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

**FORM 10-K/A  
(Amendment No. 1)**

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

For the fiscal year ended December 31, 2022

OR

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

For the transition period from            to

Commission file number: 333-150028

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**BUNKER HILL MINING CORP.**

(Exact name of registrant as specified in its charter)

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**Nevada**

(State of other jurisdiction of  
incorporation or organization)

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**32-0196442**

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

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

(Address of principal executive offices)

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**M5C 1P1**

(Zip Code)

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**(416) 477-7771**

(Registrant's Telephone Number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: **None**

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: **None**

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

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

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

Indicate by check mark whether the Registrant has submitted electronically 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

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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.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

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As of December 31, 2022, the aggregate market value of the voting and non-voting shares of common stock of the registrant issued and outstanding on such date, excluding shares held by affiliates of the registrant as a group, was \$28,804,983.

Number of shares of Common Stock outstanding as of April 17, 2023: 256,099,173.

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## EXPLANATORY NOTE

Bunker Hill Mining Corp. (the "Company") is filing this Amendment No. 1 (this "Amendment") to its Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the U.S. Securities and Exchange Commission on April 17, 2023 (the "Original Form 10-K"). The purpose of this Amendment is (i) to amend Item 2 of Part I of the Original Form 10-K to include a property map for the Bunker Hill Mine, (ii) to amend Item 2 of Part I of the Original Form 10-K to include a description of the internal controls that the Company uses in its exploration and mineral resource and reserve estimation efforts, (iii) to amend Table 1-1 in Item 2 of Part I of the Original Form 10-K to include a footnote indicating that the point of reference for mineral resources is in situ mineralization, (iv) to amend Item 9A of Part II of the Original Form 10-K to identify the framework (i.e., *Internal Control – Integrated Framework (2013)*) issued by the Committee of Sponsoring Organizations of the Treadway Commission) that management used to evaluate the effectiveness of internal control over financial reporting, and (v) to amend the certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 to refer to the correct fiscal year end of December 31, 2022.

The certifications required under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 that were filed and furnished, respectively, as Exhibits 31.1 and 31.2 and Exhibits 32.1 and 32.2 to the Original Filing have been re-executed and re-filed as of the date of this Amendment and are included as Exhibits 31.3 and 31.4 and Exhibit 32.3 and 32.4. Item 15 of Part IV of the Original Filing has been amended to reflect the new certifications.

Except as described above, no changes have been made to the Original Form 10-K, and this Amendment does not amend, update or change any other items or disclosures in the Original Form 10-K. The Original Form 10-K continues to speak as of its original filing date. This Amendment does not reflect subsequent events occurring

after the filing date of the Original Form 10-K or modify or update in any way disclosures in the Original Form 10-K.

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

Bunker Hill Mining Corp. ("Bunker Hill," "we," "us," "our" or the "Company") is a U.S. domestic issuer for U.S. Securities and Exchange Commission ("SEC") purposes, it is required to report its financial results under U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), and its shares of common stock trade on the Canadian Securities Exchange (the "CSE") and the OTCQB Venture Market. However, certain prior regulatory filings made in Canada contain or incorporate by reference therein certain disclosure that satisfies the additional requirements of Canadian securities laws, which differ from the requirements of United States' securities laws. Unless otherwise

indicated, all resource estimates included in those Canadian filings, and in the documents incorporated by reference therein, had been prepared in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

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

The terms “mineral reserve,” “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with NI 43-101 and CIM standards. Pursuant to S-K 1300, the SEC now recognizes estimates of “measured mineral resources,” “indicated mineral resources” and “inferred mineral resources.” In addition, the SEC has amended its definitions of “proven mineral reserves” and “probably mineral reserves” to be substantially similar to the corresponding standards of the CIM.

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

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

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

## PART I

### ITEM 1. BUSINESS

#### **Our Business**

##### *Overview*

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

In early 2020, a new management team comprised of former executives from Barrick Gold Corp. assumed leadership of the Company. Since that time, the Company conducted multiple exploration campaigns, published multiple economic studies and Mineral Resource Estimates, and advanced the rehabilitation and development of the Mine. In December 2021, it announced a project finance package with Sprott Private Resource Streaming &

Royalty Corp. (“Sprott”), an amended Settlement Agreement with the U.S. Environmental Protection Agency (“the EPA”), and the purchase of the Bunker Hill Mine, setting the stage for a rapid restart of the Mine.

In January 2022, with the closing of the purchase of the Bunker Hill Mine, the funding of the \$8,000,000 Royalty Convertible Debenture and \$6,000,000 Series Convertible Debenture, and the announcement of an Memorandum (“MOU”) for the purchase of the Pend Oreille process plant from a subsidiary of Teck Resources Limited, the Company embarked on a program of activities with the goal of achieving a restart of the Mine. Key milestones and achievements from January 2022 onwards have included the closing of the purchase of the Pend Oreille process plant, the demobilization of the process plant to the Bunker Hill site, the completion of demolition activities at the Pend Oreille site, a Prefeasibility Study envisaging the restart of the Mine, and the completion of the primary portion of the ramp decline connecting the 5 and 6 Levels of the Bunker Hill Mine.

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

#### *Lease and Purchase of the Bunker Hill Mine*

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

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

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

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

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

#### *EPA 2018 Settlement Agreement & 2021 Amended Settlement Agreement*

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

- Payment of \$20,000,000 for historical water treatment cost recovery for amounts paid by the EPA from 1995 to 2017

- Payment for water treatment services provided by the EPA at the Central Treatment Plant (“CTP”) in Kellogg, Idaho until such time that Bunker Hill either purchases or leases the CTP or builds a separate EPA-approved water treatment facility
- Conducting a work program as described in the Ongoing Environmental Activities section of this study

In December 2021, in conjunction with its intention to purchase the mine complex, the Company entered into an amended Settlement Agreement (the “Amendment”) between the Company, Idaho Department of Environmental Quality, US Department of Justice and the EPA modifying the payment schedule and payment terms for recovery of historical environmental response costs at Bunker Hill Mine incurred by the EPA. With the purchase of the mine in early 2022, the remaining payments of the EPA cost recovery liability were assumed by the Company, resulting in a total of \$19,000,000 liability to the Company, an increase of \$8,000,000. The new payment schedule included a \$2,000,000 payment to the EPA within 30 days of execution of this amendment, which was made.

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

<b>Date</b>	<b>Amount</b>
November 1, 2024	\$ 3,000,000
November 1, 2025	\$ 3,000,000
November 1, 2026	\$ 3,000,000
November 1, 2027	\$ 3,000,000
November 1, 2028	\$ 3,000,000
November 1, 2029	\$ 2,000,000 plus accrued interest

The resumption of payments in 2024 was agreed in order to allow the Company to generate sufficient revenue from mining activities at the Bunker Hill Mine to address remaining payment obligations from free cash flow.

The changes in payment terms and schedule were contingent upon the Company securing financial assurance in the form of performance bonds or letters of credit deemed acceptable to the EPA totaling \$17,000,000, corresponding to the Company’s cost recovery obligations to be paid in 2024 through 2029 as outlined above. Should the Company fail to make its scheduled payment, the EPA can draw against this financial assurance. The amount of the bonds or letters of credit will decrease over time as individual payments are made. If the Company failed to post the final financial assurance within 180 days of the execution of the Amendment, the terms of the original agreement would be reinstated.

In June 2022, the Company was successful in obtaining financial assurance. Specifically, a \$9,999,000 payment bond and a \$7,001,000 letter of credit were secured and provided to the EPA. This milestone provides for the Company to recognize the effects of the change in terms of the EPA liability as outlined in the December 20, 2021, agreement. Once the financial assurance was put into place, the restructuring of the payment stream under the Amendment occurred with the entire \$17,000,000 liability being recognized as long-term in nature. The aforementioned payment bond and letter of credit were secured by \$2,475,000 and \$7,001,000 of cash deposits, respectively as of September 30, 2022.

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

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

On December 20, 2021, the Company executed a non-binding term sheet outlining a \$50,000,000 project finance package with Sprott Private Resource Streaming and Royalty Corp. (“Royalty”). The non-binding term sheet with

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

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

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

Concurrent with the funding of the CD2 in June 2022, the Company and SRSR agreed to a number of amendments to the terms of the RCD, including an amendment of the maturity date from July 7, 2023, to March 31, 2025. The parties also agreed to a Royalty Put Option such that in the event the RCD is converted into a royalty as described above, the holder of the royalty will be entitled to resell the royalty to the Company for \$8,000,000 upon default under the CD1 or CD2 until such time that the CD1 and CD2 are paid in full.

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

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

The Company closed the \$15,000,000 CD2 on June 17, 2022. The CD2 bears interest at an annual rate of 10.5%, payable in cash or shares at the Company’s option, and matures on March 31, 2025. The CD2 is secured by a pledge of the Company’s properties and assets. The repayment terms include 3 quarterly payments of \$2,000,000 each beginning June 30, 2024, and \$9,000,000 on the maturity date. Concurrent with the funding of the CD2 in June 2022, the Company and SRSR agreed that the minimum quantity of metal delivered under the Stream, if advanced, will increase by 10% relative to the amounts noted above.

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

A minimum of \$27,000,000 and a maximum of \$37,000,000 (the “Stream Amount”) will be made available under the Stream, at the Company’s option, once the conditions of availability of the Stream have been satisfied including confirmation of full project funding by an independent engineer appointed by SRSR. If the Company draws the maximum funding of \$37,000,000, the Stream will apply to 10% of payable metals sold until a minimum

quantity of metal is delivered consisting of, individually, 63.5 million pounds of zinc, 40.4 million pounds of lead, and 1.2 million ounces of silver (including amendments agreed concurrent with closing of the CD2 and Bridge Loan, as described above). Thereafter, the Stream would apply to 2% of payable metals sold. If the Company elects to draw less than \$37,000,000 under the Stream, the percentage and quantities of payable metals streamed will adjust pro-rata. The delivery price of streamed metals will be 20% of the applicable spot price. The Company may buy back 50% of the Stream Amount at a 1.40x multiple of the Stream Amount between the second and third anniversary of the date of funding, and at a 1.65x multiple of the Stream Amount between the third and fourth anniversary of the date of funding.

As of December 31, 2022, the Stream had not been advanced. The Company is finalizing discussions with Sprott regarding the advance of the Stream, which is conditional on satisfactory conclusion of the definitive documentation relating to the Stream, full project funding for the Bunker Hill Mine and certain other conditions precedent.

Concurrent with discussions with Sprott regarding the advance of the Stream, the Company is advancing efforts to secure offtake financing of up to \$20 million from third parties to complement the Stream in financing the restart of the Bunker Hill Mine.

#### *Process Plant*

On January 25, 2022, the Company announced that it had entered into a non-binding Memorandum of Understanding (“MOU”) with Teck Resources Limited (“Teck”) for the purchase of a comprehensive package of equipment and parts inventory from its Pend Oreille site (the “Process Plant”) in eastern Washington State, approximately 145 miles from the Bunker Hill Mine by road. The package comprises substantially all processing equipment of value located at the site, including complete crushing, grinding and flotation circuits suitable for a planned ~1,500 ton-per-day operation at Bunker Hill, and total inventory of nearly 10,000 components and parts for mill, assay lab, conveyer, field instruments, and electrical spares. The Company paid a \$500,000 non-refundable deposit in January 2022.

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

On August 30, 2022, the Company entered into an agreement to purchase a ball mill from D’Angelo International LLC for \$675,000. The purchase of the mill is to be made in three cash payments. The first two payments were made as follows:

- \$100,000 on September 15, 2022, as a non-refundable deposit
- \$100,000 on October 13, 2022, as a refundable deposit

The Company has not made the final payment of \$475,000 as of the issuance of this report.

#### **Business Operations**

The Mine is a zinc-lead-silver Mine. When back in production, the Company intends to mill mineral resources on-site to produce both zinc and lead-silver concentrates which will then be shipped to a third-party smelter for processing.

#### Infrastructure

The Mine includes all mining rights and claims, surface rights, fee parcels, mineral interests, easements, existing infrastructure at Milo Gulch, and the majority of machinery and buildings at the Kellogg Tunnel portal level, as well as all equipment and infrastructure anywhere underground at the Bunker Hill Mine Complex. It also includes

all current and historic data relating to the Bunker Hill Mine Complex, such as drill logs, reports, maps, and similar information located at the Mine site or any other location. For further detail, please refer to the “Project Infrastructure” section in Item 2 below.

### Government Regulation and Approval

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

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

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

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

### Property Description

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

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

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

### Competition

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

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

## Employees

The Company has ten employees. 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 and development stage company and has incurred losses since its inception. The Company has incurred losses resulting in an accumulated deficit of \$71,592,559 as of December 31, 2022 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 short-term obligations, continue its operations and remain in compliance with its debt agreements.***

Neither the Company nor any of the directors of the Company nor any other party can provide any guarantee or assurance that the Company will be able to raise sufficient capital to satisfy the Company's short-term obligations. The Company does not have sufficient funds to satisfy its short-term financial obligations, even after consideration of its recently completed equity financing. As at December 31, 2022, the Company had \$708,105 in cash and total current liabilities of \$10,155,582 and total liabilities of \$59,106,835. The Company will likely require additional capital by the end of the second quarter of 2023 in order to continue its operations. Further, if the Company does not raise sufficient additional capital, the Company will be in breach of its debt agreements, including under the RCD, CD1, CD2 and Bridge Loan.

#### ***The Company may not be able to secure the Stream or alternative funding from Sprott or another capital provider.***

Neither the Company nor any of the directors of the Company nor any other party can provide any guarantee or assurance that the Stream, the final contemplated tranche of the full \$66,000,000 project financing package, will be finalized or close, or any other funding from Sprott. The Stream remains subject to Sprott internal approvals, full project funding, further technical and other due diligence and satisfactory documentation. If the Stream, or a portion thereof, does not close there is no guarantee that alternative capital can be raised on terms favorable to the Company, or at all.

Any additional equity funding, for which there can be no guarantee or assurance with regard to any amount or terms thereof, will dilute existing shareholders.

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

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

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

On February 28, 2023, the Company announced that primarily due to the inability to procure certain long-lead items that were planned to be ordered by February 2023, and longer estimated delivery times thereof, the Company now expects the Bunker Hill Mine restart to be achieved in 2024. On March 10, 2023, the Company announced that it has maintained the integrity of its total pre-production budget, under the assumption of first concentrate production in the second quarter of 2024.

In the event that the Company is unable to secure sufficient funding to materially advance the restart of the Mine in the second quarter of 2023, from Sprott or an alternative capital provider, it is likely that the restart timeline will be further delayed with a potentially materially adverse effect on the pre-production budget.

Notwithstanding financing-related risks, the Company's pre-production budget estimates are subject to change based on factors beyond its control, including but not limited to cost inflation and supply chain dynamics. An increase in the Company's pre-production budget estimates could have a materially adverse impact on its ability to secure project financing. This could have a material adverse effect on its financial condition, results of operations, or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on the Company's ownership or share structure. Sales of a large number of shares of 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, or if available, available upon terms acceptable to the Company. There is no assurance that the Company will be able to continue to raise equity capital or to secure additional debt financing, or that the Company will not continue to incur losses.

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

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

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

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

- completion of studies to verify reserves and commercial viability, including the ability to find sufficient ore reserves to support a commercial mining operation;
- the timing and cost, which can be considerable, of further exploration, preparing feasibility studies, 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:

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

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

***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 or some future variant would 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.

***The Russia/Ukraine crisis, including the impact of sanctions or retributions thereto, could adversely affect the Company's business.***

The Company's operations could be adversely affected by the effects of the escalating Russia/Ukraine crisis and the effects of sanctions imposed against Russia or that country's retributions against those sanctions, embargos or further-reaching impacts upon energy prices, food prices and market disruptions. The Company cannot accurately predict the impact the crisis will have on its operations and the ability of contractors to meet their obligations with the Company, including uncertainties relating the severity of its effects, the duration of the conflict, and the length and magnitude of energy bans, embargos and restrictions imposed by governments. In addition, the crisis could adversely affect the economies and financial markets of the United States in general, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. Additionally, the Company cannot predict changes in precious metals pricing or changes in commodities pricing which may alternately affect the Company either positively or negatively.

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

The Company is in the development stage.

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

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

- economically insufficient mineralized material;
- fluctuation in production costs that make mining uneconomical;
- labor disputes;

- unanticipated variations in grade and other geologic problems;
- environmental hazards;
- water conditions;
- difficult surface or underground conditions;
- industrial accidents;
- metallurgic and other processing problems;
- mechanical and equipment performance problems;
- failure of dams, stockpiles, wastewater transportation systems, or impoundments;
- unusual or unexpected rock formations; and
- personal injury, fire, flooding, cave-ins and landslides.

