser's liability for such payments shall not extend to any year in which Purchaser no longer leases, owns, and/or occupies the Mine after July 1.

39. Purchaser shall additionally pay EPA for water treatment costs incurred at the Central Treatment Plant ("CTP") from December 1, 2017 onward in semi-annual installments of \$480,000 beginning within 30 days of the Effective Date and then every six months after December 1, 2017, for so long as Purchaser leases, owns, and/or occupies the Mine. Payments made toward water treatment and actual costs incurred will be reconciled annually. EPA will send written notification to Purchaser annually to reconcile costs paid with actual costs incurred, along with a bill for any owed costs, as appropriate. Payment of any owed costs as indicated in such notification and bill shall be paid 30 days after the date of such bill. The requirement in this Paragraph shall continue until the Purchaser finds alternative means to treat the water.

40. Purchaser shall make payment to EPA by Fedwire Electronic Funds Transfer (EFT) to:

Federal Reserve Bank of New York  
ABA = 021030004  
Account = 68010727  
SWIFT address = FRNYUS33  
33 Liberty Street  
New York, NY 10045  
Field Tag 4200 of the Fedwire message should read "D  
68010727 Environmental Protection Agency"

Such payment shall reference Site/Spill ID Number 1020 and the EPA docket number for this action.

41. The total amount paid by Purchaser pursuant to Paragraphs 38 and 39 shall be deposited by EPA in the Bunker Hill Mining and Metallurgical Complex Special Account to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

42. Notice of such payments pursuant to this Section shall be provided to EPA in accordance with Paragraph 83, and to the EPA Finance Center by email or regular mail at:

EPA Cincinnati Finance Center  
26 W. Martin Luther King Drive  
Cincinnati, Ohio 45268  
[Cinwd\\_acctsreceivable@epa.gov](mailto:Cinwd_acctsreceivable@epa.gov)

Such notice shall reference Site/Spill ID Number 1020 and the EPA docket number for this action.

43. Potential Alteration of Payment Schedule. The Parties acknowledge that circumstances may arise necessitating alteration of the payment schedule set forth in Paragraph 38 above. The Parties address here those circumstances that are reasonably foreseeable to them at this time:

- a. If Purchaser cancels or defaults on the lease, or the lease terminates for any reason other than expiration of the lease term (or any extended lease term) or Purchaser's purchase of the Mine:

Purchaser shall pay any amounts due pursuant to Paragraph 38, above, and shall pay in full any outstanding payment due for water treatment pursuant to Paragraph 39 up through the month in which the lease terminates. Water treatment costs shall be calculated using the monthly rate of \$80,000 and further reconciled with actual costs;

- b. If Purchaser extends the lease term:

Purchaser shall make payments as they come due pursuant to Paragraph 38, above, and shall continue to make payments for water treatment in accordance with Paragraph 39;

- c. If Purchaser purchases the Mine and transfers all or substantially all of its interest in the Mine prior to completing the entire schedule of payments referenced in Paragraph 38:
  - (1) The payment schedule in Paragraph 38 shall be accelerated and all payments thereunder shall be due and payable to the United States effective upon such transfer and the United States shall be deemed to have a security interest in any consideration given for such transfer;
  - (2) Purchaser shall pay in full any outstanding payment due for water treatment up through the month of the transfer. Water treatment costs shall be calculated using the monthly rate of \$80,000 and further reconciled with actual costs;
  - (3) To the extent that consideration for such transfer realized by Purchaser exceeds Purchaser's documented investment in the Mine plus 10% of that investment, the United States is entitled to an 80% share of such excess until the United States has been reimbursed all of its \$24 million past costs incurred at the Mine plus interest as provided by 42 U.S.C. § 9607;
  - (4) Such transfer must be conditioned upon Transferee reaching agreement with the United States regarding ongoing responsibility for water treatment costs;
- d. If Purchaser purchases the Mine and files for bankruptcy or ceases operating at the Mine at any time prior to completing the payments required in Paragraph 38:

The United States shall be deemed a secured creditor of Purchaser to the extent of all payments required under Paragraph 38 and not remitted at the petition date and all payments due under Paragraph 39.

- e. If Purchaser fails to make a payment as set forth in the payment schedules of Paragraphs 38 or 39, Purchaser shall have a three-month period in which to cure such default, which shall include Interest (as defined above) during the period of nonpayment.

#### XI. ACCESS/NOTICE TO SUCCESSORS/INSTITUTIONAL CONTROLS

44. Purchaser agrees to provide EPA, its authorized officers, employees, representatives, and all other persons performing response actions under EPA oversight, an irrevocable right of access at all reasonable times to the Mine and to any other property owned or

controlled by Purchaser to which access is required for the implementation of response actions at the Site. EPA agrees to provide reasonable notice to Purchaser of the timing of response actions to be undertaken at the Mine and other areas owned or controlled by Purchaser. Notwithstanding any provision of this Settlement Agreement, the United States retains all of its access authorities and rights, including enforcement authorities related thereto, under CERCLA, RCRA, and other authorities.

- a. In particular, Purchaser shall not obstruct access to a pipeline maintenance port in the Mine yard area. Access to this port is required for routine maintenance, including but not limited to pipeline pigging, conducted by the CTP operators to ensure flows can reliably be conveyed to the CTP for treatment. The location is marked as "Upper Pigging/Camera Access Vault and Gate Valve" on the map included as Appendix 5.

45. Purchaser shall submit to EPA for review and approval a notice to be filed with the Recorder's Office or other appropriate office, Shoshone County, State of Idaho, which shall provide notice to all successors-in-title that the Mine is part of the Site, and that EPA issued a Record of Decision in 1992 and a Record of Decision Amendment in 2001 providing for the performance of a remedial action at the Site. Purchaser shall record the notice within 15 days of EPA's approval of the notice. Purchaser shall provide EPA with a certified copy of the recorded notice within 7 days of recording such notice.

46. Purchaser shall implement and comply with any land use restrictions and institutional controls on the Mine.

47. For so long as Purchaser is an owner or operator of the Mine, Purchaser shall require that assignees, successors in interest, and any lessees, sublessees and other parties with rights to use the Mine shall provide access and cooperation to EPA, its authorized officers, employees, representatives, and all other persons performing response actions under EPA oversight. Purchaser shall require that assignees, successors in interest, and any lessees, sublessees, and other parties with rights to use the Mine implement and comply with any land use restrictions and institutional controls on the Mine, and not contest EPA's authority to enforce any such land use restrictions and institutional controls on the Mine.

48. Upon sale or other conveyance of the Mine or any part thereof, Purchaser shall require that each grantee, transferee or other holder of an interest in the Mine or any part thereof shall provide access and cooperation to EPA, its authorized officers, employees, representatives, and all other persons performing response actions under EPA oversight. Purchaser shall require that each grantee, transferee or other holder of an interest in the Mine or any part thereof shall implement and comply with any land use restrictions and institutional controls on the Mine in connection with a response action and not contest EPA's authority to enforce any such land use restrictions and institutional controls on the Mine.

49. Purchaser shall provide a copy of this Settlement Agreement to any current lessee, sublessee, and other party with rights to use the Mine as of the Effective Date.



## XII. INSURANCE

50. Not later than 15 days before commencing any Work to be Performed on-site under this Settlement Agreement, Purchaser shall secure, and shall maintain, commercial general liability insurance with limits of two million dollars, for any one occurrence, naming the United States as an additional insured with respect to all liability arising out of the activities performed by or on behalf of Purchaser pursuant to this Settlement Agreement. In addition, for the duration of the Settlement Agreement, Purchaser shall satisfy, or shall ensure that its contractors or subcontractors satisfy, all applicable laws and regulations regarding the provision of worker's compensation insurance for all persons performing the Work to be Performed on behalf of Purchaser in furtherance of this Settlement Agreement. Within the same time period, Purchaser shall provide EPA with certificates of such insurance and a copy of each insurance policy. Purchaser shall submit such certificate and copies of policies each year on the anniversary of the Effective Date. If Purchaser demonstrates by evidence satisfactory to EPA that any contractor or subcontractor maintains insurance equivalent to that described above, or insurance covering some or all of the same risks but in an equal or lesser amount, then, with respect to that contractor or subcontractor, Purchaser need provide only that portion of the insurance described above that is not maintained by the contractor or subcontractor.

## XIII. RECORD RETENTION, DOCUMENTATION, AND AVAILABILITY OF INFORMATION

51. Purchaser shall preserve all documents and information in its possession relating to the Work, or relating to the hazardous substances, pollutants or contaminants found on or released from the Mine, and shall submit them to EPA upon completion of the Work required by this Settlement Agreement, or earlier if requested by EPA.

52. Business Confidential Claims. Purchaser may assert that all or part of a Record provided to EPA pursuant to this Settlement Agreement is business confidential to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. § 2.203(b). Purchaser shall segregate and clearly identify all Records or parts thereof submitted under this Settlement Agreement for which Purchaser asserts business confidentiality claims. Records claimed as confidential business information will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies Records when they are submitted to EPA, or if EPA has notified Purchaser that the Records are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such Records without further notice to Purchaser.

## XIV. DISPUTE RESOLUTION

53. The dispute resolution procedures of this Section shall be the exclusive mechanism for resolving disputes arising under this Settlement Agreement. The United States and Purchaser shall attempt to resolve any disagreements concerning this Settlement Agreement expeditiously and informally. If the United States contends that Purchaser is in violation of this Settlement Agreement, the United States shall notify Purchaser in writing, setting forth the basis for its position. Purchaser may dispute the United States' position pursuant to Paragraph 54.

54. If Purchaser disputes the United States' position with respect to Purchaser's compliance with this Settlement Agreement or objects to any United States action taken pursuant to this Settlement Agreement, Purchaser shall notify EPA in writing of its position unless the dispute has been resolved informally. The United States may reply, in writing, to Purchaser's position within 30 days of receipt of Purchaser's notice. The United States and Purchaser shall have 20 days from EPA's receipt of Purchaser's written statement of position to resolve the dispute through formal negotiations (the "Negotiation Period"). The Negotiation Period may be extended by agreement of the parties. Such extension must be confirmed in writing.

55. Any agreement reached by the Parties pursuant to this Section shall be in writing and shall, upon signature by both Parties, be incorporated into and become an enforceable part of this Settlement Agreement. If the Parties are unable to reach an agreement within the Negotiation Period, an EPA management official in the Region 10 Office of Environmental Cleanup at or above the level of Unit Manager will review the dispute on the basis of the Parties' written statements of position and issue a written decision on the dispute. That written decision shall be incorporated into and become an enforceable part of this Settlement Agreement. Purchaser's obligations under this Settlement Agreement shall not be tolled by submission of any objection for dispute resolution under this Section. Following resolution of the dispute, as provided by this Section, Purchaser shall fulfill the requirement that was the subject of the dispute in accordance with the agreement reached or with the written decision, whichever occurs.

#### XV. CERTIFICATION

56. By entering into this Settlement Agreement, Purchaser certifies that to the best of its knowledge and belief it has fully and accurately disclosed to the United States all information known to Purchaser and all information in the possession or control of its officers, directors, employees, contractors and agents which relates in any way to any Existing Contamination or any past or potential future release of hazardous substances, pollutants or contaminants at or from the Site and to its qualification for this Settlement Agreement. Purchaser also certifies that to the best of its knowledge and belief it has not caused or contributed to a release or threat of release of hazardous substances or pollutants or contaminants at the Site. If the United States determines that information provided by Purchaser is not materially accurate and complete, this Settlement Agreement, within the sole discretion of the United States, shall be null and void and EPA reserves all rights it may have.

#### XVI. WORK TAKEOVER

57. In the event EPA determines that Purchaser: (1) has ceased implementation of any portion of the Work to be Performed; (2) is seriously or repeatedly deficient or late in its performance of the Work to be Performed; or (3) is implementing the Work to be Performed in a manner that may cause an endangerment to human health or the environment, EPA may issue a written notice ("Work Takeover Notice"), which may be electronic, to Purchaser. Any Work Takeover Notice issued by EPA will specify the grounds upon which such notice was issued and will provide Purchaser a period of 3 days within which to remedy the circumstances giving rise to EPA's issuance of such notice.

58. If, after expiration of the 3-day notice period specified in Paragraph 57, Purchaser has not remedied to EPA's satisfaction the circumstances giving rise to EPA's issuance of the relevant Work Takeover Notice, EPA may at any time thereafter assume the performance of all or any portion(s) of the Work to be Performed as EPA deems necessary ("Work Takeover"). EPA will notify Purchaser in writing, which may be electronic, if EPA determines that implementation of a Work Takeover is warranted under this Paragraph.

59. Notwithstanding any other provision of this Settlement, EPA retains all authority and reserves all rights to take any and all response actions authorized by law.

#### XVII. COVENANT NOT TO SUE BY UNITED STATES

60. Except as provided in Section XVIII (Reservation of Rights by the United States) and in consideration of the actions that will be performed in Section IX and the payments that will be made by Purchaser, pursuant to Paragraph 39, under the terms of this Settlement Agreement, the United States covenants not to sue or to take administrative action against Purchaser pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for Existing Contamination, Work, and payments made pursuant to Paragraph 39. This covenant not to sue shall take effect upon the Effective Date and is conditioned upon the complete and satisfactory performance by Purchaser of all obligations under this Settlement Agreement coming due during Purchaser's leasehold, ownership, and/or occupancy of the Mine, including, but not limited to, performance of the Work required by this Settlement Agreement and the payments required pursuant to Paragraph 39. This covenant not to sue extends only to Purchaser and does not extend to any other person. In no event shall Purchaser's liability for Existing Contamination exceed the amount owed by Purchaser pursuant to Paragraphs 38 and 39.

#### XVIII. RESERVATION OF RIGHTS BY UNITED STATES

61. Except as specifically provided in this Settlement Agreement, nothing herein shall limit the power and authority of EPA or the United States to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing herein shall prevent the United States from seeking legal or equitable relief to enforce the terms of this Settlement Agreement, or from taking other legal or equitable action as it deems appropriate and necessary.

62. The covenant not to sue set forth in Section XVII, above, does not pertain to any matters other than those expressly identified therein. The United States reserves, and this Settlement Agreement is without prejudice to, all rights against Purchaser with respect to all other matters, including, but not limited to:

- a. liability for failure by Purchaser to meet a requirement of this Settlement Agreement;

- b. criminal liability;
- c. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;
- d. liability for violations of federal, state, or local law or regulations during or after implementation of the Work other than as provided in the Workplan, the Work, or otherwise ordered by EPA;
- e. liability resulting from the release or threat of release of hazardous substances, pollutants or contaminants at or in connection with the Site after the Effective Date, not within the definition of Existing Contamination;
- f. liability resulting from exacerbation of Existing Contamination by Purchaser, its agents, contractors, sub-contractors, successors, assigns, lessees, or sublessees;
- g. liability arising from Purchaser's, its agents', or its employees' disposal, release or threat of release of Waste Materials outside of the Site.

63. With respect to any claim or cause of action asserted by the United States, Purchaser shall bear the burden of proving that the claim or cause of action, or any part thereof, is attributable solely to Existing Contamination and that Purchaser has complied with all of the requirements of 42 U.S.C. § 9601(40).

#### XIX. COVENANT NOT TO SUE BY PURCHASER

64. Purchaser covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to Existing Contamination, the Work, payments pursuant to Paragraph 39, or this Settlement Agreement, including, but not limited to:

- a. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;
- b. any claim arising out of response actions, including any claim under the United States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, or at common law; or
- c. any claim pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, Section 7002(a) of RCRA, 42 U.S.C. § 6972(a), or state law.

65. Purchaser reserves, and this Settlement Agreement is without prejudice to, claims against the United States, subject to the provisions of Chapter 171 of Title 28 of the United States Code, and brought pursuant to any statute other than CERCLA or RCRA and for which

the waiver of sovereign immunity is found in a statute other than CERCLA or RCRA, for money damages for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the United States, as that term is defined in 28 U.S.C. § 2671, while acting within the scope of his or her office or employment under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred. However, the foregoing shall not include any claim based on EPA's selection of response actions, or the oversight or approval, disapproval, or modification of Purchaser's plans, reports, other deliverables, or activities.

66. Nothing in this Settlement Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

#### XX. EFFECT OF SETTLEMENT/CONTRIBUTION

67. Nothing in this Settlement Agreement precludes the United States or Purchaser from asserting any claims, causes of action, or demands for indemnification, contribution, or cost recovery against any person not a party to this Settlement Agreement. Nothing herein diminishes the right of the United States, pursuant to Sections 113(f)(2) and (3) of CERCLA, 42 U.S.C. § 9613(f)(2) and (3), to pursue any such persons to obtain additional response costs or response actions and to enter into settlements that give rise to contribution protection pursuant to Section 113(f)(2).

68. If a suit or claim for contribution is brought against Purchaser, the Parties agree that this Settlement Agreement shall then constitute an administrative settlement pursuant to which Purchaser has, as of the Effective Date, resolved liability to the United States within the meaning of Sections 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), and is entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) of CERCLA, or as may be otherwise provided by law, for the "matters addressed" in this Settlement Agreement. The "matters addressed" in this Settlement Agreement are the Work to be Performed and payments made pursuant to Paragraph 39.

69. The Parties agree that this Settlement Agreement shall constitute an administrative settlement pursuant to which Purchaser has, as of the Effective Date, resolved liability to the United States within the meaning of Section 113(f)(3)(B) of CERCLA, 42 U.S.C. § 9613(f)(3)(B).

70. Purchaser agrees that with respect to any suit or claim brought by it for matters related to this Settlement Agreement it will notify the United States in writing no later than 60 days prior to the initiation of such suit or claim.

71. Purchaser also agrees that with respect to any suit or claim for contribution brought against it for matters related to this Settlement Agreement it will notify the United States in writing within 10 days of service of the complaint on it. In addition, Purchaser agrees that it will notify the United States within 10 days of service or receipt of any Motion for Summary

Judgment and within 10 days of receipt of any order from a court setting a case for trial, for matters related to this Settlement Agreement.

#### XXI. RELEASE AND WAIVER OF LIENS

72. Subject to the Reservation of Rights in Section XVIII of this Settlement Agreement, and so long as Purchaser is in compliance with the requirements of Sections IX (Work to be Performed) and X (Payment), EPA agrees not to enforce any lien it may have on the Mine, and upon satisfactory completion of the Payments specified in Section X, Paragraph 38, EPA agrees to release and waive any lien it may have on the Mine now and in the future under Section 107(r) of CERCLA, 42 U.S.C. § 9607(r), for costs incurred or to be incurred by EPA in responding to the release or threat of release of Existing Contamination.

#### XXII. INDEMNIFICATION

73. Purchaser shall indemnify, save, and hold harmless the United States, its officials, agents, contractors, subcontractors, employees, and representatives from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Purchaser, its officers, directors, employees, agents, contractors, or subcontractors, in carrying out actions pursuant to this Settlement Agreement. In addition, Purchaser agrees to pay the United States all costs incurred by the United States, including but not limited to attorneys' fees and other expenses of litigation, arising from or on account of claims made against the United States based on negligent or other wrongful acts or omissions of Purchaser, Purchaser's officers, directors, employees, agents, contractors, subcontractors, and any persons acting on Purchaser's behalf or under Purchaser's control, in carrying out activities pursuant to this Settlement Agreement. The United States shall not be held out as a party to any contract entered into by or on behalf of Purchaser in carrying out activities pursuant to this Settlement Agreement. Neither Purchaser nor any such contractor shall be considered an agent of the United States.

74. The United States shall give Purchaser notice of any claim for which the United States plans to seek indemnification pursuant to this Section and shall consult with Purchaser prior to settling such claim.

75. Purchaser waives all claims against the United States for damages or reimbursement or for set-off of any payments made or to be made to the United States, arising from or on account of any contract, agreement, or arrangement between Purchaser and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays. In addition, Purchaser shall indemnify and hold harmless the United States with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between Purchaser and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays.

#### XXIII. MODIFICATION

76. Any requirements of this Settlement Agreement may be modified in writing by mutual agreement of the Parties.

77. No informal advice, guidance, suggestion, or comment by any EPA representative regarding reports, plans, specifications, schedules, or any other writing submitted by Purchaser shall relieve Purchaser of its obligation to obtain any formal approval required by this Settlement Agreement, or to comply with all requirements of this Settlement Agreement, unless it is formally modified.

#### XXIV. ATTACHMENTS

78. The following attachments are attached to and incorporated into this Settlement Agreement:

- a. Appendix 1 is the Lease (and associated amendment) between Purchaser and PMC;
- b. Appendix 2 is the description of the parcel not being listed in the Lease but that is an integral part of the Mine;
- c. Appendix 3 is a Map of the Site;
- d. Appendix 4 is the Reed Landing Flood Control Project Operations and Maintenance Manual; and
- e. Appendix 5 is the Map indicating the location of the Upper Pigging/Camera Access Vault and Gate Valve.

#### XXV. NOTICE OF COMPLETION

79. When Purchaser has remitted all payments required by Section X and EPA determines that Purchaser has performed all Work in accordance with this Settlement Agreement, EPA will provide written notice to Purchaser. If, at the time that Purchaser has fully remitted all payments required pursuant to Section X EPA determines that any such Work has not been completed in accordance with this Settlement Agreement, EPA will notify Purchaser, provide a list of the deficiencies, and require that Purchaser correct such deficiencies. Purchaser shall correct such deficiencies and shall submit written notification of such corrections in accordance with the EPA notice. Failure by Purchaser to correct such deficiencies and submit a notification reflecting that deficiencies have been corrected shall be a violation of this Settlement Agreement.

#### XXVI. EFFECTIVE DATE

80. The Effective Date of this Settlement Agreement shall be the date upon which the United States Department of Justice issues written notice to Purchaser that the United States Department of Justice has fully executed the Settlement Agreement after review of and response to any public comments received.

XXVII. DISCLAIMER

81. This Settlement Agreement in no way constitutes a finding by EPA as to the risks to human health and the environment which may be posed by contamination at the Mine or the Site nor constitutes any representation by EPA that the Mine or the Site is fit for any particular purpose.

XXVIII. PAYMENT OF COSTS

82. If Purchaser fails to comply with the terms of this Settlement Agreement, it shall be liable for all litigation and other enforcement costs incurred by the United States to enforce this Settlement Agreement or otherwise obtain compliance.

XXIX. NOTICES AND SUBMISSIONS

83. Any notices, documents, information, reports, plans, approvals, disapprovals, or other correspondence required to be submitted from one party to another under this Settlement Agreement, shall be deemed submitted either when hand-delivered or as of the date of receipt by certified mail/return receipt requested, express mail, or facsimile.

Submissions to Purchaser shall be addressed to:

Bunker Hill Mining Corp.  
c/o Bruce Reid, President  
401 Bay Street, Suite 2702  
Toronto, ON-M5H 2Y4

With copies to:

Lyons O'Dowd, PLLC  
201 N. 3<sup>rd</sup> St.  
P.O. Box 131  
Coeur d'Alene, Idaho 83816  
Attn: Marc Lyons and Luke O'Dowd  
[marc@lyonsodowd.com](mailto:marc@lyonsodowd.com)  
[luke@lyonsodowd.com](mailto:luke@lyonsodowd.com)

Submissions to U.S. EPA shall be addressed to:

Ed Moreen  
Project Manager  
U.S. EPA, Region 10  
1910 Northwest Boulevard, Suite 208  
Coeur d'Alene, Idaho 83814

With copies to:



Kris Leefers  
Assistant Regional Counsel  
U.S. EPA, Region 10  
1200 Sixth Avenue, M/S: ORC-113  
Seattle, WA 98101

Chief, Environmental Enforcement Section  
Environment and Natural Resources Division  
U.S. Department of Justice  
P.O. Box 7611  
Washington, D.C. 20044-7611  
Ref. No. 90-11-3-07227/8

XXX. PUBLIC COMMENT

84. This Settlement Agreement shall be subject to a 14-day public comment period, after which the United States may modify or withdraw its consent to this Settlement Agreement if comments received disclose facts or considerations which indicate that this Settlement Agreement is inappropriate, improper or inadequate.

The undersigned representative of Purchaser certifies that it is fully authorized to enter into the terms and conditions of this Settlement Agreement and to bind the party it represents to this document.

IT IS SO AGREED:  
BUNKER HILL MINING CORP.  
BY:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
Date



Kris Leefer  
Assistant Regional Counsel  
U.S. EPA, Region 10  
1200 Sixth Avenue, M/S: ORC-113  
Seattle, WA 98101

Chief, Environmental Enforcement Section  
Environment and Natural Resources Division  
U.S. Department of Justice  
P.O. Box 7611  
Washington, D.C. 20044-7611  
Ref. No. 90-11-3-07227/8

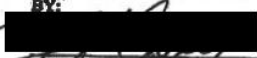
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The undersigned representative of Purchaser certifies that it is fully authorized to enter into the terms and conditions of this Settlement Agreement and to bind the party it represents to this document.

IT IS SO AGREED:  
BUNKER HILL MINING CORP.

BY:

  
(Name) \_\_\_\_\_ Date 5-14-18  
*Howard Crosby*  
Exec. Vice President

Environment and Natural Resources Division  
U.S. Department of Justice  
P.O. Box 7611  
Washington, D.C. 20044-7611  
Ref. No. 90-11-3-07227/8

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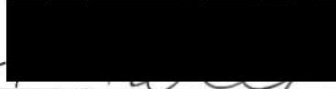
The undersigned representative of Purchaser certifies that it is fully authorized to enter into the terms and conditions of this Settlement Agreement and to bind the party it represents to this document.

IT IS SO AGREED:  
BUNKER HILL MINING CORP.  
BY:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
Date

IT IS SO AGREED:  
UNITED STATES DEPARTMENT OF JUSTICE  
BY:




5-14-18

Frederick S. Phillips, Senior Attorney  
Environmental Enforcement Section  
Environment and Natural Resources Division  
U.S. Department of Justice  
P.O. Box 7611  
Washington, D.C. 20044  
202.305.0439

Date

IT IS SO AGREED:  
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
BY:

  
Sheryl Bilbrey  
Director, Office of Environmental Cleanup  
EPA Region 10

5/10/18  
Date

**Bunker Hill Mining Lease with Option to Purchase**

**THIS MINING LEASE (the "lease")**, effective as of the 1<sup>st</sup> day of November, 2017 (the "Effective Date"), regardless of the actual times of signing and acknowledgment, between Placer Mining Corporation, a Nevada corporation, hereinafter called Lessor or Seller, and Liberty Silver Corp. a Nevada Corporation, hereinafter called Lessee or Purchaser.

**WITNESSETH:**

**ARTICLE 1. DESCRIPTION OF THE PROPERTY.** Lessor represents that it is the owner of the property consisting of all that real property, mineral interests and patented and unpatented lode mining claims situated in Shoshone County, Idaho, further described and listed on Exhibit A, together with all tenements, hereditaments, improvements, appurtenances, privileges and easements which are located on such mining claims and/or parcels of real property, and/or used in connection with and/or belong to Lessor in connection with exploring, mining, treating, extracting, storing, shipping, removing and/or marketing minerals, and all other interests associated with the property for the effective use and operation of the mine (including without limitation all access rights, rights of way, roads, haulways, leases, water rights and/or permits, all buildings, structures, fixtures, underground fixtures, air flumes, all equipment (wherever located), all personal property used in connection with mining, milling and/or exploration for minerals, all timber and trees thereon, and all mining claims, maps, reports and plans) (cumulatively such property is referred to herein as the "Bunker Hill Mine" or the "Leased Premises").

**ARTICLE 2. GRANT OF LEASE AND PAYMENTS.** Lessor hereby grants, demises, leases and lets exclusively unto Lessee, its successors and assigns the Bunker Hill Mine. Upon signing of this lease by all parties, the Lessee shall make a payment of \$100,000 to cover the maintenance expenses and upkeep of the mine for the month of September, 2017. Lessor shall make a payment of \$100,000 on October 1, 2017 to cover care and maintenance expenses and upkeep of the mine for the month of October, 2017. The term of the lease shall begin on November 1, 2017 and on or prior to that date, the Lessee shall make a payment of \$200,000 for the months of November, 2017 and December, 2017. Thereafter the Lessee shall make the payments on a quarterly basis. For example, the Lessee shall pay Lessor a quarterly payment of \$300,000 on January 1, 2018, which shall cover the monthly rent for the months of January, February and March of 2018. Said quarterly payments shall begin on January 1, 2018 and continue throughout the term of the lease. None of the lease payments or deposits shall be credited against the purchase price.

Additionally, no later than November 15, 2017, the Lessee shall make a bonus payment to Lessor of \$500,000 and an additional bonus payment of \$500,000 on December 15, 2017. These latter payments shall be considered bonus payments and not an advance against royalties or against a future purchase of the Bunker Hill Mine.



ALL WIRE TRANSFERS TO LESSOR COMING FROM CANADA (OR ANY INTERNATIONAL LOCATION) NEED TO BE INITIATED TWO BUSINESS DAYS PRIOR TO THE DUE DATE AND A WIRE CONFIRMATION NUMBER SHALL BE FORWARDED TO THE LESSOR VIA EMAIL ON THE DATE OF THE WIRE TRANSFER. ALL DOMESTIC BUSINESS WIRES TO LESSOR SHALL BE MADE ONE BUSINESS DAY PRIOR TO THE DUE DATE AND A WIRE CONFIRMATION NUMBER SHALL BE FORWARDED TO THE LESSOR VIA EMAIL ON THE DATE OF THE WIRE TRANSFER.

**ARTICLE 3. TERM OF LEASE.** The primary term of the lease shall be twenty-four months to begin on November 1, 2017 and end on October 31, 2019. Upon written notice, which must be sent to Lessor at least thirty (30) days prior to the expiration of the primary term in order to be effective, Lessee may extend this lease for up to twelve months by paying to Lessor an additional bonus payment of \$600,000 and by continuing to pay the monthly payments of \$100,000 per month.

