

Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Securities

Units (the “**Units**”), with each Unit consisting of one share (a “**Share**”) of the common stock (the “**Common Stock**”) of Bunker Hill Mining Corp. (the “**Issuer**”) and one common share purchase warrant (a “**Warrant**”), with each Warrant entitling the holder to acquire one additional share of Common Stock at a price of C\$0.45 per share a period of three years from closing.

Issuer

Bunker Hill Mining Corp. (formerly, Liberty Silver Corp.)
Suite 2702, 401 Bay Street, Toronto, Ontario M5H 2Y4

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The Issuer completed a private placement of Units consisting of Shares and Warrants.

Item 2 – Identity of the Acquiror

- 2.1 State the name and address of the acquiror.**

Name of Acquiror

Valuestone Global Resources Fund I LP (the “**Acquiror**”), through its special purpose vehicle and wholly owned subsidiary, Gemstone 102 Ltd. (“**Holdco**”).

Address of Acquiror

103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands

- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On August 9, 2018, the Acquiror acquired beneficial ownership of 1,604,076 Units for at a purchase price of C\$0.45 per Unit, for an aggregate purchase price of C\$ 721,834. The 1,604,076 Units were comprised of 1,604,076 Shares and 1,604,076 Warrants.

The Units were purchased pursuant to a subscription agreement entered into between the Issuer and Holdco (the “**Subscription Agreement**”).

2.3 State the names of any joint actors.

None.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

The Acquiror acquired by private placement 1,604,076 Shares and 1,604,076 Warrants. Prior to the issuance of the Units, Gemstone held 4,000,000 common shares of Bunker and 2,000,000 warrants (“Prior Warrants”) exercisable at a price of \$2.00 per share. Immediately prior to closing, the Prior Warrants were early terminated by mutual agreement of the Company and Gemstone. Upon issuance of the 1,604,076 Units to Gemstone, Gemstone beneficially owns or exercises control or direction over 5,604,076 common shares of Bunker representing 16.2% of the issued and outstanding shares. Assuming exercise of the Unit Warrants, Gemstone would hold 7,208,152 of the outstanding common shares of Bunker, representing 19.9% of the issued and outstanding common shares of Bunker.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

The Acquiror acquired ownership of the Units.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Immediately before the private placement, the Acquiror held 4,000,000 Shares, representing 12.1% of the outstanding shares of the Issuer’s Common Stock, and held 2,000,000 Warrants, representing 52% of the Warrants issued in connection with the private placement. The Prior Warrants were early terminated immediately prior to the private placement.

Immediately after the private placement, the Acquiror held 5,604,076 Shares, representing 16.2% of the outstanding shares of the Issuer’s Common Stock, and held 1,604,076 Warrants, representing 21.67% of the Warrants issued and outstanding.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which:

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

The Acquiror has ownership and control of the 5,604,076 Shares, representing 16.2% of the outstanding shares of the Issuer's Common Stock, and 1,604,076 Warrants, representing 21.67% of the Warrants issued and outstanding.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The consideration paid by the Acquiror and received by the Issuer was C\$0.45 per Unit or C\$721,834 for the 1,604,076 Units.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

The Acquiror paid the Issuer cash of C\$0.45 per unit or \$721,834 for the 1,604,076 units.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**

- (f) **a material change in the reporting issuer's business or corporate structure;**
- (g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

The Acquiror acquired the Units of the Issuer for investment purposes. In pursuing such purposes, the Acquiror takes a long-term view of its investment. It reserves the right to formulate other plans or make other proposals, and take such actions with respect to its investment in the Issuer. Depending on market conditions and other factors, the Acquiror may acquire additional shares of Common Stock of the Issuer as the Acquiror may deem appropriate, whether in open market purchases, privately negotiated transactions or otherwise. The Acquiror may dispose of some or all of such shares or warrants. The Acquiror may also reconsider and change its plans or proposals relating to the foregoing.

The Investor Rights Agreement was entered into on December 04, 2017. The Investor Rights Agreement provides the Acquiror, through Holdco, with certain rights including rights to participate in future financings on a pro-rate basis, rights to nominate one director, registration rights and information rights. These rights include the following, which will survive until the Acquiror's percentage in the Issuer at any time following the date that is one year from December 5, 2017 falls below 2% for a continuous period of at least 30 days:

- (a) subject to any required regulatory approval, the Acquiror has the right to purchase shares that the Issuer sells in a financing such that the Acquiror may maintain its percentage holding in the Issuer;
- (b) subject to any required regulatory approval, the Acquiror has the right to purchase shares that the Issuer issues in a non-cash transaction such that the Acquiror may maintain its percentage holding in the Issuer;
- (c) the Acquiror has the right to designate one individual to serve as director on the Issuer's board of directors, based on there being at least four members on the board of directors;
- (d) as long as the Acquiror's percentage in the Issuer remains at 5% or more, the Acquiror is entitled to require the Issuer to file a registration statement with the US Securities and Exchange Commission with respect to the resale of registrable securities by the Acquiror; and
- (e) as long as the Acquiror's percentage in the Issuer remains at 2% or more, the Acquiror has the right to request such financial information as it may reasonably need to prepare financial statements.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The material terms of the Investor Rights Agreement is summarized above in Item 6.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

The Acquiror purchased the Units in reliance on the exemption under Section 2.3 (Minimum Amount Investment) of National Instrument 45-106 – *Prospectus Exemptions*. The Acquiror is not an individual, purchased as principal, the securities had an acquisition cost of not less than \$150,000 paid in cash at the time of the distribution and the distribution is of a security of a single issuer.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

I, as the Acquiror, certify, or I, as the agent filing this report on behalf of an Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

October 4, 2018 _____
Date

Gemstone 102 Ltd

Stephen Yip

Signature

[Stephen Yip/Director](#)

Name/Title