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

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

The price of commodities varies on a daily basis. The Company's future revenues, if any, will likely be derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond 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 development and production plans, and cost estimates, in the Technical Report Summary may vary and/or not be achieved.***

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

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

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

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

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

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

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

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 mineral resources/reserves within the earth using statistical sampling techniques. Estimates of any mineral resource/reserve on the Mine would be made using samples obtained from appropriately placed trenches, test pits, underground workings, and 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 mineral resources/reserves. If these estimates were to prove to be unreliable, the Company could implement an exploitation plan that may not lead to commercially viable operations in the future.

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

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

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

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

- the identification of potential mineralization based on surficial analysis;
- availability of government-granted exploration permits;
- the quality of 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, development of the Mine, do and will require permits from governmental authorities and will be governed by laws and regulations, including:

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

Specifically, it may be necessary to obtain the following environmental 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

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

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

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

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

Both mineral exploration and extraction require permits from various federal, state, and local governmental authorities and are governed by laws and regulations, including those with respect to prospecting, mine development, mineral production, transport, export, taxation, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that the Company will be able to obtain or maintain any of the permits required for the exploration of the mineral

properties or for the construction and operation of the Mine at economically viable costs. If the Company cannot accomplish these objectives, its business could fail. The Company believes that it is in compliance with all material laws and regulations that currently apply to its activities but there can be no assurance that the Company can continue to remain in compliance. Current laws and regulations could be amended, and the Company might not be able to comply with them, as amended. Further, there can be no assurance that the Company will be able to obtain or maintain all permits necessary for its future operations, or that it will be able to obtain them on reasonable terms. To the extent such approvals are required and are not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of the mineral properties.

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

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

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

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

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

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

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

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

Reclamation may include requirements to:

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

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

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

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

***The mineral exploration and mining industry is highly competitive.***

The mining industry is intensely competitive in all of its phases. As a result of this competition, some of which is with large established mining companies with substantial capabilities and with greater financial and technical resources than 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 it does. Such corporations and other business entities could outbid the Company for potential projects or produce minerals at lower costs, which would have a negative effect on the Company's operations.

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

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

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

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

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

The Company may enter into joint ventures, partnership arrangements, or offtake agreements, with other parties in relation to the exploration, development, and production of the properties in which the Company has an interest. Any failure of such other companies to meet their obligations to the Company or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the Company, the development and production at its properties, including the Mine, and on future joint ventures, if any, or their properties, and therefore could have a material adverse effect on its results of operations, financial performance, cash flows and the price of its Common 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 success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these people could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for people with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition. In addition, the COVID-19 pandemic may cause the Company to have inadequate access to an available skilled workforce and qualified personnel, which could have an adverse impact on the Company's financial performance and financial condition.

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

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

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will

not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

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

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

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

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

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

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

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

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

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

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

***Mineral exploration and development are dependent on adequate infrastructure.***

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

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

***The Company may purchase additional mining properties.***

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

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

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

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

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

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

operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

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

***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 are 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 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 Common Shares could be influenced by research and reports that industry or securities analyst may be published.***

The trading market for the Common Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does

not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favorable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favorable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

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

The Company's Common Shares are currently listed for trading on the CSE and quoted on the OTCQB. In order to maintain the listing on the CSE and the quotation on the OTCQB 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, the OTCQB or any other exchange or quotation service were to delist or remove the trading of 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**

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

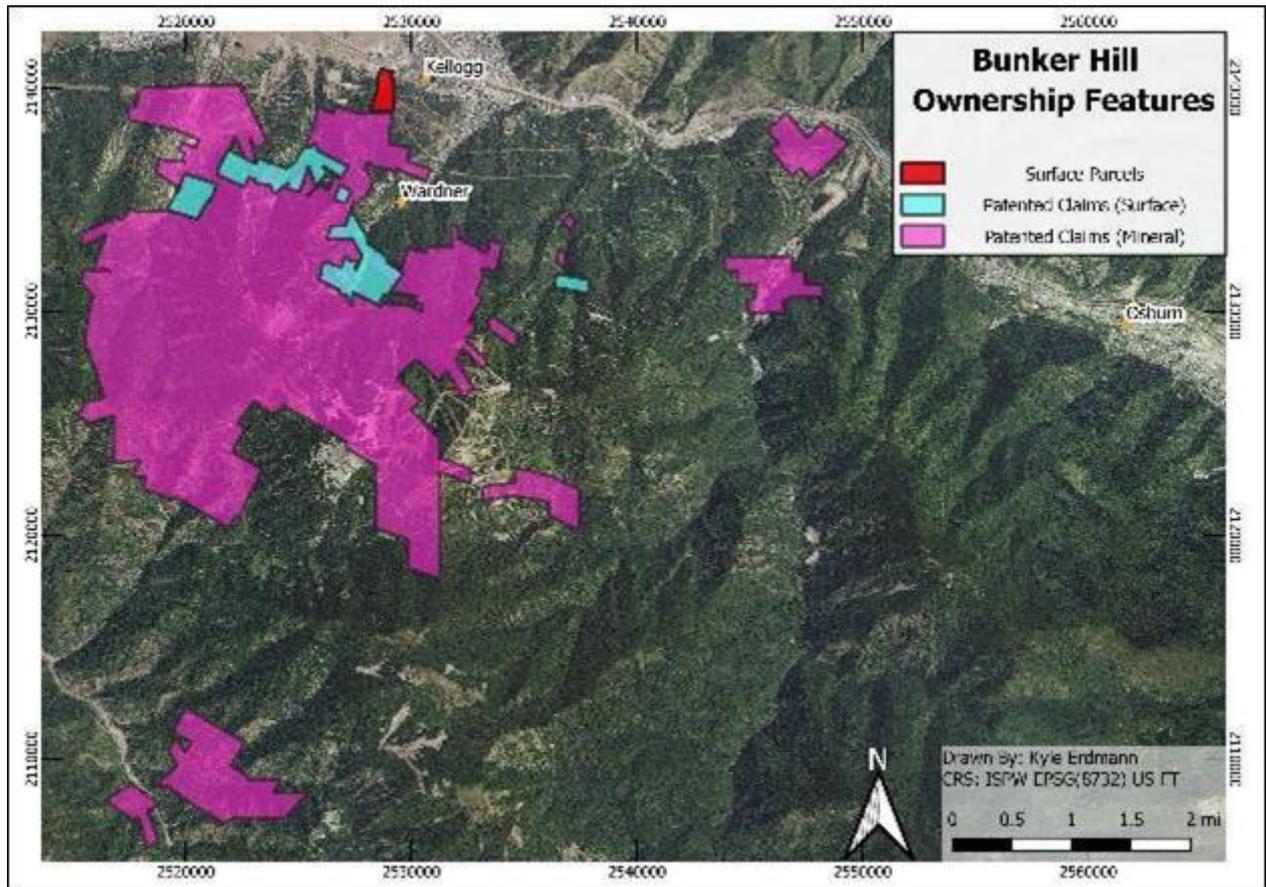
### **The Bunker Hill Mine**

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 been completed and management believes the Mine is well positioned for development and an eventual return to production.

*Property Map of Bunker Hill Mine Land Ownership*



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

#### *Restart Project Activities*

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

In January 2022, with the closing of the purchase of the Bunker Hill Mine, the funding of the \$8,000,000 Royalty Convertible Debenture and \$6,000,000 Series Convertible Debenture, and the announcement of an MOU for the purchase of the Pend Oreille process plant from a subsidiary of Teck Resources Limited, the Company embarked on a program of activities with the goal of achieving a restart of the Mine. Key milestones and achievements from January 2022 onwards have included the closing of the purchase of the Pend Oreille process plant, the demobilization of the process plant to the Bunker Hill site, the completion of demolition activities at the Pend Oreille site, a Prefeasibility Study envisaging the restart of the Mine, and the completion of the primary portion of the ramp decline connecting the 5 and 6 Levels of the Bunker Hill Mine.

### *Technical Report Summary*

The following summary is extracted from the S-K 1300 Technical Report Summary, Bunker Hill Mine Pre-Feasibility Study, Coeur D' Alene Mining District Shoshone County, Idaho, USA with a Report Date of April 14, 2023 and an Effective Date of August 29, 2022 (the "TRS"). The following information does not purport to be a complete summary of the Technical Report Summary, is subject to all the assumptions, qualifications and procedures set out in the Technical Report and is qualified in its entirety with reference to the full text of the Technical Report Summary. Each of the Qualified Persons of the Technical Report Summary is an independent qualified person under the definitions of §229.1300 (Item 1300 of Regulation S-K) (each a "Qualified Person", and together the "Qualified Persons") and have approved the summary of the Technical Report Summary below.

### **Summary**

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

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

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

### **Quality Assurance/Quality Control**

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

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

## Mineral Resource Estimate

Geostatistics and estimates of mineralization were prepared by Resource Development Associates Inc. Industry accepted grade estimation techniques were used to develop global mineralization block models for the Newgard, Quill and UTZ zones. The Mineral Resource Estimate considers underground mining and mill processing as a basis for reasonable prospects of eventual economic extraction. The total Mineral Resource estimate for the Bunker Hill Mine is listed in Table 1-1 at a cutoff grade of NSR 70 \$/ton. Mineral Resources are classified according to §229.1302(d)(1)(iii)(A) (Item 1302(d)(1)(iii)(A) of Regulation S-K).

Table 1-1 **Bunker Hill Mine Mineral Resource Estimate (Exclusive of Mineral Reserves), August 29, 2022 – Resource Development Associates Inc.**

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

- (1) The Mineral Resource Estimate was prepared by Resource Development Associates Inc.
- (2) Measured, Indicated and Inferred classifications are classified according to §229.1302(d)(1)(iii)(A) (Item 1302(d)(1)(iii)(A) of Regulation S-K).
- (3) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
- (4) Net smelter return (NSR) is defined as the return from sales of concentrates, expressed in US\$/t, i.e.: NSR = (Contained metal) \* (Metallurgical recoveries) \* (Metal Payability %) \* (Metal prices) – (Treatment, refining, transport and other selling costs). For the Mineral Resource Estimate, NSR values were calculated using updated open-cycle metallurgical results including recoveries of 85.1%, 84.2% and 88.2% for Zn, Ag and Pb respectively, and concentrate grades of 58% Zn in zinc concentrate, and 67% Pb and 12.13 oz/ton Ag in lead concentrate.
- (5) Mineral Resources are estimated using a zinc price of \$1.20 per pound, silver price of \$20.00 per ounce, and lead price of \$1.00 per pound.
- (6) Historic mining voids, stopes and development drifting have been depleted from the Mineral Resource Estimate
- (7) Totals may not add up due to rounding
- (8) Mineral Resources are reported exclusive of Mineral Reserves. The reserves disclosed in the report represent measured mineral resources and indicated resources that were evaluated with modifying factors related to underground mining.
- (9) The point of reference for mineral resources is in situ mineralization.

## Mineral Reserves

Mineral Reserves have been estimated for the Quill, Newgard and UTZ sections of the Project. Measured and Indicated (M & I) Mineral Resources were converted to Probable Mineral Reserves for the mine. Measured Mineral Resources were converted to Probable Mineral Reserves because of uncertainties associated with modifying factors that were taken into account in the conversion from Mineral Resources to Mineral Reserves.

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

Mineral Reserves were classified in accordance with §229.1302(e)(2) (Item 1302(e)(2) of Regulation S-K). The mineral reserve statement is presented in Table 1-2. Mineral Reserves are estimated at an NSR value cutoff of \$80/short ton at the reference point of saleable mill concentrates with an effective date of August 29, 2022.

**Table 1-2 Bunker Hill Mineral Reserve Estimate, August 29, 2022 – Minetech, USA, LLC**

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

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

## Economic Summary

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

**Table 1-3 Bunker Hill Project Economic Summary**

<u>Year</u>	<u>Initial Capex</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>TOTAL</u>	<u>ANNUAL AVERAGE</u>
<b>Metal Prices</b>								
Zinc (\$/lb)	1.5	1.4	1.3	1.25	1.25	1.25	<b>1.29</b>	<b>1.29</b>
Lead (\$/lb)	0.95	0.95	0.95	0.95	0.95	0.95	<b>0.95</b>	<b>0.95</b>
Silver (\$/oz)	22	22	22	21.5	21.5	21.5	<b>21.7</b>	<b>21.7</b>
<b>Mine plan</b>								
Ore mined (kt)	77	652	655	655	655	665	<b>3,360</b>	<b>657</b>
Zinc grade (%)	5.90%	5.60%	4.70%	5.70%	5.70%	5.90%	<b>5.50%</b>	<b>5.50%</b>
Lead grade (%)	2.10%	2.40%	2.70%	2.90%	2.40%	1.90%	<b>2.50%</b>	<b>2.50%</b>
Silver grade (oz/t)	0.5	0.7	1.3	1.4	1.2	0.8	<b>1.1</b>	<b>1.1</b>
Zinc eq grade (%)	7.70%	8.00%	8.10%	9.40%	8.80%	8.20%	<b>8.50%</b>	<b>8.50%</b>
<b>Production</b>								
Zinc concentrate (t)	6,671	53,504	44,852	54,997	55,061	57,909	<b>272,995</b>	<b>53,265</b>

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

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

Table 1-4 Sensitivity Analysis

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

### Property Description and Ownership

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

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

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

### Geology and Mineralization

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

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

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

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

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

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

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

## Environmental Studies and Permitting

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

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

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

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

## Metallurgical Testing

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

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

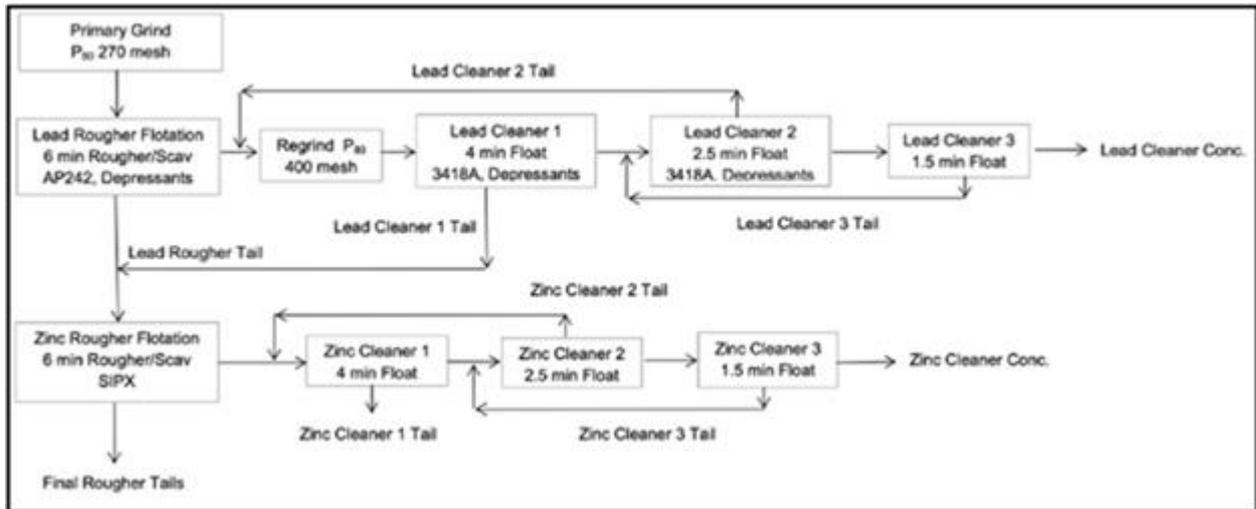
Product	Overall Weight %	Overall Pb Recovery %	Overall Zn Recovery %	Overall Au Recovery %	Overall Ag Recovery %	Conc. Grade Pb (%)	Conc. Grade Zn (%)	Conc. Grade Au (g/mt)	Conc. Grade Ag (g/mt)
Lead 3rd Cleaner Conc.	7.1	88.2	9.2	47.8	84.2	47.6	6.91	2.16	410
Zinc 3rd Cleaner Conc.	8.7	3.5	85.1	16.7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

The open-cycle and locked-cycle tests were completed at a primary grind of P<sub>80</sub> 270 mesh for rougher flotation. Rougher scavenger flotation was included in both the lead and zinc circuits to increase the amount of value sent

to the cleaner stages. Re grind of the lead rougher concentrate with a pebble mill was completed to a particle size of approximately P<sub>80</sub> 400 mesh for cleaner flotation. No regrind was completed with the zinc rougher concentrate.