**ARTICLE 4. PURCHASE OPTION.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Lessor hereby exclusively grants to Lessee, its successors and assigns the right to purchase the Bunker Hill Mine during the primary lease term and any extension thereto.

- (a) Notice of Exercise. To exercise the purchase option, Lessee must give written notice to the Lessor of its intent to exercise such purchase option. Lessor must receive such notice 120 days prior to the date on which the Lessee intends to close the purchase (the "Closing Date"). Lessee must also give similar written notice to the U.S. Department of Justice and the U.S. Environmental Protection Agency ("U.S. E.P.A.") of its intention to exercise its purchase option. During the period between the notification of exercise of the purchase option and the closing date, the Lessee and Lessor shall to the best of their abilities prepare all final documents necessary for closing (including a mortgage and note), finalize and receive approval of the settlement agreement between the United States and the Seller, and finalize and receive approval of a bona fide prospective purchaser agreement/release of lien and covenant not to sue between the United States and the Purchaser.
- (b) Exercise After Production is Initiated. In the event that Lessee is in production for a minimum period of twelve months and at an average production rate at or exceeding 500 tons per day Lessor may, upon thirty days written notice to the Lessee, require the Lessee to exercise the purchase option.
- (c) Purchase Price. The agreed and binding purchase price for the Bunker Hill Mine is \$45,000,000.00 (Forty-Five Million Dollars) to be paid in accordance with the following schedule:

Date	Payment to Lessor	Payment to U.S. E.P.A.
On Closing	\$4,000,000	\$3,000,000
One year after closing	\$3,000,000	\$3,000,000
Two years after closing	\$3,000,000	\$3,000,000
Three years after closing	\$3,000,000	\$3,000,000
Four years after closing	\$2,000,000	\$3,000,000
Five years after closing	\$1,670,000	\$1,670,000
Six years after closing	\$1,670,000	\$1,670,000





Seven years after closing	\$1,670,000	\$1,660,000
Eight years after closing	\$1,670,000	
Nine years after closing	\$1,670,000	
Ten years after closing	\$1,650,000	
<b>Total</b>	<b>\$25,000,000</b>	<b>\$20,000,000</b>

- (d) Payments to U.S. E.P.A. The payments being made to the U.S. E.P.A. by Lessee/Purchaser in the above table reflect the agreed settlement payments that have been tentatively accepted by the U.S. Department of Justice and U.S. E.P.A.
- (e) Classification of Payments. All of the tabulated payments in Article 4 (b) above are considered by the Purchaser to be payments for the Bunker Hill Mine purchase. The Seller considers the payments to be \$25,000,000 for the purchase of the Bunker Hill Mine, and \$20,000,000 for settlement of past response costs incurred by the United States in treatment of water outflows from the Bunker Hill Mine.
- (f) The parties recognize that the financial terms of this option are enforceable by Lessee/Purchaser. Any subsequent purchase agreement by the parties shall ultimately supersede this lease agreement upon exercise of the purchase option and closing of the purchase. LESSOR AND LESSEE AGREE TO NEGOTIATE in good faith AND COMPLETE ALL the remaining and unfinished TERMS OF THE PURCHASE agreement. The terms of the payments are already negotiated and set out in this lease and option agreement and shall remain the same in the final definitive purchase agreement.
- (g) FOR CLARITY, "COMPLETION" IS CONSIDERED BY THE PARTIES TO MEAN THAT THE DOCUMENT AND ALL EXHIBITS AND SUPPORTING DOCUMENTATION IS PREPARED SUCH THAT IN EVENT THE PURCHASE OPTION IS EXERCISED, CLOSING OF THE PURCHASE COULD OCCUR WITHIN FIVE BUSINESS DAYS.

#### ARTICLE 5. PROPERTY PROVISIONS

- (a) **POSSESSION AND CONTROL OF PROPERTY.** Lessee shall have, and it is hereby given and granted, the right to enter upon and take over, at the beginning of the primary term hereof, operational control and possession and of the Leased Premises and the whole and every part thereof, and, during the term of this lease, to remain in operational control and possession thereof; to investigate, measure, sample, examine, test, develop, work, mine, operate, use, manage and control the same and the water and water rights appurtenant thereto; to mine, extract and remove from said property the ores and minerals therein and appurtenant and belonging thereto; to treat, mill, ship, sell or otherwise dispose of the same and receive the full proceeds therefrom; and to erect, construct, maintain, use and operate thereon and therein buildings, structures, machinery and equipment, including milling, processing and tailings facilities. The time, nature, location and extent of such or any or all the above activities and mining or mining operations and the cessation and resumption

thereof shall be at the sole discretion of Lessee, and may include, without limitation, underground or solution mining methods (but no open pit or strip mining methods may be used) together with the right to use so much of the surface as may be necessary, useful or convenient for the enjoyment of all rights herein granted, including construction of ingress and egress into and out of the underground workings, construction of a surface waste rock dump and a tailings impoundment facility or facilities, if necessary, for development of the Leased Premises. Any surface mine waste dump or tailings impoundment facilities constructed during the life of this lease shall be reclaimed to industry standards by Lessee at lease termination unless the purchase option is exercised. Lessee acknowledges that Lessor shall continue to have the rights to ingress and egress both underground and on the surface of the Leased Premises for purposes of conducting its own exploration and possible development of mineral resources which Lessor continues to own and control. Each party agrees to use best efforts to coordinate the activities of the parties to minimize interference with the work-related activities of the other party. Lessee shall, upon 72 hours notice by Lessor, ensure that the KT rail haulage is available for ore haulage and other materials handling if so required by Lessor.

- (b) **UNPATENTED MINING CLAIM PAYMENTS.** If applicable, during the lease term Lessee shall be responsible for all mining claim fee payments to the U.S. Bureau of Land Management ("BLM") on all unpatented mining claims listed in Exhibit A and any other unpatented mining claims acquired by Lessee during the lease period. Lessee shall be responsible for the filing of all reports and forms with BLM and with Shoshone County, Idaho during the lease term. Lessor shall remain responsible for all taxes and fees on the patented mining claims and real property during the term of the lease.
- (c) **DATA.** Lessor and Lessee shall mutually make all data relating to the Leased Premises available to each other, whether existing now or developed in the future, which either party may copy or reproduce at their own expense. Such data shall include without limitation, in hard copy or electronic form, any and all data and information relating to exploration, planning, mining, metallurgy, processing, land, mineral rights, water rights, timber rights, permits, taxes, claim fees and status, economic data or projections, geologic, geochemical and geophysical data including reports, maps, sections and drill logs, core and/or cuttings; any and all assays, analyses, reports, processes, trade secrets; and any and all other data, records or reports relating to the Leased Premises.
- (d) **SCRAP MATERIALS – In the event any scrap material is removed from the mine from the Lessee, Lessor retains ownership and shall receive any sale proceeds from the disposition of scrap material which shall not be a credit to the lease or purchase payments.**

**ARTICLE 6. MANNER OF WORK.** Lessee agrees to cause all work, development and mining to be done in a careful and miner-like manner and to conform in all respects to the mining laws and regulations of the United States and the State of Idaho.

**ARTICLE 7. ROYALTY PAYMENTS DURING THE LEASE PERIOD.** Lessor hereby reserves and Lessee hereby agrees to pay as a production royalty 3% of the Net Smelter Return

(as defined and accounted for in Article 8 below) of all ores or concentrates of mineralized material mined and shipped from the Leased Premises (the "Lease Production Royalty"). Lessor/Seller warrants and represents that no other royalties are due to any other party from minerals produced from the Bunker Hill Mine.

#### ARTICLE 8. DEFINITION OF NET SMELTER ROYALTY

- a) As used herein, "Net Smelter Return" means the amount paid by any smelter or other ore purchaser for ores or concentrates sold less actual costs of transportation and other costs in the course of handling, assumed by or charged to Lessee/Purchaser (including freight, insurance and tax) in making shipments from the Bunker Hill Mine to the smelter or other purchaser, less all charges for refining, smelting, sampling, assaying, and penalties; less all royalties or overriding royalties burdening the Bunker Hill Mine that exist on the date of this lease or are created by Lessor/Seller after the date hereof; and less gross production, severance, general property and other taxes attributable to production from the Bunker Hill Mine.
- b) The Lease Production Royalty shall be accounted for and paid monthly to Lessor within 30 days after the end of each calendar month within which the mineralized materials are sold. All payments shall be accompanied by a statement explaining the manner in which payment was calculated. No royalty shall be due or payable on any mineralized material stockpiled on the Bunker Hill Mine until the sale or disposition thereof. Within 90 days after receiving the above-described statement of account, Lessor/Seller shall give notice of any objections to the statement, for any reason, touching upon its accuracy or inaccuracy, by mailing such objections to Lessee as provided in Article 25 below; and in default thereof, any inaccuracies in such statement shall be deemed waived by Lessor/Seller.
- c) **Disputes Regarding Royalties.** Lessor/Seller shall be deemed to have waived any right the Lessor/Seller may have to object to the royalty settlement made by Lessee/Purchaser for any calendar quarter, unless Lessor/Seller notifies Lessee/Purchaser in writing of such objection within twelve (12) months after such royalty is due. If Lessor/Seller and Lessee/Purchaser are unable to resolve the royalty settlement dispute by agreement within thirty (30) days after Lessee/Purchaser's receipt of Lessor/Seller's notice, the dispute shall be resolved by arbitration, in accordance with the provisions of Article 23.
- d) **Once the lessor exercise the purchase option, Placer shall be granted a Net Smelter Royalty which is payable only from production as it is described in the LOI amended agreement between the parties dated March 29, 2017, and initialed by Bob Hopper and John Ryan.**

#### ARTICLE 9. TAILINGS AND BENEFICIATION

- (a) Lessee shall have the right, but shall not be required, to beneficiate, concentrate, and otherwise treat, in any manner, either wholly or in part at a plant or plants on the Leased Premises (either on the surface or underground) or on other lands, any mineralized material or other materials, including waste rock, which are mined or produced from the Leased Premises. Such treatment shall be conducted in a careful and workmanlike manner. The

tailings and residue from such treatment shall be deemed waste and may be deposited on the Leased Premises or on other lands.

**ARTICLE 10. LESSEE EXCLUSIONS/LESSOR MINING RIGHTS**

- (a) **LESSEE EXCLUSIONS.** The Lessee is excluded from mining or other activity in the Caledonia Mine area and in the Crystal Stope Mine area. These areas shall remain under the exclusive possession and control of the Lessor.
- (b) **LESSOR MINING RIGHTS.** Lessor is hereby granted the right, if it so desires, to mine or remove from the areas listed herein in Exhibit B any ores, waste, water and other materials existing therein or thereon or in any part thereof, through or by means of shafts, tunnels, drifts, raises, or other openings, now existing or installed by Lessor. Lessor may stockpile any ores, waste, or other materials and/or concentrated products of ores or materials from the areas listed herein in Exhibit B, upon agreed stockpile grounds situated upon nearby property, not, however, preventing or interfering with the mining or removal of ore from the Leased Premises by the Lessee. If Lessee executes the purchase option and Lessor is exploring, mining or developing properties thereto, Lessor and Lessee agree that future activities of Lessor shall be governed by provisions provided for in the Final Purchase Agreement.

**ARTICLE 11. RECORDS, INSPECTION AND ACCESS TO LEASED PREMISES.**

Lessee's engineering progress maps and all factual exploration, development and production data including drill core and assay results (but excluding interpretive information or data) from the Leased Premises shall be available upon reasonable request for Lessor's inspection. The Lessor may enter said property at reasonable times for the purpose of inspecting the same or for the purposes described in Articles 4(b) and 4(c), and Lessee shall facilitate such inspection and entry in reasonable ways, but Lessor shall enter upon said Leased Premises at Lessor's own risk and so as not to hinder unreasonably the operations of Lessee; and the Lessor shall indemnify and hold harmless the Lessee from any damage, claim or demand by reason of injury to or the presence of the Lessor or the Lessor's agents, representatives, licensees, or guests on the Leased Premises or approaches thereto.

**ARTICLE 12. TAXES.** Lessor shall remain responsible for all taxes and fees on the Leased Premises. Lessee shall pay, before they are delinquent, all taxes levied or assessed against any or all personal property, machinery and equipment placed upon the Leased Premises by the Lessee during the term of this lease. Lessee shall pay any severance tax and all other taxes that are now or may be hereafter levied and computed on the amount or value of ores produced from the Leased Premises.

**ARTICLE 13. STATE AND FEDERAL LAWS AND REGULATIONS.** Lessee shall comply with the Workmen's Compensation laws of Idaho and with Social Security, Unemployment Insurance and all other state and federal laws and regulations relating to Lessee's operations and shall save Lessor harmless from any claim for damages or liability by reason thereof.

**ARTICLE 14. PROTECTION FROM LIENS AND DAMAGES.** Lessee shall keep the Leased Premises and the whole and every part thereof free and clear of liens for labor done or work performed upon the Leased Premises or materials furnished to it for the development or operation thereof under this lease while the same is in force and effect, and will save and hold harmless Lessor from all costs, losses or damages which may arise by reason of injury to any persons employed by Lessee in or upon the Leased Premises or any part thereof or which may arise by reason of injury to any persons or damage to any property as the result of any work or operations of the Lessee or of its possession and occupancy of the Leased Premises. A lien upon the property shall not constitute a default if the Lessee in good faith disputes the validity of the claim, in which event the existence of the lien shall constitute a default only from and after the validity of the lien has been adjudicated.

**ARTICLE 15. INSURANCE REQUIREMENTS.** During the Lease term, Lessee shall pay for and maintain commercial general liability insurance. This policy shall name Lessor as an additional insured and shall insure Lessee's activities and against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a liability limit of not less than \$2,000,000.

**ARTICLE 16. FORCE MAJEURE.** If Lessee is unable to perform any of the terms or covenants of this lease by reason of damage or delay resulting from disaster, labor disturbances, shortage of labor, strikes, lockouts, act of God, or from any regulations or restrictions of any governmental agency, or on account of any eventuality beyond the reasonable control of Lessee, including state and federal environmental statute or regulation, Lessee shall be excused from performance during the period of such prevention and the time for performance of such obligations shall be extended for a period equal to the period or periods of prevention. In the event Lessee or its purchaser of concentrates or crude ore is, becomes or believes it is about to become subject, at any time, to environmental regulations (which shall include any governmental law, rule, order, regulation, policy, proposal or restriction relating to environmental pollution) which will prohibit or materially affect any operation Lessee is carrying out, or planning to carry out hereunder, Lessee shall have the right to declare the existence of a condition of force majeure during the period in which it is in good faith seeking a feasible method to comply with, be exempted from, modify, obtain necessary permits or licenses under, or prevent the enactment or promulgation of said environmental regulations. Lessee agrees to use reasonable diligence to remove causes of force majeure as may occur from time to time, but shall not be required to settle strikes or other labor difficulties contrary to its own judgment.

**ARTICLE 17. DEFAULT.** The failure of Lessee to make or cause to be made any of the material payments herein provided for or to keep or perform any material agreement on its part to be kept or performed according to the terms and provisions of this lease, shall, at the election of the Lessor, constitute an event of default and grounds for termination of this Lease; provided, however, that in the event of a default on the part of the Lessee, the Lessor shall give to the Lessee a written notice of its intention to declare an event of default of this lease and to terminate the same on account thereof, or of its intention to take other action to enforce this lease, specifying the particular default or defaults relied upon by it, and Lessee shall have a reasonable time (which in any case shall not be less than fifteen (15) days) after receipt of such notice in which to cure such default or defaults, in which event there shall be no default therefor, and no



other action may be taken for enforcement. Lessee shall not dispute an event of default that is a missed payment. For any other default, if Lessee disputes that such default occurred, it shall so advise Lessor in writing within fifteen (15) days after receipt of the notice of default. If, within fifteen (15) days thereafter, the parties have not resolved the dispute by mutual agreement, the issue of default shall then be submitted to arbitration under Article 23 below. In the event that Lessor does terminate this lease on account of a breach by Lessee, Lessee shall be under no further obligation or liability hereunder to Lessor from and after the date of such termination except for the performance of obligations and the satisfaction of liabilities to Lessor or third parties or respecting the Leased Premises which have accrued to the date of such termination.

**ARTICLE 18. CANCELLATION.** Notwithstanding any provision herein to the contrary, Lessee may at any time upon 60 days' written notice, cancel and terminate this lease in its entirety. Upon total cancellation and termination of this lease, Lessee shall be under no further obligation of whatsoever kind or nature to the Lessor except for the making of payments which have already accrued to the date of such cancellation and termination, including governmental rental fees for unpatented claims and for the payment of any royalties which are owed to the Lessor for production during the term of the lease.

**ARTICLE 19. SURRENDER OF PROPERTY.** In the event of a valid forfeiture, cancellation, or other termination of this lease, Lessee shall surrender to Lessor peaceable possession of the Leased Premises and at the written request of Lessor shall deliver to the Lessor a written relinquishment hereof, together with a copy, if requested by Lessor within thirty (30) days after termination of this lease, of its engineering progress maps showing any workings made or uncovered by Lessee on the Leased Premises. The Lessee's factual exploration, development and production data including drill core and assay results (but excluding interpretive information or data) from the Leased Premises shall be available upon request to the Lessor.

**ARTICLE 20. REMOVAL OF EQUIPMENT.** Lessee shall have and is hereby given and granted three (3) months after a valid forfeiture, cancellation or other termination of this lease to remove from said property all mobile equipment and personal property of the Lessee and its employees, consultants and contractors. If Lessee is hampered by snowdrifts, washouts, inclement weather, or other climatic conditions from completing the removal of said property and equipment within the time specified, then Lessor agrees to extend the time by a reasonable period if requested by Lessee.

**ARTICLE 21. OTHER PAYMENTS DURING LEASE.** In addition to lease payments, Lessee agrees specifically to pay the following additional payments:

Payee	Amount (\$)	Actual or Estimated	Frequency
United States EPA (water treatment)	\$240,000	Estimated	Quarterly
Mine (KT) Maintenance Crew	\$33,000	Actual	Monthly
Robert Hopper	\$4,000	Actual	Monthly
Thomas Hopper	\$4,000	Actual	Monthly



Dave Kriederman	\$4,000	Actual	Monthly
Avista (Electric Utilities)	\$12,000	Estimated	Monthly

**ARTICLE 22. ADDITIONAL COVENANTS.**

- (a) Lessor hereby warrants and represents that as of the effective date of the lease, the Bunker Hill Mine is free and clear of all liens, judgments and any and all other interests that may adversely impact the rights and privileges of Lessee hereunder (including without limitation Lessee's right to purchase the Leased Property), with the exception of the U.S. E.P.A. lien. Lessor further represents and warrants that Lessor will not, during the term of the lease or any extension thereto, take out any mortgage, deed of trust and/or take any other action that could result in the Bunker Hill Mine (or any portion thereof) being subject to a lien, judgment or any other interest that could impact or impair the rights and privileges of Lessee hereunder.
- (b) Lessor warrants and represents that the execution of the lease will not result in a violation of any court order, any existing contract or any other obligation of Lessor.
- (c) Lessor shall indemnify, defend, and hold Lessee harmless from any and all liability, claim, damage, loss, injury, expense, cause of action, dispute and cost (including payment of attorney fees) that may arise from or relate to a breach of any of Lessor's representations, warranties or covenants in this lease. Furthermore, Lessor shall indemnify, defend and hold Lessee harmless from any and all liability, claim, damage, loss, injury, expense, cause of action, dispute and cost (including payment of attorney fees) that may arise from or relate to conduct of the Lessor.
- (d) Lessee shall indemnify, defend, and hold Lessor harmless from any and all liability, claim, damage, loss, injury, expense, cause of action, dispute and cost (including payment of attorney fees) that may arise from or relate to a breach of any of Lessee's representations, warranties or covenants in this lease. Furthermore, Lessee shall indemnify, defend and hold Lessor harmless from any and all liability, claim, damage, loss, injury, expense, cause of action, dispute and cost (including payment of attorney fees) that may arise from or relate to conduct of the Lessee.
- (e) The parties warrant and represent that they have the authority to enter into this lease, and that the terms hereof are binding.

**ARTICLE 23. ARBITRATION OF DISPUTES.** Any controversy, dispute or claim arising out of or from this lease, or alleged breach thereof, shall be settled by arbitration pursuant to the Uniform Arbitration Act of the State of Idaho (Sections 7-901, et. seq., Idaho Code) as amended and as in effect on the date either party commences arbitration proceedings. Said Act shall control the substantive and procedural aspects of the proceedings unless otherwise agreed in this lease. Judicial review may be had pursuant to said Act.



- (a) Proceedings shall be initiated by the complaining party serving upon the other party a complaint, as would be done in court proceedings. The allegations regarding the circumstances giving rise to the issues to be arbitrated shall be stated in detail and with particularity. The party upon whom the complaint is served shall answer or otherwise respond with a pleading just as is required by the Idaho Rules of Civil Procedure for a court action. Except, however, the response shall be served upon the initiating party within 30 days from the date of service of the complaint.
- (b) The parties shall agree upon an arbitrator, who is neutral, competent and willing to serve and, if possible, who has experience in cases involving mining and mining contracts. Should the parties fail to reach agreement on appointment of an arbitrator within 20 days from the date proceedings are initiated, either party may apply to the court for appointment of an arbitrator who meets the criteria set forth herein pursuant to the provisions of section 7-903 Idaho Code.
- (c) Prehearing discovery shall not be allowed except upon order of the arbitrator for good cause shown, the parties being in agreement that the expense and time associated with discovery should be minimized, and that this desire should, however, be balanced against the need for each party to be able to effectively present its case.
- (d) Each party to the arbitration proceedings shall bear one-half of the arbitrator's fees and expenses, which shall be promptly paid by each party monthly within 15 days from the submission by the arbitrator to the parties of his/her reasonably detailed and itemized statement for services rendered, which statement shall be submitted by the arbitrator at the end of each month.
- (e) Each party shall bear its own attorney's fees and costs of litigation for the proceedings before the arbitrator. This subparagraph (e) is not applicable to court proceedings, in which event the parties recognize that applicable law shall govern and the matter will be decided by the court.

**ARTICLE 24. RECORDATION OF SHORT FORM NOTICE.** Lessee and Lessor agree to execute short-form notices of this lease and production royalties, as applicable, which notice shall be for purposes of recordation in the real property records of Shoshone County, Idaho.

**ARTICLE 25. NOTICES.** Any notices required or permitted to be given to the Lessor hereunder shall be considered as delivered forty-eight (48) hours after the same shall have been deposited in the United States mail, duly registered, with postage thereon prepaid. All notices given hereunder shall be addressed to the respective addresses given below:

**If to Lessee:**

Liberty Silver Corp.  
c/o John Ryan  
P.O. Box 57  
Kellogg, Idaho 83837



With a copy to:

Luke O'Dowd  
Lyons O'Dowd PLLC  
P.O. Box 131  
Coeur d'Alene, Idaho 83816

and if to Lessor:

Placer Mining Corp.  
1 Mine Road  
Kellogg, Idaho 83837

With a copy to:

James McMillan PLLC  
415 7<sup>th</sup> Street #7  
Wallace, Idaho 83873

Said addresses for receiving notices may be changed by either party upon five (5) days previous notice to the other party.

**ARTICLE 26. INUREMENT.** These presents shall inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the parties hereto.

**ARTICLE 27. ASSIGNMENT.** The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their successors and assigns, but no change or division in ownership of the Bunker Hill Mine or the Lease Production Royalty or the Production Royalty, however accomplished, shall operate to enlarge the obligations or diminish the rights of either party under this lease. Lessee shall have the right to subcontract with others for the performance of exploration, development and mining work hereunder, subject to all of the terms of this lease, but no such subcontract shall relieve Lessee of its obligations to Lessor hereunder.

**ARTICLE 27. CONSTRUCTION.** Titles to the respective articles hereof shall not be deemed a part of this lease but shall be regarded as having been used for convenience only.

**ARTICLE 28** The terms and rights of the lessor which are granted in the current LOI are to remain in effect through the term of this lease and after the exercise of the purchase option. The land package as described (i.e., Kurt Hoffman) in the current LOI Schedule ? shall remain in effect.

**IN WITNESS WHEREOF,** the parties hereto have executed this lease as of the day and year first above written.

**LESSOR**

Placer Mining Corporation

[Redacted]

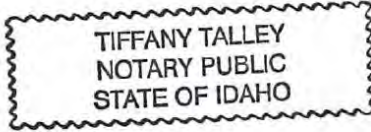
By Robert Hopper, President

STATE OF IDAHO )  
 ) ss.  
COUNTY OF SHOSHONE )

On this 17<sup>th</sup> day of August, 2017, before me, Tiffany Talley, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Robert Hopper, known to me to be the President of Placer Mining Corporation, and whose name is subscribed to the within instrument, and acknowledged to me that he executed the same on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Redacted]  
Notary Public for Idaho  
Residing at Shoshone County



My Commission expires 11/28/2020

**LESSEE:**

Liberty Silver Corp.

[Redacted]

By Bruce Reid, Chief Executive Officer

STATE OF IDAHO )  
 ) ss.  
COUNTY OF SHOSHONE )

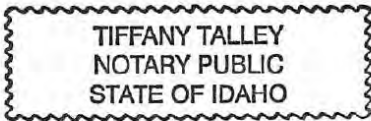
On this 17 day of August, 2017, before me, Tiffany Talley, the undersigned, a Notary Public in and for the State of Idaho, personally appeared, John Ryan, Bruce Reid who stated to me to be the Vice President of Liberty Silver Corp., and whose name is subscribed to the within instrument, and acknowledged to me that he executed the same on behalf of said corporation.

BDR

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Redacted Signature]

Notary Public for  
Residing at Shoshone County  
My Commission expires 11/28/2020



**EXHIBIT A**

INSERT PROPERTY DESCRIPTION

## PROPERTY DESCRIPTION

PLACER MINING COMPANY TO LIBERTY SILVER CORP.

All mineral rights, surface rights, fee interests, and any other real property interests held by Placer, Robert Hopper, William Pangburn, or any other affiliate of Placer, and which real property interest is located in Township 47 North, Range 2 East, Boise Meridian; Township 48 North, Range 2 East, Boise Meridian; Township 48 North, Range 3 East, Boise Meridian; Township 49 North, Range 2 East, Boise Meridian; Township 49 North, Range 3 East, Boise Meridian and located in Shoshone County, Idaho, which includes, but is not limited to, the real property described herein.

**Tax Parcel No. D0000-002-0300, Tax Parcel No. D0000-002-0550, Tax Parcel No. D-0000-002-0700, D-0000-002-0975, D0000-002-1400, D-0000-002-1500, D-0000-002-1900, D-0000-002-2100, D-0000-002-4725, D-0000-002-4800, D-0000-002-7300,**

The SENE, NESE, Lot 1 (NENE), SENW, lying East of County Road and the West Half of the NE ¼ Section 2, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho

EXCEPT: Those portions of the subject property conveyed to Shoshone School Districts No.s 30 and 391 by deeds dated June 1, 1938 and recorded September 19, 1938 in Book 70, Deeds, at page 130; dated August 15, 1950 and recorded November 20, 1950 in Book 84, Deeds, at page 563 and recorded January 27, 1975 as Instrument No. 255179.

**Tax Parcel No. 48N02E3675**

SWNW Section 2, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho

**Tax Parcel No. 49N02E341900**

South ½ of the Northeast ¼ and the Southeast ¼ of the Northwest ¼ of Section 34, Township 49 North, Range 2 East, B.M., Shoshone County, State of Idaho

**Tax Parcel No. 49N02E345000**

That portion of Section 34, Township 49 North, Range 2 East, B.M., Shoshone County, State of Idaho lying South of the Coeur d'Alene River and North of the U.S. I-90 Right of way.

EXCEPT: County Airport

ALSO EXCEPT: NWSW and SWNW Section 34, Township 49 North, Range 2 East, B.M., Shoshone County, State of Idaho.

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**Tax Parcel No. 48N03E106700**

Being a tract of land lying in the Southeast Quarter of the Southwest Quarter, and in the Southwest Quarter of the Southeast Quarter, Section 10, Township 48 North, Range 3 East, Boise Meridian, Shoshone County, Idaho, and being more particularly described as follows:

Using the Bunker Hill triangulation survey meridian and beginning at corner No. 1, a drill steel monument with a copper cap, 2 ins. x 2 ins., marked corner 1-SU, from whence the Southwest corner of said Southeast Quarter of the Southwest Quarter, a concrete monument marked W 1/16 cor., bears S.43°58.2'W., 518.15 ft. distant, and from whence, also, cor. No. 1 survey No. 2274 Monmouth lode bears S.34°41.3'E., 457.52 ft. dist.; thence

N.34°51.2'E., 349.44 ft. dist. to cor. No. 2; thence

N.89°58'W., 560 ft. dist., to cor. No. 3, which corner point falls on a steep, unstable, slope and from which point a witness corner, a drill steel monument with a copper cap marked W.C. cor. 3-SU, bears N.35°24.4'W., 33.14 ft. dist.; thence

N.0°03'W., 660.00 ft. dist., to cor. No. 4, a drill steel with copper cap marked cor. 4-SU; thence

S.89°58'E., 1,454.12 ft. dist., to cor. No. 5, a drill steel monument with copper cap marked cor. 5-SU, on the westerly right-of-way boundary of the Big Creek road; thence

On and along said right-of-way boundary, S.38°34.1'W.,

552.72 ft. dist., to cor. No. 6, identical with a concrete monument with brass cap marked P.C. 45+41.10; thence

On a 2°00' curve to the left, the long chord of which bears S.35°38'W., 297.96 ft. dist., to cor. No. 7, identical with highway boundary P.T. 48+35.09 back (48+36.54 ahead) the monument of which has been obliterated; thence

Continuing on said right-of-way boundary S.32°39.5'W., 419.26 ft. dist., to cor. No. 8, a drill steel with copper cap marked cor. 8-SU; thence

N.57°20.5'W., 115.00 ft. dist., to cor. No. 9, a drill steel with copper cap marked cor. 9-SU; thence

S.32°39.5'W., 120.00 ft. dist., to cor. No. 10, a drill steel with copper cap marked cor. 10-SU; thence

N. 57°20.5'W., 222.41 ft. dist., to cor. No. 1, the place of beginning.

**Tax Parcel No. D-0000-006-3960 – Assessed to Placer Mining Company**

Being a tract of land situated in the NE 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho, more particularly described as follows;

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Beginning at the SE corner of Lot 2 whence the West ¼ Corner of Section 6 bears South 11°44'32" East 553.78 feet distant; thence  
North 14°20'30" East, 106.64 feet; thence  
South 70°17'45" West, 301.02 feet; thence  
South 14°14'25" West, 90.00 feet; thence along a curve right, radius = 10SS.37, the long chord bears South 69°06-13" East, 129.05 feet; thence  
South 65°42'23" East, 173.96 feet to the point of beginning.