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

**Figure 1-1 Locked-Cycle Test Process Flowsheet**



### Mining Method

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

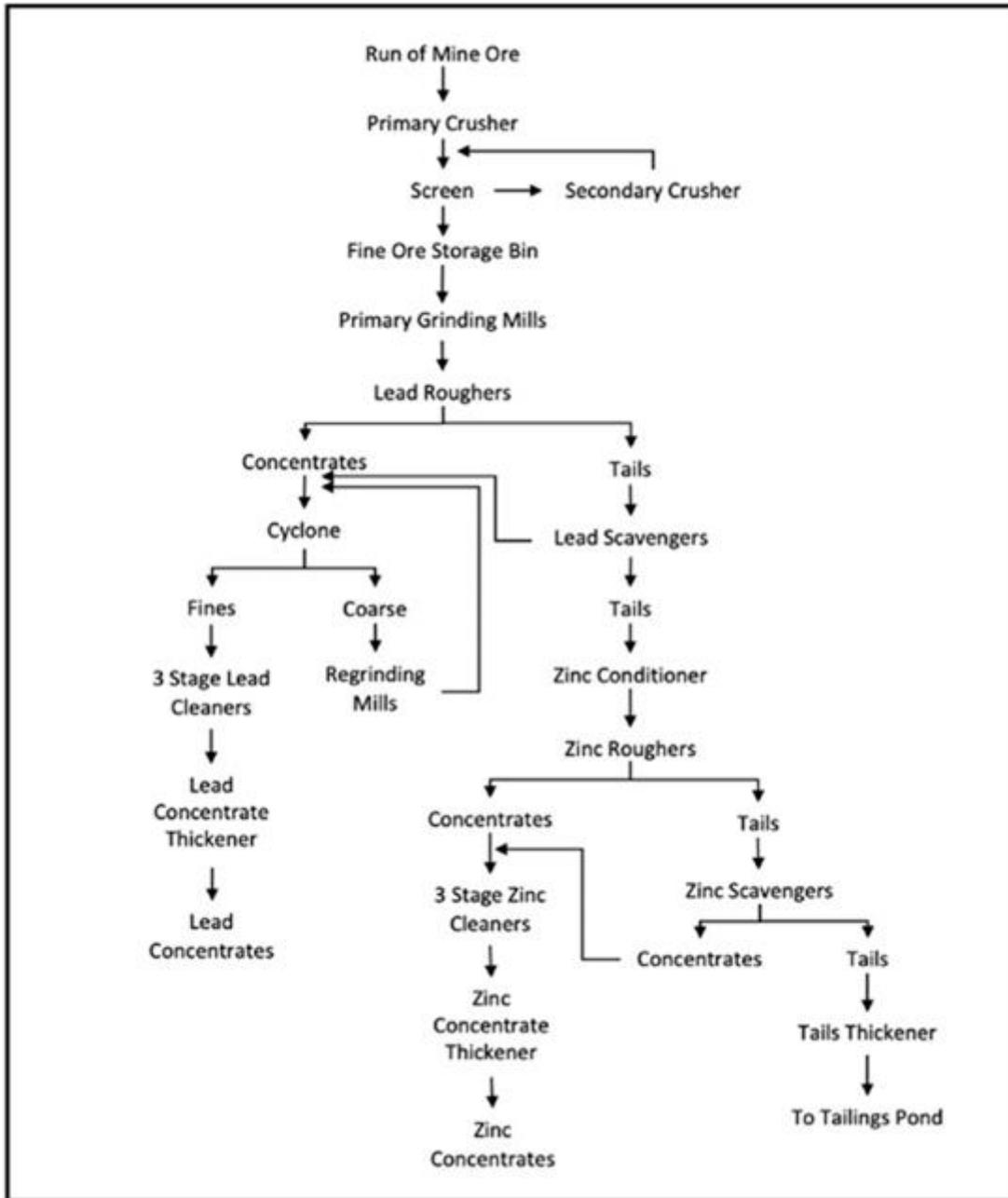
Beginning in October of 2021 and completed in April of 2022, BHMC conducted a geotechnical investigation of the underground conditions at the Bunker Hill Mine. Data collection involved a data analysis of RQD values logged with previous exploration drilling, geotechnical logging of recently drilled rock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

### Recovery Methods

Bunker Hill plans to re-construct a crush-grind-flotation-concentration mill from the nearby Pend Oreille (PO) mine in northern Washington on the Bunker Hill Kellogg Mine Yard. There currently is a large building that housed the historic machine shop at the Bunker Hill mine that will first need to be dismantled and removed for access to the existing slab. The future structures to house the grind-flotation-concentration circuit, as well as the secondary crushing circuit and concentrate storage facilities will need to be constructed.

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

Figure 1-2 Bunker Hill Process Flowsheet



### Current Exploration and Development

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

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

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

## Conclusions

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

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

## Recommendations

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

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

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

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

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

**Table 1-6 Proposed Work Program to Advance Bunker Hill**

<b>Activity</b>	<b>Amount</b>
Geophysical Interpretation and Additional Geophysics	\$ 0.05M
Environmental Studies	\$ 0.03M
Geotechnical Studies	\$ 0.15M
Mill and Process Plant Engineering	\$ 1.70M
Hydraulic Backfill and Tailing Placement Engineering	\$ 0.50M
<b>Total Recommended Budget</b>	<b>\$ 2.43M</b>

### *Project Infrastructure*

The Bunker Hill complex is a mature mine with much of the underground infrastructure and development still in place. The mill, smelter and tailing impoundment have been removed and these sites have been reclaimed. Part of

the reclamation included surface water diversion structures which are still in use and are maintained in good condition. The original Bunker Hill mine offices, car and maintenance shops, and change house are located near the Kellogg Tunnel (KT) portal and are in serviceable condition.

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

Mine power requirements will be met with the Avista Kellogg substation, located next to the Bunker Hill main offices supplying power to the mine and other local consumers. There are two existing distribution lines now supplying the mine from the Kellogg Avista substation. One feeds the surface mine facilities and the underground loads from the Kellogg side, the other feeds the Wardner mine yard and facilities. The current 3-phase 2.5kV mine distribution system on the Kellogg side is in the process of being upgraded to 3-phase 13.2kV.

Mine discharge water now gravity drains out the 9-level through the Kellogg Tunnel via a ditch adjacent to the rail line to the portal. It is then routed to a water treatment plant constructed by the EPA and currently operated by the Idaho Department of Environmental Quality (IDEQ).

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

### **ITEM 3. LEGAL PROCEEDINGS**

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

On July 28, 2021, a lawsuit was filed in the US District Court for the District of Idaho brought by Crescent Mining, LLC ("Crescent"). The named defendants include Placer Mining, Robert Hopper Jr., and the Company. The lawsuit alleges that Placer Mining and Robert Hopper Jr. intentionally flooded the Crescent Mine during the period from 1991 and 1994, and that the Company is jointly and severally liable with the other defendants for unspecified past and future costs associated with the presence of AMD in the Crescent Mine. The plaintiff has requested unspecified damages. On September 20, 2021, the Company filed a motion to dismiss Crescent's claims against it, contending that such claims are facially deficient. On March 2, 2022, Chief US District Court Judge, David C. Nye granted in part and denied in part the Company's motion to dismiss. The court granted the Company's motion to dismiss Crescent's Cost Recovery claim under CERCLA Section 107(a), Declaratory Judgment, Tortious Interference, Trespass, Nuisance and Negligence claims. These claims were dismissed without prejudice. The court denied the motion to dismiss filed by Placer Mining Corp. for Crescent's trespass, nuisance and negligence claims. Crescent later filed an amended complaint on April 1, 2022. Placer Mining Corp. and Bunker Hill Mining Corp are named as co-defendants. Bunker Hill responded to the amended filing, refuting and denying all allegations made in the complaint except those that are assertions of fact as a matter of public record. The Company believes Crescent's lawsuit is without merit and intends to vigorously defend itself, as well as Placer Mining Corp. pursuant to the Company's indemnification of Placer Mining Corp in the Sale and Purchase agreement executed between the companies for the Mine on December 15, 2021.

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

#### **ITEM 4. MINE SAFETY DISCLOSURES**

The enacted Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Act”) requires the operators of mines to include in each periodic report filed with the SEC certain specified disclosures regarding the Company’s history of mine safety. The information concerning mine safety disclosures required by the Act and this Item is included in Exhibit 95 to this report.

## **PART II**

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

#### **Market Information**

Our common shares are traded on Canadian Securities Exchange under the symbol “BNKR” and on the OTCQB under the symbol “BHLL”.

#### **Stockholders**

As of April 17, 2023, there were approximately 157 stockholders of record of our common shares and, according to our estimates, approximately 500 beneficial owners of our common shares.

#### **Unregistered Sales of Securities**

On April 1, 2022, the Company closed a private placement of 37,849,325 special warrants of the Company and a non-brokered private placement of 1,471,664 units of the Company for aggregate gross proceeds of approximately \$9,384,622 (C\$11,796,297). Related parties, including management, directors, and consultants, participated in the special warrant private placement for a total of 4,809,160 shares (included in the total above). The special warrants of the Company were issued at a price of C\$0.30 per special warrant. Each special warrant of the Company became automatically exercisable on June 3, 2022. Each unit of the Company consists of one share of common stock and one warrant of the Company. Each warrant entitles the holder to acquire one share of common stock of the Company for C\$0.37 until April 1, 2025. The offering of special warrants of the Company was led by Echelon Wealth Partners Inc. and included BMO Nesbitt Burns Inc. and Laurentian Bank Securities Inc. (collectively, the “Agents”). In connection with the private placement, the Agents and other eligible parties received (i) cash commission in the amount of \$563,968 and (ii) compensation options exercisable to acquire an aggregate of 1,879,892 units of the Company (each, a “Compensation Unit”) at C\$0.30 per unit until April 1, 2024. Each Compensation Unit consists of one share of common stock and one warrant of the Company. Each warrant entitles the holder thereof to acquire one warrant share at a price of \$0.37 per warrant share until April 1, 2024. The Company relied on the exemption from registration under Section 4(a)(2) of the U.S. Securities Act of 1933, as amended, or Rule 506 of Regulation D, or Regulation S, and in reliance on similar exemptions under applicable state laws, for purposes of the private placement.

#### **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

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

The Company purchased the Bunker Hill Mine on January 7, 2022 for \$5,400,000 in cash. Prior to purchasing the Mine, the Company had entered into a series of agreements with Placer Mining Corporation (“Placer Mining”), the prior owner, for the lease and option to purchase the Mine. The first of these agreements was announced on August 28, 2017, with subsequent amendments and/or extensions announced on November 1, 2019, July 7, 2020, and November 20, 2020.

Under the most recent of these agreements, the Company was required to make 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 would make payments to the EPA on behalf of Placer Mining in satisfaction of the EPA’s claim for historical water treatment cost recovery in accordance with the Settlement Agreement reached with the EPA in 2018. Immediately prior to the purchase of the Mine, the Company’s liability to EPA in this regard totaled \$11,000,000. Concurrent with the purchase of the Mine, the Company assumed incremental liabilities of \$8,000,000 to the EPA, consistent with the terms of the amended Settlement Agreement with the EPA that was executed in December 2021 (see “EPA 2018 Settlement Agreement & 2021 Amended Settlement Agreement” in the “Our Business” section above).

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

In January 2022, with the closing of the purchase of the Bunker Hill Mine, the funding of the \$8,000,000 Royalty Convertible Debenture and \$6,000,000 Series Convertible Debenture, and the announcement of an MOU for the purchase of the Pend Oreille process plant from a subsidiary of Teck Resources Limited, the Company embarked on a program of activities with the goal of achieving a restart of the Mine. Key milestones and achievements from January 2022 onwards have included the closing of the purchase of the Pend Oreille process plant, the demobilization of the process plant to the Bunker Hill site, the completion of demolition activities at the Pend

Oreille site, a Prefeasibility Study envisaging the restart of the Mine, and the completion of the primary portion of the ramp decline connecting the 5 and 6 Levels of the Bunker Hill Mine.

## **Results of Operations**

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

### ***Comparison of the year ended December 31, 2022 and the year ended December 31, 2021***

#### Revenue

During the year ended December 31, 2022, the Company generated no revenue (year ended December 31, 2021 - \$nil).

#### Expenses

During the year ended December 31, 2022, the Company reported total operating expenses of \$16,487,161 as compared to total operating expenses of \$18,752,504 for the year ended December 31, 2021.

The decrease in operating expenses was impacted by a shift in focus by the company from exploration related activities prior to the purchase of the Mine and process plant (purchased in January 2022 and June 2022 respectively) in 2021, to development related activities in 2022. For financial accounting purposes, the Company reported all direct exploration expenses under the exploration expense line item in consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2021, which totalled \$13,530,819. With the purchase of the Mine in early January 2022 and concurrent shift to development related activities to advance mine restart efforts, the Company reported exploration expenses of \$nil for the year ended December 31, 2022, and reported \$7,827,656 of mine preparation expenses associated with these development activities. This excludes costs capitalized to property, plant and equipment during the year ended December 31, 2022.

The increase in consulting fees and wages (\$5,477,765 for the year ended December 31, 2022 compared to \$1,533,954 for the year ended December 31, 2021) reflects (i) the engagement of numerous engineering, geological and other professional firms to assist the Company in consummating several complex debt and equity financings, the purchases of the mine and processing plant, the EPA financial assurance requirements, fair value measurements of complex instruments, and advancement of project activities, and (ii) an increase in employees concurrent with a ramp-up in development activities through 2022.

Upon the release of the prefeasibility study dated September 30, 2022, the Company determined that the costs of the mine after this point constituted mine development (capitalized to non-current assets) instead of mine preparation costs (expense) given the existence of probable mineral reserves and an economic study incorporating them. Certain indirect expenses may be reported as operation and administration expense or consulting expense on the consolidated statements of income and comprehensive income.

#### Net Income and Comprehensive Income

The Company had net income of \$898,591 for the year ended December 31, 2022 (net loss of \$6,402,277 for the year ended December 31, 2021). In addition to the decrease in operating expenses (as described above), net income in the year ended December 31, 2022 was positively impacted by a gain on EPA settlement of \$8,614,103 (year ended December 31, 2021: \$nil) resulting from the reclassification of \$17,000,000 of current liabilities to non-current liabilities, and a \$3,395,938 increase in the gain due to change in derivative liability (\$15,696,391 for the year ended December 31, 2022 compared to \$12,300,453 for the year ended December 31, 2021) driven by a proportionally greater decline in the Company's share price in 2022 relative to 2021. This was partially offset by impacts from the \$29,000,000 of convertible debenture financings that were entered into during the year ended December 31, 2022, including an increase in interest expense of \$3,279,819 (\$3,382,559 for the year ended

December 31, 2022 compared to \$102,740 for the year ended December 31, 2021), an increase in debenture finance costs of \$1,230,540 (year ended December 31, 2021: \$nil) and an increase in the loss on fair value of convertible debentures of \$1,140,537 (year ended December 31, 2021: \$nil) and increase in finance costs \$945,507 (year ended December 31, 2021: \$nil).

The Company had comprehensive income of \$1,152,466 for the year ended December 31, 2022 (comprehensive loss of \$6,402,277 for the year ended December 31, 2021). Comprehensive income for the year ended December 31, 2022 is inclusive of a \$253,875 gain on change in fair value on own credit risk (\$nil for the year ended December 31, 2021) relating to the convertible debentures entered into during the year ended December 31, 2022.

### Liquidity and Capital Resources

#### ***Going Concern***

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 \$71,592,559 and further losses are anticipated in the development of its business. The Company does not have sufficient cash to fund normal operations and meet debt obligations for the next 12 months without deferring payment on certain current liabilities and/or raising additional funds. 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, debt and closing on the multi-metals stream transaction. 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.

### Debt and Equity Financings

As described above, during year ended December 31, 2022, the Company closed on three convertible debentures totaling \$29,000,000, a loan facility of \$5,000,000, and equity financings (net of issuance costs) totaling \$7,767,849. The proceeds of these financings were primarily used to purchase the Bunker Hill Mine and the processing plant, the satisfaction of short-term obligations to the EPA (including financial assurance commitments, cost recovery and water treatment payments), advancement of mine restart activities and the funding of working capital requirements.

### Current Assets and Total Assets

As of December 31, 2022, the Company's balance sheet reflects that the Company had: (i) total current assets of \$7,741,052, compared to total current assets of \$3,622,548 at December 31, 2021 – an increase of \$4,118,504; and (ii) total assets of \$32,929,892, compared to total assets of \$4,071,796 at December 31, 2021 – an increase of \$28,858,096. The increase in current assets was primarily due to an increase in restricted cash as a result of the proceeds from the convertible debentures and equity financings, and from increases in prepaid expenses and deposits. Total assets increased principally due to the purchase of, and costs capitalized to, the Bunker Hill Mine and process plant.

### Current Liabilities and Total Liabilities

As of December 31, 2022, the Company's balance sheets reflects that the Company had total current liabilities of \$10,155,582 and total liabilities of \$59,106,835, compared to total current liabilities of \$22,795,277 and total liabilities of \$38,314,164 as of December 31, 2021. The decrease in current liabilities is primarily reflective of financing and assurance activities that moved the EPA cost recovery liability from current to long-term liabilities. Total liabilities increased as a result of the closing of the three convertible debentures, one loan facility and

movement of the EPA cost recovery liability from current to long term, offset by the decrease in the long-term derivative warrant liability and promissory note.

#### Working Capital and Shareholders' Deficit

As of December 31, 2022, the Company had a working capital deficit of \$2,414,530 and a shareholders' deficiency of \$26,176,943 compared to a working capital deficit of \$19,172,729 and a shareholders' deficiency of \$34,242,368 as of December 31, 2021. The working capital deficit decreased during the year ended December 31, 2022 primarily due to funding from debt and equity financings, and the reclassification of cost recovery liabilities from current to long-term. The shareholders' deficiency decreased primarily due to proceeds from equity financing in the second quarter of 2022, and comprehensive net income in 2022.

#### Cash Flow

During the year ended December 31, 2022, unrestricted cash increased by \$222,042 as a result of cash provided from the closing of the convertible debentures, loan facility and equity financings, with proceeds used to satisfy short-term obligations with the EPA, purchase of the Bunker Hill Mine and a processing plant, partial repayment of the outstanding promissory note, advancement of mine restart activities, and funding of working capital requirements. In addition to the above, restricted cash increased \$6,476,000 during the year end December 31, 2022.

During the year ended December 31, 2022, \$22,498,307 was used in operating activities, primarily due to the securing of the Company's financial assurance obligations with the EPA, payments made to the EPA in satisfaction of cost recovery and water treatment payables, funding of mine restart activities, and other working capital requirements. This compares with cash used in operating activities of \$11,372,153 for the year ended December 31, 2021.

During the year ended December 31, 2022, cash of \$11,174,672 was used in investing activities primarily for the purchase of the Bunker Hill Mine, a process plant, equipment, and real estate, compared with \$94,693 used for investing activities in the year ended December 31, 2021.

During the year ended December 31, 2022, cash of \$40,371,021 was provided by financing activities primarily due to proceeds from the three convertible debentures, one loan facility and the equity financings, partially offset by cash used for repayment of a promissory note, compared with cash of \$8,384,248 provided by financing activities in the year ended December 31, 2021.

#### **Subsequent Events**

Events occurring subsequent to December 31, 2022, as disclosed above in the Liquidity and Capital Resources section. In addition, the Company had the following subsequent events.

##### *Share Issuance*

On January 10, 2023, the Company issued 6,377,272 common shares in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ending December 31, 2022.

On March 31, 2023, the Company issued 8,464,288 common shares in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ending March 31, 2023.

##### *Corporate Update*

On Feb 28, 2023, the Company reported that it had temporarily paused discretionary projects and procurement activities until the completion of its financing initiatives. Primarily due to the inability to procure certain long-lead items that were planned to be ordered by February 2023, and longer estimated delivery times thereof, the Company now expects the Bunker Hill Mine restart to be achieved in 2024. Total project capital expenditures are not expected to be materially impacted given the Company's ability to reschedule discretionary expenditures and manage a modest fixed cost base.

### *Teck Warrant Amendment*

On March 15, 2023, the Company amended the exercise price of 10,416,667 common stock purchase warrants of the Company (the “Warrants”) and the expiry date of the warrants to March 31, 2023. The Warrants comprise units of the Company issued to Teck Resources Limited (“Teck”) on a private placement basis on May 13, 2022, in consideration for the Company’s acquisition of the Pend Oreille process plant. Each Warrant entitles the holder thereof to purchase one share of common stock of the Company (each, a “Warrant Share”) at an exercise price of C\$0.37 per Warrant Share at any time on or prior to May 12, 2025. The Company amended the exercise price of the Warrants from C\$0.37 to C\$0.11 per Warrant Share (the “Amended Exercise Price”) and amend the expiry date from May 12, 2025, to March 31, 2023. Following the amendment of the terms of the warrants, Teck exercised all 10,416,667 warrants at an exercise price of C\$0.11, for aggregate gross proceeds of approximately C\$1,145,834 to the Company.

### *Prospectus Offering Termination and Private Placement*

On February 15, 2023, the Company reported that it intended to terminate its previously announced prospectus offering of Common Shares following its determination that effectiveness of a registration statement on Form S-1 would not be achievable in a time frame consistent with its capital requirements. Concurrently, the Company announced that it had entered into an agreement with a syndicate of agents in connection with a proposed private placement of up to \$9,000,000 of special warrants of the Company (the “Special Warrants”).

On March 28, 2023, the Company announced the closing of its private placement of the Special Warrants by issuing 51,633,727 Special Warrants at a price of C\$0.12 per Special Warrant, for aggregate gross proceeds of C\$6,196,047. Each Unit consists of one share of common stock of the Company (each, a “Unit Share”) and one common stock purchase warrant of the Company (each, a “Warrant”). Each whole Warrant entitles the holder thereof to acquire one share of common stock of the Company (a “Warrant Share”, and together with the Unit Shares, the “Underlying Shares”) at an exercise price of \$0.15 per Warrant Share until March 27, 2026. In consideration for their services in connection with the Offering, a cash commission in the amount of \$211,461 is payable to the Agents. The Agents were also issued 2,070,258 compensation options (the “Compensation Options”). Each Compensation Option is exercisable to acquire one unit of the Company (a “Compensation Unit”) at the Issue Price for a period of 36 months from March 27, 2023, subject to adjustment in certain events. Each Compensation Unit consists of one share of common stock of the Company and one common stock purchase warrant of the Company (an “Agents’ Compensation Warrant”) Each Agents’ Compensation Warrant entitles the holder thereof to acquire one share of common stock of the Company (an “Agents’ Compensation Warrant Share”) at a price of C\$0.15 per Agents’ Compensation Warrant Share until March 27, 2026.

### **Critical accounting estimates**

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

#### ***Share-based payments***

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

#### ***Warrants and accrued liabilities***

Estimating the fair value of derivative warrant liability requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the issuance. This estimate also requires determining the most

appropriate inputs to the valuation model including the expected life of the warrants and conversion feature derivative liability, volatility and dividend yield and making assumptions about them.

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

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

#### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

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

Not Applicable.

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

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#### **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

#### **Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of Bunker Hill Mining Corp. (the Company) as at December 31, 2022 and 2021, and the related consolidated statements of income (loss) and comprehensive income (loss), cash flows, and changes in shareholders' deficiency for each of the years in the two-year period ended December 31, 2022, 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, 2022 and 2021, and the results of its consolidated operations and its consolidated cash flows for each of the years in the two-year period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

## Material Uncertainty Related to Going Concern

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 losses from operations 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. This matter is also described in the "Critical Audit Matters" section of our report.

## 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	Audit Response
<p><b>Going Concern</b></p> <p>As described in Note 1 of the consolidated financial statements, the Company has been incurring losses from operations 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.</p>	<p>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:</p> <ul style="list-style-type: none"><li>• Evaluated the impact of the Company's existing financial arrangements and conditions in relation to the ability to continue as a going concern.</li></ul>

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.

This matter is also described in the “Material Uncertainty Related to Going Concern” section of our report.

- 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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***Valuation of Series 1 & 2 Convertible Debentures and Royalty Convertible Debenture (CDs)***

The Company issued various convertible debentures that are complex in nature and are required to be fair valued on issuance and at each reporting period.

The calculation of the fair value of the CDs requires management to use an appropriate valuation model and incorporates estimates.

Due to the complexity of these CDs and 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 Account Policies – Use of Estimates and Assumptions and Note 8 – Promissory Note Payable and Convertible Debentures

We responded to this matter by performing audit procedures in relation to the accounting and valuation of the CDs. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained and reviewed the agreements for the CDs.
- Obtained management’s analysis and assessment of the accounting of the CDs and their calculation of the fair value related to the instruments.
- Assessed the accounting treatment of the CDs to ensure it follows the appropriate accounting guidance.
- Assessed the reasonability of the model used to value the CDs and the appropriateness of the inputs used and recalculated the fair values.
- Performed a sensitivity analysis of the inputs.
- Recalculated the covenants involved to ensure compliance.

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*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

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

Mississauga, Canada

April 17, 2023

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 708,105	\$ 486,063
Restricted cash (note 7)	6,476,000	-
Accounts receivable and prepaid expenses (note 5)	556,947	413,443
Short-term deposit	-	68,939
Prepaid mine deposit and acquisition costs (note 6)	-	2,260,463
Prepaid finance costs	-	393,640
<b>Total current assets</b>	<u>7,741,052</u>	<u>3,622,548</u>
<b>Non-current assets</b>		
Spare parts inventory	341,004	-
Equipment (note 5)	551,204	396,894
Long-term deposit (note 5)	269,015	-
Right-of-use assets (note 6)	-	52,353
Bunker Hill Mine and Mining interests (note 7)	15,896,645	1
Process plant (note 5)	8,130,972	-
<b>Total assets</b>	<u>\$ 32,929,892</u>	<u>\$ 4,071,796</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 4,523,502	\$ 1,312,062
Accrued liabilities	1,500,164	869,581
EPA water treatment payable (note 8)	-	5,110,706
Interest payable (notes 8 and 9)	1,154,477	409,242
Derivative warrant liability (note 11)	903,697	-
Deferred share units liability (note 14)	573,742	1,531,409
Promissory notes payable (note 9)	1,500,000	2,500,000
Environment protection agency cost recovery payable (note 8)	-	11,000,000
Current portion of lease liability (note 10)	-	62,277
<b>Total current liabilities</b>	<u>10,155,582</u>	<u>22,795,277</u>
<b>Non-current liabilities</b>		
Loan payable (note 9)	4,684,446	-
Series 1 convertible debenture (note 9)	5,537,360	-
Series 2 convertible debenture (note 9)	14,063,525	-
Royalty convertible debenture (note 9)	10,285,777	-
Environment protection agency cost recovery liability net of discount (note 8)	7,941,466	-
Derivative warrant liability (note 11)	6,438,679	15,518,887
<b>Total liabilities</b>	<u>59,106,835</u>	<u>38,314,164</u>
<b>Shareholders' Deficiency</b>		
Preferred shares, \$0.000001 par value, 10,000,000 preferred shares authorized; Nil preferred shares issued and outstanding (note 11)	-	-
Common shares, \$0.000001 par value, 1,500,000,000 common shares authorized; 229,501,661 and 164,435,826 common shares issued and outstanding, respectively (note 11)	228	164
Additional paid-in-capital (note 11)	45,161,513	38,248,618
Accumulated other comprehensive income	253,875	-
Accumulated Deficit	(71,592,559)	(72,491,150)
<b>Total shareholders' deficiency</b>	<u>(26,176,943)</u>	<u>(34,242,368)</u>
<b>Total shareholders' deficiency and liabilities</b>	<u>\$ 32,929,892</u>	<u>\$ 4,071,796</u>

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

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

	<b>Year Ended December 31, 2022</b>	<b>Year Ended December 31, 2021</b>
<b>Operating expenses</b>		
Operation and administration (notes 11, 13 and 14)	\$ 2,033,879	\$ 2,651,954
Exploration	-	13,530,819
Mine preparation	7,827,656	-
Legal and accounting	1,147,861	1,035,777
Consulting and wages (note 17)	5,477,765	1,533,954
<b>Loss from operations</b>	<b>(16,487,161)</b>	<b>(18,752,504)</b>
<b>Other income or gain (expense or loss)</b>		
Change in derivative liability (note 11)	15,696,391	12,300,453
(loss) gain on foreign exchange	(237,546)	208,660
Loss on fair value of convertible debentures (note 9)	(1,140,537)	-
Gain on EPA debt extinguishment (note 8)	8,614,103	-
Interest expense (notes 8 and 9)	(3,382,559)	(102,740)
Debenture finance costs (note 9)	(1,230,540)	-
Financing costs	(945,507)	-
Other income	18,626	-
Other expense	(6,679)	-
Loss on debt settlement	-	(56,146)
<b>Net income (loss) for the year</b>	<b>\$ 898,591</b>	<b>\$ (6,402,277)</b>
<b>Other comprehensive income (loss), net of tax</b>		
Gain on change in FV on own credit risk (note 9)	253,875	-
<b>Other comprehensive income (loss)</b>	<b>253,875</b>	<b>-</b>
<b>Comprehensive income (loss)</b>	<b>1,152,466</b>	<b>(6,402,277)</b>
<b>Net Income (loss) per common share</b>		
Net income (loss) per common share – basic (note 12)	\$ 0.00	\$ (0.04)
Net income (loss) per common share – fully diluted (note 12)	\$ 0.00	\$ (0.04)
<b>Weighted average number of common shares</b>		
Weighted average common shares – basic (note 12)	205,950,811	161,868,334
Weighted average common shares – fully diluted (note 12)	269,801,281	161,868,334

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)**

<b>Year Ended December 31, 2022</b>	<b>Year Ended December 31, 2021</b>
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<b>Operating activities</b>		
Net Income (loss) for the year	\$ 898,591	\$ (6,402,277)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	421,881	1,730,308
Depreciation expense	214,643	239,904
Change in derivative liability	(15,696,391)	(12,300,453)
Units issued for services	1,060,858	-
Imputed interest expense on lease liability	1,834	12,696
Interest expense	16,466	-
Financing costs	264,435	-
Foreign exchange loss (gain)	233,059	-
Foreign exchange loss (gain) on re-translation of lease	718	2,165
Loss on debt settlement	-	56,146
Amortization of EPA discount	996,400	-
Loss on fair value of convertible debt derivatives	1,140,537	-
Gain on EPA debt extinguishment	(8,614,103)	-
Changes in operating assets and liabilities:		
Accounts receivable	369,544	(12,598)
Prepaid mine acquisition costs	-	(260,463)
Prepaid finance costs	393,640	(393,640)
Prepaid expenses and deposits	(1,133,124)	(76,112)
Accounts payable	773,102	(128,774)
Accrued liabilities	316,167	787,363
EPA water treatment payable	(4,458,707)	1,974,656
EPA cost recovery payable	(2,000,000)	3,000,000
Interest payable – EPA	(78,710)	-
Interest payable	2,380,853	246,702
<b>Net cash used in operating activities</b>	<b>(22,498,307)</b>	<b>(11,372,153)</b>
<b>Investing activities</b>		
Purchase of spare inventory	(341,004)	-
Land purchase	(202,000)	-
Bunker Hill mine purchase	(5,524,322)	-
Mine improvements	(1,157,059)	-
Purchase and demobilization of Process plant	(3,129,856)	-
Process plant	(503,831)	-
Purchase of machinery and equipment	(316,600)	(94,693)
<b>Net cash used in investing activities</b>	<b>(11,174,672)</b>	<b>(94,693)</b>
<b>Financing activities</b>		
Proceeds from convertible debentures	29,000,000	-
Proceeds from bridge loan	4,668,000	-
Proceeds from issuance of shares, net of issue costs	7,767,849	6,013,439
Proceeds from promissory note	-	2,500,000
Repayment of promissory note	(1,000,000)	-
Lease payments	(64,828)	(129,191)
<b>Net cash provided by financing activities</b>	<b>40,371,021</b>	<b>8,384,248</b>
<b>Net change in cash and restricted cash</b>	<b>6,698,042</b>	<b>(3,082,598)</b>
<b>Cash, beginning of year</b>	<b>486,063</b>	<b>3,568,661</b>
<b>Cash and restricted cash, end of year</b>	<b>\$ 7,148,105</b>	<b>\$ 486,063</b>
<b>Supplemental disclosures</b>		
Non-cash activities:		
Units issued to settle accounts payable and accrued liabilities	\$ 228,421	\$ 188,146
Units issued to settle interest payable	1,400,174	-
Mill purchase for shares and warrants	3,243,296	-
Units issued to settle DSU/RSU/Bonuses	872,399	-

Reconciliation from Cash Flow Statement to Balance Sheet:

Cash and restricted cash, end of year	\$	7,148,105	\$	486,063
Less restricted cash		6,476,000		-
Cash	\$	708,105	\$	486,063