AND

Being a tract of land situated in the NE ¼ of Section 1, Township 48 North, Range 2 East, B.M. and in Section 6. Township 48 North, Range 3 East, B.M., Shoshone County, State of Idaho more particularly described as follows:

Beginning at the SE corner of Lot 1 whence, the West ¼ corner of Section 6 bears South 32°54'10" West, 504.22 feet distant; thence  
North 15° East, 149.49 feet; thence  
North 30° West, 73.01 feet: thence  
North 76°06'48" West, 275.55 feet; thence  
South 70°18'02" West, 95.30 feet; thence  
South 14°20'30" West, 126.64 feet; thence  
South 65°42'23" East, 57.45 feet; thence along a curve left, radius = 316.92, the long chord bears South 70°56'51" East., 47.03 feet; thence  
South 74°35'32" East, 300.59 feet to the point of beginning.

**The following additional mineral interests located in Shoshone County, Idaho:**

MC0140, MC0162, MC0167, MC0268, MC0269, MC0346, MC0347, MC0348,  
MC0349, MC0350, MC0351, MC0352< MC0466, MC0467, MC0498, MC0500, MC0501,  
MC0528, MC0530 MC0531, and F00000020900

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FEE PARCELS  
PLACER MINING CO. AND/OR AFFILIATES TO LIBERTY SILVER

**PARCEL 1: PANGBURN – “KELLOGG TUNNEL PARCEL” 22.3 ACRES – RPD000001752A**

Being a tract of land situated in the Northeast 1/4 of the Southeast 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho more particularly described as follows:

Beginning at the East 1/4 corner of said Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho marked by a concrete monument and also the point of beginning, thence

South 87°28'34" West 165.92 feet; thence

South 30°34'59" West, 220.96 feet; thence

Along a curve right, radius = 40 feet, the long chord bears South 66°18'09" West, 75.71 feet; thence

North 78°22'26" West, 36.16 feet; thence

South 10°52'21" West, 204.04 feet; thence

North 75°18'39" West, 252.91 feet; thence

South 17°22'44" West, 1124.08 feet; thence

North 87°41'35" East, 1007.62 feet; thence

North 00°12'22" West, 1389.14 feet to the point of beginning.

**PARCEL 2: PANGBURN – “MOTOR BARN PARCEL” - 3.46 ACRES – RPD0725000020A**

Being a tract of land lying in the Northeast 1/4 and the Southeast 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho and more particularly described as follows:

Beginning at a point from whence the East 1/4 corner of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho bears South 10°03'11" East, 409.83 feet distant; thence

South 21°46'03" West, 150.17 feet; thence

North 65°43'21" West, 407.49 feet; thence

South 01°10'02" West, 94.54 feet; thence

South 27°17'34" West, 90.00 feet; thence

South 39°32'35" East, 342.19 feet; thence

South 17°00'49" West, 108.69 feet; thence

South 09°45'56" East, 92.08 feet; thence

Along a curve right, radius = 40 feet, the long chord bears North 68°36'01" East, 43.86 feet; thence

North 30°34'41" East, 331.46 feet; thence

Along a curve right, radius = 100 feet, the long chord bears North 48°38'04" East, 62.13 feet; thence

Along a curve left, radius = 161 feet, the long chord bears North 16°29'47" East, 198.94 feet; thence

North 31°27'01" West, 84.16 feet to the point of beginning and sometimes referred to as Lot 2, Mine Short Plat No. 1 as shown on the official recorded plat thereof recorded as Instrument No. 350327, records of Shoshone County, State of Idaho.



FEE PARCELS  
PLACER MINING CO. AND/OR AFFILIATES TO LIBERTY SILVER

PARCEL 3 -HOPPER PARCEL - "ROCK HOUSE" 6.52 ACRES - RPD00000011250A

**ROCK HOUSE - Description of Property**

Surface rights only on the following described property:

Being a tract of land situated in the SE 1/4 of the NE 1/4 of Section 1, T48N, R2E, B.M., more particularly described as follows:

Beginning at a point on the southerly right of way of McKinley Avenue whence the East 1/4 corner of Section 1 bears South 53 degrees 23'13" East, a distance of 1318.27'; thence South 23 degrees 04' 59" West, a distance of 487.64'; thence South 61 degrees 03' 11" East, a distance of 644.85'; thence North 31 degrees 43' 07" East, a distance of 271.88'; thence North 27 degrees 17' 34" East, a distance of 90.00'; thence North 01 degrees 10' 02" East, a distance of 94.54'; thence North 65 degrees 13' 58" West, a distance of 287.15'; thence North 66 degrees 43' 00" West, a distance of 416.56'; thence North 23 degrees 04' 50" East, a distance of 104.13' to a point on the southerly right of way of McKinley Avenue; thence North 74 degrees 36' 24" West, a distance of 30.27', to the point of beginning. Containing 6.517 acres +/-.

PARCEL 4 - PLACER MINING CORP. "EAST SLIVER PARCEL" .261 ACRES - RPD00000064005A, located in Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho and more particularly described as follows:

A parcel of land situated in the Northwest Quarter of Section 6, Township 48 North, Range 3 East, B.M., Shoshone County, Idaho, and more particularly described as follows:

Using the Bunker Hill Triangulation System Meridian and coordinates and beginning at Corner No. 1, a point identical with the West Quarter Corner of said Section 6 (N9667.57, E687.41), and running thence N.0°42'20" E., 372.46 feet along the West boundary line of said Section 6 to Corner No. 2;

Thence S.20°36'E., 59.71 feet to Corner No. 3, a point identical with Corner No. 4 of the Washington Water Power Company (WWP Co.) tract as described in Document No. 302109, recorded November 2, 1982, records of Shoshone County, Idaho from The Bunker Hill Company to Bunker Limited Partnership, Parcel 28 of Exhibit "A", pages 12 and 13;

FEE PARCELS  
PLACER MINING CO. AND/OR AFFILIATES TO LIBERTY SILVER

Thence S.69°24' W., 12.87 feet to Corner No. 4, identical with Corner No. 3 of said WWP Co. tract;

Thence S.14°20' E., 118.05 feet to Corner No. 5, identical with Corner No. 2 of said WWP Co. tract;

Thence S.2°23'30" W., 187.00 feet to Corner No. 6, identical with Corner No. 1 of said WWP Co. tract;

Thence S.80°00' E., 53.98 feet along the Southerly boundary line of said WWP Co. tract to its point of intersection with the South boundary line of the Northwest Quarter of said Section 6;

Thence S.88°55'25" W., 88.05 feet along said boundary line of said Section 6 Northwest Quarter to Corner No. 1 and place of beginning.

Placer Mining Corp. Bunker Hill Claims      Township 47N      Range 2 East      Section 1

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
3361	APEX NO.2 LODE	20.226	M.S. 2319, 3119
3361	APEX NO. 3 LODE	18.852	M.S. 2319, 3119
3361	GALENA	12.404	M.S. 2319, 3119

**TOTAL ACREAGE**                                **51.482**

**TOTAL NUMBER OF CLAIMS**                                **3**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 1

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
2840	CHECK	4.195      SURFACE	M.S. 1409, 1527, 2072, 2078, 2123, 2496, 2519
2921	SCELINDA NO. 1	17.316	N 1/2, S1/2, SEC. 1 T48N,R2E
2921	SCELINDA NO. 2	19.375	1.643 ACRES, BOOK 40, Page 560
2921	SCELINDA NO. 3	13.739	M.S. 2072
2921	SCELINDA NO. 4	10.38	M.S. 2072
2921	SCELINDA NO. 5	14.083	M.S. 2328
2921	SCELINDA NO. 7	17.477	N 1/2, S1/2, SEC. 1 T48N,R2E
2921	SCELINDA NO. 8	12.162	

**TOTAL ACREAGE**                                **108.727**

**TOTAL NUMBER OF CLAIMS**                                **8**

**Placer Mining Corp. Bunker Hill Claims      Township 47N      Range 2 East      Section 2**

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
3361	ANACONDA LODE	19.672	M.S. 2319, 3119
3361	APEX LODE	14.326	M.S. 2319, 3119
3361	BLUE BIRD LODE	8.401	M.S. 2319, 3119
3361	BLUE GROUSE LODE	20.661	M.S. 2319, 3119
3361	BOB WHITE	20.454	M.S. 2319, 3119
3361	BUTTE	17.963	M.S. 2319, 3119
3361	BUTTE FR.	5.253	M.S. 2319, 3119
3361	COUGAR	20.661	M.S. 2319, 3119
3361	HUCKLEBERRY NO.2	19.672	M.S. 2319, 3119
3361	LEOPARD	20.661	M.S. 2319, 3119
3361	MAC BENN	20.454	M.S. 2319, 3119
3361	MARTIN	20.661	M.S. 2319, 3119
3361	PHEASANT	20.661	M.S. 2319, 3119
3361	ROBBIN	20.454	M.S. 2319, 3119
3361	SONORA	20.663	M.S. 2319, 3119

**TOTAL ACREAGE      270.617**

**TOTAL NUBER OF CLAIMS      14**

**Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 2**

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
1412	REEVES	14.523	
1413	PACKARD	20.321	
1414	QUAKER	2.878	M.S. 790 AND SENATOR STEWARD UNSURVEYED
1503	AM. DANISH	12.238	
1628	ALFERD	13.326	M.S. 1503
1628	MAGGIE	13.872	M.S. 1503
1628	GOOD ENOUGH	11.886	M.S.1503
1633	PHILLIPPINE	13.74	
1723	LYDIA FR.	0.454	M.S. 1639, 1663
1723	MABEL	13.627	M.S. 1639, 1663
1723	MANILA	7.599	M.S. 1639, 1663
1723	O.K.	14.709	M.S. 1639, 1663
1723	O.K. WESTERN	14.587	M.S. 1639, 1663
1723	SUNNY	19.113	M.S. 1639, 1663
1723	WHIPPOOR WILL	8.909	M.S. 1639, 1663
1945	WILL LAMBERT FR.	17.346	
2067	SAXON	2.662	SURFACE M.S. 554, 764, 790, 1488, 1856, 1858
2507	BAND	10.844	M.S. 1639, 1858, 1945

Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 2
<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>	
3214	GOTH	11.161	M.S. 1413, 1414, 1858, 2551	
3214	L-1	6.722	M.S. 1412,1503	
3164	VENTURE	9.313	M.S. 1503,1663, 1945	
3563	SILVER KING M.S.	3.327		
<b><u>TOTAL ACREAGE</u></b>		<b><u>243.157</u></b>		
<b><u>TOTAL NUMBER OF CLAIMS</u></b>		<b><u>22</u></b>		

Placer Mining Corp. Bunker Hill Claims Township 47N Range 2 East Section 3

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>
2856	BABY	17.46
2856	KEYSTONE	13.42
2856	VAN	11.95
2856	WOODRAT	20.141

**TOTAL ACREAGE** **62.971**

**TOTAL # CLAIMS** **4**

Placer Mining Corp. Bunker Hill Claims Township 48N Range 3 East Section 3

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
3423	CARBONATE	6.711	M.S. 554
3423	ENTERPRISE	3.616	
3423	GIANT	8.275	

**TOTAL ACREAGE** **18.602**

**TOTAL # CLAIMS** **3**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 7

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
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<b>Total Acreage Section 7</b>		<b>0</b>	
<b>TOTAL NUMBER OF CLAIMS</b>		<b>0</b>	

**Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 8**

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
2869	MILO M.S.	4.986	
<b><u>TOTAL ACREAGE</u></b>		<b><u>4.986</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>1</u></b>	

**Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 9**

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
3214	L-2	3.276	M.S. 1412, 1413, 1503, 1628, 2507
3214	L-3	13.245	M.S. 1412, 1413,
<b><u>TOTAL ACREAGE</u></b>		<b><u>16.521</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>2</u></b>	



Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 10
<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>	
2201	BROOKLYN	17.889	SUBJECT TO ROYALTY	
2201	NEW JERSEY	18.477	"	
2201	SCHUTE FR.	10.463	"	
3389	PROMINADE	13.093	M.S. 2077,2201, 2966, 3390	
3389	SAM	20.541	"	
3389	ZEKE	3.623	"	
3389	PETE	20.643		
3390	Marblehead	19.333	M.S. 3389	
3390	OLYMPIA	20.545	M.S. 2296, 3389	
<b><u>TOTAL ACREAGE</u></b>		<b><u>144.607</u></b>		

**TOTAL # CLAIMS** 9

Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 3 East	Section 10
<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>	
3423	Black Diamond	15.304		
3423	Gelatin	9.34		
3423	Rolling Stone	16.835		
3423	ENTERPRISE EXT.	19.658		
<b><u>TOTAL ACREAGE</u></b>		<b><u>61.137</u></b>		

**TOTAL # CLAIMS** 4

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 11

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>		<u>Exclude Conflicts</u>
569	Oakland	4.59		M.S. 554
755	Ontario Fr.	1.626		
764	Carbonate SURFACE	6.551	SURFACE	M.S. 554, and Rail Road Easment. Status Unknown, Probably State of Idaho Rails to Trails.
790	Silver Casket SURFACE	15.77	SURFACE	
1041	Apex	1.928		M.S. 569
1041	Rambler	7.978		M.S. 569
1041	Tip Top	4.909		M.S. 569
1220	Butte	20.52		
1220	Cariboo	20.061		M.S. 1041
1220	Good Luck	19.676		
1356	Excelsior	3.113		M.S. 554 & 569
1357	No. 1	18.772		M.S.1041
1357	No. 2	18.976		M.S. 1220
1357	No. 3	20.53		
1357	No. 4	19.951		
1357	No. 5	19.075	SURFACE	
1466	Deadwood	7.194		M.S. 1220
1466	Debs	18.183		M.S. 1229
1466	Hard Cash	20.489		
1619	Hamilton Fr.	13.233		
1633	Princess	5.9		See Inst. #208505, 208056, 208613
1639 AM	Royal Knight	13.871		M.S. 1357, 1681
1639 AM	Silver King	18.251		M.S. 1357, 1681 refer to #208505, 28506, 208613
1639AM	Legal Tender	16.324	SURFACE	M.S. 1357, 1681
1641	McLelland	4.616		M.S. 1357,1639
1664	Harrison	9.02		M.S. 1639 AM
1715	(ninety-six) 96	12.017		
2368	Norman	4.198		M.S. 554,764,1356,1357, 1041, 1639, 1681, 2067
2369	Grant	0.128		M.S. 554, 562, 569, 750, 755, 764, 1488, 2067, 2186, 2124, 2187, 2052
2583	Roman	1.443		M.S. 554, 764, 790, 1488, 1639, 1681, 2124, 2368, 2369, 1041
2583	Marion	1.058	SURFACE	M.S. 554, 755, 764, 790, 1414, 1639, 2067,2368, 2369, 2124
2626	Maine	1.158		M.S. 512, 1633, 1638, 1639, 2548 Refer to inst. #208505, 208506, 208613

## Placer Mining Corp. Bunker Hill Claims

## Township 48N

## Range 2 East Section 11

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>		<u>Exclude Conflicts</u>
2583	Nellie	0.245		M.S. 554,562,569,750,1488,1526,1527 2052, 2072, 2078
2627	California	1.148	SURFACE	M.S. 790, 1414, 1639, 1858, 2067, 2507
2862	Chief No. 2	1.145		Refer to Inst.# 208505
2862	Sugar	2.969		Refer to Inst.# 208505
2862	Florence	14.204	SURFACE	See Inst. #208505, #208613
2966	Ethel	16.268		M.S. 1466 & 1619
2966	Katherine	14.617		M.S. 1357 & 2862
2966	Manchester	17.196		
2966	McRooney	4.634		M.S. 2201, 2862, 2960
2966	Stuard No. 2	20.464		Olympia Lode, Unsurveyed
2966	Stuard No. 3	20.659		
2966	Sullivan	16.74		Olympia Lode, Unsurveyed
2966	Switzerland	10.328		M.S. 2201, 2860, 2960
3111	Billy	16.707	SURFACE	M.S. 1357, 2862
3390	Nancy B.	2.498		M.S. 1466, 1619, 2080, & 2966
<b><u>TOTAL ACREAGE SECTION 11</u></b>		<b><u>510.931</u></b>		
<b><u>TOTAL # OF CLAIMS SEC.11</u></b>		<b><u>47</u></b>		

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 12

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
546 AM.	TYLER	14.77	
550	EMMA	10.689	
551	LAST CHANCE	17.317	M.S. 550
554	SIERRA NEVADA	17.665	
562	VIOLA	10.569	
615	SKOOKUM	17.61	
629	BOTTOM DOLLAR FR.	0.607	SURFACE M.S. 580, 632
703	EMMA AND LAST CHANCE	2.197	SURFACE
755	ONTARIO	10.055	SURFACE
750	SAN CARLOS	7.17	
933	SOLD AGAIN FR.	8.221	
959	REPUBLICAN FR.	3.698	
1192	JOHANNESBURG	20.66	SURFACE
1220	JERSEY FR.	10.112	
1220	LILLY MAY	19.432	
1298	LIKELY	4.706	Miles LODGE CLAIM
1325 AM.	HORNET	11.448	M.S. 562, 2072, CHEYENNE CLAIM
1325	KING	0.903	M.S. 562, 570
1328	PURITAN A.M.	10.225	SURFACE Excluding Survey 1192
1328	SAMPSON	7.112	M.S. 1192
1409	Omaha	17.05	SURFACE
1488	ARIZONA	10.399	M.S. 764
1526	WHEELBARROW	7.812	
1527	NEW ERA	12.652	
1830	STEMWINDER	7.075	M.S. 550, 551, 933
1882	UTAH	3.427	M.S. 550, 551, 579, 1830
2052	OVERLAP	0.895	M.S. 562, 569, 750
2072	BEE	11.591	M.S. 562, 1526 AM.
2072	COMBINATION	13.568	CONFLICT WARDNER TOWNSITE
2072	HAWK	20.606	
2072	IDAHO	12.922	M.S. 551, 1323, 1882
2072	IOWA	20.65	
2072	OREGON	10.081	CONFLICT WARDNER TOWNSITE
2072	SCORPION FR.	7.612	
2072	WASHINGTON	20.66	
2078	CHAIN	5.014	M.S. 1526, 1527, 2124
2123	LINK	17.346	SURFACE M.S. 1325, 1526, 1527
2124	SPUR	4.299	SURFACE M.S. 755, 764, 1488, 1856, 2067, 2123
2186	SIMS	0.191	M.S. 554, 562, 564 AM, 1488
2187	LINCOLN	0.082	
2249	CHEYENNE	8.431	M.S. 562, 1526
2328	FLAGSTAFF	12.847	

Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 12
<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>	
2429	CYPRESS	0.0346	M.S. 550, 1830, 430, 579, 604, 608, 581 & 1882	
2452	HELEN MARR	2.279	M.S. 546, 550, 551, 771, 933, 959, 1126, 1325, 1325, 1830, 1882, 2072	
2496	SPEAR	6.843	SURFACE	M.S. 2551
2509	SPOKANE	4.789	M.S. 1409, 1442, 2072	
2511	KEY	0.287	M.S. 546, 562, 750, 1325, 1488, 1526, 1527, 2072, 2078, 2187, 2369	
2511	QUEEN	0.376	M.S. 562, 615, 750, 1325, 1488, 1526, 2072, 2078, 2249, 2369, 1298	
2511	TEDDY	0.002	M.S. 546, 551, 615, 750, 959, 1298, 1318, 1325, 1882, 2072, 2187, & 2452	
2511	HEART	0.123	M.S. 551, 615, 771, 959, 1220, 1318, 2452	
2511	JACK	1.082	M.S. 546, 562, 615, 750, 1298, 1325, 2072, 2187, 2249	
2583	CLUB	0.088	M.S. 554, 569, 1041, 1356, 1488, 2124, & 2369	
2583	DIAMOND	0.011	M.S. 554, 562, 569, 615, 750, 1298, 1356, 1488, 2052, 2186, 2187, 2369, & 2511	
2583	ACE	0.073	M.S. 554, 755, 764, 1041, 2067, 2124, & 2369	
2583	SPADE	0.006	M.S. 615, 1220, 1356, 1466	
2584	BRADY	0.891	M.S. 546, 959, 1325, 1882, 2072, 2249, 2452 & 2511	
2599	BOER	3.516	M.S. 550, 551, 1192, 1328, 2072	
2599	BEN HERR	3.159	SURFACE	M.S. 550, 579, 580, 581, 608, 609, 614, 629, 632, 836, 837, 1916, 2065, 1882, 2429, 2432
2599	PHILIPPINE	7.655	M.S. 550, 703, 1192, 1328, 1702	
2599	Grant	0.372	M.S. 554, 562, 569, 750, 755, 764, 1488	
2611	NICK	15.516	M.S. 2081	
2611	SHERMAN	0.604	M.S. 2081	
2611	SIMMONS	0.391	M.S. 621, 1228, 1345, 2081	
2611	ASSET	0.567	M.S. 1621 & 1345	
2611	CHILDS	4.259	M.S. 1345, 1349	
2654	KIRBY FR.	6.822	M.S. 551, 933	
2654	McCLELLAN	8.907	M.S. 615	
2654	MILES	15.846	M.S. 551, 933, 586, 615, 959, 1220	
2654	PITT	0.809	M.S. 546 AM., 959, 1298	
2921	FLAGSTAFF NO. 2	6.353	M.S. 2328, 2526	
2921	FLAGSTAFF NO. 3	10.157		
2921	FLAGSTAFF NO. 4	17.783	M.S. 2328	
<b><u>TOTAL ACREAGE</u></b>		<b><u>549.9766</u></b>		
<b><u>TOTAL # CLAIMS</u></b>		<b><u>72</u></b>		

## Placer Mining Corp. Bunker Hill Claims

## Township 48N

## Range 2 East

## Section 13

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreege Amount</u>		<u>Exclude Conflicts</u>
586 AM.	JACKASS	11.2		
579	BUNKER HILL	17.03	SURFACE	
580	SULLIVAN	13.088	SURFACE	M.S. 3390
581	IMPORTANT FR.	2.59	SURFACE	
604	PHIL SHERIDAN	11.034	SURFACE	M.S. 632, 836
607	REED FR.	11.41	SURFACE	
608	BUNKER HILL M.S.	4.129	SURFACE	
609	SMALL HOPES AM.	1.612	SURFACE	
614	LACKAWANA	16.525		
632	CHESTNUT	0.753	SURFACE	
836	TURKEY BUZZARD	0.559	SURFACE	
837	SNOWSLIDE FR.	0.059	SURFACE	M.S. 632
1085	SILVER	7.003	SURFACE	M.S. 2081
1227	MABUNDALAND	20.559		
1227	MASHONALAND	20.401		ALLA LODE CLAIM
1227	MATABELALAND	19.949		
1227	STOPPING	15.151		
1227	ZULULAND	20.517		
1228	ALLA	8.153		M.S. 1227 Stopping
1228	LACROSSE	9.361		
1228	MINERS DELIGHT	10.138		M.S. 614
1228	NO NAME	13.868		
1228	SULLIVAN EXT.	0.558		M.S. 619
1228	SUMMIT	9.897		M.S. 621
1229	ALLIE	18.287		
1229	BLUE BIRD	13.901		M.S. 586
1229	BOUGHT AGAIN	15.756		M.S. 1220
1229	JOSIE	20.651		
1229	MAPLE	1.687		
1229	OFFSET	0.257		M.S. 581
1229	ROOKERY	6.746		
1229	SUSIE	3.324		
1916	BUTTERNUT	1.259		M.S. 614
1916	HOMESTAKE	15.857		M.S. 604, 614, 629, 632, 836, 837, 1229, 2141
2065	TRIANGLE FR.	0.084	SURFACE	M.S. 580, 608, 609AM, 619, 622 1228
2081	ITO	6.456		M.S. 1229, 1466 & 1620
2081	BEAR	16.919		M.S. 1227 & 1229
2081	OYAMA	6.278		M.S. 1227, 1620
2250	Buckeye	10.634		M.S. 1228 & 1916
2432	HICKORY	0.001		M.S. 1229, 1916

Section 13

<b>Placer Mining Corp. Bunker Hill Claims</b>		<b>Township 48N</b>	<b>Range 2 East</b>	<b>Section 13</b>
<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>	
2432	SPRUCE FR.	0.017	M.S. 604, 614, 836, 1227, 1228, 1229, 1916, 2250	
2452	HEMLOCK	0.0189	M.S. 579,581,586,604,771,933,1229	
2587	FOSTER	20.659		
2587	PENFIELD	20.659		
2587	SLIVER	0.003	M.S. 2081	
2587	DREW	19.483	M.S. 2081	
2587	EDNA	12.204	M.S. 208, MIDLAND, N. MIDLAND	
2587	EMILY GRACE	10.462	M.S. 2081	
2599	KRUGER	2.502	SURFACE	M.S. 580, 581, 604, 608, 629, 632, 836, 1085, 1229, 1916, 2065,2429, 2432
2587	MEDIUM	6.904	N. MIDLAND	
2611	YALE	0.052	M.S. 2081, 1228	
2611	HOUGH	13.407	SURFACE	M.S. 1085, 1192, 1345
2624	GUS	0.709	M.S. 1227, 1229, 1916, 2081, 2141, 2250	
2624	ROY	0.038	M.S. 1227, 1229, 2081, 2141	
2624	TRUMP	0.02	M.S. 1229, 1466, 2081	
2646	AFRICAN	2.046	M.S. 1229, 1916, 2081, 2141	
2975	HOOVER NO. 1	17.156	M.S. 2080, 2976	
2975	HOOVER NO. 2	19.983	M.S. 2080	
2975	HOOVER NO. 3	16.005	M.S. 2587	
2975	HOOVER NO. 4	14.547	M.S. 2587	
2975	HOOVER NO. 5	13.222	M.S. 2080	
3470	LUCKY	17.864	SURFACE	M.S. 607 & 619
3471	BETA	13.973	M.S. 1227, 1916, 2250	
<b><u>TOTAL ACREAGE</u></b>		<b><u>605.5749</u></b>		
<b><u>TOTAL # CLAIMS</u></b>		<b><u>63</u></b>		

**Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East Section 14**

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
1466	CARTER	17.003	
1466	COXEY	4.697	M.S. 1229
1466	NEVADA	12.602	
1466	HAMILTON	20.654	
1620	BERNIECE	19.278	
1620	MOUNTAIN KING	18.535	
1620	MOUNTAIN QUEEN	20.534	
1620	SOUTHERN BEAUTY	15.012	
1628	WAVERLY	17.757	
2077	K-21	20.661	M.S. 2696
2077	K-22	20.661	M.S. 2696
2077	K-30	20.3	
2077	K-31	20.646	
2080	K-1	20.515	
2080	K-2	20.515	
2080	K-3	20.661	
2080	K-4	20.658	M.S. 1620
2080	K-5	20.659	
2080	K-6	20.661	
2080	K-7	20.661	
2080	K-8	20.661	
2080	K-9	20.651	
2080	K-14	8.549	
2080	K-15	10.262	M.S. 2077
2080	K-24	7.176	M.S. 1620
2080	K-25	3.154	
2080	K-26	2.993	
2080	K-27	7.096	
2080	KANSAS	20.536	M.S. 1620
2077	K-10	20.608	
2077	K-16	20.646	

SECTION 14

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<b>Placer Mining Corp. Bunker Hill Claims</b>		<b>Township 48N</b>	<b>Range 2 East Section 14</b>
<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
2080	MISSOURI	20.061	M.S. 1620
2080	TEXAS	20.556	
3390	PHIL	4.41	M.S. 1466, 2077, 2080, 2966
3390	BATTLESHIP OREGON	20.1	M.S. 2077
3390	CHARLEY T.	9.028	M.S. 2077 & 2080
3390	MARGARET	13.892	M.S. 2080
3390	Lucia	17.644	M.S. 2966
<b><u>TOTAL ACREAGE</u></b>		<b><u>620.693</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>38</u></b>	

SECTION 14

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Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East Section 15

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>
2274	OREGON NO. 2	20.66
2274	SILVER CORD	20.66
2274	MARYLAND	20.66
2274	MONMOUTH	20.66
2274	EVENING STAR	20.637
2274	EVENING STAR FR.	3.392
3298	SPRING	20.651
<b><u>TOTAL ACREAGE</u></b>		<b><u>127.32</u></b>