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	Accumulated	Accumulated	Total
	Shares	Amount	paid-in- capital	other comprehensive loss	deficit	
<b>Balance, December 31, 2021</b>	<b>164,435,826</b>	<b>\$ 164</b>	<b>\$38,248,618</b>	<b>\$ -</b>	<b>\$(72,491,150)</b>	<b>\$(34,242,368)</b>
Stock-based compensation	-	-	700,737	-	-	700,737
Compensation options	-	-	264,435	-	-	264,435
Shares issued for interest payable	11,544,279	12	1,400,174	-	-	1,400,174
Shares issued for RSUs vested	2,565,900	2	(2)	-	-	-
Non brokered shares issued for C\$0.30	1,471,664	1	352,854	-	-	352,855
Special warrant shares issued for C\$0.30	37,849,325	38	9,083,719	-	-	9,083,757
Contractor shares issued for C\$0.30	1,218,000	1	289,999	-	-	290,000
Shares issued for Process plant purchase	10,416,667	10	1,970,254	-	-	1,970,264
Issue costs	-	-	(902,427)	-	-	(902,427)
Warrant valuation	-	-	(6,246,848)	-	-	(6,246,848)
Gain on fair value from change in credit risk	-	-	-	253,875	-	253,875
Net income for the period	-	-	-	-	898,591	898,591
<b>Balance, December 31, 2022</b>	<b>229,501,661</b>	<b>\$ 228</b>	<b>\$45,161,513</b>	<b>\$ 253,875</b>	<b>\$(71,592,559)</b>	<b>\$(26,176,943)</b>
<b>Balance, December 31, 2020</b>	<b>143,117,452</b>	<b>\$ 143</b>	<b>\$34,551,133</b>	<b>\$ -</b>	<b>\$(66,088,873)</b>	<b>\$(31,537,597)</b>
Stock-based compensation	-	-	1,309,024	-	-	1,309,024
Shares issued at \$0.32 per share <sup>(ii)</sup>	19,576,360	20	6,168,049	-	-	6,168,069
Shares issued for debt settlement at \$0.45 per share <sup>(iii)</sup>	417,720	-	188,146	-	-	188,146
Shares issued for RSUs vested	1,324,294	1	(1)	-	-	-
Issue costs	-	-	(154,630)	-	-	(154,630)
Warrant valuation	-	-	(3,813,103)	-	-	(3,813,103)
Net loss for the period	-	-	-	-	(6,402,277)	(6,402,277)

<b>Balance, December 31, 2021</b>	<b><u>164,435,826</u></b>	<b><u>\$ 164</u></b>	<b><u>\$38,248,618</u></b>	<b><u>\$</u></b>	<b><u>-</u></b>	<b><u>\$ (72,491,150)</u></b>	<b><u>\$(34,242,368)</u></b>
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- (i) Shares issued at C\$0.30, converted to US at \$0.24 (note 11)
- (ii) Units issued at C\$0.40, converted to US at \$0.32 (note 11)
- (iii) Units issued at C\$0.57, converted to US at \$0.45 (note 11)

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**  
**Years Ended December 31, 2022 and December 31, 2021**  
**(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-Q, the Company had one subsidiary, Silver Valley Metals Corp. (“Silver Valley”, formerly American Zinc Corp.), an Idaho corporation created to facilitate the work being conducted at the Bunker Hill Mine in Kellogg, Idaho.

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

**Going Concern:**

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 \$71,592,559 and further losses are anticipated in the development of its business. The Company does not have sufficient cash to fund normal operations and meet debt obligations for the next 12 months without deferring payment on certain current liabilities and/or raising additional funds. 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, debt, and closing on the multi-metals stream transaction (see note 8). 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.

**COVID-19:**

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”). Although the pandemic has subsided significantly, the Company cannot accurately predict the impact a COVID-19 resurgence would 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.

***The Russia/Ukraine Crisis:***

The Company's operations could be adversely affected by the effects of the Russia/Ukraine crisis and the effects of sanctions imposed against Russia or that country's retributions against those sanctions, embargos or further-reaching impacts upon energy prices, food prices and market disruptions. The Company cannot accurately predict the impact the crisis will have on its operations and the ability of contractors to meet their obligations with the Company, including uncertainties relating the severity of its effects, the duration of the conflict, and the length and magnitude of energy bans, embargos and restrictions imposed by governments. In addition, the crisis could adversely affect the economies and financial markets of the United States in general, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. Additionally, the Company cannot predict changes in precious metals pricing or changes in commodities pricing which may alternately affect the Company either positively or negatively.

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**Bunker Hill Mining Corp.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2022 and December 31, 2021**  
**(Expressed in United States Dollars)**

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**2. Basis of presentation**

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

**3. Significant accounting policies**

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

**Basis of consolidation**

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

**Cash and cash equivalents**

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

**Mineral rights, property and acquisition costs**

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

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

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

### **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.

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**Bunker Hill Mining Corp.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2022 and December 31, 2021**  
**(Expressed in United States Dollars)**

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### **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 Income (loss) and comprehensive Income (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 future production cash flow models when compared to factors used to assess impairment.

The ability to achieve the estimated quantities of recoverable minerals from development stage mineral interests involves further risks in addition to those factors applicable to mineral interests where proven and probable reserves have been identified, due to the lower level of confidence that the identified mineralized material can ultimately be mined economically.

### **Fair value of financial instruments**

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

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

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

### **Environmental expenditures**

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

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

### **Income taxes**

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

Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the tax bases of assets and liabilities and the consolidated financial statements reported amounts using enacted tax rates and laws in effect in the year in which the differences are expected to reverse. A valuation

allowance is provided against deferred tax assets when it is determined to be more likely than not that the deferred tax asset will not be realized.

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

FSAB ASC 740 prescribes recognition threshold and measurement attributes for the consolidated financial statements recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in periods, disclosure and transition. At December 31, 2022, December 31, 2021, the Company has not taken any tax positions that would require disclosure under FASB ASC 740.

### **Basic and diluted net income (loss) per share**

The Company computes net income (loss) per share in accordance with FASB ASC 260, Earnings per Share (“FASB ASC 260”). Under the provisions of FASB ASC 260, basic net income (loss) per share is computed using the weighted average number of common shares outstanding during the period. Diluted net income (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, RSU’s, warrants and the conversion of convertible loan payable. As of December 31, 2022, 9,005,636 stock options, 162,129,064 warrants, and 5,470,799 broker options were considered in the calculation but not included, as they were anti-dilutive (December 31, 2021 – 9,053,136 stock options, 111,412,712 warrants, and 3,590,907 broker options).

### **Stock-based compensation**

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

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

### **Restricted share units (“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).

**Bunker Hill Mining Corp.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2022 and December 31, 2021**  
**(Expressed in United States Dollars)**

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

*Convertible loans, promissory notes and warrants*

Estimating the fair value of derivative warrant liability requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the issuance. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the warrants derivative liability, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value of warrants derivative liability are disclosed in Notes 9 and 11.

The fair value estimates of the convertible loans use inputs to the valuation model that include risk-free rates, equity value per common share, USD-CAD exchange rates, spot and futures prices of minerals, expected equity volatility, expected volatility in minerals prices, discount for lack of marketability, credit spread, expected mineral production over the life of the mine, and project risk/estimation risk factors. See Note 11 for full disclosures related to the convertible loans and promissory notes.

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.

**Reclassifications**

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

**Concentrations of credit risk**

The Company's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and restricted cash. The Company places its cash with financial institutions of high credit worthiness. At times, its cash equivalents with a particular financial institution may exceed any applicable government insurance limits.

The Company's management also routinely assesses the financial strength and credit worthiness of any parties to which it extends funds and as such, it believes that any associated credit risk exposures are limited.

### **Risks and uncertainties**

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

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## **Bunker Hill Mining Corp. Notes to Consolidated Financial Statements Years Ended December 31, 2022 and December 31, 2021 (Expressed in United States Dollars)**

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### **Foreign currency transactions**

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

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

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

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

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

### **Recent Accounting Pronouncements**

#### *Accounting Standards Updates Adopted*

In August 2020, the FASB issued ASU No. 2020-06 Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. The update is to address issues identified as a result of the complexity associated with applying generally accepted accounting principles for certain financial instruments with characteristics of liabilities and equity. The update is effective for fiscal years beginning after December 15, 2023 for smaller reporting companies, including interim periods within those fiscal years and with early adoption permitted. The Company is assessing the impact from the adoption of this amendment.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

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#### 4. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses consists of the following:

	<b>December 31,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
Prepaid expenses	\$ 386,218	\$ 413,443
Environment protection agency overpayment (note 8)	170,729	-
<b>Total</b>	<b>\$ 556,947</b>	<b>\$ 413,443</b>

#### 5. Equipment

Equipment consists of the following:

	<b>December 31,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
Equipment	\$ 920,571	\$ 603,972
	920,571	603,972
Less accumulated depreciation	(369,367)	(207,078)
<b>Equipment, net</b>	<b>\$ 551,204</b>	<b>\$ 396,894</b>

The total depreciation expense during the year ended December 31, 2022, was \$162,290 (year ended December 31, 2021 - \$133,526).

#### *Process Plant Purchase from Teck Resources Limited*

On May 13, 2022, the Company completed purchase of a comprehensive package of equipment and parts inventory from Teck Resources Limited (“Teck”). The package comprises substantially all processing equipment of value located at the Pend Oreille mine site, including complete crushing, grinding and flotation circuits suitable for a planned ~1,500 ton-per-day operation at the Bunker Hill site, and total inventory of nearly 10,000 components and parts for mill, assay lab, conveyer, field instruments, and electrical spares.

The purchase of the mill has been valued at:

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

The process plant was purchased in an assembled state in the seller’s location, and included major processing systems, significant components, and a large inventory of spare parts. The Company has disassembled and transported it to the Bunker Hill site, and will be reassembling it as an integral part of the Company’s future operations. The Company determined that the transaction should be accounted for as an asset acquisition, with

the process plant representing a single asset, with the exception of the inventory of spare parts, which has been separated out and appears on the balance sheets as a current asset in accordance with a preliminary purchase price allocation. As the plant is demobilized, transported and reassembled, installation and other costs associated with these activities will be captured and capitalized as components of the asset.

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At December 31, 2022, the asset consists of the following:

	<b>December 31, 2022</b>
Deposit paid	\$ 500,000
Sales tax paid	231,000
Value of shares issued	1,970,264
Value of warrants issued	1,273,032
Total plant & inventory purchased	<u>3,974,296</u>
Site preparation costs	2,296,266
Demobilization	2,201,414
Less spare parts inventory	(341,004)
Pend Oreille plant asset, net	<u>\$ 8,130,972</u>

*Ball Mill upgrade*

On August 30, 2022, the Company entered into an agreement to purchase a ball mill from D'Angelo International LLC for \$675,000. The purchase of the mill is to be made in three cash payments. The first two payments were made as follows:

\$100,000 on September 15, 2022 as a non-refundable long-term deposit  
 \$100,000 on October 13, 2022, as a refundable long-term deposit

As of December 31, 2022, the Company had not made the final payment of \$475,000.

**6. Right-of-use asset**

Right-of-use asset consists of the following:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Office lease	\$ 319,133	319,133
Less accumulated depreciation	(319,133)	(266,780)
Right-of-use asset, net	<u>\$ -</u>	<u>\$ 52,353</u>

The total depreciation expense during the year ended December 31, 2022 was \$52,353 (year ended December 31, 2021 - \$106,378).

**7. Mining Interests**

*Bunker Hill Mine Complex*

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

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

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

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The Amended Agreement also required payments pursuant to an agreement with the Environmental Protection Agency (the “EPA”) whereby for so long as the Company leases, owns and/or occupies the Mine, the Company would make payments to the EPA on behalf of Placer Mining in satisfaction of the EPA’s claim for historical water treatment cost recovery in accordance with the Settlement Agreement reached with the EPA in 2018. Immediately prior to the purchase of the Mine, the Company’s liability to EPA in this regard totaled \$11,000,000. (See also Note 8 Environmental Protection Agency Agreement).

Prior to the completion of the sale, the Company accrued \$260,463 in acquisition costs during the year ended December 31, 2021. Together with the \$2,000,000 advance payment made in November 2020, this comprises the balance of \$2,260,463 for prepaid mine deposit and acquisition costs on the balance sheet as of December 31, 2021.

The Company completed the purchase of the Mine on January 7, 2022. The terms of the purchase price were modified to \$5,400,000 in cash, from \$3,400,000 of cash and \$2,000,000 of Common Shares. Concurrent with the purchase of the Mine, the Company assumed incremental liabilities of \$8,000,000 to the EPA, consistent with the terms of the amended Settlement Agreement with the EPA that was executed in December 2021 (see also Note 8 Environmental protection Agency Agreement).

The \$5,400,000 contract cash paid at purchase was the \$7,700,000 less the \$2,000,000 deposit and \$300,000 credit given by the seller for prior years’ maintenance payments. Management has determined the purchase to be an acquisition of a single asset as guided by ASU 805-10 Business Combinations.

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

	<b>December 31, 2022</b>
Contract purchase price	\$ 7,700,000
Less: Credit by seller for prior maintenance payments	(300,000)
Net present value of water treatment cost recovery liability assumed (note 8)	6,402,425
Closing costs capitalized	2,638
Mine acquisition costs - legal	442,147
Carrying cost of mine – January 7, 2022	\$ 14,247,210
Capitalized mining costs – 2022	1,447,435
Carrying cost of mine - total	\$ 15,694,645

*Land Purchase*

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

## 8. Environmental Protection Agency

### *Historical Cost Recovery Payables*

As a part of the lease of the Mine, the Company was required to make payments pursuant to an agreement with the EPA whereby for so long as the Company leases, owns and/or occupies the Mine, the Company was required to make payments to the EPA on behalf of Placer Mining in satisfaction of the EPA’s claim for cost recovery related to historical treatment costs paid by the EPA from 1995 to 2017. These payments, if all are made, will total \$20,000,000. The agreement called 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 five anniversaries with a final \$2,000,000 payment on November 1, 2024. The November 1, 2018, November 1, 2019, November 1, 2020, and November 1, 2021, payments were not made. As a result, a total of \$11,000,000 was outstanding as of December 31, 2021, accounted for within current liabilities. As the purchase of the Bunker Hill Mine (which would trigger the immediate recognition of the remaining liabilities due through November 1, 2024) had not yet taken place, the remaining \$8,000,000 cost recovery liabilities were not recognized on the Company’s consolidated balance sheets as of December 31, 2021.

Through 2021, the Company engaged in discussions with the EPA to reschedule these payments in ways that enable the sustainable operation of the Mine as a viable long-term business.

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

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

In addition to the changes in payment terms and schedule, the Amended Settlement included a commitment by the Company to secure \$17,000,000 of financial assurance in the form of performance bonds or letters of credit deemed acceptable to the EPA within 180 days from the effective date of the Amended Settlement. Once put in place, the financial assurance can be drawn on by the EPA in the event of non-performance by the Company of its payment obligations under the Amended Settlement (the “Financial Assurance”). The amount of the bonds will decrease over time as individual payments are made.

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

As of March 31, 2022, the financial assurance had not yet been secured, and as such the Company accounted for the \$17,000,000 liabilities according to the previous payment schedule, resulting in \$12,000,000 classified as a current liability and \$5,000,000 as a long-term liability. The long-term portion was discounted at an interest rate of 16.5% to arrive at a net present value of \$3,540,851 after discount (\$3,402,425 as of the purchase of the mine plus \$138,427 of accretion expense during the quarter ended March 31, 2022.

During the quarter ended June 30, 2022, the Company was successful in obtaining the final financial assurance. Specifically, a \$9,999,000 payment bond and a \$7,001,000 letter of credit were secured and provided to the EPA. This milestone provides for the Company to recognize the effects of the change in terms of the EPA liability as outlined in the Amendment Settlement. Once the financial assurance was put into place, the restructuring of the payment stream under the Amendment Settlement occurred with the entire \$17,000,000 liability being recognized as long-term in nature. The aforementioned payment bond is secured by a \$2,475,000 letter of credit. The \$2,475,000 and \$7,001,000 letters of credit are secured by \$9,476,000 of cash deposits under an agreement with a commercial bank. These cash deposits comprise the \$9,476,000 of restricted cash shown within current assets as of September 30, 2022.

During the quarter ended December 31, 2022 the \$7,001,000 letter of credit was reduced to \$2,000,001 as a result of a new \$5,000,000 payment bond obtained through an insurance company. The collateral for the new payment bond is comprised of a \$2,000,000 letter of credit and land pledged by third parties, with whom the company has entered into a financing cooperation agreement that contemplates a monthly fee of \$20,000 (payable in cash or common shares of the Company, at the Company's election). As a result of the \$3,000,000 net decrease in the Company's letter of credit requirements, the Company's restricted cash balance (utilized as collateral for letters of credit) decreased by \$3,000,000 from \$9,476,000 as of September 30, 2022 to \$6,476,000 as of December 31, 2022.

Under ASC 470-50, Debt Modifications and Extinguishments, the Company performed a comparison of net present value of the pre-settlement Cost Recovery obligation to the post-settlement schedule of Cost Recovery obligation to determine this was an extinguishment of debt. The Company recorded a gain on extinguishment of debt totaling \$8,614,103. The old debt, including any discount, was written off and the new payment stream of the amended \$17,000,000 table, including the new discount of \$9,927,590, using the effective interest rate of 19.95%, was recorded to result in a net liability of \$7,072,410, which is due long-term. During the year ended December 31, 2022, the Company recorded combined discount amortization expense of \$712,713 on the discounted pre- and post-extinguishment liability, and interest expense of \$156,343 respectively, bringing the net liability to \$7,941,466. As at December 31, 2022 interest of \$24,587 (\$306,501 at December 31, 2021) is included in interest payable on the consolidated balance sheets.

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*Water Treatment Charges – EPA*

Separate to the cost recovery liabilities outlined above, the Company is responsible for the payment of ongoing water treatment charges. Water treatment charges incurred through December 31, 2021 were payable to the EPA, and charges thereafter are payable to the Idaho Department of Environmental Quality (“IDEQ”) given a handover of responsibilities for the Central Treatment Plant from the EPA to the IDEQ as of that date. The Company had estimated water treatment payables to the EPA of \$nil as of December 31, 2022 and \$5,110,706 at December 31, 2021, which is reflected in current liabilities.

### *Water Treatment Charges – IDEQ*

For the year ended December 31, 2022, the Company made net payments of \$1,400,000 (12 monthly payments of \$140,000 less \$280,000 refund received in December 2022) to the IDEQ to estimate the cost of treating water at the Central Treatment Plant. As of December 31, 2022, a prepaid expense of \$170,729 represents the difference between the actual cost of water treatment through December 31, 2022 and net payments made by the Company to the IDEQ. This balance has been recognized on the consolidated balance sheets as accounts receivable and prepaid expenses.

### **9. Promissory notes payable and Convertible Debentures**

On September 22, 2021, the Company issued a non-convertible promissory note in the amount of \$2,500,000 bearing interest of 15% per annum and payable at maturity. The promissory note was scheduled to mature on March 15, 2022; however, the note holder agreed to accept \$500,000 payment, which the Company paid, by April 15, 2022, and the remaining principal and interest was deferred to June 20, 2022. Prior to the revised maturity of June 20, 2022, the note holder agreed to accept a further \$500,000 payment by June 30, 2022, which the Company paid. The remaining principal and interest has been deferred to June 15, 2023. The Company purchased a land parcel for approximately \$202,000 on March 3, 2022, which may be used as security for the promissory note. At December 31, 2022, the Company owes \$1,500,000 in promissory notes payable, which is included in current liabilities on the consolidated balance sheets. Interest expense for the years ended December 31, 2022 and 2021 was \$281,301 and \$102,740 respectively. At December 31, 2022 interest of \$384,041 (\$102,740 at December 31, 2021) is included in interest payable on the consolidated balance sheets.

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

On December 20, 2021, the Company executed a non-binding term sheet outlining a \$50,000,000 project finance package with Sprott Private Resource Streaming and Royalty Corp. (“SRSR”).

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

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

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

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

Concurrent with the funding of the CD2 in June 2022, the Company and SRSR agreed to a number of amendments to the terms of the RCD, including an amendment of the maturity date from July 7, 2023 to March 31, 2025. The parties also agreed to enter into a Royalty Put Option such that in the event the RCD is converted into a royalty as described above, the holder of the royalty will be entitled to resell the royalty to the Company for \$8,000,000 upon default under the CD1 or CD2 until such time that the CD1 and CD2 are paid in full. The Company determined that the amendments in the terms of the RCD should not be treated as an extinguishment of the RCD, and have therefore been accounted for as a modification as a result of the treatment the Company reported a gain of \$607,261 in the loss on fair value of convertible debentures line of the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2022.

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

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

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

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

The Company closed the \$15,000,000 CD2 on June 17, 2022. The CD2 bears interest at an annual rate of 10.5%, payable in cash or shares at the Company's option, and matures on March 31, 2025. The CD2 is secured by a pledge of the Company's properties and assets. The repayment terms include 3 quarterly payments of \$2,000,000 each beginning June 30, 2024 and \$9,000,000 on the maturity date.

In light of the Series 2 Convertible Debenture financing, the previously permitted additional senior secured indebtedness of up to \$15 million for project finance has been removed.

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

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

Reference (2)(4) (5)	Valuation date	Maturity date	Contractual Interest rate	Stock price (US\$)	Expected equity volatility	Credit spread	Risk-free rate	Risk-adjusted rate
CD1 note (1)	01-28-22	07-07-23	7.50%	0.230	120%	8.70%	0.92%	16.18%
RCD note	01-07-22	07-07-23	9.00%	0.242	130%	9.21%	0.65%	16.39%
CD1 note (1)	03-31-22	07-07-23	7.50%	0.235	120%	8.85%	1.80%	17.12%
RCD note	03-31-22	07-07-23	9.00%	0.235	120%	8.85%	1.80%	17.12%
CD2 note(1)	06-17-22	03-31-25	10.50%	0.185	120%	9.45%	3.28%	20.95%
CD2 note(1)	06-30-22	03-31-25	10.50%	0.150	120%	10.71%	2.95%	21.78%
CD1 note	06-30-22	03-31-25	7.50%	0.150	120%	10.71%	2.95%	19.89%
RCD note	06-30-22	03-31-25	9.00%	0.150	120%	10.71%	2.95%	19.89%
CD1 note	09-30-22	03-31-25	7.50%	0.085	120%	13.31%	4.19%	23.35%
RCD note	09-30-22	03-31-25	9.00%	0.085	120%	13.31%	4.19%	23.35%

CD2 note	09-30-22	03-31-25	10.50%	0.085	120%	13.31%	4.19%	25.21%
CD1 note(3)	12-31-22	03-31-25	7.50%	0.125	120%	7.08%	4.32%	17.85%
RCD note	12-31-22	03-31-25	9.00%	0.125	120%	7.08%	4.32%	17.85%
CD2 note(3)	12-31-22	03-31-25	10.50%	0.125	120%	7.08%	4.32%	19.76%

- (1) The CD1 carried a Discount for Lack of Marketability (“DLOM”) of 5.0% as of the issuance date and as of March 31, 2022. The CD2 carried a DLOM of 10.0% as of the issuance date and June 30, 2022
- (2) CD1 and RCD carry an instrument-specific spread of 7.23%, CD2 carries an instrument-specific spread of 9.32%
- (3) The conversion price of the CD1 is \$0.219 and CD2 is \$0.212 as of December 31, 2022
- (4) A project risk rate of 13.0% was used for all scenarios of the RCD fair value computations
- (5) The valuation of the RCD is driven by the aggregation of (i) the present value of future potential cash flow to the royalty holder, in the event that the RCD is converted to a royalty, utilizing an estimate of future metal sales and Monte Carlo simulations of future metal prices, and (ii) the computation of the present value assuming no conversion to the 1.85% gross revenue royalty. The valuation of (i) is compared to the valuation of (ii) for each simulation, with the higher value used in the aggregation to arrive at the fair value of the RCD. This results in an implied probability of the RCD being converted to the royalty, in the event that the Stream is advanced. Based on this methodology, as of December 31, 2022, the implied probability of the RCD being converted to a 1.85% royalty, in the event that the Stream is advanced, was 98%. Credit spread, Risk-free rate, and Risk-adjusted rate shown for the RCD are applicable to the scenario where the Stream is not advanced. There are immaterial differences in these inputs for the scenario where the Stream is advanced. As of December 31, 2022 these were 6.71%, 4.36%, and 17.55% respectively for the Scenario where the Stream is advanced

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

Instrument Description	Issuance date CD1 RCD, CD2	December 31, 2022
CD1	\$ 6,320,807	\$ 5,537,360
RCD	7,679,193	10,285,777
CD2	15,000,000	14,063,525
Total	<u>\$ 29,000,000</u>	<u>\$ 29,886,662</u>

The total loss on fair value of debentures recognized during the year ended December 31, 2022 and December 31, 2021, was \$1,140,537 and \$nil, respectively. The portion of changes in fair value that is attributable to changes in the Company’s credit risk is accounted for within other comprehensive income. During the year ended December 31, 2022 and December 31, 2021, the Company recognized \$253,875 and \$nil respectively, within other comprehensive income. Interest expense for the years ended December 31, 2022 and 2021 was \$2,092,065 and \$nil respectively. At December 31, 2022 interest of \$691,890 (\$nil at December 31, 2021) is included in interest payable on the consolidated balance sheets.

The Company performs quarterly testing of the covenants in the RCD, CD1 and CD2, and was in compliance with all such covenants as of December 31, 2022.

The Loan Facility

On December 6, 2022, the Company closed a new \$5,000,000 loan facility with Sprott (the “Bridge Loan”). The Bridge Loan is secured by the same security package that is in place with respect to the RCD, CD1, and CD2. The

Bridge Loan bears interest at a rate of 10.5% per annum and matures at the earlier of (i) the advance of the Stream, or (ii) June 30, 2024. In addition, the minimum quantity of metal delivered under the Stream, if advanced, would increase by 5% relative to amounts previously announced. Interest expense for the years ended December 31, 2022 and 2021 was \$70,404 and \$nil respectively. At December 31, 2022 interest of \$53,985 (\$nil at December 31, 2021) is included in interest payable on the consolidated balance sheets.

### The Stream

A minimum of \$27,000,000 and a maximum of \$37,000,000 (the “Stream Amount”) will be made available under the Stream, at the Company’s option, once the conditions of availability of the Stream have been satisfied, including confirmation of full project funding by an independent engineer appointed by SRSR. If the Company draws the maximum funding of \$37,000,000, the Stream would apply to 10% of payable metals sold until a minimum quantity of metal is delivered consisting of, individually, 55 million pounds of zinc, 35 million pounds of lead, and 1 million ounces of silver (subsequently amended, as described below). Thereafter, the Stream would apply to 2% of payable metals sold. If the Company elects to draw less than \$37,000,000 under the Stream, the percentage and quantities of payable metals streamed will adjust pro-rata. The delivery price of streamed metals will be 20% of the applicable spot price. The Company may buy back 50% of the Stream Amount at a 1.40x multiple of the Stream Amount between the second and third anniversary of the date of funding, and at a 1.65x multiple of the Stream Amount between the third and fourth anniversary of the date of funding. As of December 31, 2022, the Stream had not been advanced.

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Concurrent with the funding of the CD2 in June 2022, the Company and SRSR agreed that the minimum quantity of metal delivered under the Stream, if advanced, will increase by 10% relative to the amounts noted above.

### Other Interest

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

### **10. Lease liability**

The Company had an operating lease for office space that expired in 2022. Below is a summary of the Company’s lease liability as of December 31, 2022:

	<u>Office lease</u>
Balance, December 31, 2020	\$ 176,607
Addition	-
Interest expense	12,696
Lease payments	(129,191)
Foreign exchange loss	2,165
Balance, December 31, 2021	62,277
Addition	-
Interest expense	1,834
Lease payments	(64,828)
Foreign exchange loss	717
Balance, December 31, 2022	-

### **11. Capital stock, warrants and stock options**

## Authorized

The total authorized capital is as follows:

- 1,500,000,000 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

## Issued and outstanding

In February 2021, the Company closed a non-brokered private placement of units of the Company (the “February 2021 Offering”), issuing 19,576,360 units of the Company (“February 2021 Units”) at C\$0.40 per February 2021 Unit for gross proceeds of \$6,168,069 (C\$7,830,544). Each February 2021 Unit consisted of one common share of the Company and one common share purchase warrant of the Company (each, “February 2021 Warrant”), which entitles the holder to acquire a common share of the Company at C\$0.60 per common share for a period of five years. In connection with the February 2021 Offering, the Company incurred share issuance costs of \$154,630 and issued 351,000 compensation options (the “February 2021 Compensation Options”). Each February 2021 Compensation Option is exercisable into one February 2021 Unit at an exercise price of C\$0.40 for a period of three years.

The Company also issued 417,720 February 2021 Units to settle \$132,000 of accrued liabilities at a deemed price of \$0.45 based on the fair value of the units issued. As a result, the Company recorded a loss on debt settlement of \$56,146.

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

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## **Bunker Hill Mining Corp.**

### **Notes to Consolidated Financial Statements**

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The Special Warrants were issued at a price of C\$0.30 per special warrant. Each Special Warrant shall be automatically exercisable (without payment of any further consideration and subject to customary anti-dilution adjustments) into one unit of the Company (a “Brokered Unit”) on the date that is the earlier of: (i) the date that is three (3) business days following the date on which the Company has obtained both (A) a receipt from the Canadian security commission in each of the provinces of Canada which the purchasers and Agents (as defined herein) are residents where the Special Warrants are sold (the “Qualifying Jurisdictions”) for a (final) short-form prospectus qualifying the distribution of the common stock of the Company (“Common Shares”) and common stock purchase warrants of the Company (the “Warrants”) issuable upon exercise of the Special Warrants (the “Qualification Prospectus”); and (B) notification that the registration statement, under U.S. securities laws, of the Company filed with the United States Securities and Exchange Commission (the “SEC”) has been declared effective by the SEC (the “Registration Statement”); and (ii) the date that is six months following April 1, 2022 (the “Closing Date”). Each unit consists of one common share and one warrant. Each warrant entitles the holder to acquire one common share for C\$0.37 until April 1, 2025. The warrants shall also be exercisable on a cashless basis in the event the Registration Statement has not been made effective by the SEC prior to the date of exercise.

On May 31, 2022, the Company announced that it had received a receipt from the Ontario Securities Commission for its final short-form Canadian prospectus qualifying the distribution of the common stock of the Company and common stock purchase warrants of the Company issuable upon exercise of the special warrants of the Company that were issued on April 1, 2022. The Company also announced that it received notice from the United States Securities and Exchange Commission that its Form S-1 has been declared effective as of May 27, 2022. As a result of obtaining the receipt for the Canadian prospectus and the declaration of effectiveness for the Form S-1, each unexercised Special Warrant was automatically exercised into one Common Share and one Warrant without further action on the part of the holders.

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

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

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

In April 2022, the Company issued 768,750 shares in connection with the settlement of RSU's.

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

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

In June 2022, the Company issued 165,000 shares in connection with the settlement of RSU's.

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

In September 2022, the Company issued 33,000 common shares in connection with the settlement of RSU's.

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

In November 2022, the Company issued 1,599,150 common shares in connection with settlement of RSU's.

For each financing, the Company has accounted for the warrants in accordance with ASC Topic 815 Derivatives and Hedging. The warrants are considered derivative instruments as they were issued in a currency other than the Company's functional currency of the U.S. dollar. The estimated fair value of warrants accounted for as liabilities was determined on the date of issue and 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 in the change in derivative liability line item and is estimated using the Binomial model.

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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, 2022 and December 31, 2021:

<b>April 2022 special warrants issuance</b>	<b>December 31, 2022</b>	<b>April 1, 2022</b>
Expected life	822 days	1,096 days
Volatility	120%	120%
Risk free interest rate	4.06%	2.35%

Dividend yield		0%	0%
Share price (C\$)	\$	0.17	\$ 0.29
Fair value	\$	2,406,104	\$ 5,947,232
Change in derivative liability	\$	(3,541,128)	\$ -

<b>April 2022 non-brokered issuance</b>	<b>December 31, 2022</b>	<b>April 1, 2022</b>
Expected life	822 days	1,096 days
Volatility	120%	120%
Risk free interest rate	4.06%	2.35%
Dividend yield	0%	0%
Share price (C\$)	\$ 0.17	\$ 0.29
Fair value	\$ 93,553	\$ 186,190
Change in derivative liability	\$ (92,637)	\$ -

<b>May 2022 Teck issuance</b>	<b>December 31, 2022</b>	<b>May 13, 2022</b>
Expected life	864 days	1,096 days
Volatility	120%	120%
Risk free interest rate	4.06%	2.68%
Dividend yield	0%	0%
Share price (C\$)	\$ 0.17	\$ 0.25
Fair value	\$ 684,497	\$ 1,273,032
Change in derivative liability	\$ (588,535)	\$ -

<b>June 2022 issuance</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Expected life	822 days	1,006 days
Volatility	120%	120%
Risk free interest rate	3.72%	3.14%
Dividend yield	0%	0%
Share price (C\$)	\$ 0.17	\$ 0.20
Fair value	\$ 77,429	\$ 113,425
Change in derivative liability	\$ (35,996)	\$ -

<b>February 2021 issuance</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Expected life	1,136 days	1,501 days
Volatility	120%	100%
Risk free interest rate	3.72%	1.25%
Dividend yield	0%	0%
Share price	\$ 0.17	\$ 0.37
Fair value	\$ 1,335,990	\$ 3,483,745
Change in derivative liability	\$ (2,147,756)	\$ -

The warrant liabilities as a result of the August 2018, November 2018, June 2019, August 2019, and August 2020 private placements were revalued as at December 31, 2022 and December 31, 2021 using the Binomial model and the following assumptions:

<b>August 2020 issuance</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Expected life	243 days	608 days
Volatility	120%	100%
Risk free interest rate	4.06%	0.95%
Dividend yield	0%	0%
Share price	\$ 0.17	\$ 0.37
Fair value	\$ 903,697	\$ 6,790,163
Change in derivative liability	\$ (5,886,466)	\$ -

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<b>June 2019 issuance (i)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Expected life	1,096 days	1,461 days
Volatility	120%	100%
Risk free interest rate	3.82%	1.02%
Dividend yield	0%	0%
Share price	\$ 0.17	\$ 0.37
Fair value	\$ 725,737	\$ 2,067,493
Change in derivative liability	\$ (1,341,756)	\$ -

(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>December 31, 2022</b>	<b>December 31, 2021</b>
Expected life	1,096 days	1,461 days
Volatility	120%	100%
Risk free interest rate	3.82%	1.02%
Dividend yield	0%	0%
Share price	\$ 0.17	\$ 0.37
Fair value	\$ 1,115,369	\$ 3,177,485
Change in derivative liability	\$ (2,062,116)	\$ -

(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.