**TOTAL # CLAIMS**      **7**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East Section 15

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
2077	(Eighty-five) 85	20.508	
2077	IOWA NO. 2	20.647	
2077	K-11	20.508	
2077	K-12	20.508	
2077	K-13	20.654	M.S. 2077
2077	K-17	20.608	
2077	K-18	20.66	M.S. 2696
2077	K-19	20.534	M.S. 2696
2077	K-20	20.661	
2077	K-23	19.917	M.S. 2696
2077	K-28	18.063	
2077	K-39	10.469	
2077	MINNESOTA	17.491	
2077	MISSORI NO. 2	11.989	
2077	(Ninety-one) 91	20.256	
2077	(Ninety-two) 92	20.508	
2077	K-29	14.591	M.S. 2696
<b><u>TOTAL ACREAGE</u></b>		<b><u>318.572</u></b>	

**TOTAL # CLAIMS**      **16**

Township 48N		Range 3 East	Section 16	
<u>M.S. #</u>	<u>Claim Name</u>		<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
3015	QUEEN	Lies in Sec. 16	2.22	
<b><u>TOTAL ACREAGE</u></b>			<b><u>2.22</u></b>	
<b><u>TOTAL # CLAIMS</u></b>			<b><u>1</u></b>	
Township 48N		Range 3 East	Section 17	
2204	GRANT	LIES IN SEC. 17	8	Only that portion west of the Ext. of W. endline of A-3 Lode, M.S 1347, M.S. 1349, 1359, 2203, 2540, 2611, 2870, 2915, 3013
3503	MOAT	Lies in Sec. 17	4.9	
<b><u>TOTAL ACREAGE</u></b>			<b><u>12.9</u></b>	
<b><u>TOTAL # CLAIMS</u></b>			<b><u>2</u></b>	
Township 48N		Range 2 East	Section 17	
3503	CASTLE		1.606	M.S. 1347,1349,1359,2203,2540, 2611, 2070, 2915, 3013
<b><u>TOTAL ACREAGE</u></b>			<b><u>1.606</u></b>	
<b><u>TOTAL # CLAIMS</u></b>			<b><u>1</u></b>	

SECTIONS 15, 16, 17


Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 18

<u>M.S. #</u>	<u>Claim Name</u>		<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
619	Rolling Stone	50%	15.093	M.S 580
1228	East	50%	4.64	M.S. 609
1228	Iron Hill	50%	17.736	
1228	Ollie McMillin	50%	15.895	
1228	Schofield	50%	8.853	
1228	Bonanza Fraction	50%	4.439	
1345	Daisy	50%	17.74	M.S. 607,619,621,1228
2081	Black	50%	20.64	
2081	Brown	50%	20.248	M.S. 1228
2081	Sarnia	50%	12.967	M.S. 1228
2204	Last Chance		19.447	
2274	Timothy Fraction		0.586	
2611	Ox	50%	8.103	M.S. 1345
2611	Taft	50%	0.898	M.S. 1228,2081
3177	Monte Carlo No. 3	50%	13.868	
3177	Monte Carlo No. 5	50%	13.16	M.S. 1345 & 2611

**Total Acreage Section 18 Claims**      **194.313**

**TOTAL # CLAIMS**      **15**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 19

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreege Amount</u>
3108	Midland	 4.5
3472	Spokane Central No. 5	20.65
<b><u>TOTAL ACREAGE</u></b>		<b><u>25.15</u></b>
<b><u>TOTAL NUMBER OF CLAIMS</u></b>		<b><u>2</u></b>

SECTION 19

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**Placer Mining Corp. Bunker Hill Claims**

**Township 48N**

**Range 3 East Section 20**

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
3472	SPOKANE CENTRAL NO. 1	18.633	M.S. 3291
3472	SPOKANE CENTRAL NO. 2	20.143	M.S. 3291
3472	SPOKANE CENTRAL NO. 3 FR.	18.756	LIES MOSTLY IN SEC. 29 M.S. 3291 S 29/48N/3E
3472	SPOKANE CENTRAL NO. 3	18.756	M.S. 3291
3472	SPOKANE CENTRAL NO. 4	20.297	M.S. 3291

**TOTAL ACREAGE**

**96.585**

**TOTAL # CLAIMS**

**5**

Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 22
<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>	
2077	K-32	11.082		
2976	ADATH	20.659		
2976	ALKYRIS	20.659		
2976	ANNA LAURA	20.659		
2976	ATLAS	20.659		
2976	ATLAS NO. 1	20.659		
2976	FRACTION	15.574	M.S. 2080	
2976	GAY	3.348	M.S. 2080, 2077	
2976	RED DEER	20.654	M.S. 2080	
2976	SETZER	13.8	M.S. 2080	
3096	ARMY	19.179	M.S. 2077, 2696, 2976	
3096	NAVY	5.879	M.S. 2077, 2696, 2976	
<b><u>TOTAL ACREAGE</u></b>		<b><u>192.811</u></b>		
<b><u>TOTAL # CLAIMS</u></b>		<b><u>11</u></b>		

## Placer Mining Corp. Bunker Hill Claims

## Township 48N

## Range 2 East

## Section 23

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
2080	K-33	14.448	M.S. 2077
2080	K-34	18.554	M.S. 2077
2080	K-35	10.453	
2080	K-36	20.128	
2080	K-37	20.661	
2080	K-38	20.661	
2977	LESLEY	20.312	
2977	LESLEY NO. 2	20.659	
2977	LESLEY NO. 3	20.659	
2977	LITTLE ORE GRANDE	20.659	
2977	NORTH WELLINGTON	20.639	
2977	ORE GRANDE NO. 1	20.312	
2977	ORE GRANDE NO. 2	20.659	
2977	ORE GRANDE NO. 3	20.659	
2977	ORE GRANDE NO. 4	20.659	
2977	ORE GRANDE NO. 5	20.458	
2977	WELLINGTON	16.91	EAST PINE LODE
3097	ORACLE	10.963	M.S. 2415, 2977
3097	ORBIT	20.661	
3097	OREANO	19.64	
3097	ORE SHOOT	12.173	M.S. 2976
3097	ORIENT	13.451	BOUTAN LODE
3097	ORIENTAL	9.262	M.S. 2976
3097	ORPHAN	9.422	M.S. 2977
3097	ORPHEUM	20.458	M.S. 2976

**TOTAL ACREAGE****443.52****TOTAL # CLAIMS****24**



Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 24

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
2081	S-9	20.641	
2081	S-10	20.64	
2587	"A"	20.532	MIDLAND NO. 3
2587	"B"	20.633	
2587	"C"	20.633	
2587	"D"	19.725	
2587	"E"	19.75	
2587	"F"	15.547	M.S. 1620, 2080
2587	K-40	3.084	M.S. 1620, 2080
2587	LILLY	20.637	
2587	MISSING LINK	14.456	MIDLAND NO. 5
2587	NO. 1	19.67	MIDLAND CLAIMS
2587	NO. 2	20.633	
2587	PEAK	20.433	MIDLAND CLAIMS
<b>2587</b>	<b>SNOWLINE</b>	<b>19.207</b> LIES IN SEC. 25	<b>MIDLAND NO. 5</b>
2587	YREKA NO. 22	20.415	
3108	MIDLAND NO. 1	17.777	M.S. 2587
3108	MIDLAND NO. 6	18.518	M.S. 2587
3108	MIDLAND NO. 3	20.658	
3108	MIDLAND NO. 4	19.22	
3108	MIDLAND NO. 5	13.621	
3108	MIDLAND NO. 7	12.812	M.S. 2081, 2587
3108	MIDLAND NO. 8	11.436	M.S. 2587
3108	NORTH MIDLAND	13.924	EDNA LODE
<b><u>TOTAL ACREAGE</u></b>		<b><u>424.602</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>23</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>0</u></b>	

**Placer Mining Corp. Silver Belt Claims**

**Township 48N**

**Range 3 East**

**Section 35**

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
3361	LYNX	20.661	M.S. 2319, 3119
<b><u>TOTAL ACREAGE</u></b>		<b>● <u>20.661</u></b>	

**TOTAL # CLAIMS**

**1**

PLACER MINING CORP.  
BUNKER HILL CLAIMS

TOTAL ACREAGE AND CLAIM NUMBERS BY SECTION

SECTION	TWN	RNG	ACREAGE	#CLAIMS
1	47N	2EAST	51.482	3
1	48N	2EAST	108.727	8
2	47N	2EAST	270.257	14
2	48N	2EAST	243.157	22
3	47N	2 EAST	62.891	4
3	48N	3 EAST	18.602	3
7	48N	3 EAST	0	0
8	48N	2 EAST	4.986	1
9	48N	2 EAST	16.251	2
10	48N	2 EAST	144.607	9
10	48N	3 EAST	61.52	4
11	48N	3 EAST	510.931	47
12	48N	3 EAST	549.977	72
13	48N	2 EAST	607.1152	63
14	48N	2 EAST	620.693	38
15	48N	2 EAST	318.5801	16
15	48N	3 EAST	127.32	7
16	48N	3 EAST	2.22	1
17	48N	3 EAST	12.9	2
17	48N	2 EAST	1.606	1
18	48N	3 EAST	194.313	50% 15
19	48N	3 EAST	25.15	50% 2
20	48N	3 EAST	96.585	5
22	48N	2 EAST	192.11	11
23	48N	2 EAST	443.498	24
24-25	48N	2 EAST	424.602	23
35	48N	2 EAST	20.661	10
<b>TOTAL ACREAGE</b>			<b>5130.741</b>	
<b>TOTAL # CLAIMS</b>				<b>407</b>

TOTALS

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**MINING CLAIMS TO BE OWNED EQUALLY BY  
LIBERTY SILVER CORP AND PLACER MINING CORPORATION**

Liberty Silver Corp and Placer Mining Corporation will own an equal 50% ownership interest in the 15 claims on the West boundary of the Silver Ridge block. The claims are as follows:

Rolling Stone  
East  
Iron Hill  
Ollie McMillan  
Schofield  
Daisy  
Bananza Fraction  
Black  
Brown  
Sarnia  
Ox  
Taft  
Monte Carlo #3  
Monte Carlo #5  
Midland

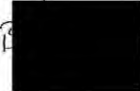
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EXHIBIT B

INSERT AREAS TO BE ACCESSED/MINED BY PLACER DURING LEASE PERIOD

The following areas may be accessed and mined by Placer Mining Corporation during the lease period and are excluded from the purchase option:

1. The Crystal Vug Stope,
2. The East Hanging Wall target of the historic Caledonia Mine, and
3. The Silver Ridge Claims.



**Amendment to Lease and Option to Purchase of August 17, 2017 between Liberty Silver Corp and Placer Mining Corporation.**

- 1) Liberty Silver Corp. will pay \$15,000 to Avista utilities account # 1202252117 no later than Wednesday 10/18/2017, the commercial number is 1-800-227-9187.
- 2) Liberty Silver Corp. will deposit \$35,000 to Northwest Analytical Services LLC, no later than 10-18-17. Wire instructions for this account have been provided. This payment is to be credited towards the purchase price of the mine.
- 3) Liberty Silver Corp. agrees to reimburse for the Care and Maintenance labor costs incurred by Placer Mining Corporation for the month of November and such amount will be due Dec 1st, 2017.
- 4) Liberty Silver Corp. will pay the Avista Utility total amount due on Dec 1st, 2017.
- 5) Article 21 on page 8 of the signed lease is amended to state that that Liberty Silver Corp. will continue it's scheduled EPA water treatment quarterly payments and Avista Utilities payments as it's sole responsibility and furthermore, scheduled monthly payments for the Mine KT Maintenance Crew. The current Mine KT Maintenance Crew along with Robert Hopper, Thomas Hopper, and Dave Kriedeman will hereafter be known as the Care and Maintenance crew ( The CM Crew) and the compensation will be \$100,000 per month to be paid directly to Northwest Analytical Services, LLC which is the company that has been appointed by Placer Mining Corporation to manage its business affairs. Each care and Maintenance installment is due in advance no later than the first of each month. This C/M compensation is separate of the \$100,000 per month lease payment and does not get credited toward the mine purchase price.
- 6) All existing Care and Maintenance employees will remain on the payroll and Managed by Northwest Analytical Services LLC. At this time and subject to change, these personnel include Tom Hopper, Bob Hopper, Dave Kriedeman, James Hilliard, Calvin Walker, Aaron Peterson, Ed Peterson, Mitch Brower Jr. Charles Assels, and Mitch Brower Sr. NWAS will be responsible for their own



insurance, payroll, taxes, workmen's compensation and other withholdings. The \$100,000 C/M budget only includes labor and its associated costs and other expenses such as fuels, tires, and current rolling stock maintenance. It does not include pumps, timbers, electrical, rail or any other underground expense that may be incurred and will be billed to Liberty Silver Corp. separately.

7) PMC/NWAS reserves the right to assist in surface subcontracting that Liberty has planned by utilizing our C/M team for labor portions of such jobs, for example: If you are installing fresh water lines, roofing or electrical, our team can assist in the labor which it is believed will greatly decrease the Liberty Silver cost in the estimates you receive.

8) Each employee and/or contractor that Liberty Silver hires, either surface or sub surface will be required to provide proof of MSHA training.

9) PMC/NWAS will continue to occupy the two office spaces that are currently being used at the main office until spring when the safety building offices are remodeled, at that time, we will relocate to better accommodate Liberty Silver Corp. and their team.

9) PMC/NWAS will reserve the right to continue to co-occupy the lower dry until all remodel work has been completed that Mark Hartman has planned, at this time, we can relocate to better accommodate Liberty Silver. It is recommended The Women's dry which was originally at the far north end of the existing dry or the old corporate dry in the main office be utilized for the women's dry.

#### 10) Major Payment Timing

**12-1-17** \$200,000 lease becomes due for Nov and Dec of 2017; \$100,000 C/M payment to NWAS is due; \$500,000 bonus payment that was due on 11-15-2017; and any expenses from #3 above needs to be reimbursed.

**12-15-2017** \$500,000 bonus payment is due.

**1-1-18** \$300,000 lease payment to PMC for the first quarter of 2018 is due; \$100,000 C/M to PMC is due as well as the 1st of every month thereafter.



All other terms of the lease and option to purchase signed on August 17 will remain in effect for the duration of said agreement.

Signed,



Dave Kriedeman  
By direction of Robert Hopper  
Placer Mining Corp.

Date: 10/17/17

Signed,



John Ryan  
Director  
Liberty Silver Corp.

Date: 10/17/17

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**CLARIFICATION AND SECOND AMENDMENT TO LEASE AND OPTION TO PURCHASE BETWEEN  
LIBERTY SILVER CORP., n/k/a BUNKER HILL MINING CORP. AND PLACER MINING CORPORATION**

WITNESSETH: It is hereby agreed that the Lease and Option to Purchase Agreement, made and entered into on August 17, 2017, as amended on October 17, 2017, by and between Liberty Silver Corporation, now known as Bunker Hill Mining Corp., and Placer Mining Corporation (hereinafter "Parties"), is hereby CLARIFIED and/or FURTHER AMENDED to provide as follows:

1. The following items are hereby EXPRESSLY EXCLUDED from the Lease and Option to Purchase Agreement, and any other agreement that may be in existence between the Parties, and the Parties hereby agree that the following items are now, and were always, intended to be excluded from the same:
  - a. Machine shop parcel, as more particularly described in Exhibit 1, attached hereto and incorporated herein by reference, including the building, milling equipment and personal property located upon the parcel and within the building;
  - b. All unmilled ore on the deck, estimated to be 7,500 tons; and
  - c. All residual lead/zinc ore mined and broken, but not removed from, the Bunker Hill Mine.
2. All other provisions of the August 17, 2017 Lease and Option to Purchase and October 17, 2017 Amendment thereto, not directly affected by this Amendment and Clarification shall remain in full force and effect.


DATED this 30<sup>th</sup> day of January, 2018.

PLACER MINING CORPORATION,

By:   
Robert Hopper, President

DATED this 30<sup>th</sup> day of January, 2018

BUNKER HILL MINING CORP.

By:   
Howard Crosby, Vice President

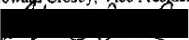
By:   
Lukas D. O'Dowd, Attorney-in-fact for  
Howard Crosby, VP  
Bunker Hill Mining Corp.

EXHIBIT 1

Excluded Machine Shop Parcel (Mill Site Parcel) Description

KELLOGG MINE PLANT SHORT PLAT NO 1 LOT 3  
Parcel Number: RPD0725000030A  
Acres: 3.83

Legal Description:

Being a tract of land situated in the Northeast 1/4 of the Southeast 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho more particularly described as follows:

Beginning at a point whence the East 1/4 corner of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho bears North 59°22'09" East, 395.37 feet distant; thence

Along a curve left, radius = 40 feet, the long chord bears South 15°24'18" West, 27.50 feet; thence

North 78°22'26" West, 36.16 feet; thence

South 10°52'21" West, 204.04 feet; thence

North 75°18'39" West, 252.91 feet; thence

North 02°48'24" West, 383.22 feet; thence

North 31°43'07" East, 271.88 feet; thence

South 39°32'35" East, 342.19 feet; thence

South 17°00'49" West, 108.69 feet; thence

South 09°45'56" East, 92.08 feet to the point of beginning and sometimes referred to as Lot 3 Mine Plant Short Plat No. 1.

SECOND AMENDMENT TO LEASE AND OPTION TO PURCHASE - Exhibit 1

Lessor Initials: B.H.


Lessee Initials: HC  
by Lukas D. O'Dowd  
Attorney-in-Fact

**LIMITED SINGLE-TRANSACTION  
POWER OF ATTORNEY**

By this instrument, the undersigned, Mr. Howard Crosby, a citizen of the United States of America, Executive Vice President, Bunker Hill Mining Corp. (formerly Liberty Silver Corp.), hereby designates, constitutes and appoints Lukas D. O'Dowd as Bunker Hill Mining Corp.'s Agent in the State of Idaho as the true and lawful attorney-in-fact ("Attorney-in-fact"), to act in the Bunker Hill Mining Corp.'s name, place and stead with authorization and general authority to do the following:

- A. To negotiate and agree to the terms of the Clarification and Second Amendment to Lease and Option to Purchase between Bunker Hill Mining Corp. and Placer Mining Corporation;
- B. To appear and attend for Bunker Hill Mining Corp. in person the meeting with Placer Mining Corporation whereby the said Clarification and Second Amendment to Lease and Option to Purchase is to be executed;
- C. To enter into, execute by signing and deliver on Bunker Hill Mining Corp.'s behalf, the Clarification and Second Amendment to Lease and Option to Purchase and any agreements, contracts, covenants, and other instruments, undertakings or agreements necessary to effectuate the Lease Amendment;
- D. This Power of Attorney shall remain in full force and effect and be binding until 11:59 p.m. on February 5, 2018, or until written notice of its revocation.
- E. I grant to Attorney-in-fact full power and authority to perform all acts authorized herein to be done in and about the described matter as I could do if personally present.
- F. I am fully informed as to all of the contents of this Limited Single-Transaction Power of Attorney and understand the full impact of this grant of powers to Attorney-in-fact.
- G. The meaning and effect of this power of attorney is determined by the laws of the state of Idaho. A photocopy or electronically transmitted copy of an original power of attorney has the same effect as the original.

Dated this 27<sup>th</sup> day of January 2018.

  
 \_\_\_\_\_  
 Howard Crosby, Executive Vice President  
 Bunker Hill Mining Corp.

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }  
County of Riverside }

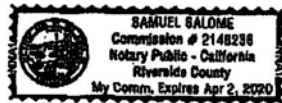
On this 27<sup>th</sup> day of January, 2018, before me, Samuel Salome, personally appeared, Howard Crosby, who proved to me on the basis of satisfactory evidence to be the Executive Vice President of Bunker Hill Mining Corp., and whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  \_\_\_\_\_

(Seal)



**Reinstatement and Amendment of Bunker Hill Mining Lease and Option to Purchase dated August 17, 2017**

Comes now Bunker Hill Mining Company Inc. and American Zinc Corp., a subsidiary of Bunker Hill Mining Company, collectively "Bunker", and Placer Mining Corp. ("Placer"), hereinafter the "Parties".

The Parties entered into a Lease and Option to Purchase Agreement dated August 17, 2017, hereinafter the "LOP Agreement". The LOP Agreement was then amended in November, 2017 and is hereinafter referred to as the "LOP Amendment" and collectively hereinafter as the "Agreements". Bunker was defaulted out of the Agreements on Friday, October 12, 2018 for failure to make required lease and maintenance payments owed. Bunker, through third parties, made two payments of \$15,000 each during October, 2018. One payment was received by Placer on Monday, October 15, 2018 and the second on Wednesday, October 17, 2018. BHM agrees that any dispute that should arise over the third party monies is the responsibility of BHM.

The Parties now wish to reinstate the Agreements and to Amend such agreements to provide as follows:

- 1) The LOP Amendment provided for a monthly \$100,000.00 payment to Placer for payment to crews and to be known as the "BH Maintenance Crew". Due to financial constrictions of Bunker, the parties agree that for the period beginning October 1, 2018 and ending on October 31, 2019 this payment shall be reduced to \$60,000 per month. This payment shall be paid monthly by the first day of each month, notwithstanding, the first payment of \$60,000 shall be made by November 2, 2018. Beginning November 1, 2019 the maintenance payment shall return to \$100,000 unless further amended by the parties.
  - 2) The LOP Amendment also provided for a monthly \$100,000.00 lease payment to Placer. Due to financial constrictions of Bunker the parties agree that for the lease period beginning October 1, 2018 and ending on October 31, 2019 this payment shall be suspended. Beginning November 1, 2019 the lease payment shall return to \$100,000 unless further amended by the parties.
  - 3) The Parties agree that pursuant to the above amendments, there is a shortfall amount of \$30,000 for the month of October, 2018 which shall be made up by November 2, 2018.
  - 4) The above changes in payment structure shall result in a monthly arrear in the amount of \$140,000. Over the course of 12 months the total arrears will be \$1,680,000. Bunker agrees that this amount shall be added to the first payment upon exercise of the purchase option such that the first purchase payment shall be a total of \$5,680,000.
  - 5) If Bunker chooses to extend the lease period for twelve additional months as provided for by the lease agreement, Bunker will pay the bonus provided for of \$600,000 and pay thereafter a lease payment of \$300,000 quarterly and a monthly maintenance payment of \$100,000.
  - 6) The Parties agree that Bunker shall continue to be responsible for the Avista payments in full during the whole of the lease term (estimated at approximately \$12,000 per month).
  - 7) The Parties agree that Bunker shall continue to pay the Silver Valley Mine Rescue payment during the whole of the lease term.
  - 8) Placer understands that BHM undertook a reduction in work force effective October 1, 2018. Placer agrees that all maintenance requirements as required by the lease shall after October 1, 2018 be the responsibility of Placer. It is agreed that Placer crews on-site and for the foreseeable future shall perform all activities required for the care and maintenance as outlined in the LOP Agreement and LOP Amendment. Placer agrees to check on and maintain the water re-charge
-

- system which has been setup at Milo Gulch Russell/Reed Tunnels in the interim. In the event of a further cave-in or other unsafe condition in the Kellogg Tunnel or elsewhere, the Parties agree to address those issues as they arise on a case-by-case basis for the appropriate response and action. Any resulting repair costs shall be the responsibility of BHM.
- 9) Bunker personnel and prospective mine contractors who shall have access to the mine site shall be provided in a list to Placer no later than November 2, 2018. Any parties that Placer desires to exclude from the mine site shall be made known to Bunker no later than November 2, 2018. Placer agrees that from time to time additional parties may visit the site for due diligence or other matters. Placer will be informed of any such parties at least five days in advance of arrivals.
  - 10) For clarity Bunker hereby agrees to make the following payments as delineated below over the next three months:
    - a. No later than November 6, 2018, a payment of \$70,000 to Placer as a make-up payment for the month of October, 2018 and the monthly payment that was due on November 1, 2018 care and maintenance payment;
    - b. No later than November 16, 2018, a payment of \$60,000 to Placer toward the monthly care and maintenance payments due for December, 2018;
    - c. No later than January 1, 2019, a payment of \$60,000 to Placer toward the monthly care and maintenance payments, and continuing thereafter monthly until the end of the primary term of the lease on October 31, 2019;
    - d. Any outstanding Avista bills shall be paid by November 16, 2018 and thereafter paid as they come due;
    - e. Mine Rescue payments shall be paid as they come due.
  - 11) All other terms of the LOP Agreement and the LOP Amendment that are not adjusted by the changes above remain in place.
  - 12) Placer guarantees to BHM that they will be granted a six (6) month extension on the terms of this lease if BHM can show significant progress on the intended drill program represented by the intended 43101 ore reserves.
  - 13) The LOP Agreement, LOP Amendment, and amending terms stated above shall be effective and LOP Agreement and LOP Amendment reinstated as of November 6, 2018 upon the receipt of the sum of \$70,000.

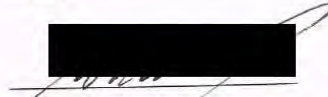
Signed,



John Ryan  
CEO, Bunker Hill Mining Corp.  
CEO, American Zinc Corp.

Date: Nov. 6, 2018

Signed,



Bobby Hopper, President  
Placer Mining Corp.

Date:



**FOURTH AMENDMENT TO LEASE WITH OPTION TO PURCHASE  
BETWEEN BUNKER HILL MINING CORP. AND PLACER MINING CORP.**

This Fourth Amendment to the Lease with Option (defined below) ("Fourth Amendment") is made effective this 1<sup>st</sup> day of November, 2019 (the "Effective Date") by and between Placer Mining Corporation, a Nevada corporation ("Lessor") and Bunker Hill Mining Corp. formerly known as Liberty Silver Corp., a Nevada corporation ("Lessee").

**RECITALS**

WHEREAS, Lessor and Lessee entered into the "Bunker Hill Mining Lease with Option to Purchase" agreement with an effective date of November 1, 2017 and executed by the parties on August 17, 2017 to lease certain real property located in Shoshone County, Idaho, which includes an option to purchase certain property as more particularly described therein (the "Original Lease with Option");

WHEREAS, Lessor and Lessee amended the Lease with Option pursuant to the "Amendment to Lease and Option to Purchase of August 17, 2017 between Liberty Silver Corp and Placer Mining Corporation" on or about October 17, 2017 (the "First Amendment");

WHEREAS, Lessor and Lessee amended and clarified the Lease with Option pursuant to the "Clarification and Second Amendment to Lease and Option to Purchase Between Liberty Silver Corp., n/k/a Bunker Hill Mining Corp., and Placer Mining Corporation" on or about January 30, 2018 (the "Second Amendment");

WHEREAS, Lessor and Lessee reinstated and amended the Lease with Option pursuant to the "Reinstatement and Amendment of Bunker Hill Mining Lease and Option to Purchase" on or about November 6, 2018 (the "Third Amendment");

WHEREAS, the Lease with Option, together with the First Amendment, the Second Amendment and the Third Amendment are cumulatively referred to herein as the "Existing Lease with Option"; and

WHEREAS, Lessor and Lessee desire to amend the Existing Lease with Option pursuant to the terms and conditions herein which shall be known and referred to as the "Fourth Amendment" which when effective will, together with the Existing Lease with Option constitute the entire terms and conditions of the agreement between the parties and shall be cumulatively referred to herein as the "Lease."

NOW, THEREFORE, for good, valuable and sufficient consideration, the receipt of which is hereby acknowledged by each party hereto, Lessor and Lessee hereby agree that the Existing Lease with Option shall be, and hereby is, amended as follows:

1. The definition of the "Bunker Hill Mine" and the "Leased Premises" in the Lease and all references thereto are hereby amended and restated and attached hereto as **Exhibit A** to this Fourth Amendment. No changes have been made with respect to the clarifications made pursuant to the Second Amendment.

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Initials 

2. The parties recognize that prior payments have been made by Lessee to Lessor, none of which will be credited toward the Purchase Price except as specifically set forth in this Fourth Amendment. The parties also expressly recognize that Lessee is currently not in default with respect to the prior care and maintenance payment schedules required by the Lease and that all such payments have been made by Lessee. Any accrued payments contained in prior agreements shall be waived by Lessor upon execution of the Definitive Purchase and Sale Agreement.
3. Article 2 of the Lease with Option, titled "Grant of Lease and Payments" and all references to payments or bonus payments in the Lease are hereby amended and restated as follows:

Upon execution of this Fourth Amendment by all parties, the Lessee shall make an initial care and maintenance payment to Lessor in the amount of Three Hundred Thousand Dollars (\$300,000.00) (hereafter "C&M Payment(s)"), which amount shall be credited toward the purchase price of the Bunker Hill Mine if Lessee elects to exercise such right. In the event that the Lessee does not elect to exercise its option to purchase, this C&M Payment shall be treated as an additional payment to Lessor and shall not be refundable to the Lessee.

Commencing on November 1, 2019 and continuing through the Term of the Lease, the Lessee shall pay Lessor monthly C&M payments in the amount of Sixty Thousand Dollars (\$60,000.00) per month. These monthly payments shall not be credited towards the purchase price.

ALL WIRE TRANSFERS TO LESSOR COMING FROM CANADA (OR ANY INTERNATIONAL LOCATION) NEED TO BE INITIATED TWO BUSINESS DAYS PRIOR TO THE DUE DATE AND A WIRE CONFIRMATION NUMBER SHALL BE FORWARDED TO THE LESSOR VIA EMAIL ON THE DATE OF THE WIRE TRANSFER. ALL DOMESTIC BUSINESS WIRES TO LESSOR SHALL BE MADE ONE BUSINESS DAY PRIOR TO THE DUE DATE AND A WIRE CONFIRMATION NUMBER SHALL BE FORWARDED TO THE LESSOR VIA EMAIL ON THE DATE OF THE WIRE TRANSFER.

4. Article 3 of the Lease with Option, titled "TERM OF LEASE" and all references to the term and any extensions in the Lease are hereby replaced in their entirety as follows:

Lease Term and Extension. The term of the lease agreement between the parties shall be extended, subject to the terms of the Lease, from November 1, 2019 and continue through August 1, 2020. If in the opinion of Lessor, Lessee has made significant progress towards drill verification of the Bunker Hill Mine mineral resources and has made significant progress towards repairs and ongoing maintenance at the mine, and has continuing plans to progress this drilling and





repair work, the Lessee shall be granted an option to extend the lease term for an additional six months, in which case the extension term will be subject to the same terms and conditions of the Lease. The Lessor's consent to the additional extension shall not be unreasonably withheld. Should Lessee seek an option to extend the Lease, it must provide written notice to Lessor of the same 30 days prior to expiration of the lease term provided in this amendment and, if such lease extension is approved, include a one-time payment in the amount of Sixty Thousand Dollars (\$60,000) (the "Extension Payment").

5. The following provisions of Article 4 of the Lease with Option titled "PURCHASE OPTION" and all references to the purchase option in the Lease are hereby amended as follows:

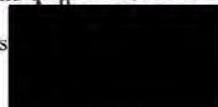
(a) The 120 day prior written notice required by Section (a) titled "Notice of Exercise" is hereby reduced to 30 days.

(b) Section (b) titled "Exercise After Production is Initiated" is hereby removed in its entirety.

(c) Section (c) titled "Purchase Price" is hereby amended as follows:

Purchase Price. The purchase price for the Bunker Hill Mine is Eleven Million Dollars (\$11,000,000.00) to be paid by Lessee to Lessor, plus those negotiated payments to be made by Lessee to the U.S. E.P.A, both as more specifically described below: accounting for the initial C&M Payment of \$300,000.00, upon exercise of the purchase option Lessee shall pay Lessor \$5,900,000.00 (Five Million Nine Hundred Thousand Dollars) in cash and \$4,800,000 (Four Million Eight Hundred Thousand Dollars) in the unregistered common stock of the Company at closing. The common stock issued to the Seller shall be priced at the offering price of the most recent private placement or arms-length sale of common stock for cash done by the Company in which proceeds from the sale exceed One million United States Dollars (hereinafter the "Conversion Price".) Lessee shall make certain payments to the U.S. E.P.A. as may be mutually agreed upon by Lessee and the E.P.A. and which have been reflected in a separate agreement between said parties, and as may be changed, amended, or modified from time to time.

(d) Section (d) titled "Payments to U.S. E.P.A." as well as the table setting forth contemplated payments to U.S. E.P.A. in Section (c), are hereby amended to reflect that the payment being made to the U.S. E.P.A by Lessee/Purchaser should be in accordance with the agreed upon settlement payments that have been negotiated by the U.S. Department of Justice and the U.S. E.P.A which amounts and/or agreements may be modified and amended from time to time by and between the parties to those agreements. Pursuant to any amendments or modifications to the agreement between the Lessee and U.S. E.P.A., Lessee shall





continue to indemnify Lessor to the fullest extent with respect to required payments.

- (e) The second sentence of Section (e) titled "Classification of Payments" is hereby amended to read as follows:

The Seller/Lessor recognizes the payments of cash and stock to be paid by Lessee to Lessor as set forth in Section (c) above to be the purchase price of the Bunker Hill Mine, and Seller/Lessor further recognizes that the amounts to be paid by Lessee to the U.S. E.P.A. represent the settlement of past response costs incurred by the United States in treatment of water outflows from the Bunker Hill Mine.

- (f) Other than as specifically addressed in this Fourth Amendment, Section (f) is unchanged.

- (g) Section (g) is removed in its entirety and replaced with the following:

After notice to exercise the option to Purchase, the sale of the Bunker Hill Mine by Lessor to Lessee will be consummated by crediting Lessee with the initial C&M Payment and by Lessee/Purchaser delivering the remaining balance of the cash owing to Lessor by bank wire only at the expense of BHMC or certified check with the closing agent agreed upon by the parties BHMC is solely responsible for any selling and agent fees and delivering within 72 hours of the closing a share certificate made to Placer Mining Corporation for the number of shares represented by the sum of \$4,800,000 divided by the Conversion Price.

6. Article 7 of the Lease with Option, titled "ROYALTY PAYMENTS DURING THE LEASE PERIOD" and all references to royalty payments in the Lease are removed in their entirety.
7. Article 8 of the Lease with Option, titled "DEFINITION OF NET SMELTER ROYALTY" and all references to net smelter royalties in the Lease are removed in their entirety.
8. Article 21 of the Lease with Option, titled "OTHER PAYMENTS DURING LEASE" and all references to other payments in the Lease except as specifically set forth in this Fourth Amendment are hereby amended and restated in their entirety as follows:

Payee	Amount (\$)	Actual or Estimated	Frequency
Central Mine Rescue	\$3900	Actual	Prepaid 6 months in advance. If fees change, Lessee agrees to the increase



Taxes on Property & Personal Equipment	\$20,000	Estimated	Annually as required by Shoshone County
Avista (Electric Utilities)	\$12,000	Estimated	Monthly

9. The Lease, as amended, contains the entire agreement of the parties hereto with respect to the subject matter hereof.
10. This Fourth Amendment may be executed in any number of counterparts, and each counterpart shall be deemed to be an original document.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Fourth Amendment as of the date first written above.

**LESSOR:**  
Placer Mining Corporation,  
a Nevada Corporation

BY:  
ITS:

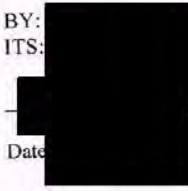
Date:



**LESSEE:**  
Bunker Hill Mining Corp.,  
a Nevada Corporation

BY:  
ITS:

Date:



**ACKNOWLEDGEMENT**

**BY SIGNING BELOW THE UNDERSIGNED ACKNOWLEDGE AND AGREE TO THE FOREGOING FOURTH AMENDMENT AND AGREE TO BE BOUND BY THE SAME:**

\_\_\_\_\_  
William Pangburn

Date \_\_\_\_\_

\_\_\_\_\_  
Estate of Robert Hopper

Date \_\_\_\_\_

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Initials



**EXHIBIT A**

**TO THE FORTH AMENDMENT TO LEASE WITH OPTION**

**PROPERTY DESCRIPTION**

**PLACER MINING COMPANY TO BUNKER HILL MINING CORP.**

All mineral rights, surface rights, fee interests, and any other real property interests held by Placer, Robert Hopper, William Pangburn, or any other affiliate of Placer, and which real property interest is located in Township 47 North, Range 2 East, Boise Meridian; Township 48 North, Range 2 East, Boise Meridian; Township 48 North, Range 3 East, Boise Meridian; Township 49 North, Range 2 East, Boise Meridian; Township 49 North, Range 3 East, Boise Meridian and located in Shoshone County, Idaho, which includes, but is not limited to, the real property described herein.

**Tax Parcel No. D0000-002-0300, Tax Parcel No. D0000-002-0550, Tax Parcel No. D-0000-002-0700, D-0000-002-0975, D0000-002-1400, D-0000-002-1500, D-0000-002-1900, D-0000-002-2100, D-0000-002-4725, D-0000-002-4800, D-0000-002-7300,**

The SENE, NESE, Lot 1 (NENE), SENW, lying East of County Road and the West Half of the NE ¼ Section 2, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho

EXCEPT: Those portions of the subject property conveyed to Shoshone School Districts No.s 30 and 391 by deeds dated June 1, 1938 and recorded September 19, 1938 in Book 70, Deeds, at page 130; dated August 15, 1950 and recorded November 20, 1950 in Book 84, Deeds, at page 563 and recorded January 27, 1975 as Instrument No. 255179.

**Tax Parcel No. 48N02E3675**

SWNW Section 2, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho

**Tax Parcel No. 49N02E341900**

South ½ of the Northeast ¼ and the Southeast ¼ of the Northwest ¼ of Section 34, Township 49 North, Range 2 East, B.M., Shoshone County, State of Idaho

**Tax Parcel No. 49N02E345000**

That portion of Section 34, Township 49 North, Range 2 East, B.M., Shoshone County, State of Idaho lying South of the Coeur d'Alene River and North of the U.S. I-90 Right of way.

EXCEPT: County Airport

ALSO EXCEPT: NWSW and SWNW Section 34, Township 49 North, Range 2 East, B.M., Shoshone County, State of Idaho.





**Tax Parcel No. 48N03E106700**

Being a tract of land lying in the Southeast Quarter of the Southwest Quarter, and in the Southwest Quarter of the Southeast Quarter, Section 10, Township 48 North, Range 3 East, Boise Meridian, Shoshone County, Idaho, and being more particularly described as follows:

Using the Bunker Hill triangulation survey meridian and beginning at corner No. 1, a drill steel monument with a copper cap, 2 ins. x 2 ins., marked corner 1-SU, from whence the Southwest corner of said Southeast Quarter of the Southwest Quarter, a concrete monument marked W 1/16 cor., bears S.43°58.2'W., 518.15 ft. distant, and from whence, also, cor. No. 1 survey No. 2274 Monmouth lode bears S.34°41.3'E., 457.52 ft. dist.; thence

N.34°51.2'E., 349.44 ft. dist. to cor. No. 2; thence

N.89°58'W., 560 ft. dist., to cor. No. 3, which corner point falls on a steep, unstable, slope and from which point a witness corner, a drill steel monument with a copper cap marked W.C. cor. 3-SU, bears N.35°24.4'W., 33.14 ft. dist.; thence

N.0°03'W., 660.00 ft. dist., to cor. No. 4, a drill steel with copper cap marked cor. 4-SU; thence S.89°58'E., 1,454.12 ft. dist., to cor. No. 5, a drill steel monument with copper cap marked cor. 5-SU, on the westerly right-of-way boundary of the Big Creek road; thence

On and along said right-of-way boundary, S.38°34.1'W.,

552.72 ft. dist., to cor. No. 6, identical with a concrete monument with brass cap marked P.C. 45+41.10; thence

On a 2°00' curve to the left, the long chord of which bears S.35°38'W., 297.96 ft. dist., to cor. No. 7, identical with highway boundary P.T. 48+35.09 back (48+36.54 ahead) the monument of which has been obliterated; thence

Continuing on said right-of-way boundary S.32°39.5'W., 419.26 ft. dist., to cor. No. 8, a drill steel with copper cap marked cor. 8-SU; thence

N.57°20.5'W., 115.00 ft. dist., to cor. No. 9, a drill steel with copper cap marked cor. 9-SU; thence

S.32°39.5'W., 120.00 ft. dist., to cor. No. 10, a drill steel with copper cap marked cor. 10-SU; thence

N. 57°20.5'W., 222.41 ft. dist., to cor. No. 1, the place of beginning.

**Tax Parcel No. D-0000-006-3960 – Assessed to Placer Mining Company**

Being a tract of land situated in the NE 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho, more particularly described as follows;

Fourth Amendment to Lease with Option  
Page 7 of 36

Initials



Beginning at the SE corner of Lot 2 whence the West ¼ Corner of Section 6 bears South 11°44'32" East 553.78 feet distant; thence  
North 14°20'30" East, 106.64 feet; thence  
South 70°17'45" West, 301.02 feet; thence  
South 14°14'25" West, 90.00 feet; thence along a curve right, radius = 10SS.37, the long chord bears South 69°06-13" East, 129.05 feet; thence  
South 65°42'23" East, 173.96 feet to the point of beginning.

AND

Being a tract of land situated in the NE ¼ of Section 1, Township 48 North, Range 2 East, B.M. and in Section 6, Township 48 North, Range 3 East, B.M., Shoshone County, State of Idaho more particularly described as follows:

Beginning at the SE corner of Lot 1 whence, the West ¼ corner of Section 6 bears South 32°54'10" West, 504.22 feet distant; thence  
North 15° East, 149.49 feet; thence  
North 30° West, 73.01 feet; thence  
North 76°06'48" West, 275.55 feet; thence  
South 70°18'02" West, 95.30 feet; thence  
South 14°20'30" West, 126.64 feet; thence  
South 65°42'23" East, 57.45 feet; thence along a curve left, radius = 316.92, the long chord bears South 70°56'51" East., 47.03 feet; thence  
South 74°35'32" East, 300.59 feet to the point of beginning.

**The following additional mineral interests located in Shoshone County, Idaho:**

MC0140, MC0162, MC0167, MC0268, MC0269, MC0346, MC0347, MC0348, MC0349, MC0350, MC0351, MC0352, MC0466, MC0467, MC0498, MC0500, MC0501, MC0528, MC0530, MC0531, and F00000020900



FEE PARCELS  
PLACER MINING CO. AND/OR AFFILIATES TO BUNKER HILL MINING CORP.

**PARCEL 1: PANGBURN – “KELLOGG TUNNEL PARCEL” 22.3 ACRES – RPD000001752A**

Being a tract of land situated in the Northeast 1/4 of the Southeast 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho more particularly described as follows:

Beginning at the East 1/4 corner of said Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho marked by a concrete monument and also the point of beginning, thence  
South 87°28'34" West 165.92 feet; thence  
South 30°34'59" West, 220.96 feet; thence  
Along a curve right, radius = 40 feet, the long chord bears South 66°18'09" West, 75.71 feet; thence  
North 78°22'26" West, 36.16 feet; thence  
South 10°52'21" West, 204.04 feet; thence  
North 75°18'39" West, 252.91 feet; thence  
South 17°22'44" West, 1124.08 feet; thence  
North 87°41'35" East, 1007.62 feet; thence  
North 00°12'22" West, 1389.14 feet to the point of beginning.

**PARCEL 2: PANGBURN – “MOTOR BARN PARCEL” - 3.46 ACRES – RPD0725000020A**

Being a tract of land lying in the Northeast 1/4 and the Southeast 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho and more particularly described as follows:

Beginning at a point from whence the East 1/4 corner of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho bears South 10°03'11" East, 409.83 feet distant; thence  
South 21°46'03" West, 150.17 feet; thence  
North 65°43'21" West, 407.49 feet; thence  
South 01°10'02" West, 94.54 feet; thence  
South 27°17'34" West, 90.00 feet; thence  
South 39°32'35" East, 342.19 feet; thence  
South 17°00'49" West, 108.69 feet; thence  
South 09°45'56" East, 92.08 feet; thence  
Along a curve right, radius = 40 feet, the long chord bears North 68°36'01" East, 43.86 feet; thence  
North 30°34'41" East, 331.46 feet; thence  
Along a curve right, radius = 100 feet, the long chord bears North 48°38'04" East, 62.13 feet; thence  
Along a curve left, radius = 161 feet, the long chord bears North 16°29'47" East, 198.94 feet; thence  
North 31°27'01" West, 84.16 feet to the point of beginning and sometimes referred to as Lot 2, Mine Short Plat No. 1 as shown on the official recorded plat thereof recorded as Instrument No. 350327, records of Shoshone County, State of Idaho.





FEE PARCELS  
PLACER MINING CO. AND/OR AFFILIATES TO BUNKER HILL MINING CORP.

**PARCEL 3 - HOPPER PARCEL - "ROCK HOUSE" 6.52 ACRES - RPD00000011250A**

Being a tract of land situated in the SE 1/4 of the NE 1/4 of Section 1, T48N, R2E, B.M., more particularly described as follows:  
Beginning at a point on the southerly right of way of McKinley Avenue whence the East 1/4 corner of Section 1 bears South 53° 22' 13" East, a distance of 1318.27 feet; thence South 23° 04' 59" West, a distance of 487.64 feet; thence South 61° 03' 11" East, a distance of 644.85 feet; thence North 31° 43' 07" East, a distance of 271.88 feet; thence North 27° 17' 34" East, a distance of 90.00 feet; thence North 01° 10' 02" East, a distance of 94.54 feet; thence North 65° 13' 58" West, a distance of 207.15 feet; thence North 66° 45' 00" West, a distance of 416.56 feet; thence North 23° 04' 50" East, a distance of 104.13 feet to a point on the southerly right of way of McKinley Avenue; thence North 74° 36' 24" West, a distance of 30.27', to the point of beginning.

**PARCEL 4 - PLACER MINING CORP. "EAST SLIVER PARCEL" .261 ACRES - RPD00000064005A**, located in Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho and more particularly described as follows:

**A parcel of land situated in the Northwest Quarter of Section 6, Township 48 North, Range 3 East, B.M., Shoshone County, Idaho, and more particularly described as follows:**

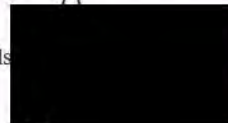
Using the Bunker Hill Triangulation System Meridian and coordinates and beginning at Corner No. 1, a point identical with the West Quarter Corner of said Section 6 (N9667.57, E687.41), and running thence N.0°42'20" E., 372.46 feet along the west boundary line of said Section 6 to Corner No. 2;

Thence S.20°36'E., 59.71 feet to Corner No. 3, a point identical with Corner No. 4 of the Washington Water Power Company (WWP Co.) tract as described in Document No. 302109, recorded November 2, 1982, records of Shoshone County, Idaho from The Bunker Hill Company to Bunker Limited Partnership, Parcel 28 of Exhibit "A", pages 12 and 13;

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FEE PARCELS  
PLACER MINING CO. AND/OR AFFILIATES TO LIBERTY SILVER

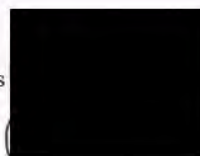
Thence S.69°24' W., 12.87 feet to Corner No. 4, identical with Corner No. 3 of said WWP Co. tract;

Thence S.14°20' E., 118.05 feet to Corner No. 5, identical with Corner No. 2 of said WWP Co. tract;

Thence S.2°23'30" W., 187.00 feet to Corner No. 6, identical with Corner No. 1 of said WWP Co. tract;

Thence S.80°00' E., 53.98 feet along the Southerly boundary line of said WWP Co. tract to its point of intersection with the South boundary line of the Northwest Quarter of said Section 6;

Thence S.88°55'25" W., 88.05 feet along said boundary line of said Section 6 Northwest Quarter to Corner No. 1 and place of beginning.





Placer Mining Corp. Bunker Hill Claims      Township 47N      Range 2 East      Section 1

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
3361	APEX NO.2 LODGE	20.226	M.S. 2319, 3119
3361	APEX NO. 3 LODGE	18.852	M.S. 2319, 3119
3361	GALENA	12.404	M.S. 2319, 3119

**TOTAL ACREAGE**                      **51.482**

**TOTAL NUMBER OF CLAIMS**                      **3**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 1

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
2840	CHECK	4.195 SURFACE	M.S. 1409, 1527, 2072, 2078, 2123, 2496, 2519
2921	SCELINDA NO. 1	17.316	N 1/2, S1/2, SEC. 1 T48N,R2E
2921	SCELINDA NO. 2	19.375	1.643 ACRES, BOOK 40, Page 560
2921	SCELINDA NO. 3	13.739	M.S. 2072
2921	SCELINDA NO. 4	10.38	M.S. 2072
2921	SCELINDA NO. 5	14.083	M.S. 2328
2921	SCELINDA NO. 7	17.477	N 1/2, S1/2, SEC. 1 T48N,R2E
2921	SCELINDA NO. 8	12.162	

**TOTAL ACREAGE**                      **108.727**

**TOTAL NUMBER OF CLAIMS**                      **8**

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Placer Mining Corp. Bunker Hill Claims      Township 47N      Range 2 East      Section 2

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreege Amount</u>	<u>Exclude</u>
3361	ANACONDA LODE	19.672	M.S. 2319, 3119
3361	APEX LODE	14.326	M.S. 2319, 3119
3361	BLUE BIRD LODE	8.401	M.S. 2319, 3119
3361	BLUE GROUSE LODE	20.661	M.S. 2319, 3119
3361	BOB WHITE	20.454	M.S. 2319, 3119
3361	BUTTE	17.963	M.S. 2319, 3119
3361	BUTTE FR.	5.253	M.S. 2319, 3119
3361	COUGAR	20.661	M.S. 2319, 3119
3361	HUCKLEBERRY NO.2	19.672	M.S. 2319, 3119
3361	LEOPARD	20.661	M.S. 2319, 3119
3361	MAC BENN	20.454	M.S. 2319, 3119
3361	MARTIN	20.661	M.S. 2319, 3119
3361	PHEASANT	20.661	M.S. 2319, 3119
3361	ROBBIN	20.454	M.S. 2319, 3119
3361	SONORA	20.663	M.S. 2319, 3119

**TOTAL ACREAGE**      **270.617**

**TOTAL NUMBER OF CLAIMS**      **14**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 2

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
1412	REEVES	14.523	
1413	PACKARD	20.321	
1414	QUAKER	2.878	M.S. 790 AND SENATOR STEWARD UNSURVEYED
1503	AM. DANISH	12.238	
1628	ALFERD	13.326	M.S. 1503
1628	MAGGIE	13.872	M.S. 1503
1628	GOOD ENOUGH	11.886	M.S.1503
1633	PHILLIPPINE	13.74	
1723	LYDIA FR.	0.454	M.S. 1639, 1663
1723	MABEL	13.627	M.S. 1639, 1663
1723	MANILA	7.599	M.S. 1639, 1663
1723	O.K.	14.709	M.S. 1639, 1663
1723	O.K. WESTERN	14.587	M.S. 1639, 1663
1723	SUNNY	19.113	M.S. 1639, 1663
1723	WHIPPOOR WILL	8.909	M.S. 1639, 1663
1945	WILL LAMBERT FR.	17.346	
2067	SAXON	2.662	SURFACE M.S. 554, 764, 790, 1488, 1856, 1858
2507	BAND	10.844	M.S. 1639, 1858, 1945

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Initials



Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 2
<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>	
3214	GOTH	11.161	M.S. 1413, 1414, 1858, 2551	
3214	L-1	6.722	M.S. 1412,1503	
3164	VENTURE	9.313	M.S. 1503,1663, 1945	
3563	SILVER KING M.S.	3.327		
<b><u>TOTAL ACREAGE</u></b>		<b><u>243.157</u></b>		
<b><u>TOTAL NUMBER OF CLAIMS</u></b>		<b><u>22</u></b>		

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Placer Mining Corp. Bunker Hill Claims      Township 47N      Range 2 East      Section 3

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>
2856	BABY	17.46
2856	KEYSTONE	13.42
2856	VAN	11.95
2856	WOODRAT	20.141

**TOTAL ACREAGE**      **62.971**

**TOTAL # CLAIMS**      **4**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 3

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
3423	CARBONATE	6.711	M.S. 554
3423	ENTERPRISE	3.616	
3423	GIANT	8.275	

**TOTAL ACREAGE**      **18.602**

**TOTAL # CLAIMS**      **3**

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Initials



Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 7

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
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<u>Total Acreage Section 7</u>		<u>0</u>	
<u>TOTAL NUMBER OF CLAIMS</u>		<u>0</u>	

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Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 8

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
2869	MILO M.S.	4.986	
<b><u>TOTAL ACREAGE</u></b>		<b><u>4.986</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>1</u></b>	

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 9

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
3214	L-2	3.276	M.S. 1412, 1413, 1503, 1628, 2507
3214	L-3	13.245	M.S. 1412, 1413,
<b><u>TOTAL ACREAGE</u></b>		<b><u>16.521</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>2</u></b>	

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Initial



Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 10
<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>	
2201	BROOKLYN	17.889	SUBJECT TO ROYALTY	
2201	NEW JERSEY	18.477	"	
2201	SCHUTE FR.	10.463	"	
3389	PROMINADE	13.093	M.S. 2077,2201, 2966, 3390	
3389	SAM	20.541	"	
3389	ZEKE	3.623	"	
3389	PETE	20.643		
3390	Marblehead	19.333	M.S. 3389	
3390	OLYMPIA	20.545	M.S. 2296, 3389	
<b><u>TOTAL ACREAGE</u></b>		<b><u>144.607</u></b>		
<b><u>TOTAL # CLAIMS</u></b>		<b><u>9</u></b>		

Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 3 East	Section 10
<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>	
3423	Black Diamond	15.304		
3423	Gelatin	9.34		
3423	Rolling Stone	16.835		
3423	ENTERPRISE EXT.	19.658		
<b><u>TOTAL ACREAGE</u></b>		<b><u>61.137</u></b>		
<b><u>TOTAL # CLAIMS</u></b>		<b><u>4</u></b>		

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**EXHIBIT A**  
**TO THE FORTH AMENDMENT TO LEASE WITH OPTION**  
**PROPERTY DESCRIPTION**

**PLACER MINING COMPANY TO BUNKER HILL MINING CORP.**

All mineral rights, surface rights, fee interests, and any other real property interests held by Placer, Robert Hopper, William Pangburn, or any other affiliate of Placer, and which real property interest is located in Township 47 North, Range 2 East, Boise Meridian; Township 48 North, Range 2 East, Boise Meridian; Township 48 North, Range 3 East, Boise Meridian; Township 49 North, Range 2 East, Boise Meridian; Township 49 North, Range 3 East, Boise Meridian and located in Shoshone County, Idaho, which includes, but is not limited to, the real property described herein.

**Tax Parcel No. D0000-002-0300, Tax Parcel No. D0000-002-0550, Tax Parcel No. D-0000-002-0700, D-0000-002-0975, D0000-002-1400, D-0000-002-1500, D-0000-002-1900, D-0000-002-2100, D-0000-002-4725, D-0000-002-4800, D-0000-002-7300,**

The SENE, NESE, Lot 1 (NENE), SENW, lying East of County Road and the West Half of the NE ¼ Section 2, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho

EXCEPT: Those portions of the subject property conveyed to Shoshone School Districts No.s 30 and 391 by deeds dated June 1, 1938 and recorded September 19, 1938 in Book 70, Deeds, at page 130; dated August 15, 1950 and recorded November 20, 1950 in Book 84, Deeds, at page 563 and recorded January 27, 1975 as Instrument No. 255179.

**Tax Parcel No. 48N02E3675**

SWNW Section 2, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho

**Tax Parcel No. 49N02E341900**

South ½ of the Northeast ¼ and the Southeast ¼ of the Northwest ¼ of Section 34, Township 49 North, Range 2 East, B.M., Shoshone County, State of Idaho

**Tax Parcel No. 49N02E345000**

That portion of Section 34, Township 49 North, Range 2 East, B.M., Shoshone County, State of Idaho lying South of the Coeur d'Alene River and North of the U.S. I-90 Right of way.

EXCEPT: County Airport

ALSO EXCEPT: NWSW and SWNW Section 34, Township 49 North, Range 2 East, B.M., Shoshone County, State of Idaho.

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**Tax Parcel No. 48N03E106700**

Being a tract of land lying in the Southeast Quarter of the Southwest Quarter, and in the Southwest Quarter of the Southeast Quarter, Section 10, Township 48 North, Range 3 East, Boise Meridian, Shoshone County, Idaho, and being more particularly described as follows:

Using the Bunker Hill triangulation survey meridian and beginning at corner No. 1, a drill steel monument with a copper cap, 2 ins. x 2 ins., marked corner 1-SU, from whence the Southwest corner of said Southeast Quarter of the Southwest Quarter, a concrete monument marked W 1/16 cor., bears S.43°58.2'W., 518.15 ft. distant, and from whence, also, cor. No. 1 survey No. 2274 Monmouth lode bears S.34°41.3'E., 457.52 ft. dist.; thence

N.34°51.2'E., 349.44 ft. dist. to cor. No. 2; thence

N.89°58'W., 560 ft. dist., to cor. No. 3, which corner point falls on a steep, unstable, slope and from which point a witness corner, a drill steel monument with a copper cap marked W.C. cor. 3-SU, bears N.35°24.4'W., 33.14 ft. dist.; thence

N.0°03'W., 660.00 ft. dist., to cor. No. 4, a drill steel with copper cap marked cor. 4-SU; thence

S.89°58'E., 1,454.12 ft. dist., to cor. No. 5, a drill steel monument with copper cap marked cor. 5-SU, on the westerly right-of-way boundary of the Big Creek road; thence

On and along said right-of-way boundary, S.38°34.1'W.,

552.72 ft. dist., to cor. No. 6, identical with a concrete monument with brass cap marked P.C. 45+41.10; thence

On a 2°00' curve to the left, the long chord of which bears S.35°38'W., 297.96 ft. dist., to cor. No. 7, identical with highway boundary P.T. 48+35.09 back (48+36.54 ahead) the monument of which has been obliterated; thence

Continuing on said right-of-way boundary S.32°39.5'W., 419.26 ft. dist., to cor. No. 8, a drill steel with copper cap marked cor. 8-SU; thence

N.57°20.5'W., 115.00 ft. dist., to cor. No. 9, a drill steel with copper cap marked cor. 9-SU; thence

S.32°39.5'W., 120.00 ft. dist., to cor. No. 10, a drill steel with copper cap marked cor. 10-SU; thence

N. 57°20.5' W., 222.41 ft. dist., to cor. No. 1, the place of beginning.

**Tax Parcel No. D-0000-006-3960 – Assessed to Placer Mining Company**

Being a tract of land situated in the NE 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho, more particularly described as follows:

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Beginning at the SE corner of Lot 2 whence the West ¼ Corner of Section 6 bears South 11°44'32" East 553.78 feet distant; thence  
North 14°20'30" East, 106.64 feet; thence  
South 70°17'45" West, 301.02 feet; thence  
South 14°14'25" West, 90.00 feet; thence along a curve right, radius = 10SS.37, the long chord bears South 69°06-13" East, 129.05 feet; thence  
South 65°42'23" East, 173.96 feet to the point of beginning.