**Warrants**

	<b>Number of warrants</b>	<b>Weighted average exercise price (C\$)</b>	<b>Weighted average grant date value (\$)</b>
Balance, December 31, 2020	95,777,806	\$ 0.54	\$ 0.18
Issued	19,994,080	0.60	0.19
Expired	(4,359,174)	0.59	0.19
Balance, December 31, 2021	111,412,712	\$ 0.54	\$ 0.18
Issued	50,955,636	0.37	0.15
Expired	(239,284)	0.70	0.21
Balance, December 31, 2022	162,129,064	\$ 0.49	\$ 0.17

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

At December 31, 2022, the following warrants were outstanding:

<b>Expiry date</b>	<b>Exercise price (C\$)</b>	<b>Number of warrants</b>	<b>Number of warrants exercisable</b>
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August 31, 2023	0.50	58,284,148	58,284,148
December 31, 2025	0.59	32,895,200	32,895,200
February 9, 2026	0.60	17,112,500	17,112,500
February 16, 2026	0.60	2,881,580	2,881,580
April 1, 2025	0.37	40,538,969	40,538,969
May 13, 2025	0.37	10,416,667	10,416,667
		<u>162,129,064</u>	<u>162,129,064</u>

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**Compensation options**

At December 31, 2022, the following compensation options were outstanding:

	<b>Number of broker options</b>	<b>Weighted average exercise price (C\$)</b>
Issued - August 2020 Compensation Options	3,239,907	\$ 0.35
Balance, December 31, 2020	3,239,907	\$ 0.35
Issued – February 2021 Compensation Options	351,000	0.40
Balance, December 31, 2021	3,590,907	0.35
Issued – April 2022 Compensation Options	1,879,892	0.30
Balance, December 31, 2022	<u>5,470,799</u>	<u>\$ 0.34</u>

<b>Grant Date</b>	<b>Risk free interest rate</b>	<b>Dividend yield</b>	<b>Volatility</b>	<b>Stock price</b>	<b>Weighted average life</b>
August 2020	0.31%	0%	100%	C\$0.35	3 years
February 2021	0.26%	0%	100%	C\$0.40	3 years
April 1, 2022	2.34%	0%	120%	C\$0.30	2 years

<b>Expiry date</b>	<b>Exercise price (C\$)</b>	<b>Number of broker options</b>	<b>Fair value (\$)</b>
August 31, 2023 <sup>(i)</sup>	\$ 0.35	3,239,907	\$ 521,993
February 16, 2024 <sup>(ii)</sup>	\$ 0.40	351,000	\$ 68,078
April 1, 2024 <sup>(iii)</sup>	\$ 0.30	1,879,892	\$ 264,435
		<u>5,470,799</u>	<u>\$ 854,506</u>

(i) Exercisable into one August 2020 Unit

(ii) Exercisable into one February 2021 Unit

(iii) Exercisable into one April 2022 Unit

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**Stock options**

The following table summarizes the stock option activity during the years ended December 31, 2022 and 2021:

	<u>Number of stock options</u>	<u>Weighted average exercise price (C\$)</u>
Balance, December 31, 2020	8,015,159	\$ 0.62
Granted (i)	1,037,977	0.34
Balance, December 31, 2021	9,053,136	\$ 0.58
Granted (ii)	700,000	0.15
Expired May 1, 2022	(47,500)	10.00
Forfeited November 25, 2022	(150,000)	0.15
Expired December 31, 2022	(235,500)	0.50
Balance, December 31, 2022	<u>9,320,636</u>	<u>\$ 0.51</u>

- (i) On February 19, 2021, 1,037,977 stock options were issued to an officer of the Company, of which 273,271 stock options vested immediately and the balance of 764,706 stock options vested on December 31, 2021. These options have a 5-year life and are exercisable at C\$0.335 per common share. The grant date fair value of the options was estimated at \$204,213. The vesting of these options resulted in stock-based compensation of \$nil for the year ended December 31, 2022 (\$204,213 for the year ended December 31, 2021) which is included in operation and administration expenses on the consolidated statements of income (loss) and comprehensive income (loss).
- (ii) On August 24, 2022, 300,000 stock options were issued to an employee of the Company, of which 150,000 vested immediately and the remaining balance of outstanding options to vest equally over the next two anniversaries of the grant date. These options have a 5-year life and are exercisable at C\$0.15 per common share. The grant fair value of the options was estimated at \$28,930. The vesting of these options resulted in stock-based compensation of \$15,594 for the year ended December 31, 2022, which is included in the operation and administration expense of the consolidated statements of income (loss) and comprehensive income (loss).
- (iii) On November 23, 2022, 400,000 stock options were issued to an employee of the Company, of which 200,000 vested immediately and the remaining balance of outstanding options to vest equally over the next two anniversaries of the grant date. These options have a 5-year life and are exercisable at C\$0.15 per common share. The grant fair value of the options was estimated at \$37,387. The vesting of these options resulted in stock-based compensation of \$20,191 for the year ended December 31, 2022, which is included in the operation and administration expense of the consolidated statements of income (loss) and comprehensive income (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:

	<u>Risk free interest rate</u>	<u>Dividend yield</u>	<u>Volatility</u>	<u>Stock price</u>	<u>Weighted average life</u>
(i)	0.64%	0%	100%	C\$0.34	5 years
(ii)	3.27%	0%	120%	C\$0.15	5 years
(iii)	3.22%	0%	120%	C\$0.15	5 years

The following table reflects the actual stock options issued and outstanding as of December 31, 2022:

Exercise price (C\$)	remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Grant date fair value (\$)
0.60	0.75	200,000	200,000	52,909
0.60	1.82	1,575,000	1,575,000	435,069
0.55	2.30	5,957,659	2,978,830	1,536,764
0.335	3.14	1,037,977	1,037,977	204,213
0.15	0.90	150,000	150,000	14,465
0.15	4.90	400,000	200,000	37,387
		<u>9,320,636</u>	<u>6,141,807</u>	<u>\$ 2,280,807</u>

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**12. Income per Share**

Potentially dilutive securities include convertible loan payable, warrants, broker options, stock options, and unvested restricted share units (“RSU”). Diluted income per share reflects the assumed exercise or conversion of all dilutive securities using the treasury stock method.

	Year ended December 31, 2022	Year ended December 31, 2021
Net income (loss) for the period	898,591	(6,402,277)
Basic income (loss) per share Weighted average number of common shares - basic	<u>205,950,811</u>	<u>161,868,334</u>
Net income (loss) per share – basic	0.00	(0.04)
Net income (loss) for the period	898,591	(6,402,277)
Dilutive effect of convertible debentures	(370,121)	-
Dilutive effect of warrants on net income	-	-
Diluted net income (loss) for the period	<u>528,470</u>	<u>(6,402,277)</u>
Diluted income (loss) per share	<u>205,950,811</u>	<u>161,868,334</u>
Weighted average number of common shares - basic		
Diluted effect:		
Stock options and RSUs	<u>63,850,470</u>	-
Weighted average number of common shares - fully diluted	<u>269,801,281</u>	<u>161,868,334</u>
Net income (loss) per share - fully diluted	<u>0.00</u>	<u>(0.04)</u>

**13. 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 year ended December 31, 2022:

**Weighted**

	<u>Number of shares</u>	<u>average grant date fair value per share (C\$)</u>
Unvested as at December 31, 2020	988,990	\$ 0.39
Granted	1,348,434	0.38
Vested	(1,516,299)	0.41
Forfeited	<u>(245,125)</u>	<u>0.52</u>
Unvested as at December 31, 2021	576,000	\$ 0.62
Granted	6,620,641	0.17
Vested	<u>(2,373,900)</u>	<u>0.18</u>
Unvested as at December 31, 2022	<u>4,822,741</u>	<u>\$ 0.22</u>

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(i) On January 1, 2021, the Company granted 735,383 RSUs to a consultant of the Company. 245,128 RSUs vested immediately with the remaining RSUs vesting in one twelfth increments per month. During the year ended 2021, a total of 490,258 RSUs vested, and in July 2021, the consultant forfeited the remaining 245,125 unvested RSUs, resulting in a reversal of share-based compensation of \$64,870. The vesting of these RSUs resulted in stock-based compensation of \$nil for the year ended December 31, 2022 and \$199,542 for the year ended December 31, 2021, which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

(ii) On July 1, 2021, the Company granted 17,823 RSUs to a consultant of the Company, vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$nil for the year ended December 31, 2022 and \$4,026 for the year ended December 31, 2021, which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

(iii) On August 5, 2021, the Company granted 595,228 RSUs to consultants of the Company, vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$nil for the year ended December 31, 2022 and \$100,022 for the year ended December 31, 2021, which is included in operation and administration expenses on the consolidated statements of loss and comprehensive loss.

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

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

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

(vii) On September 29, 2022 the Company granted 33,000 RSUs to two consultants of the Company, vested immediately. The vesting of these RSUs resulted in stock-based compensation of \$2,889 for the year ended

December 31, 2022, which is included in operation and administration expenses on the consolidated statements of income (loss) and comprehensive income (loss).

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

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

#### 14. 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.

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The following table summarizes the DSU activity during the years ended December 31, 2022 and 2021:

	<b>Number of shares</b>	<b>Weighted average grant date fair value per share (C\$)</b>
Unvested as at December 31, 2020	7,500,000	\$ 1.03
Vested	<u>(1,875,000)</u>	<u>1.03</u>
Unvested as at December 31, 2021	5,625,000	\$ 1.03
Granted (i)	210,000	0.20
Vested (ii)(iii)	<u>(3,125,000)</u>	<u>1.03</u>
Unvested as at December 31, 2022	<u>2,710,000</u>	<u>\$ 1.00</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. On July 1, 2022 the Company granted 210,000 DSU’s, these DSU’s vest after 12 months of the issuance date. During the year ended December 31, 2022, and 2021 the Company recognized recovery of \$282,967 and expense of \$421,284, respectively, in stock-based compensation related to the DSUs, which is included in operation and administration expenses on the consolidated statements of income (loss) and comprehensive income (loss), as DSU’s were settled in cash during the year ended December 31, 2022. Upon redemption of the 2,500,000 DSUs (see (iii)) the fair value of the remaining DSU liability at December, 2022 was \$573,742.

(ii) On March 31, 2022, the Board approved the early vesting of 625,000 DSUs for one of the Company’s Directors.

- (iii) During the year ended December 31, 2022, the director redeemed 2,500,000 DSUs for C\$750,000, and elected to use net proceeds to subscribe for 375,000 units in the Company's April 2022 special warrant issuance at C\$0.30 per unit, with the balance of the redeemed amount payable in cash after applicable withholding tax deductions. The DSU's were therefore all accelerated to vest.

## 15. Commitments and contingencies

As stipulated in the agreement with the EPA and as described in Note 7, the Company is required to make two types of payments to the EPA and IDEQ, one for historical water treatment cost-recovery to the EPA, and the other for ongoing water treatment. Water treatment costs incurred through December 2021 are payable to the EPA, and water treatment costs incurred thereafter are payable to the IDEQ. The IDEQ (as done formerly by the EPA) invoices the Company on an annual basis for the actual water treatment costs, which may exceed the recognized estimated costs significantly. When the Company receives the water treatment invoices, it records any liability for actual costs over and above any estimates made and adjusts future estimates as required based on these actual invoices received. The Company is required to pay for the actual costs regardless of the periodic required estimated accruals and payments made each year.

On July 28, 2021, a lawsuit was filed in the US District Court for the District of Idaho brought by Crescent Mining, LLC ("Crescent"). The named defendants include Placer Mining, Robert Hopper Jr., and the Company. The lawsuit alleges that Placer Mining and Robert Hopper Jr. intentionally flooded the Crescent Mine during the period from 1991 and 1994, and that the Company is jointly and severally liable with the other defendants for unspecified past and future costs associated with the presence of AMD in the Crescent Mine. The plaintiff has requested unspecified damages. On September 20, 2021, the Company filed a motion to dismiss Crescent's claims against it, contending that such claims are facially deficient. On March 2, 2022, Chief US District Court Judge, David C. Nye granted in part and denied in part the Company's motion to dismiss. The court granted the Company's motion to dismiss Crescent's Cost Recovery claim under CERCLA Section 107(a), Declaratory Judgment, Tortious Interference, Trespass, Nuisance and Negligence claims. These claims were dismissed without prejudice. The court denied the motion to dismiss filed by Placer Mining Corp. for Crescent's trespass, nuisance and negligence claims. Crescent later filed an amended complaint on April 1, 2022. Placer Mining Corp. and Bunker Hill Mining Corp are named as co-defendants. Bunker Hill responded to the amended filing, refuting and denying all allegations made in the complaint except those that are assertions of fact as a matter of public record. The Company believes Crescent's lawsuit is without merit and intends to vigorously defend itself, as well as Placer Mining Corp. pursuant to the Company's indemnification of Placer Mining Corp in the Sale and Purchase agreement executed between the companies for the Mine on December 15, 2021.

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**Bunker Hill Mining Corp.**  
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## 16. Income taxes

As at December 31, 2022, and December 31, 2021, the Company had no accrued interest and penalties related to uncertain tax positions. The income tax provision differs from the amount of income tax determined by applying the U.S. federal tax rate of 21.0% (December 31, 2021 – 21.0%) to pretax loss from operations for the periods ended December 31, 2022 and December 31, 2021:

	<b>Year Ended December 31, 2022</b>	<b>Year Ended December 31, 2021</b>
Income (loss) before income taxes	\$ 898,591	\$ (6,402,277)

Expected income tax recovery	188,704	(1,344,478)
Change in estimates in respect of prior periods	(41,351)	837,195
Change in tax rate	133,687	274,477
Change in fair value of derivative liability	(3,296,242)	(2,583,095)
State and local taxes, net of federal benefit	(709,272)	(960,296)
Other	308	5,033
Change in valuation allowance	3,724,166	3,771,164
<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>

Deferred tax assets and the valuation account are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deferred tax asset:		
Net operating loss carryforwards	\$ 10,291,114	\$ 6,724,313
Mineral interest purchase option	-	10,707,362
Mining interests	8,391,938	-
EPA liabilities	2,068,062	-
Other deferred tax assets	851,563	454,499
Valuation allowance	(21,602,677)	(17,886,174)
<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deferred tax asset:		
Net operating loss carryforwards	\$ 101,662	\$ 59,955
Deferred tax liabilities:		
Equipment	-	(18,809)
Unrealized foreign exchange gain	(101,662)	(41,146)
<b>Net deferred tax asset</b>	<u>\$ -</u>	<u>\$ -</u>

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

As of December 31, 2022 and December 31, 2021, the Company has an unused net operating loss carryforward balance of \$40,227,950, and \$26,356,908, respectively, that is available to offset future taxable income. The net operating loss carryforwards generated before 2018 expire between 2031 and 2037. The losses generated in 2018 and later tax years do not expire.

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

The tax years that remain subject to examination by major taxing jurisdictions are those for the years ended December 31, 2022 and December 31, 2021 and years 2020, 2019, 2018, 2017, 2016, and 2015.

## 17. Related party transactions

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

	Year Ended December 31, 2022	Year Ended December 31, 2021
Consulting fees, wages and bonus	\$ 1,429,326	\$ 901,210

At December 31, 2022 and December 31, 2021, \$154,797 and \$279,554, respectively is owed to key management personnel with all amounts included in accounts payable and accrued liabilities.