AND

Being a tract of land situated in the NE ¼ of Section 1, Township 48 North, Range 2 East, B.M. and in Section 6, Township 48 North, Range 3 East, B.M., Shoshone County, State of Idaho more particularly described as follows:

Beginning at the SE corner of Lot 1 whence, the West ¼ corner of Section 6 bears South 32°54'10" West, 504.22 feet distant; thence  
North 15° East, 149.49 feet; thence  
North 30° West, 73.01 feet: thence  
North 76°06'48" West, 275.55 feet; thence  
South 70°18'02" West, 95.30 feet; thence  
South 14°20'30" West, 126.64 feet; thence  
South 65°42'23" East, 57.45 feet; thence along a curve left, radius = 316.92, the long chord bears South 70°56'51" East., 47.03 feet; thence  
South 74°35'32" East, 300.59 feet to the point of beginning.

**The following additional mineral interests located in Shoshone County, Idaho:**

MC0140, MC0162, MC0167, MC0268, MC0269, MC0346, MC0347, MC0348, MC0349, MC0350, MC0351, MC0352< MC0466, MC0467, MC0498, MC0500, MC0501, MC0528, MC0530 MC0531, and F00000020900



FEE PARCELS  
PLACER MINING CO. AND/OR AFFILIATES TO BUNKER HILL MINING CORP.

**PARCEL 1: PANGBURN – "KELLOGG TUNNEL PARCEL" 22.3 ACRES – RPD0000001752A**

Being a tract of land situated in the Northeast 1/4 of the Southeast 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho more particularly described as follows:

Beginning at the East 1/4 corner of said Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho marked by a concrete monument and also the point of beginning, thence  
South 87°28'34" West 165.92 feet; thence  
South 30°34'59" West, 220.96 feet; thence  
Along a curve right, radius = 40 feet, the long chord bears South 66°18'09" West, 75.71 feet; thence  
North 78°22'26" West, 36.16 feet; thence  
South 10°52'21" West, 204.04 feet; thence  
North 75°18'39" West, 252.91 feet; thence  
South 17°22'44" West, 1124.08 feet; thence  
North 87°41'35" East, 1007.62 feet; thence  
North 00°12'22" West, 1389.14 feet to the point of beginning.

**PARCEL 2: PANGBURN – "MOTOR BARN PARCEL" - 3.46 ACRES – RPD07250000020A**

Being a tract of land lying in the Northeast 1/4 and the Southeast 1/4 of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho and more particularly described as follows:

Beginning at a point from whence the East 1/4 corner of Section 1, Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho bears South 10°03'11" East, 409.83 feet distant; thence  
South 21°46'03" West, 150.17 feet; thence  
North 65°43'21" West, 407.49 feet; thence  
South 01°10'02" West, 94.54 feet; thence  
South 27°17'34" West, 90.00 feet; thence  
South 39°32'35" East, 342.19 feet; thence  
South 17°00'49" West, 108.69 feet; thence  
South 09°45'56" East, 92.08 feet; thence  
Along a curve right, radius = 40 feet, the long chord bears North 68°36'01" East, 43.86 feet; thence  
North 30°34'41" East, 331.46 feet; thence  
Along a curve right, radius = 100 feet, the long chord bears North 48°38'04" East, 62.13 feet; thence  
Along a curve left, radius = 161 feet, the long chord bears North 16°29'47" East, 198.94 feet; thence  
North 31°27'01" West, 84.16 feet to the point of beginning and sometimes referred to as Lot 2, Mine Short Plat No. 1 as shown on the official recorded plat thereof recorded as Instrument No. 350327, records of Shoshone County, State of Idaho.

Page 1 of 3-Fee Parcels

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FEE PARCELS  
PLACER MINING CO. AND/OR AFFILIATES TO BUNKER HILL MINING CORP.

**PARCEL 3 - HOPPER PARCEL - "ROCK HOUSE" 6.52 ACRES - RPD00000011250A**

Being a tract of land situated in the SE 1/4 of the NE 1/4 of Section 1, T48N, R2E, B.M., more particularly described as follows:

Beginning at a point on the southerly right of way of McKinley Avenue whence the East 1/4 corner of Section 1 bears South 53° 22' 13" East, a distance of 1318.27 feet; thence South 23° 04' 59" West, a distance of 487.64 feet; thence South 61° 03' 11" East, a distance of 644.85 feet; thence North 31° 43' 07" East, a distance of 271.88 feet; thence North 27° 17' 34" East, a distance of 90.00 feet; thence North 01° 10' 02" East, a distance of 94.54 feet; thence North 65° 13' 58" West, a distance of 207.15 feet; thence North 66° 45' 00" West, a distance of 416.56 feet; thence North 23° 04' 50" East, a distance of 104.13 feet to a point on the southerly right of way of McKinley Avenue; thence North 74° 36' 24" West, a distance of 30.27', to the point of beginning.

**PARCEL 4 - PLACER MINING CORP. "EAST SLIVER PARCEL" .261 ACRES - RPD00000064005A**, located in Township 48 North, Range 2 East, B.M., Shoshone County, State of Idaho and more particularly described as follows:

**A parcel of land situated in the Northwest Quarter of Section 6, Township 48 North, Range 3 East, B.M., Shoshone County, Idaho, and more particularly described as follows:**

Using the Bunker Hill Triangulation System Meridian and coordinates and beginning at Corner No. 1, a point identical with the West Quarter Corner of said Section 6 (N9667.57, E687.41), and running thence N.0°42'20" E., 372.46 feet along the west boundary line of said Section 6 to Corner No. 2;

Thence S.20°36'E., 59.71 feet to Corner No. 3, a point identical with Corner No. 4 of the Washington Water Power Company (WWP Co.) tract as described in Document No. 302109, recorded November 2, 1982, records of Shoshone County, Idaho from The Bunker Hill Company to Bunker Limited Partnership, Parcel 28 of Exhibit "A", pages 12 and 13;

Page 2 of 3-Fee Parcels

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FEE PARCELS  
PLACER MINING CO. AND/OR AFFILIATES TO LIBERTY SILVER

Thence S.69°24' W., 12.87 feet to Corner No. 4, identical with Corner No. 3 of said WWP Co. tract;

Thence S.14°20' E., 118.05 feet to Corner No. 5, identical with Corner No. 2 of said WWP Co. tract;

Thence S.2°23'30" W., 187.00 feet to Corner No. 6, identical with Corner No. 1 of said WWP Co. tract;

Thence S.80°00' E., 53.98 feet along the Southerly boundary line of said WWP Co. tract to its point of intersection with the South boundary line of the Northwest Quarter of said Section 6;

Thence S.88°55'25" W., 88.05 feet along said boundary line of said Section 6 Northwest Quarter to Corner No. 1 and place of beginning.



Placer Mining Corp. Bunker Hill Claims      Township 47N      Range 2 East      Section 1

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
3361	APEX NO. 2 LODE	20.226	M.S. 2319, 3119
3361	APEX NO. 3 LODE	18.852	M.S. 2319, 3119
3361	GALENA	12.404	M.S. 2319, 3119

**TOTAL ACREAGE**      **51.482**

**TOTAL NUMBER OF CLAIMS**      **3**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 1

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
2840	CHECK	4.195 SURFACE	M.S. 1409, 1527, 2072, 2078, 2123, 2496, 2519
2921	SCELINDA NO. 1	17.316	N 1/2, S1/2, SEC. 1 T48N,R2E
2921	SCELINDA NO. 2	19.375	1.643 ACRES, BOOK 40, Page 560
2921	SCELINDA NO. 3	13.739	M.S. 2072
2921	SCELINDA NO. 4	10.38	M.S. 2072
2921	SCELINDA NO. 5	14.083	M.S. 2328
2921	SCELINDA NO. 7	17.477	N 1/2, S1/2, SEC. 1 T48N,R2E
2921	SCELINDA NO. 8	12.162	

**TOTAL ACREAGE**      **108.727**

**TOTAL NUMBER OF CLAIMS**      **8**

SEC. 1

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Placer Mining Corp. Bunker Hill Claims      Township 47N      Range 2 East      Section 2

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
3361	ANACONDA LODE	19.672	M.S. 2319, 3119
3361	APEX LODE	14.326	M.S. 2319, 3119
3361	BLUE BIRD LODE	8.401	M.S. 2319, 3119
3361	BLUE GROUSE LODE	20.661	M.S. 2319, 3119
3361	BOB WHITE	20.454	M.S. 2319, 3119
3361	BUTTE	17.963	M.S. 2319, 3119
3361	BUTTE FR.	5.253	M.S. 2319, 3119
3361	COUGAR	20.661	M.S. 2319, 3119
3361	HUCKLEBERRY NO.2	19.672	M.S. 2319, 3119
3361	LEOPARD	20.661	M.S. 2319, 3119
3361	MAC BENN	20.454	M.S. 2319, 3119
3361	MARTIN	20.661	M.S. 2319, 3119
3361	PHEASANT	20.661	M.S. 2319, 3119
3361	ROBBIN	20.454	M.S. 2319, 3119
3361	SONORA	20.663	M.S. 2319, 3119

**TOTAL ACREAGE**      **270.617**

**TOTAL NUMBER OF CLAIMS**      **14**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 2

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
1412	REEVES	14.523	
1413	PACKARD	20.321	
1414	QUAKER	2.878	M.S. 790 AND SENATOR STEWARD UNSURVEYED
1503	AM. DANISH	12.238	
1628	ALFERD	13.326	M.S. 1503
1628	MAGGIE	13.872	M.S. 1503
1628	GOOD ENOUGH	11.886	M.S.1503
1633	PHILLIPPINE	13.74	
1723	LYDIA FR.	0.454	M.S. 1639, 1663
1723	MABEL	13.627	M.S. 1639, 1663
1723	MANILA	7.599	M.S. 1639, 1663
1723	O.K.	14.709	M.S. 1639, 1663
1723	O.K. WESTERN	14.587	M.S. 1639, 1663
1723	SUNNY	19.113	M.S. 1639, 1663
1723	WHIPPOOR WILL	8.909	M.S. 1639, 1663
1945	WILL LAMBERT FR.	17.346	
2067	SAXON	2.662	SURFACE M.S. 554, 764, 790, 1488, 1856, 1858
2507	BAND	10.844	M.S. 1639, 1858, 1945

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Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 2
<u>M.S.#</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>	
3214	GOTH	11.161	M.S. 1413, 1414, 1858, 2551	
3214	L-1	6.722	M.S. 1412,1503	
3164	VENTURE	9.313	M.S. 1503,1663, 1945	
3563	SILVER KING M.S.	3.327		
<b><u>TOTAL ACREAGE</u></b>		<b><u>243.157</u></b>		
<b><u>TOTAL NUMBER OF CLAIMS</u></b>		<b><u>22</u></b>		

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Placer Mining Corp. Bunker Hill Claims Township 47N Range 2 East Section 3

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>
2856	BABY	17.46
2856	KEYSTONE	13.42
2856	VAN	11.95
2856	WOODRAT	20.141

TOTAL ACREAGE 62.971

TOTAL # CLAIMS 4

Placer Mining Corp. Bunker Hill Claims Township 48N Range 3 East Section 3

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
3423	CARBONATE	6.711	M.S. 554
3423	ENTERPRISE	3.616	
3423	GIANT	8.275	

TOTAL ACREAGE 18.602

TOTAL # CLAIMS 3

SEC. 3

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Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 7

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude</u>
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<u>Total Acreage Section 7</u>		<u>0</u>	
<u>TOTAL NUMBER OF CLAIMS</u>		<u>0</u>	

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Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 8

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
2869	MILO M.S.	4.986	
<b><u>TOTAL ACREAGE</u></b>		<b><u>4.986</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>1</u></b>	

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 9

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>
3214	L-2	3.276	M.S. 1412, 1413, 1503, 1628, 2507
3214	L-3	13.245	M.S. 1412, 1413,
<b><u>TOTAL ACREAGE</u></b>		<b><u>16.521</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>2</u></b>	

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Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 10
<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>	
2201	BROOKLYN	17.889	SUBJECT TO ROYALTY	
2201	NEW JERSEY	18.477	"	
2201	SCHUTE FR.	10.463	"	
3389	PROMINADE	13.093	M.S. 2077,2201, 2966, 3390	
3389	SAM	20.541	"	
3389	ZEKE	3.623	"	
3389	PETE	20.643		
3390	Marblehead	19.333	M.S. 3389	
3390	OLYMPIA	20.545	M.S. 2296, 3389	
<b><u>TOTAL ACREAGE</u></b>		<b><u>144.607</u></b>		

**TOTAL # CLAIMS** 9

Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 3 East	Section 10
<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>	<u>EXCLUDE</u>	
3423	Black Diamond	15.304		
3423	Gelatin	9.34		
3423	Rolling Stone	16.835		
3423	ENTERPRISE EXT.	19.658		
<b><u>TOTAL ACREAGE</u></b>		<b><u>61.137</u></b>		

**TOTAL # CLAIMS** 4

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Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 11

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
569	Oakland	4.59	M.S. 554
755	Ontario Fr.	1.626	
764	Carbonate SURFACE	6.551	M.S. 554, and Rail Road Easment. Status Unknown, Probably State of Idaho Rails to Trails.
790	Silver Casket SURFACE	15.77	
1041	Apex	1.928	M.S. 569
1041	Rambler	7.978	M.S. 569
1041	Tip Top	4.909	M.S. 569
1220	Butte	20.52	
1220	Cariboo	20.061	M.S. 1041
1220	Good Luck	19.676	
1356	Excelsior	3.113	M.S. 554 & 569
1357	No. 1	18.772	M.S. 1041
1357	No. 2	18.976	M.S. 1220
1357	No. 3	20.53	
1357	No. 4	19.951	
1357	No. 5	19.075	
1466	Deadwood	7.194	M.S. 1220
1466	Debs	18.183	M.S. 1229
1466	Hard Cash	20.489	
1619	Hamilton Fr.	13.233	
1633	Princess	5.9	See Inst. #208505, 208056, 208613
1639 AM	Royal Knight	13.871	M.S. 1357, 1681
1639 AM	Silver King	18.251	M.S. 1357, 1681 refer to #208505, 28506, 208613
1639AM	Legal Tender	16.324	M.S. 1357, 1681
1641	McLelland	4.616	M.S. 1357, 1639
1664	Harrison	9.02	M.S. 1639 AM
1715	(ninety-six) 96	12.017	
2368	Norman	4.198	M.S. 554, 764, 1356, 1357, 1041, 1639, 1681, 2067
2369	Grant	0.128	M.S. 554, 562, 569, 750, 755, 764, 1488, 2067, 2186, 2124, 2187, 2052
2583	Roman	1.443	M.S. 554, 764, 790, 1488, 1639, 1681, 2124, 2368, 2369, 1041
2583	Marion	1.058	M.S. 554, 755, 764, 790, 1414, 1639, 2067, 2368, 2369, 2124
2626	Maine	1.158	M.S. 512, 1633, 1638, 1639, 2548 Refer to inst. #208505, 208506, 208613

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Placer Mining Corp. Bunker Hill Claims

Township 48N

Range 2 East Section 11

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreege Amount</u>		<u>Exclude Conflicts</u>
2583	Nellie	0.245		M.S. 554,562,569,750,1488,1526,1527 2052, 2072, 2078
2627	California	1.148	SURFACE	M.S. 790, 1414, 1639, 1858, 2067, 2507
2862	Chief No. 2	1.145		Refer to Inst.# 208505
2862	Sugar	2.969		Refer to Inst.# 208505
2862	Florence	14.204	SURFACE	See Inst. #208505, #208613
2966	Ethel	16.268		M.S. 1466 & 1619
2966	Katherine	14.617		M.S. 1357 & 2862
2966	Manchester	17.196		
2966	McRooney	4.634		M.S. 2201, 2862, 2960
2966	Stuard No. 2	20.464		Olympia Lode, Unsurveyed
2966	Stuard No. 3	20.659		
2966	Sullivan	16.74		Olympia Lode, Unsurveyed
2966	Switzerland	10.328		M.S. 2201, 2860, 2960
3111	Billy	16.707	SURFACE	M.S. 1357, 2862
3390	Nancy B.	2.498		M.S. 1466, 1619, 2080, & 2966
<b><u>TOTAL ACREAGE SECTION 11</u></b>		<b><u>510.931</u></b>		
<b><u>TOTAL # OF CLAIMS SEC.11</u></b>		<b><u>47</u></b>		

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Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 12
<u>M.S. #</u>	<u>Claim Name</u>	<u>Acres Amount</u>	<u>Exclude Conflicts</u>	
546 AM.	TYLER	14.77		
550	EMMA	10.689		
551	LAST CHANCE	17.317		M.S. 550
554	SIERRA NEVADA	17.665		
562	VIOLA	10.569		
615	SKOOKUM	17.61		
629	BOTTOM DOLLAR FR.	0.607	SURFACE	M.S. 580, 632
703	EMMA AND LAST CHANCE	2.197	SURFACE	
755	ONTARIO	10.055	SURFACE	
750	SAN CARLOS	7.17		
933	SOLD AGAIN FR.	8.221		
959	REPUBLICAN FR.	3.698		
1192	JOHANNESBURG	20.66	SURFACE	
1220	JERSEY FR.	10.112		
1220	LILLY MAY	19.432		
1298	LIKELY	4.706		Miles LODE CLAIM
1325 AM.	HORNET	11.448		M.S. 562, 2072, CHEYENNE CLAIM
1325	KING	0.903		M.S. 562, 570
1328	PURITAN A.M.	10.225	SURFACE	Excluding Survey 1192
1328	SAMPSON	7.112		M.S. 1192
1409	Omaha	17.05	SURFACE	
1488	ARIZONA	10.399		M.S. 764
1526	WHEELBARROW	7.812		
1527	NEW ERA	12.652		
1830	STEMWINDER	7.075		M.S. 550, 551, 933
1882	UTAH	3.427		M.S. 550, 551, 579, 1830
2052	OVERLAP	0.895		M.S. 562, 569, 750
2072	BEE	11.591		M.S. 562, 1526 AM.
2072	COMBINATION	13.568		CONFLICT WARDNER TOWNSITE
2072	HAWK	20.606		
2072	IDAHO	12.922		M.S. 551, 1323, 1882
2072	IOWA	20.65		
2072	OREGON	10.081		CONFLICT WARDNER TOWNSITE
2072	SCORPION FR.	7.612		
2072	WASHINGTON	20.66		
2078	CHAIN	5.014		M.S. 1526, 1527, 2124
2123	LINK	17.346	SURFACE	M.S. 1325, 1526, 1527
2124	SPUR	4.299	SURFACE	M.S. 755, 764, 1488, 1856, 2067, 2123
2186	SIMS	0.191		M.S. 554, 562, 564 AM, 1488
2187	LINCOLN	0.082		
2249	CHEYENNE	8.431		M.S. 562, 1526
2328	FLAGSTAFF	12.847		

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Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 12
<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>		<u>Exclude Conflicts</u>
2429	CYPRESS	0.0346		M.S. 550, 2830, 430, 579, 604, 608, 581 & 1882
2452	HELEN MARR	2.279		M.S. 546, 550, 551, 771, 933, 959, 1126, 1325, 1325, 1830, 1882, 2072
2496	SPEAR	6.843	SURFACE	M.S. 2551
2509	SPOKANE	4.789		M.S. 1409, 1442, 2072
2511	KEY	0.287		M.S. 546, 562, 750, 1325, 1488, 1526, 1527, 2072, 2078, 2187, 2369
2511	QUEEN	0.376		M.S. 562, 615, 750, 1325, 1488, 1526, 2072, 2078, 2249, 2369, 1298
2511	TEDDY	0.002		M.S. 546, 551, 615, 750, 950, 1298, 1318, 1325, 1882, 2072, 2187, & 2452
2511	HEART	0.123		M.S. 551, 615, 771, 959, 1220, 1318, 2452
2511	JACK	1.082		M.S. 546, 562, 615, 750, 1298, 1325, 2072, 2187, 2249
2583	CLUB	0.088		M.S. 554, 569, 1041, 1356, 1488, 2124, & 2369
2583	DIAMOND	0.011		M.S. 554, 562, 569, 615, 750, 1298, 1356, 1488, 2052, 2186, 2187, 2369, & 2511
2583	ACE	0.073		M.S. 554, 755, 764, 1041, 2067, 2124, & 2369
2583	SPADE	0.006		M.S. 615, 1220, 1356, 1466
2584	BRADY	0.891		M.S. 546, 959, 1325, 1882, 2072, 2249, 2452 & 2511
2599	BOER	3.516		M.S. 550, 551, 1192, 1328, 2072
2599	BEN HERR	3.159	SURFACE	M.S. 550, 579, 580, 583, 608, 609, 614, 629, 632, 836, 837, 1916, 2065, 1882, 2429, 2432
2599	PHILIPPINE	7.655		M.S. 550, 703, 1192, 1328, 1702
2599	Grant	0.372		M.S. 554, 562, 569, 750, 755, 764, 1488
2611	NICK	15.516		M.S. 2081
2611	SHERMAN	0.604		M.S. 2081
2611	SIMMONS	0.391		M.S. 621, 1228, 1345, 2081
2611	ASSET	0.567		M.S. 1621 & 1345
2611	CHILDS	4.259		M.S. 1345, 1349
2654	KIRBY FR.	6.822		M.S. 551, 933
2654	McCLELLAN	8.907		M.S. 615
2654	MILES	15.846		M.S. 551, 933, 586, 615, 959, 1220
2654	PITT	0.809		M.S. 546 AM., 959, 1298
2921	FLAGSTAFF NO. 2	6.353		M.S. 2328, 2526
2921	FLAGSTAFF NO. 3	10.157		
2921	FLAGSTAFF NO. 4	17.783		M.S. 2328
<b><u>TOTAL ACREAGE</u></b>		<b><u>549.9766</u></b>		
<b><u>TOTAL # CLAIMS</u></b>		<b><u>72</u></b>		

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Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 13

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>		<u>Exclude Conflicts</u>
586 AM.	JACKASS	11.2		
579	BUNKER HILL	17.03	SURFACE	
580	SULLIVAN	13.088	SURFACE	M.S. 3390
581	IMPORTANT FR.	2.59	SURFACE	
604	PHIL SHERIDAN	11.034	SURFACE	M.S. 632, 836
607	REED FR.	11.41	SURFACE	
608	BUNKER HILL M.S.	4.129	SURFACE	
609	SMALL HOPES AM.	1.612	SURFACE	
614	LACKAWANA	16.525		
632	CHESTNUT	0.753	SURFACE	
836	TURKEY BUZZARD	0.559	SURFACE	
837	SNOWSLIDE FR.	0.059	SURFACE	M.S. 632
1085	SILVER	7.003	SURFACE	M.S. 2081
1227	MABUNDALAND	20.559		
1227	MASHONALAND	20.401		ALLA LODE CLAIM
1227	MATABELALAND	19.949		
1227	STOPPING	15.151		
1227	ZULULAND	20.517		
1228	ALLA	8.153		M.S. 1227 Stopping
1228	LACROSSE	9.361		
1228	MINERS DELIGHT	10.138		M.S. 614
1228	NO NAME	13.868		
1228	SULLIVAN EXT.	0.558		M.S. 619
1228	SUMMIT	9.897		M.S. 621
1229	ALLIE	18.287		
1229	BLUE BIRD	13.901		M.S. 586
1229	BOUGHT AGAIN	15.756		M.S. 1220
1229	JOSIE	20.651		
1229	MAPLE	1.687		
1229	OFFSET	0.257		M.S. 581
1229	ROOKERY	6.746		
1229	SUSIE	3.324		
1916	BUTTERNUT	1.259		M.S. 614
1916	HOMESTAKE	15.857		M.S. 604, 614, 629, 632, 836, 837, 1229, 2141
2065	TRIANGLE FR.	0.084	SURFACE	M.S. 580, 608, 609AM, 619, 622, 1228
2081	ITO	6.456		M.S. 1229, 1466 & 1620
2081	BEAR	16.919		M.S. 1227 & 1229
2081	OYAMA	6.278		M.S. 1227, 1620
2250	Buckeye	10.634		M.S. 1228 & 1916
2432	HICKORY	0.001		M.S. 1229, 1916

Section 13

Fourth Amendment to Lease with Option  
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Initials



Placer Mining Corp. Bunker Hill Claims		Township 48N	Range 2 East	Section 13
<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>	
2432	SPRUCE FR.	0.017	M.S. 604, 614, 836, 1227, 1228, 1229, 1916, 2250	
2452	HEMLOCK	0.0189	M.S. 579, 581, 586, 604, 771, 933, 1229	
2587	FOSTER	20.659		
2587	PENFIELD	20.659		
2587	SILVER	0.003	M.S. 2081	
2587	DREW	19.483	M.S. 2081	
2587	EDNA	12.204	M.S. 208, MIDLAND, N. MIDLAND	
2587	EMILY GRACE	10.462	M.S. 2081	
2599	KRUGER	2.502	SURFACE	M.S. 580, 581, 604, 608, 629, 632, 836, 1085, 1229, 1916, 2065, 2429, 2432
2587	MEDIUM	6.904	N. MIDLAND	
2611	YALE	0.052	M.S. 2081, 1228	
2611	HOUGH	13.407	SURFACE	M.S. 1085, 1192, 1345
2624	GUS	0.709	M.S. 1227, 1229, 1916, 2081, 2141, 2250	
2624	ROY	0.038	M.S. 1227, 1229, 2081, 2141	
2624	TRUMP	0.02	M.S. 1229, 1466, 2081	
2646	AFRICAN	2.046	M.S. 1229, 1916, 2081, 2141	
2975	HOOVER NO. 1	17.156	M.S. 2080, 2976	
2975	HOOVER NO. 2	19.983	M.S. 2080	
2975	HOOVER NO. 3	16.005	M.S. 2587	
2975	HOOVER NO. 4	14.547	M.S. 2587	
2975	HOOVER NO. 5	13.222	M.S. 2080	
3470	LUCKY	17.864	SURFACE	M.S. 607 & 619
3471	BETA	13.973	M.S. 1227, 1916, 2250	

**TOTAL ACREAGE**

**605.5749**

**TOTAL # CLAIMS**

**63**

Section 13

Fourth Amendment to Lease with Option  
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Initials



Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East Section 14

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
1466	CARTER	17.003	
1466	COXEY	4.697	M.S. 1229
1466	NEVADA	12.602	
1466	HAMILTON	20.654	
1620	BERNIECE	19.278	
1620	MOUNTAIN KING	18.535	
1620	MOUNTAIN QUEEN	20.534	
1620	SOUTHERN BEAUTY	15.012	
1628	WAVERLY	17.757	
2077	K-21	20.661	M.S. 2696
2077	K-22	20.661	M.S. 2696
2077	K-30	20.3	
2077	K-31	20.646	
2080	K-1	20.515	
2080	K-2	20.515	
2080	K-3	20.661	
2080	K-4	20.658	M.S. 1620
2080	K-5	20.659	
2080	K-6	20.661	
2080	K-7	20.661	
2080	K-8	20.661	
2080	K-9	20.651	
2080	K-14	8.549	
2080	K-15	10.262	M.S. 2077
2080	K-24	7.176	M.S. 1620
2080	K-25	3.154	
2080	K-26	2.993	
2080	K-27	7.096	
2080	KANSAS	20.536	M.S. 1620
2077	K-10	20.608	
2077	K-16	20.646	

SECTION 14

Fourth Amendment to Lease with Option  
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Initials



<b>Placer Mining Corp. Bunker Hill Claims</b>		<b>Township 48N</b>	<b>Range 2 East Section 14</b>
<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreege Amount</u>	<u>Exclude Conflicts</u>
2080	MISSOURI	20.061	M.S. 1620
2080	TEXAS	20.556	
3390	PHIL	4.41	M.S. 1466, 2077, 2080, 2966
3390	BATTLESHIP OREGON	20.1	M.S. 2077
3390	CHARLEY T.	9.028	M.S. 2077 & 2080
3390	MARGARET	13.892	M.S. 2080
3390	Lucia	17.644	M.S. 2966
<b><u>TOTAL ACREAGE</u></b>		<b><u>620.693</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>38</u></b>	

SECTION 14

Fourth Amendment to Lease with Option  
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Initials



Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East Section 15

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>
2274	OREGON NO. 2	20.66
2274	SILVER CORD	20.66
2274	MARYLAND	20.66
2274	MONMOUTH	20.66
2274	EVENING STAR	20.637
2274	EVENING STAR FR.	3.392
3298	SPRING	20.651

**TOTAL ACREAGE**      **127.32**

**TOTAL # CLAIMS**      **7**

Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East Section 15

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
2077	(Eighty-five) 85	20.508	
2077	IOWA NO. 2	20.647	
2077	K-11	20.508	
2077	K-12	20.508	
2077	K-13	20.654	M.S. 2077
2077	K-17	20.608	
2077	K-18	20.66	M.S. 2696
2077	K-19	20.534	M.S. 2696
2077	K-20	20.661	
2077	K-23	19.917	M.S. 2696
2077	K-28	18.063	
2077	K-39	10.469	
2077	MINNESOTA	17.491	
2077	MISSORI NO. 2	11.989	
2077	(Ninety-one) 91	20.256	
2077	(Ninety-two) 92	20.508	
2077	K-29	14.591	M.S. 2696

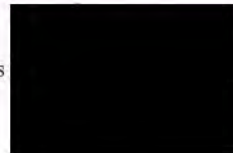
**TOTAL ACREAGE**      **318.572**

**TOTAL # CLAIMS**      **16**

SECTIONS 15, 16, 17

Fourth Amendment to Lease with Option  
Page 27 of 36

Initials



**Township 48N      Range 3 East      Section 16**

<u>M.S. #</u>	<u>Claim Name</u>		<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
3015	QUEEN	Lies is Sec. 16	2.22	
<b><u>TOTAL ACREAGE</u></b>			<b><u>2.22</u></b>	
<b><u>TOTAL # CLAIMS</u></b>			<b><u>1</u></b>	

**Township 48N      Range 3 East      Section 17**

<u>M.S. #</u>	<u>Claim Name</u>		<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
2204	GRANT	LIES IN SEC. 17	8	Only that portion west of the Ext. of W. endline of A-3 Lode, M.S. 1347, M.S. 1349, 1359, 2203, 2540, 2611, 2870, 2915, 3013
3503	MOAT	Lies is Sec. 17	4.9	
<b><u>TOTAL ACREAGE</u></b>			<b><u>12.9</u></b>	
<b><u>TOTAL # CLAIMS</u></b>			<b><u>2</u></b>	

**Township 48N      Range 2 East      Section 17**

<u>M.S. #</u>	<u>Claim Name</u>		<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
3503	CASTLE		1.606	M.S. 1347,1349,1359,2203,2540, 2611, 2070, 2915, 3013
<b><u>TOTAL ACREAGE</u></b>			<b><u>1.606</u></b>	
<b><u>TOTAL # CLAIMS</u></b>			<b><u>1</u></b>	

**SECTIONS 15, 16, 17**

Initials \_\_\_\_\_





Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 18

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
619	Rolling Stone	15.093	M.S. 580
1228	East	4.64	M.S. 609
1228	Iron Hill	17.736	
1228	Ollie McMillin	15.895	
1228	Schofield	8.853	
1228	Bonanza Fraction	4.439	
1345	Daisy	17.74	M.S. 607,619,621,1228
2081	Black	20.64	
2081	Brown	20.248	M.S. 1228
2081	Sarnia	12.967	M.S. 1228
2204	Last Chance	19.447	
2274	Timothy Fraction	0.586	
2611	Ox	8.103	M.S. 1345
2611	Taft	0.898	M.S. 1228,2081
3177	Monte Carlo No. 3	13.868	
3177	Monte Carlo No. 5	13.16	M.S. 1345 & 2611
<b><u>Total Acreage Section 18 Claims</u></b>		<b><u>194.313</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>15</u></b>	

SECTION 18

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Initials



Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 3 East      Section 19

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>
3108	Midland	4.5
3472	Spokane Central No. 5	20.65
<b><u>TOTAL ACREAGE</u></b>		<b><u>25.15</u></b>
<b><u>TOTAL NUMBER OF CLAIMS</u></b>		<b><u>2</u></b>

SECTION 19

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Placer Mining Corp. Bunker Hill Claims

Township 48N

Range 3 East Section 20

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
3472	SPOKANE CENTRAL NO. 1	18.633	M.S. 3291
3472	SPOKANE CENTRAL NO. 2	20.143	M.S. 3291
3472	SPOKANE CENTRAL NO. 3 FR.	18.756	M.S. 3291 § 29/48N/3E
3472	SPOKANE CENTRAL NO. 3	18.756	M.S. 3291
3472	SPOKANE CENTRAL NO. 4	20.297	M.S. 3291

**TOTAL ACREAGE** **96.585**

**TOTAL # CLAIMS** **5**

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Fourth Amendment to Lease with Option  
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Initials



Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 22

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
2077	K-32	11.082	
2976	ADATH	20.659	
2976	ALKYRIS	20.659	
2976	ANNA LAURA	20.659	
2976	ATLAS	20.659	
2976	ATLAS NO. 1	20.659	
2976	FRACTION	15.574	M.S. 2080
2976	GAY	3.348	M.S. 2080, 2077
2976	RED DEER	20.654	M.S. 2080
2976	SETZER	13.8	M.S. 2080
3096	ARMY	19.179	M.S. 2077, 2696, 2976
3096	NAVY	5.879	M.S. 2077, 2696, 2976

**TOTAL ACREAGE**      **192.811**

**TOTAL # CLAIMS**      **11**

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Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 23

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
2080	K-33	14.448	M.S. 2077
2080	K-34	18.554	M.S. 2077
2080	K-35	10.453	
2080	K-36	20.128	
2080	K-37	20.661	
2080	K-38	20.661	
2977	LESLEY	20.312	
2977	LESLEY NO. 2	20.659	
2977	LESLEY NO. 3	20.659	
2977	LITTLE ORE GRANDE	20.659	
2977	NORTH WELLINGTON	20.639	
2977	ORE GRANDE NO. 1	20.312	
2977	ORE GRANDE NO. 2	20.659	
2977	ORE GRANDE NO. 3	20.659	
2977	ORE GRANDE NO. 4	20.659	
2977	ORE GRANDE NO. 5	20.458	
2977	WELLINGTON	16.91	EAST PINE LODGE
3097	ORACLE	10.963	M.S. 2415, 2977
3097	ORBIT	20.661	
3097	OREANO	19.64	
3097	ORE SHOOT	12.173	M.S. 2976
3097	ORIENT	13.451	BOLTAN LODGE
3097	ORIENTAL	9.262	M.S. 2976
3097	ORPHAN	9.422	M.S. 2977
3097	ORPHEUM	20.458	M.S. 2976
<b><u>TOTAL ACREAGE</u></b>		<b><u>443.52</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>24</u></b>	

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Initials

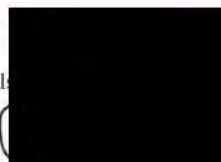


Placer Mining Corp. Bunker Hill Claims      Township 48N      Range 2 East      Section 24

<u>M.S. #</u>	<u>Claim Name</u>	<u>Acreage Amount</u>	<u>Exclude Conflicts</u>
2081	S-9	20.641	
2081	S-10	20.64	
2587	"A"	20.532	MIDLAND NO. 3
2587	"B"	20.633	
2587	"C"	20.633	
2587	"D"	19.725	
2587	"E"	19.75	
2587	"F"	15.547	M.S. 1620, 2080
2587	K-40	3.084	M.S. 1620, 2080
2587	LILLY	20.637	
2587	MISSING LINK	14.456	MIDLAND NO. 5
2587	NO. 1	19.67	MIDLAND CLAIMS
2587	NO. 2	20.633	
2587	PEAK	20.433	MIDLAND CLAIMS
2587	SNOWLINE	19.207	LIES IN SEC. 25      MIDLAND NO. 5
2587	YREKA NO. 22	20.415	
3108	MIDLAND NO. 1	17.777	M.S. 2587
3108	MIDLAND NO. 6	18.518	M.S. 2587
3108	MIDLAND NO. 3	20.658	
3108	MIDLAND NO. 4	19.22	
3108	MIDLAND NO. 5	13.621	
3108	MIDLAND NO. 7	12.812	M.S. 2081, 2587
3108	MIDLAND NO. 8	11.436	M.S. 2587
3108	NORTH MIDLAND	13.924	EDNA LODE
<b><u>TOTAL ACREAGE</u></b>		<b><u>424.602</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>23</u></b>	
<b><u>TOTAL # CLAIMS</u></b>		<b><u>0</u></b>	

SEC. 24,25

Initial



Placer Mining Corp. Silver Belt Claims

Township 48N

Range 3 East

Section 35

M.S. #      Claim Name

3361      LYNX

Acreage Amount

20.661

Exclude Conflicts

M.S. 2319, 3119

**TOTAL ACREAGE**

● **20.661**

**TOTAL # CLAIMS**

**1**

SEC. 35

Fourth Amendment to Lease with Option  
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Initial



Silver Ridge Claim Group - Placer Mining Corp.

TOWNSHIP 48 NORTH                      RANGE 3 EAST                      SECTION 7

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>
3051	MARKO	15.542
3051	V.M. NO. 1	11.75
3051	V.M. NO. 2	14.273
3177	MONTE CARLO NO. 3	13.868
3177	MONTE CARLO NO. 4	20.465
3177	LONG JOHN	7.51

TOTAL CLAIMS - 6  
TOTAL ACREAGE SECTION 7                      **83.408**

TOWNSHIP 48 NORTH                      RANGE 3 EAST                      SECTION 18

<u>M.S. #</u>	<u>CLAIM NAME</u>	<u>ACREAGE AMOUNT</u>
621	FAIRVIEW	10.69
1228	EAST	4.64
1228	IRON HILL	17.74
1345	COMSTOCK	16.676





June 26, 2020

Placer Mining Corporation  
1 Mine Road  
Kellogg, Idaho 83837

*Copy Sent Via U.S. Mail and Email to:  
David Kreideman, President*

P.O. Box 29  
Kellogg, ID 83837

*Copy Sent U.S. Mail and Email to:  
James McMillan, Esq.,  
Attorney at Law, PLLC*

James McMillan PLLC  
415 7<sup>th</sup> Street #7  
Wallace, Idaho 83873

*Delivered in Person to Mr. David Kreideman*

***Preliminary Notice of Intent to either Exercise the Extension to Lease with Option to Purchase for the Bunker Hill Mine OR Exercise the Purchase Option of the Bunker Hill Mine***

Dear Dave:

Bunker Hill Mining Corp. is providing this notice to you indicating that no later than 5 PM Pacific Daylight Time on July 1, 2020 we shall hand deliver to you as well as provide a copy via email and U.S. Mail notice of our intent to either:

- 1) Exercise the Purchase Option for the Bunker Hill Mine per the terms of the lease; or
- 2) Exercise the Lease Extension Option to extend the existing lease for an additional six-month term to begin August 1, 2020 and extend until January 31, 2021.

Your acknowledgment below indicates that providing the notice as described above constitutes and satisfies the 30-day notice requirement for either the lease extension or purchase exercise as required by the lease agreement and amendments thereto.

Sincerely,

Sam Ash, President  
Bunker Hill Mining Corp.

[Redacted Signature]

**Acknowledged and Agreed,**

David Kreideman, President  
Placer Mining Corp.

[Redacted Signature]  
Date: 6-26-20



**SECOND AGREEMENT TO EXTEND LEASE AND DATE TO  
EXERCISE OPTION TO PURCHASE BETWEEN BUNKER HILL  
MINING CORP. AND PLACER MINING CORP.**

This Second Agreement to the extend the Lease with Option (defined below) ("Second Extension Amendment") is made effective this 27<sup>th</sup> day of July, 2020 (the "Effective Date") by and between Placer Mining Corporation, a Nevada corporation ("Lessor") and Bunker Hill Mining Corp. formerly known as Liberty Silver Corp., a Nevada corporation ("Lessee").

**RECITALS**

WHEREAS, Lessor and Lessee entered into the "Bunker Hill Mining Lease with Option to Purchase" agreement with an effective date of November 1, 2017 and executed by the parties on August 17, 2017 to lease certain real property located in Shoshone County, Idaho, which includes an option to purchase certain property as more particularly described therein (the "Original Lease with Option");

WHEREAS, Lessor and Lessee amended the Lease with Option pursuant to the "Amendment to Lease and Option to Purchase of August 17, 2017 between Liberty Silver Corp and Placer Mining Corporation" on or about October 17, 2017 (the "First Amendment");

WHEREAS, Lessor and Lessee amended and clarified the Lease with Option pursuant to the "Clarification and Second Amendment to Lease and Option to Purchase Between Liberty Silver Corp., n/k/a Bunker Hill Mining Corp., and Placer Mining Corporation" on or about January 30, 2018 (the "Second Amendment");

WHEREAS, Lessor and Lessee reinstated and amended the Lease with Option pursuant to the "Reinstatement and Amendment of Bunker Hill Mining Lease and Option to Purchase" on or about November 6, 2018 (the "Third Amendment");

WHEREAS, Lessor and Lessee amended the Lease with Option pursuant to the "Fourth Amendment to Lease and Option to Purchase" on or about November 1, 2019 (the "Fourth Amendment");

WHEREAS, Lessor and Lessee agreed on July 2, 2020 to extend the Lease with Option to Purchase for an additional six-months, ending February 1, 2021 (the Extension Amendment);

WHEREAS, the Lease with Option, together with the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Extension Amendment are cumulatively referred to herein as the "Existing Lease with Option"; and

WHEREAS, Lessor and Lessee desire to amend the Existing Lease with Option to extend the Existing Lease with Option for an additional eighteen (18) months, ending August 1, 2022 (the "Second Extension Amendment") which when effective will, together with the Existing Lease with Option will form the agreement between the parties and shall be cumulatively referred to herein as the "Lease."



NOW, THEREFORE, in consideration for the payment of lessee's payment of \$150,000 to Lessor on or before August 12, 2020, Lessor and Lessee hereby agree that the Existing Lease with Option shall be, and hereby is, amended such that the Lease is extended to and including August 1, 2022.

The parties expressly recognize and agree that Lessee is not in default under the terms of the Lease. The Lease, as amended, contains the entire agreement of the parties hereto with respect to the subject matter hereof.

This Second Extension Amendment may be executed in counterparts, and each counterpart shall be deemed to be an original. Execution of a facsimile or electronic copy will have the same force and effect as execution of an original, and a facsimile or electronic signature will be deemed an original and valid signature.

**IN WITNESS WHEREOF**, Lessor and Lessee have executed this Second Extension Amendment as of the date first written above.

**LESSOR:**  
Placer Mining Corporation,  
a Nevada Corporation


By   
Its CEO

**LESSEE:**  
Bunker Hill Mining Corp.,  
a Nevada Corporation

By   
Its CEO

**ACKNOWLEDGEMENT**

**BY SIGNING BELOW THE UNDERSIGNED ACKNOWLEDGE AND AGREE TO THE FOREGOING SECOND EXTENSION AMENDMENT AND AGREE TO BE BOUND BY THE SAME:**

  
William Pangburn

Date \_\_\_\_\_



July 2, 2020

Placer Mining Corporation  
1 Mine Road  
Kellogg, Idaho 83837

*Copy Sent Via U.S. Mail and Email to:  
David Kreideman, President*

P.O. Box 29  
Kellogg, ID 83837

*Copy Sent U.S. Mail and Email to:  
James McMillan, Esq.,  
Attorney at Law, PLLC*

James McMillan PLLC  
415 7<sup>th</sup> Street #7  
Wallace, Idaho 83873


***Delivered in Person to Mr. David Kreideman***

***Notice of Exercise to Extend the Bunker Hill Mining Lease with Option to Purchase for the Bunker Hill Mine***


Dear Dave:

Pursuant to the terms of the Bunker Hill Mining Lease with Option to Purchase Agreement, and amendments thereto (the "Lease"), Bunker Hill Mining Corp. gives notice that it hereby exercises its option to extend the Lease for an additional six-month term subject to the same terms and conditions of the Lease (including the option to purchase). The extension term will begin August 2, 2020 and expire February 1, 2021. In accordance with the Lease, Bunker Hill Mining Corp. has wired the Extension Payment of \$60,000.00 directly to Placer Mining Corp. and Placer Mining Corp. hereby acknowledges receipt of the same.

Sincerely,

  
\_\_\_\_\_  
Sam Ash, President  
Bunker Hill Mining Corp.

Receipt Acknowledged and Accepted this 2<sup>nd</sup> day of July, 2020.

  
David Kreideman, President  
Placer Mining Corp.



82 Richmond Street East Toronto, ON M5C 1P1

April 14, 2020

**PERSONAL AND CONFIDENTIAL**

Mr. Sam Ash  
420 Cameo Drive  
Spring Creek  
Nevada 89815

**Re: Employment Agreement**

Dear Sam:

Bunker Hill Mining Corp. ("**Bunker**") is pleased to confirm the following terms and conditions to apply to your employment as of April 14, 2020 and going forward.

Please review this document carefully and seek whichever advice you deem appropriate to ensure your understanding of its contents. Please return an executed copy on or before April 14, 2020. Upon your acceptance, this will become your Employment Agreement with Bunker and is referred to as the "Agreement" in the remainder of this letter.

<b>Position Title:</b>	President and Chief Executive Officer
<b>Reporting to:</b>	The Chairman of the Board of Directors
<b>Effective Date:</b>	This Agreement is presented to you signed by an authorized representative of the Board of Directors of Bunker (the " <b>Board</b> "). The effective date of this agreement is April 14, 2020.
<b>Term:</b>	Your employment shall continue to be for an indefinite term, subject to termination as hereinafter provided.
<b>Probationary Period:</b>	Not applicable.
<b>Past Employment:</b>	Your date of hire is April 14, 2020 (the " <b>Start Date</b> "). Any periods of employment which ended prior to this date will only be considered, if necessary, for the purposes of your entitlements under the applicable employment standards legislation.
<b>Position &amp; Job Description:</b>	As President and Chief Executive Officer, you will have the duties, responsibilities and authority customarily associated with this position in the industry in which Bunker operates, and as more particularly described in the job description attached as Appendix "A" to this Agreement.

<b>Limitation on Authority:</b>	Any authority you are provided to bind Bunker must be granted by the Board which, in the normal course, shall be in the person of the Chairman and is subject to revocation of such authority at any time and without notice.
<b>Public Relations, Media and Other Communications:</b>	Any and all mention of you in any verbal, visual or written communication of any kind by Bunker or its agents must have your approval prior to its release, posting, distribution or any other use.
<b>Place(s) of Employment:</b>	You shall perform the duties and responsibilities of this Position from the offices of Bunker currently located at 82 Richmond St East Toronto, ON M5C 1P1, or from another location mutually agreed to by you and Bunker. You may be required to perform work and provide services at other locations, including as the Bunker Hill Mine site located at Northern Idaho and other sites and locations, as required by Bunker.
<b>Full time:</b>	You will be employed on a full-time basis, and will be required to perform a nominal 40 hours of work per week, with additional hours as required to complete your duties and fulfill the terms of this Agreement. You hereby agree that the salary for this position has been fairly set with this expectation in mind and moreover your position is exempt from overtime under applicable employment standards legislation, therefore, you will not be entitled to overtime pay in this position unless required by law. You will dedicate your full attention to the position and may not be engaged in any other business without the written consent of Bunker.
<b>Base Salary:</b>	<p>US\$250,000 per annum, less all required and customary deductions, withholdings and remittances ("<b>Base Salary</b>"), paid semi-monthly in accordance with the prevailing payroll practices of Bunker.</p> <p>Bunker will review your performance from time-to-time and determine, in Bunker's sole and absolute discretion, whether an increase to the Base Salary is appropriate and/or feasible. Any new Base Salary shall become the salary for the purposes of this Agreement. Nothing in this Agreement should be construed as requiring Bunker to make changes to the Base Salary.</p>
<b>Annual Bonus:</b>	In accordance with and subject to terms and conditions (including goals and targets) to be determined by the Board, you will be eligible to receive a discretionary annual bonus award of up to 60% of Base Salary to be determined by the complete sole discretion of the Board of Directors (" <b>Annual Bonus</b> "). The Annual Bonus will be determined by the Board prior to January 31 of the applicable fiscal year. In accepting the terms of this Agreement, you acknowledge that (i) you have no expectation that in any fiscal year there will be any guaranteed payment of the Annual Bonus; and (ii) the amount, if any, that you may earn as an Annual Bonus may change from year to year.
<b>Equity Incentive</b>	In consideration of this Agreement, Bunker will provide you with an initial grant of 400,000 restricted share units of Bunker (" <b>RSU</b> "),

<b>Plan(s):</b>	granted and administered under the restricted stock unit plan of Bunker in accordance with the terms thereof, which shall vest in one third increments upon each anniversary of the grant date. The initial grant of RSUs will become effective three business days following the Start Date, or such other earliest date that would be available in accordance with policies of the Canadian Securities Exchange as such regulations pertain to the grant of RSUs.
<b>Benefits:</b>	You will be eligible to participate in all of Bunker's group insurance and other benefit plans generally available to its executive employees in accordance with the terms and conditions of such benefit plans, as amended from time to time. In addition, Bunker shall reimburse you for the cost of your current health benefits which the amount at the present time is US\$593 per month. You will have coverage under the director and officer professional liability insurance maintained by Bunker.
<b>Retirement Benefits:</b>	You will be entitled only to such retirement benefits as are required by applicable law.
<b>401K Plan:</b>	Bunker will set up and provide for you an interment plan under 401K section of U.S. Internal Revenue Code (a " <b>401K Plan</b> ") and appoint and administrator under such 401K Plan. Bunker may, in its discretion, provide a matching benefit in the future in an amount to be determined at such time. For greater clarity, this provision does not obligate to provide a matching benefit under a 401K Plan, until the Board determines otherwise.
<b>Relocation Assistance:</b>	<p>Bunker will provide, subject to conditions set out below, the following one-time re-location assistance ("<b>Relocation Assistance</b>"):</p> <ul style="list-style-type: none"> <li>• One-way airfare for you and your spouse to the USA from the UK.</li> <li>• The cost of shipment of personal and household goods to the USA from the UK.</li> </ul> <p>Both Bunker and you hereby acknowledge and agree that the cost of the Relocation Assistance represents a significant financial investment for both parties. If you resign or provide notice of your resignation of your employment with Bunker prior to the second anniversary of your employment with Bunker, all or a portion of Relocation Assistance costs born by Bunker will be repaid by you to Bunker in accordance with the following repayment schedule:</p> <ul style="list-style-type: none"> <li>(i) 100% of the gross cost of Relocation Assistance born by Bunker should you resign or provide notice of your resignation within one year of the Start Date;</li> <li>(ii) and 50% of the gross amount should you resign or provide notice of your resignation between the first and second year anniversary of the Start Date.</li> </ul>



	Following the second year anniversary of the Start Date, any obligation to repay Relocation Assistance costs will cease.
<b>Vacation and Statutory Holidays:</b>	During the term of this Agreement, you will be entitled to four (4) weeks of paid vacation in each calendar year, pro-rated for any partial years of service, to be taken at times mutually agreed upon by Bunker. Unused vacation entitlements may be carried forward indefinitely or, at your option, paid out at the end of each calendar year. You will also be entitled to all statutory holidays and where statutory holidays are not taken, such holiday days may be taken at other times.
<b>Cell Phone and Laptop Computer:</b>	You will be expected to make use of a mobile communication device in the course of performing the duties and responsibilities of your employment. You will be entitled to submit for reimbursement, as expenses, the amount of the monthly charges for such device (including the charges for a cellular phone service/data plan). In addition, you will be issued a laptop computer and any other devices, equipment or technology requested by you and approved by the Board for authorized business use purposes during the course of your employment with all costs related to Bunker-related activities paid by Bunker in accordance with any applicable Bunker Policies & Procedures, including in regards to expenses. All such devices, equipment and technology shall remain the property of Bunker and must be returned by you upon the termination of your employment or at any time on demand of Bunker.
<b>Professional Development:</b>	Upon submission of a written request by you and conditional upon prior approval of the same by the Board, Bunker shall reimburse you for approved costs associated with professional memberships, training, courses and conferences relating to your job duties, responsibilities and related professional development.
<b>Travel, Conferences and Meetings:</b>	It is understood and you acknowledge and agree that the performance of your duties shall require travel and participation in various conferences and meetings as necessary in order to introduce and promote Bunker to potential investors and lenders.
<b>Expenses:</b>	It is understood and agreed that you will incur expenses in connection with the performance of your duties. Bunker will reimburse you for any such expenses reasonably and necessarily incurred, provided that you provide an itemized written account and receipts acceptable to Bunker.
<b>Indemnity:</b>	If you are required to be, and elected or appointed as, a Director of Bunker or any entity in which Bunker has any equity interest, you will be provided with an indemnity in relation to acts or omissions arising in your capacity as a Director from Bunker or such other entity, as the case may be, in a form acceptable to the Board and/or such other entity, in each case acting reasonably.
<b>Termination:</b>	(a) <u>By Bunker for just cause (as defined below)</u> : At any time during the term of this Agreement, Bunker may terminate this Agreement and your employment for just cause,

	<p>without providing any notice of termination, pay in lieu of such notice, severance pay or any other termination entitlement (other than accrued and unpaid salary and vacation days/vacation pay, if any), unless required by the applicable employment standards legislation in the circumstances of the termination. Any such termination shall be by written notice to you and effective as provided for in that notice.</p> <p>For purposes of the Agreement, "<u>just cause</u>" means (i) failure to substantially perform the duties of your position in this Agreement or as directed by the reasonable and legal direction of the Board (ii) wilful misconduct or gross negligence that has a material adverse effect on Bunker, (iii) wilful failure to attempt in good faith to perform the duties required, consistent with your position (other than as a result of incapacity due to physical or mental illness) and the continuance of such wilful failure for a period of fifteen (15) days after written notice of same from Bunker, if such wilful failure has a material adverse effect on Bunker, or (iv) conviction of, or pleading <i>nolo contendere</i>, to a felony, if such conviction has a material adverse effect on the Company.</p> <p>(b) <b>By Bunker without just cause:</b> Notwithstanding anything contained in this Agreement, this Agreement and your employment may be terminated by Bunker at any time without just cause. Where your employment is terminated without just cause, Bunker will provide you with the following (the "<b>Separation Entitlements</b>"): </p> <ol style="list-style-type: none"><li>(1) Payment, in a lump sum, of six (6) months of Base Salary for each year or partial year of service up to a maximum of twenty-four (24) months;</li><li>(2) Continuation of group insurance benefits coverage to which you were eligible immediately prior to termination of your employment with Bunker throughout the above period or a payment in lieu of continuing benefits coverage sufficient to purchase comparable individual coverage, except that disability coverage will cease at the end of any applicable statutory notice period and no payment in lieu of continuing benefit coverage shall be payable for coverage extending beyond the statutory notice period (if any); plus</li><li>(3) Such additional entitlements, if any, including, but not limited to, amounts for minimum notice of termination or termination pay in lieu of such notice and severance pay, if any, as may be required by the applicable employment standards legislation, <i>i.e.</i>, if necessary in order to ensure compliance with the applicable employment standards legislation.</li></ol>
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	<p>For greater certainty, the lump sum payment in lieu of statutory termination notice shall be based on the annual salary then in effect plus an amount for annual bonus that is calculated as the average of the actual bonus paid by Bunker, if any, in the prior three years, or such lesser period if this Agreement has not been in effect for that long.</p> <p>(c) <u>By you upon a Change in Control</u>: This Agreement may be terminated immediately by you if any one of the following happens within 12 months after the effective date of a Change of Control (as defined below):</p> <ol style="list-style-type: none"><li>(1) Your employment is Involuntarily Terminated (as defined below);</li><li>(2) Bunker reduces the your gross Base Salary by 5% or more from the gross Base Salary payable to you immediately prior to the effective date of the Change of Control;</li><li>(3) a breach by Bunker of any material provision of this Agreement without the breach being remedied within 30 days after notice thereof has been received by Bunker; or</li><li>(4) You are otherwise constructively dismissed within the meaning of the common law.</li></ol> <p>Upon such termination by you, Bunker shall pay to you amounts equal to the Separation Entitlements set out in (b), payable in one lump sum, on a date that is not later than two (2) weeks after the date of termination, and the terms regarding all unexercised and unvested stock options that may have been granted to you, as set out below shall apply. For clarity, the amount owed shall be the greater amount determined under (b)(1) and calculated in accordance with the direction in (b) for determining a payment in lieu of notice, <i>i.e.</i>, based on the annual salary then in effect plus an amount for bonus. Such payments will be inclusive of your entitlements under the applicable employment standards legislation, and you will not be entitled to anything further upon termination of employment except as, and only to the extent, required by law.</p> <p>The term "Change of Control", as used above shall include:</p> <ol style="list-style-type: none"><li>(1) the occurrence of one transaction or a series of transactions which results in one Person, together with any Affiliates of such Person, exercising direction or control over 50% or more of Bunker's stock. "Person" for the purpose of this provision includes any individual, partnership, limited</li></ol>
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	<p>partnership joint venture, syndicate, sole proprietorship, company or corporation or other entity however designated or constituted;</p> <ul style="list-style-type: none"><li>(2) a change in the majority of Bunker's Board of Directors taking place over a period of three (3) months or less;</li><li>(3) a merger or consolidation, after which Bunker's prior shareholders no longer control Bunker; and/or</li><li>(4) the sale of all or substantially all of Bunker's assets or the liquidation of Bunker, except where the sale is to an affiliate of Bunker;</li></ul> <p>The term "Involuntarily Terminated" means termination without notice and without cause and excludes termination of employment be reason of death or retirement. Involuntarily Terminated also excludes termination by reason of resignation except that if the resignation follows a constructive dismissal at common law.</p> <p>(d) <u>By you for any reason</u>: You may terminate your employment with Bunker upon giving no less than four (4) weeks' written notice to Bunker (the "Resignation Notice Period"). Bunker may waive such notice, at its sole discretion, and in such event you will be paid your Base Salary and benefits coverage maintained (to the extent permitted by applicable benefit plans and policies, as in effect or amended from time to time) until the end of the Resignation Notice Period, in accordance with Bunker's normal payroll practices.</p> <p>Upon termination under paragraphs (b) or (c) above, all unvested and unexercised stock options that may have been granted to you prior termination shall immediately vest and become exercisable in accordance with Bunker's stock option plan and any applicable regulatory requirements governing incentive option plans of Bunker. For greater certainty, upon termination under paragraph (a) above, all unvested and unexercised stock options granted to you shall be forfeited.</p> <p>In the event of termination, all RSUs granted to you and vested as at the time of the Termination shall be administered in accordance with the terms of the RSU Plan, or any successor RSU plan maintained by Bunker at the time of termination. For grater clarity, absent express provisions to the contrary in the RSU Plan or its successor, RSUs unvested at the time of termination shall be forfeited.</p> <p>All payments or benefits set out in this "Termination" section are intended to satisfy all obligations arising out of the termination of your employment with Bunker, whether statutory, contractual or at common law and, for greater certainty, shall be inclusive of any notice of termination or severance pay prescribed in the applicable</p>
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	employment standards legislation, as it may from time-to-time be amended, the provisions of which are deemed to be incorporated into this Agreement; as legislation is changed, the new provisions will apply and, if greater, will prevail over the entitlements set out above. In no event will you receive less than your entitlements under the applicable employment standards legislation.
<b>Standards of Employment:</b>	You agree that you will adhere to all Bunker's policies, rules, systems and procedures which are in place at Bunker. Bunker reserves the right to change the provisions of any of these at any time.
<b>Confidentiality/Non-Competition:</b>	You are required to execute the Confidentiality/Non-Competition Agreement attached as Appendix "B" as a condition of this Offer of Employment.
<b>Changes:</b>	Unless specifically amended in writing and signed by the parties, the terms of this Agreement will continue to apply notwithstanding any changes in your position, duties, reporting or other terms of employment.
<b>Return of Property:</b>	Upon termination, howsoever caused, you shall surrender to a representative of Bunker, upon request, all keys, manuals, lists, correspondence, monies, supplies, employee lists, and all other material and records, or other Bunker property of any kind that may be in your possession at such time. If you are a director of Bunker or any affiliate at the time of your termination, you will submit your resignation.
<b>Set-Off:</b>	You authorize Bunker to deduct from any payment due to you at any time, including from a termination or severance payment, any amounts owed to Bunker by reason of purchases, advances, loans or in recompense for damages to or loss of Bunker's property and equipment save only that this provision shall be applied so as not to conflict with any applicable legislation. For greater clarity, the application of this provision shall not in any way negate or limit the application of the provision of this Agreement providing for repayment of Relocation Assistance costs incurred by Bunker in the event of termination of your employment within two years of the Start Date.
<b>Assignment and Benefit:</b>	Bunker shall have the right to assign this Agreement (including any policies or agreements referenced in this Agreement) without consideration or advance notice to you, to its successors and assigns, including without limitation, to any of its parents, subsidiaries or any of its affiliates or to any purchaser of all or substantially all of Bunker's equity or assets.
<b>Entire Agreement:</b>	This Agreement supersedes and replaces all prior or contemporaneous negotiations and/or agreements made between the parties, whether oral or written and the execution of this Agreement has not been induced by, nor do any of the parties hereto rely upon or regard as material any representations or writings whatsoever not incorporated into and made a part of this

	Agreement. This Agreement, the agreements referenced herein, and Bunker's policies and procedures as they may be changed from time to time, shall constitute the entire agreement between the parties with respect to all matters relating to your employment.
<b>Withholdings:</b>	<p>All payments to you or other entitlements under this Agreement or accruing as a result of your employment with Bunker shall be less applicable withholdings and deductions as set out under applicable tax legislation, provided however, that you will be solely responsible to make such any additional tax payments, including the tax payments in connection with the RSUs that will be granted to you on the start of your employment and any securities-based compensation that may be granted or issued to you in the course of your employment as would be required under the applicable tax legislation.</p> <p>You will be solely responsible for obtaining tax and legal advise in respect of taxes payable on any an all compensation, including the securities-based compensation that may be granted, paid, issued or awarded to you by Bunker in the course of your employment with Bunker.</p>
<b>Modification:</b>	Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void
<b>Headings:</b>	The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.

<b>Governing Law:</b>	<p>This Agreement is subject to the laws of the State of Idaho without regard to its principles of conflicts of laws. Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall be addressed in the following manner.</p> <ul style="list-style-type: none"><li>(a) The parties shall first submit to mediation in Toronto, Ontario before a mediator agreed upon by the parties within ten (10) days after one party notifies the other in accordance herewith that he or it intends to engage in such mediation.</li><li>(b) If the parties are unable to agree upon a mediator within such time period, they shall contact the American Arbitration Association (the "AAA") within five (5) days thereafter to have the AAA appoint a mediator as soon as possible.</li><li>(c) The arbitrator shall apply Idaho law and the participants shall prepare arbitration statements citing such provision of Idaho law as they believe are applicable.</li><li>(d) If the parties do not resolve their dispute during the mediation session(s) or within five (5) days thereafter, the dispute shall be resolved by arbitration administered by the AAA in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, this provision shall not preclude either party's right to seek injunctive relief before a court located in Toronto, Ontario in the event that either party determines that injunctive relief is necessary or appropriate to protect his or its interests, including without limitation his or its intellectual property or confidentiality.</li></ul>
<b>Severability:</b>	<p>If any provision of this Agreement shall be held by any court of competent jurisdiction to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining provisions, or part thereof, of this Agreement and such remaining provisions, or part thereof, shall remain enforceable and binding.</p>
<b>Satisfaction of all Claims:</b>	<p>The terms set out in this Agreement, provided that such terms are satisfied by Bunker, are in lieu of (and not in addition to) and in full satisfaction of any and all other claims or entitlements which you have or may have upon the termination of your employment and the compliance by Bunker with these terms will affect a full and complete release of Bunker and its Affiliates from any and all claims which the you may have for whatever reason or cause in connection with your employment and the termination of it, other than those obligations specifically set out in this Agreement. In agreeing to the terms set out in this Agreement, you specifically agree to execute a formal release document to that effect and will deliver upon request appropriate resignations from all offices and positions with Bunker and its Affiliates, if, as and when requested</p>

	by Bunker upon termination of your employment within the circumstances contemplated by this Agreement.
<b>Counterparts:</b>	This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed to be an original, but all of which together will constitute one and the same agreement.
<b>Conditions:</b>	You agree that this Agreement is contingent on the following:  (a) You executing the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property Agreement attached hereto; AND  (b) Your affirmation, by signing and returning this Agreement, that you are not a party to any purported non-competition or non-solicitation agreement with any other employer. If you have such an agreement, you must provide a copy to Bunker for review. Bunker will then advise you if it is prepared to continue to offer you employment.

In order to confirm your acceptance of this Agreement with Bunker Hill Mining Corp., please sign and date where indicated below, and return an original copy of this letter to my attention no later than one week from the date hereof.

If you have any questions concerning the offer, do not hesitate to contact us directly. We look forward to hearing from you.

*[Signature and acceptance page follows]*

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**ON BEHALF OF BUNKER HILL MINING CORP.:**

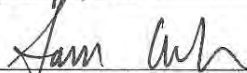
Sincerely,

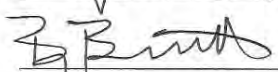
Richard Williams  
Chairman  
*I have authority to bind Bunker*

**ACCEPTANCE:**

I have received a copy of this Agreement. I have read, considered and understood and I hereby accept the terms and conditions of this Agreement. I acknowledge having been given an opportunity to obtain legal consultation and advice with respect to the terms and conditions herein, and I execute this Agreement freely and voluntarily with full understanding of its contents. This Agreement and my employment hereunder have not been induced by any representations of Bunker Hill Mining Corp. not contained herein.

Date: 4/15/2020

Signature: 

Witness: 

Name:



November 30, 2020

David Wiens  
[address omitted]

Dear David:

**Re: Employment Agreement**

Bunker Hill Mining Corp. (“**Bunker Hill**”) is pleased to confirm its offer of new employment to you on the terms provided below.

**Job Title:** Chief Financial Officer & Corporate Secretary

**Reporting to:** Board of Directors

**Commencement Date:** 12 Jan 2021

**Full time:** You will be employed on a full-time basis, for a minimum of 40 hours per week, with additional hours as required to complete your duties. You will not be entitled to overtime pay in this position. You will dedicate your full attention to the position and may not be engaged in any other business without the written consent of Bunker Hill.

**Location:** The Company, led by the CEO, is based in the Silver Valley, Idaho, USA. You will not be required to relocate there from Vancouver to fulfill your duties but you should expect to visit the office location on a regular basis, and conduct marketing and other business travel as required.

**Limitation on Authority:** Any authority you are provided to bind Bunker Hill must be granted by the Board of Directors of Bunker Hill and is subject to revocation of such authority at any time and without notice.

**Job Description:** Attached as Appendix “A” is a job description outlining your duties and responsibilities.

**Base Salary:** CAD 260,000 per annum, less statutory deductions and remittances, paid semi-monthly. Salary will be subject to review, as determined by Bunker Hill.

**Sign on Bonus**

- i) CAD 83,544, to be utilized to participate for 208,860 Units in the February 2021 non-brokered private placement financing
- ii) 273,271 stock options with an expiry of February 19, 2026 and an exercise price of \$0.335 per share, which shall vest immediately
- iii) 764,706 stock options with an expiry of February 19, 2026 and an exercise price of \$0.335 per share, which shall vest on December 31, 2021.

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- Incentive Bonus:** As an incentive bonus, and subject to achieving key performance targets, you will be eligible for an annual grant of 100% of your Base Salary with 40% awarded in cash and the remaining 60% to be awarded in Deferred Share Units which will vest in 3 equal tranches on the first, second and third anniversary of the award.
- Benefits:** You will be provided with Health and Dental Benefits provided by the Company and will be reimbursed for annual membership dues associated with the CFA and CPA designations, and fees associated with courses taken through the CPA Western School of Business to complete the CPA designation.
- Vacation:** Four weeks of vacation time per year. Salary is inclusive of vacation pay. Vacation entitlement may not be accumulated from year-to-year nor will there be payment in lieu of vacation time.
- Privacy:** You understand and agree that Bunker Hill may collect, use, or disclose personal information about you as required for those purposes necessary for the conduct of the employment relationship. Examples of these purposes include, but are not limited to:
- recruitment;
  - promotion;
  - training or career development;
  - contacting next of kin in the event of emergency;
  - employment administration;
  - benefits administration;
  - work planning and management;
  - provision of reference to potential employers, financial institutions, or educational establishments;
  - performance development reviews and other performance assessments, appraisals, etc.; and
  - photographs used for identification cards, management reports or employee announcements.
- Expenses:** It is understood and agreed that you will incur expenses in connection with the performance of your duties under this Agreement. Bunker Hill will reimburse you for any such expenses reasonably and necessarily incurred in accordance with the Travel & Expense Reimbursement Policy of Bunker Hill.
- Termination:** (a) By Bunker Hill for just cause: At any time during the term of this Agreement, Bunker Hill may terminate this Agreement and your employment for just cause, without payment of any amount whatever to you (other than accrued and unpaid salary and vacation, if any), unless otherwise required by the *Employment Standards Act* (British Columbia) (the “ESA”). Any such termination shall be by written notice to you and will be effective forthwith. The term “**just cause**” as used in this Agreement shall mean any conduct which would constitute just cause under applicable law and shall include, without limitation:
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- 1) repeated failure by you to promptly and adequately perform your duties to the satisfaction of Bunker Hill, after having been given no less than 45 days' written notice specifying the duty or duties that are not being adequately performed and providing you with an opportunity to correct any such alleged deficiency;
- 2) a material and irreparable breach of this Agreement by you that causes material harm to Bunker Hill;
- 3) significant habitual absenteeism, for which you have been put on notice; or
- 4) dishonest conduct which causes irreparable harm to Bunker Hill's goodwill or reputation.

(b) By Bunker Hill without just cause: Notwithstanding anything contained in this Agreement, this Agreement and your employment may be terminated by Bunker Hill at any time without just cause. Where your employment is terminated without just cause, Bunker Hill's sole obligation will be to provide you with the following (the "**Separation Amount**"):

- 1) six (6) month's notice of termination or pay in lieu of termination; plus
- 2) six (6) month's notice of termination or pay in lieu of notice of termination for each partial year or full year of completed employment with Bunker Hill; plus
- 3) such additional amount, if any, for minimum notice of termination or pay in lieu of such notice and severance, if any, as may be required by the ESA.

For greater certainty, where payment is made in lieu of notice, payment shall be based on the annual salary then in effect plus the target cash bonus for the current year. The total notice of termination or pay in lieu of notice of termination shall not exceed twenty-four (24 months).

By you for good reason: This Agreement may be terminated immediately by you for good reason if, without the consent of you, there is:

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- 1) a material reduction in the compensation, duties and responsibilities;
- 2) breach by Bunker Hill of any material provision of this Agreement without the breach being remedied within 30 days after notice thereof has been received by Bunker Hill; and
- 3) an election by you, at your sole and unfettered discretion, at any time within 12 months of a change of control, as defined below.

Upon such termination by you for good reason, Bunker Hill shall pay to you an amount equal to the you Separation Amount, payable in one lump sum on the date of termination and the terms regarding all unexercised and unvested stock options granted to you, as set out below shall apply.

The term "change of control", as used above shall include:

- 4) the purchase by a third party of 50% or more of the Bunker Hill's stock;
- 5) a change in the majority of Bunker Hill's Board of Directors;
- 6) a merger or consolidation, after which Bunker Hill's prior shareholders no longer control Bunker Hill; and/or
- 7) the sale of all or substantially all of Bunker Hill's assets or the liquidation of Bunker Hill.

(d) By you for any reason: This Agreement may be terminated by you at any time and for any reason by providing 120 days' written notice to the Board of Directors.

Upon termination in accordance with paragraph (b) or (c) above, all unvested and unexercised stock options granted to you shall immediately vest and become exercisable, notwithstanding any other term or provision in any stock option plan or otherwise, on the earlier of (i) the existing expiry date, and (ii) 90 days from the date of termination.

All payments or benefits set out in this "Termination" section are intended to satisfy all obligations arising out of the termination of your employment with Bunker Hill, whether statutory, contractual or at common law and, for greater certainty, shall be inclusive of any notice of termination or severance pay prescribed in the ESA, as it may from time-to-time be amended, the provisions of which are deemed to be incorporated into this Agreement; as legislation is changed, the new provisions will apply and, if greater, will prevail over the entitlements set out above.

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<b>Standards of Employment:</b>	You agree that you will adhere to all Bunker Hill's policies, rules, systems and procedures which are in place at Bunker Hill. Bunker Hill reserves the right to change the provisions of any of these at any time.
<b>Confidentiality/Non-Competition:</b>	You are required to execute the attached Confidentiality/Non-Competition Agreement as a condition of this Offer of Employment.
<b>Changes:</b>	Unless specifically amended in writing and signed by the parties, the terms of this Agreement will continue to apply notwithstanding any changes in your position, duties, reporting or other terms of employment.
<b>Return of Property:</b>	Upon termination, howsoever caused, you shall surrender to a representative of Bunker Hill, upon request, all keys, manuals, lists, correspondence, monies, supplies, employee lists, and all other material and records, or other Bunker Hill property of any kind that may be in your possession at such time. If you are an officer of Bunker Hill or any affiliate at the time of your termination, you will submit your resignation.
<b>Set-Off:</b>	You authorize Bunker Hill to deduct from any payment due to you at any time, including from a termination or severance payment, any amounts owed to Bunker Hill by reason of purchases, advances, loans or in recompense for damages to or loss of Bunker Hill's property and equipment save only that this provision shall be applied so as not to conflict with any applicable legislation.
<b>Assignment and Benefit:</b>	Bunker Hill shall have the right to assign this Agreement (including any policies or agreements referenced in this Agreement) without consideration or advance notice to you, to its successors and assigns, including without limitation, to any of its parents, subsidiaries or any of its affiliates or to any purchaser of all or substantially all of Bunker Hill's equity or assets.
<b>Entire Agreement:</b>	This Agreement supersedes and replaces all prior or contemporaneous negotiations and/or agreements made between the parties, whether oral or written and the execution of this Agreement has not been induced by, nor do any of the parties hereto rely upon or regard as material any representations or writings whatsoever not incorporated into and made a part of this Agreement. This Agreement, the agreements referenced herein, and Bunker Hill's policies and procedures as they may be changed from time to time, shall constitute the entire agreement between the parties with respect to all matters relating to your employment.
<b>Withholdings:</b>	All payments to you or other entitlements under this Agreement or accruing as a result of your employment with Bunker Hill shall be less applicable withholdings and deductions.

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- Modification:** Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void
- Headings:** The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.
- Governing Law:** This Agreement shall be construed in accordance with the laws of the Province of British Columbia and any disputes or differences under this Agreement shall be determined under the exclusive jurisdiction of the British Columbia Supreme Court.
- Satisfaction of all Claims:** The terms set out in this Agreement, provided that such terms are satisfied by Bunker Hill, are in lieu of (and not in addition to) and in full satisfaction of any and all other claims or entitlements which you have or may have upon the termination of your employment and the compliance by Bunker Hill with these terms will affect a full and complete release of Bunker Hill and its Affiliates from any and all claims which the you may have for whatever reason or cause in connection with your employment and the termination of it, other than those obligations specifically set out in this Agreement. In agreeing to the terms set out in this Agreement, you specifically agree to execute a formal release document to that effect and will deliver upon request appropriate resignations from all offices and positions with Bunker Hill and its Affiliates, if, as and when requested by Bunker Hill upon termination of your employment within the circumstances contemplated by this Agreement.
- Counterparts:** This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed to be an original, but all of which together will constitute one and the same agreement.
- Conditions:** You agree that this Agreement is contingent on the following:
- (a) You agreeing to enter into the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property Agreement attached as Appendix "B"; and
  - (b) Your affirmation, by signing and returning this Agreement, that you are not a party to any purported non-competition or non-solicitation agreement. If you have such an additional agreement, you must provide a copy to Bunker Hill for review. Bunker Hill will then advise you if it is prepared to continue to offer you employment.

In order to confirm your acceptance of this Agreement with Bunker Hill please sign and date where indicated below, and return an original copy of this letter to my attention.

If you have any questions concerning the offer, do not hesitate to contact us directly. We look forward to hearing from you.

Sincerely,

Sam Ash, Chief Executive Officer

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**ACCEPTANCE:**

I have received a copy of this Agreement. I have read, considered and understood and I hereby accept the terms and conditions of this Agreement. I acknowledge having been given an opportunity to obtain legal consultation and advice with respect to the terms and conditions herein, and I execute this Agreement freely and voluntarily with full understanding of its contents. This Agreement and my employment hereunder have not been induced by any representations of Bunker Hill Mining Corp. not contained herein.

Date: December 1, 2020

Signature: /s/ David Wiens

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## APPENDIX “A”

### JOB DESCRIPTION Chief Financial Officer

#### A. Financial & Organizational Management Functions

- When required, participate with the CEO and other members of senior management in the Company’s strategic planning process and in designing and implementing the Company’s overall financial plans, policies and procedures.
- Assist as required in negotiating the terms of equity and debt financings, and in the case of the latter, ensure the Company’s compliance with debt covenants.
- Monitor cash balances, precious metal inventory and ongoing treasury functions including all banking and borrowing relationships.
- Manage the Company’s cash investments to ensure they are earning maximum returns commensurate with the Company’s need to not expose its capital to undue risk, and also while maintaining appropriate levels of liquidity to enable financial liabilities to be discharged on a timely basis.
- Develop and implement policies and procedures to ensure that internal controls are in place, and specifically financial/budgetary, cash flow and inventory controls.
- Manage income tax planning and reporting, including the timely preparation of annual corporate tax returns for the Company and the filing of applications for tax credits available to the Company.
- Develop and maintain risk management practices that ensure that neither the Company nor its key personnel are financially exposed to avoidable risk.
- Review and provide comments on a timely basis on all press releases containing financial information.
- Establish, implement and monitor regulatory oversight and compliance functions.
- Oversee vault operations and vaulting relationships.
- Develop, monitor and maintain appropriate insurance coverages for all aspects of the Company’s consolidated business.
- Assist in the management of the Company’s operating subsidiaries.
- Manage filings and administration of the Company’s intellectual property portfolio.
- Liaison with regulatory officials on behalf of the Company as required.
- Prepare and complete presentations to investors.
- Work with external advisors, auditors and legal counsel of the Company as required.

#### B. Financial Reporting

- Establish, administer and monitor bookkeeping services for full cycle accounting including invoice review, the processing of payments and cheque preparation, updating and reconciliation of accounting records and reconciliation of bank accounts on a monthly basis.
  - Prepare consolidated financial statements and management’s discussion and analysis, as well as accompanying regulatory CEO/CFO certifications, for timely filing with regulatory authorities on a quarterly and annual basis.
  - Oversee the design, implementation and evaluation of the Company’s disclosure controls and procedures and internal controls over financial reporting, in concert with the CEO and in accordance with the certification requirements of National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings.
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- Prepare annual budgets for general and administrative expenditures and, in consultation with the COO (and CEO, as appropriate), prepare an annual budget for expenditures.
- Prepare monthly or quarterly reports, as appropriate, including budget-to-actual expenditure comparisons for distribution to senior management and the Board.
- Prepare and disseminate monthly cash position and cash forecast reports.
- Preparation of working papers for the Company's external auditor.
- Preparation of working papers for the Company's auditors and management of the annual audit engagement.

C. Securities Law Compliance & Corporate Matters

- Oversee, monitor and ensure delivery of the following securities law compliance & corporate matters:
    - (i) Continuous Disclosure
      - Monitoring of dates for the filing of interim and annual financial statements, MD&As and AIFs to comply with NI 51-102 and the Business Corporations Act
      - Monitoring of dates for the calling of the annual meeting of shareholders to comply with NI 54-101 and the Business Corporations Act
      - Assist in the dissemination of press releases and review drafting if required
      - Preparation of standard material change reports as instructed
    - (ii) Meetings of Boards of Directors and Committees
      - Preparation and sending of notices of meetings
      - Setting up telephone conference details for meetings if required
      - Preparation of meeting agendas
      - Attendance in person or by conference telephone at board and committee meetings
      - Drafting of minutes of the meetings for circulation to the board of directors or committee members
    - (iii) Annual Meetings of Shareholders
      - Compliance with National Instrument 54-101 for Annual Meeting within Toronto downtown core consisting of appointment of auditor, election of directors and up to two items of special business
      - Assistance with organization of printing and mailing of the management proxy materials
      - Preparation of the chairman's script for the annual meeting
      - Attendance at the annual meeting of a reasonable duration in the capacity as recording secretary
      - Preparation of minutes of the annual meeting
    - (iv) Stock Options
      - Administration of schedule of outstanding stock options
      - Preparation of resolution approving the grant of options
      - Filing monthly forms detailing the grants with the TSX
      - Preparation of stock option agreements for each grant of options
      - Preparation of treasury direction upon exercise of options
    - (v) Exchange and Corporate Compliance
      - Preparation and filing of all reports prescribed by applicable stock exchanges
    - (vi) Insider Reporting
      - Preparation of Insider Reports for the Company's insiders
  - Monitor and manage all policies and procedures prescribed by Corporate Governance Manual
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**APPENDIX "B"**

**AGREEMENT REGARDING CONFIDENTIALITY, NON-SOLICITATION,  
NON COMPETITION AND INTELLECTUAL PROPERTY**

**WHEREAS** ▲ (herein the "**Employee**"), and Bunker Hill Mining Corp. (herein "**Bunker Hill**") desire to enter into a contractual relationship;

**AND WHEREAS** the Employee will necessarily be involved, as a consequence of his or her duties as an employee, with information and processes, the disclosure of which could be to the great detriment of Bunker Hill, its affiliates (including without limitation Net Transactions Limited), subsidiaries and related entities (collectively, "**Bunker Hill Group**");

**NOW THEREFORE**, in consideration of Bunker Hill's entering into a contractual relationship with the Employee, and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged, the parties agree as follows:

**1. Confidential Information**

- A) "**Confidential Information**" as used in this Agreement includes but is not limited to information emanating from or relating to Bunker Hill Group, its associates, employees, agents, suppliers or customers, or conceived or developed by the Employee concerning (i) property information and technical data, (ii) market information and marketing plans and strategies, (iii) joint venture partners, strategic partners, shareholders and investors, (iv) research, development, industrial and intellectual property rights, and (v) records, statistics, financial information, strategies, training and promotional policies, profits, costs, pricing and sourcing.
- B) The Employee acknowledges that such Confidential Information could be used to the detriment of Bunker Hill Group and that the disclosure of such Confidential Information could cause irreparable harm to Bunker Hill Group. Accordingly, the Employee undertakes to treat confidentially all Confidential Information and not to disclose or provide it to any third party or to use it for any purpose either during the Employee's tenure except as may be necessary in the proper discharge of the Employee's duties, or for any reason after the conclusion of the Employee's relationship with Bunker Hill Group.

**2. Ownership and Assignment of Intellectual Property**

- A) All notes, data, computer files, reference items, sketches, drawings, memoranda, records and other materials (including tools and data), in any way relating to any of the Confidential Information or to Bunker Hill Group's business, produced by the Employee or coming into the Employee's possession by or through the Employee's relationship with Bunker Hill, shall belong exclusively to Bunker Hill. The Employee agrees to turn over to Bunker Hill all copies (including hard and electronic) of any such materials in his possession or under his or her control, forthwith, at the request of Bunker Hill or, in the absence of a request, on the date his contractual relationship with Bunker Hill ends.
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- B) “**Subject Inventions**” shall include all inventions, improvements or discoveries made or conceived by the Employee during the Employee’s relationship with Bunker Hill Group (including, for greater certainty, pursuant to the employment relationship contemplated hereby, and any past or present employment, independent contractor, or advisory relationship between the Employee and any Bunker Hill Group Member as of the date hereof), either solely or jointly with others, arising out of or in any way connected to the Employee’s employment or with the use of Bunker Hill Group’s time, equipment, material, supplied facilities, or related to or suggested by trade secret information or other private or Confidential Information or related to Bunker Hill Group’s actual or demonstrably anticipated research and development acquired by the Employee during the term of the Employee’s relationship with Bunker Hill Group.
- C) The Employee agrees (i) to disclose fully, promptly and in writing the existence of and details of all Subject Inventions, (ii) that Subject Inventions are the sole and exclusive property of Bunker Hill, (iii) upon receipt of the written request of Bunker Hill, to assign to Bunker Hill, in a form and manner acceptable solely to Bunker Hill, all of the Employee’s rights (including where applicable moral rights), title and interest in and to all Subject Inventions, and (iv) upon receipt of the written request of Bunker Hill, to provide all assistance necessary, both during and after the Employee’s contractual relationship to enable Bunker Hill to successfully defend (or prosecute as the case may be), any litigation arising out of a dispute related to Subject Inventions.

**3. Non-Competition and Non-Solicitation**

- A) The Employee agrees that, during his employment with Bunker Hill Group and for twelve (12) months from the date the Employee’s employment with Bunker Hill Group ends for any or no reason (including, without limitation, a termination by Bunker Hill Group without just cause), the Employee will not, directly or indirectly, or in any capacity whatsoever, including but not limited to, as an employee, principal, partner, agent, consultant, advisor or shareholder (holding more than 1% of issued and outstanding shares of) or in partnership or association with, any other person, firm, corporation, association or other entity:
- i) own, operate, manage, appraise, lease, finance, sell, acquire and/or bid to own, operate, manage, appraise, lease, finance, sell or acquire, any business in direct competition with the Bunker Hill Group, or
  - ii) make or attempt to make any offer of employment or partnership to any employee of Bunker Hill Group or anyone who was employed by Bunker Hill Group at any time during the six (6) months preceding the date that the Employee’s employment with Bunker Hill Group ended, or
  - iii) represent, solicit, visit or otherwise contact any shareholder or business partner or prospective shareholder or business partner for the purpose of diverting such contact away from Bunker Hill Group or otherwise for any purpose competitive with or detrimental to the business of Bunker Hill Group.

**4. Enforcement of this Agreement**

- A) The Employee agrees that the restrictions and covenants contained in this Agreement are reasonably required for the protection of Bunker Hill Group and its goodwill, and that the Employee’s Agreement to same constitute a material inducement to Bunker Hill to enter into or amend for the benefit of the Employee a contractual relationship with the Employee and that Bunker Hill would not contract with the Employee absent such an inducement.
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- B) The Employee understands and agrees, without prejudice to any and all other rights of Bunker Hill Group, that in the event of his violation or attempted violation of any of the covenants contained in this Agreement, an injunction or other like remedy shall be the only effective method to protect Bunker Hill Group's rights and property as set out above, and that an interim injunction may be granted immediately on the commencement of any suit.
- C) In the event that any clause herein should be unenforceable or be declared invalid for any reason whatsoever, such enforceability or invalidity shall not affect the enforceability or validity of the remaining portions of the covenants and such unenforceable or invalid portions shall be severable from the remainder of the Agreement.
- D) This Agreement shall be construed in accordance with the laws of the Province of British Columbia and any disputes or differences under this Agreement shall be determined under the exclusive jurisdiction of the British Columbia Supreme Court.

IN WITNESS WHEREOF the Parties have executed this Agreement this \_\_\_\_ day of December, 2020.

**BUNKER HILL INC.**

Per: \_\_\_\_\_  
● President & Chief Executive Officer

**SIGNED, SEALED AND DELIVERED**

In the Presence of:

Witness \_\_\_\_\_ ● \_\_\_\_\_

\_\_\_\_\_

List of Subsidiaries

Silver Valley Metals Corp., an Idaho corporation

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**CERTIFICATION**

I, Sam Ash, certify that:

1. I have reviewed this annual report on Form 10-K of Bunker Hill Mining Corp. (formerly Liberty Silver 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 (the registrant's fourth fiscal 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(s) 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 registrant's board of directors (or persons performing the equivalent functions):
  - (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 31, 2021

/s/ Sam Ash

Chief Executive Officer, Principal Executive Officer, Director

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**CERTIFICATION**

I, David Wiens, certify that:

1. I have reviewed this annual report on Form 10-K of Bunker Hill Mining Corp. (formerly Liberty Silver 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 (the registrant's fourth fiscal 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(s) 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 registrant's board of directors (or persons performing the equivalent functions):
  - (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 31, 2021

*/s/ David Wiens*

Chief Financial Officer, Principal Financial Officer, Principal Accounting Officer

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**Certification of the Principal Executive Officer  
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. (formerly Liberty Silver Corp.) (the "Company") on Form 10-K for the six months ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Sam Ash, the Chief Executive Officer of the Company, hereby certifies, 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 the Company.

*/s/ Sam Ash*

\_\_\_\_\_  
Chief Executive Officer, Principal Executive Officer, Director

Date: March 31, 2021

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**Certification of the Principal Financial Officer  
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. (formerly Liberty Silver Corp.) (the "Company") on Form 10-K for the six months ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David Wiens, the Chief Financial Officer of the Company, hereby certifies, 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 the Company.

*/s/ David Wiens*

\_\_\_\_\_  
Chief Financial Officer, Principal Financial Officer, Principal  
Accounting Officer  
Date: March 31, 2021

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