(i) During the year ended December 31, 2022, Wayne Parsons (Director and former CFO) billed \$147,287 (year ended December 31, 2021 - \$120,127) for consulting services to the Company, in addition to 2,500,000 DSU's which settled on June 30, 2022, at a value of \$582,027 concurrent with his departure from the Board of Directors.

(ii) During the year ended December 31, 2022, Richard Williams (Director and Executive Chairman) billed \$372,084 (year ended December 31, 2021 - \$179,605) for consulting services and bonus payment to the Company. At December 31, 2022, \$135,600 is owed to Richard Williams (December 31, 2021 - \$108,719) for consulting services, with all amounts included in accounts payable and accrued liabilities.

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

(iii) During the year ended December 31, 2022, the Company incurred \$438,600 in payroll expense and bonus payment for Sam Ash (year ended December 31, 2021 - \$250,000) for services to the Company. At December 31, 2022, \$nil (December 31, 2021 - \$62,500) is payable and included in accrued liabilities.

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

(iv) During the year ended December 31, 2022, Pam Saxton (Director) billed \$36,133 (year ended December 31, 2021 - \$37,669) for consulting services to the Company.

(v) During the year ended December 31, 2022, Cassandra Joseph (Director) billed \$36,133 (year ended December 31, 2021 - \$37,494) for consulting services to the Company.

(vi) During the year ended December 31, 2022, Mark Cruise (Director) billed \$15,774 (year ended December 31, 2021 - \$0) for consulting services to the Company. On July 1, 2022, the Company issued 210,000 DSU's to a Mark Cruise.

(vii) During the year ended December 31, 2022, the Company incurred \$383,315 in payroll expense and bonus payment for David Wiens (CFO) (year ended December 31, 2021, \$276,315) for services to the Company. At December 31, 2022, \$19,197 (year ended December 31, 2021 - \$108,335) is payable, including reimbursable expenses, and included in accrued liabilities.

During the year ended December 31, 2022, 1,018,193 restricted share units (RSU's) were issued to David Wiens which will vest in one third increments on March 31, 2023, March 31, 2024, and March 31, 2025. The vesting of these RSU's resulted in stock-based compensation of \$18,411 for the year ended December 31, 2022.

During the year ended December 31, 2021, 1,037,977 stock options were issued to David Wiens, of which 273,271 stock options vested immediately and the balance of 764,706 stock options vested on December 31, 2021. These options have a 5-year life and are exercisable at C\$0.335 per common share. The grant date fair value of the options was estimated at \$204,213. The vesting of these options resulted in stock-based compensation of \$204,213 for the year ended December 31, 2021.

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## **18. Subsequent events**

### *Share Issuance*

On January 10, 2023, the Company issued 6,377,272 common shares in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ending December 31, 2022.

On March 31, 2023, the Company issued 8,464,288 common shares in connection with its election to satisfy interest payments under the outstanding convertible debentures for the three months ending March 31, 2023.

### *Corporate Update*

On February 28, 2023, the Company reported that it had temporarily paused discretionary projects and procurement activities until the completion of its financing initiatives. Primarily due to the inability to procure certain long-lead items that were planned to be ordered by February 2023, and longer estimated delivery times thereof, the Company now expects the Bunker Hill Mine restart to be achieved in 2024.

### *Teck Warrant Amendment*

On March 15, 2023, the Company amended the exercise price of 10,416,667 common stock purchase warrants of the Company (the "Warrants") and the expiry date of the warrants to March 31, 2023. The Warrants comprise units of the Company issued to Teck Resources Limited ("Teck") on a private placement basis on May 13, 2022, in consideration for the Company's acquisition of the Pend Oreille process plant. Each Warrant entitles the holder thereof to purchase one share of common stock of the Company (each, a "Warrant Share") at an exercise price of C\$0.37 per Warrant Share at any time on or prior to May 12, 2025. The Company amended the exercise price of the Warrants from C\$0.37 to C\$0.11 per Warrant Share (the "Amended Exercise Price") and amend the expiry date from May 12, 2025, to March 31, 2023. Following the amendment of the terms of the warrants, Teck exercised all 10,416,667 warrants at an exercise price of C\$0.11, for aggregate gross proceeds of approximately C\$1,145,834 to the Company.

### *Termination of Prospectus Offering and Private Placement*

On February 15, 2023, the Company reported that it intended to terminate its previously announced prospectus offering of Common Shares following its determination that effectiveness of a registration statement on Form S-1 would not be achievable in a time frame consistent with its capital requirements. Concurrently, the Company announced that it had entered into an agreement with a syndicate of agents in connection with a proposed private placement of up to C\$9 million of special warrants of the Company (the "Special Warrants").

On March 28, 2023, the Company announced the closing of its private placement of the Special Warrants by issuing 51,633,727 Special Warrants at a price of C\$0.12 per Special Warrant, for aggregate gross proceeds of C\$6,196,047.26. Each Unit consists of one share of common stock of the Company (each, a "Unit Share") and one common stock purchase warrant of the Company (each, a "Warrant"). Each whole Warrant entitles the holder thereof to acquire one share of common stock of the Company (a "Warrant Share", and together with the Unit Shares, the "Underlying Shares") at an exercise price of C\$0.15 per Warrant Share until March 27, 2026. In consideration for their services in connection with the Offering, a cash commission in the amount of C\$211,461.38 is payable to the Agents. The Agents were also issued 2,070,258 compensation options (the "Compensation Options"). Each Compensation Option is exercisable to acquire one unit of the Company (a "Compensation Unit") at the Issue Price for a period of 36 months from March 27, 2023, subject to adjustment in certain events. Each Compensation Unit consists of one share of common stock of the Company and one common stock purchase warrant of the Company (an "Agents' Compensation Warrant"). Each Agents' Compensation Warrant entitles the

holder thereof to acquire one share of common stock of the Company (an “Agents’ Compensation Warrant Share”) at a price of C\$0.15 per Agents’ Compensation Warrant Share until March 27, 2026.

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

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

## **ITEM 9A. CONTROLS AND PROCEDURES**

### **Disclosure Controls and Procedures**

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

As of the end of the period covered by this report, the Company made an evaluation of the effectiveness of the design and operation of the disclosure controls and procedures over financial reporting for the timely alert to material information required to be included in the Company’s periodic SEC reports and of ensuring that such information is recorded, processed, summarized and reported within the time periods specified. This evaluation resulted in the conclusion that the design and operation of the disclosure controls and procedures were effective as of December 31, 2022.

### **Internal Control Over Financial Reporting**

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

Management, including the CEO and CFO, does not expect that the Company’s disclosure controls, procedures and internal control over financial reporting will prevent all error and all fraud. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable, not absolute, assurance that the

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

With the participation of the CEO and CFO, the Company's management evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2022 to ensure that information required to be disclosed by the Company in the reports filed or submitted by the Company under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including to ensure that information required to be disclosed by the Company in the reports filed or submitted by the Company under the Exchange Act is accumulated and communicated to the Company's management, including the Company's principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management conducted an evaluation of the effectiveness of internal control over financial reporting based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, the Company's CEO and CFO have concluded that the internal control over financial reporting was effective as of December 31, 2022.

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

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

### **Remediation of Previously Reported Material Weakness**

As previously disclosed in the Form 10-K for the year ended December 31, 2021, management had concluded there was a material weakness in the Company's disclosure controls and procedures and identified significant deficiencies in the Company's internal control over financial reporting.

Remediation actions were fully implemented and executed during the year ended December 31, 2022, which include:

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

These remediation actions were fully implemented and are reflected in the Company's transactions in 2022; and, as a result, the Company's management, with the participation of the CEO and CFO, have concluded that, as of December 31, 2022, the material weakness was remediated.

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

### **ITEM 9B. OTHER INFORMATION**

None.

### 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, 2022. 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	44	April 14, 2020
Richard Williams	Executive Chairman and Director	56	March 27, 2020
David Wiens	CFO and Corporate Secretary	43	January 12, 2021
Mark Cruise	Director	52	June 30, 2022
Cassandra Joseph	Director	51	November 2, 2020
Dickson Hall	Director	70	January 5, 2018
Pamela Saxton	Director	70	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 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, Non-Executive Director of Trevali Mining Corporation 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 18 years’ experience in corporate finance, financial planning & analysis, 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. 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.

**Mark Cruise** is a professional geologist with over 27 years of international exploration, development and mining experience. A former polymetallic commodity specialist with Anglo American plc, Dr Cruise founded and was Chief Executive Officer of Trevali Mining Corporation. Under his leadership, from 2008-2019, the company grew from an initial discovery into a global zinc-lead-silver producer with operations in the Americas and Africa. He has previously served as Vice President Business Development and Exploration, COO and CEO for several TSX, TSX-Venture and NYSE-Americas listed exploration and development Companies. Mark has been an independent Director of multiple TSX-V; TSX and NYSE-Americas listed Companies with market capitalizations ranging from tens of millions to in-excess of US\$1 billion.

**Cassandra Joseph** is an American lawyer with extensive experience managing the commercial relationship between mining companies and environmental regulators. She is currently VP General Counsel and Corporate Secretary, having previously been Senior Vice President, General Counsel and Corporate Secretary for Nevada Copper Corp. and 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, 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 Timberline Resources Corporation and serves as Audit Committee Chair and was previously a Board Member and Audit Committee Chair at Pershing Gold Corporation. She also was on the Board of Aquila Resources Inc. and served on a North American Advisory Board for Damstra Technology – Damstra Holdings Limited. 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 Andersen 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. Ms. Saxton is qualified to serve on the Board by virtue of her expertise in finance, accounting and auditing matters.

### **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**





								(#)	Not Vested (\$)
John Ryan	390,000	—	—	0.60	October 24, 2024	—	—	100,000	12,552
Sam Ash	—	—	—	—	—	—	—	1,449,600	181,949
Richard Williams <sup>(1)</sup>	989,415	2,968,244	—	0.55	April 20, 2025	—	—	1,110,756	139,419
David Wiens	1,037,977	—	—	0.335	February 19, 2026	—	—	1,018,193	127,800

<sup>(1)</sup> As of December 31, 2022, Richard Williams held 2,500,000 vested DSU's and 2,500,000 unvested DSU's.

### 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.

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 ¼ 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 November 15, 2022, 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 14,125,808, 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 year ended December 31, 2022.

<b>Director</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)</b>	<b>Option Awards (\$)</b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Nonqualified Deferred Compensation Earnings</b>	<b>All Other Compensation (\$)<sup>(1)</sup></b>	<b>Total (\$)</b>
Dickson Hall	40,000	—	—	—	—	—	40,000
Mark Cruise	15,774	—	—	—	—	32,594	48,368
Richard Williams	372,084	—	—	—	—	—	372,084
Pam Saxton	36,133	—	—	—	—	40,000	86,129
Cassandra Joseph	36,133	—	—	—	—	40,000	86,129

<sup>(1)</sup> RSUs granted to Mark Cruise are calculated using a share price of C\$0.20 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, 2022:

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants</b>	<b>Weighted average exercise price of outstanding options, warrants</b>	<b>Number of securities remaining available for future issuances under equity compensation plans, excluding securities reflected in column (a)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by security holders	9,320,636	\$ 0.38	13,629,530
Equity compensation plans not approved by security holders	-	-	-
<b>Total</b>	<b>9,320,636</b>	<b>\$ 0.38</b>	<b>13,629,530</b>

<b>Number of securities to be issued upon exercise of outstanding RSUs and DSUs</b>	<b>Weighted average grant date price of outstanding RSUs and DSUs</b>	<b>Number of securities remaining available for future issuances under equity compensation plans,</b>
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Plan category	excluding securities reflected in column (a)		
	(a)	(b)	(c)
RSU Plan	4,822,741	\$ 0.17	9,303,067
DSU Plan	0 <sup>(1)</sup>	\$ N/A	N/A
<b>Total</b>	<b>4,822,741</b>	<b>\$ 0.17</b>	<b>9,303,067</b>

## 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, Mark Cruise and Dickson Hall 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 years ended December 31, 2022 and 2021, and is expected to serve in that capacity for the ensuing year 2023. Principal accounting fees for professional services rendered for the Company by MNP, LLP for the years ended December 31, 2022 and 2021 are summarized in the following table:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Audit	\$ 92,292	\$ 107,129
Audit related	101,616	36,449
Tax	-	-

All other	95,387	12,841
<b>Total</b>	<b>\$ 289,295</b>	<b>\$ 156,419</b>

### **Audit Related Fees**

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

### **Tax Fees**

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

### **All Other Fees**

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

### **Audit Committee's Pre-approval Policies and Procedures**

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

## **PART IV**

### **ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

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

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

#### **(a)(3) Exhibits.**

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

- 3.1 Amended and Restated Articles of Incorporation of Liberty Silver Corp. (incorporated by reference to Exhibits [3.8](#) and [3.9](#) to the Form S-1 filed on October 27, 2020)
- 3.2 [Certificate of Change dated May 1, 2019 \(incorporated by reference to Exhibit 3.10 to the Form S-1 filed on October 27, 2020\)](#)
- 3.3 [Certificate of Amendment dated September 11, 2020 \(incorporated by reference to Exhibit 3.11 to the Form S-1 filed on October 27, 2020\)](#)
- 3.4 [Certificate of Amendment dated November 17, 2022 \(incorporated by reference to Exhibit 3.4 to Amendment No. 1 to the Form S-1 filed on December 23, 2022\)](#)
- 3.5 [Certificate of Correction dated December 6, 2022 \(incorporated by reference to Exhibit 3.5 to Amendment No. 1 to the Form S-1 filed on December 23, 2022\)](#)
- 3.6 [Amended and Restated Bylaws of Liberty Silver Corp., dated December 21, 2012. \(incorporated by reference to Exhibit 3.6 to the Form 8-K filed on December 28, 2012\)](#)
- 4.1 [Warrant Indenture dated as of August 14, 2020 \(incorporated by reference to Exhibit 4.1 to the Form S-1 filed on October 27, 2020\)](#)
- 4.2 [Form of Warrant Certificate dated February 2021 \(incorporated by reference to Exhibit 4.2 to Amendment No. 3 to the Form S-1 filed on January 25, 2023\)](#)
- 4.3 [Underlying Warrant Indenture between the Company and Capital Transfer Agency dated April 1, 2022 \(incorporated by reference to Exhibit 10.13 to the Form S-1 filed on May 2, 2022\)](#)

- 10.1 [Settlement Agreement and Order on Consent for Response Action by Bunker Hill Mining Corp., effective May 15, 2018 \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on May 21, 2018\)](#)
- 10.2 [First Amendment to the Settlement Agreement with EPA \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on January 3, 2022\)](#)
- 10.3 [Purchase Agreement with respect to the Bunker Hill Mine \(incorporated by reference to Exhibit 10.2 to the Form 8-K filed on January 3, 2022\)](#)
- 10.4 [Form of Secured Convertible Note \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on February 4, 2022\)](#)
- 10.5 [Secured Royalty Convertible Debenture \(incorporated by reference to Exhibit 10.2 to the Form 8-K filed on February 4, 2022\)](#)
- 10.6 [Asset sale purchase agreement for the Pend Oreille process plant between Silver Valley Metals Corp. \(a subsidiary of the Company\) and Teck Washington Incorporated \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on March 14, 2022\)](#)
- 10.7 [Series 2 Convertible Debenture \(incorporated by reference to Exhibit 10.5 to Amendment No. 1 to the Form S-1 filed on December 23, 2022\)](#)
- 10.8 [Sprott Loan Facility \(incorporated by reference to Exhibit 10.6 to Amendment No. 1 to the Form S-1 filed on December 23, 2022\)](#)
- 10.9 [Second Omnibus Amendment \(incorporated by reference to Exhibit 10.7 to Amendment No. 1 to the Form S-1 filed on December 23, 2022\)](#)
- 10.10 [Agency Agreement, dated as of March 27, 2023, by and among Bunker Hill Mining Corp., Echelon Wealth Partners Inc., Roth Capital Partners, LLC and Laurentian Bank Securities Inc. \(incorporated by reference to Exhibit 1.1 to the Form 8-K filed on March 31, 2023\)](#)
- 10.11 [Form of Subscription Agreement for Special Warrant Financing between Bunker Hill Mining Corp. and each Purchaser \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on March 31, 2023\)](#)
- 10.12 [Special Warrant Indenture, dated as of March 27, 2023, between Bunker Hill Mining Corp. and Capital Transfer Agency ULC, as warrant agent \(incorporated by reference to Exhibit 10.2 to the Form 8-K filed on March 31, 2023\)](#)
- 10.13 [Warrant Indenture, dated as of March 27, 2023, between Bunker Hill Mining Corp. and Capital Transfer Agency ULC, as warrant agent \(incorporated by reference to Exhibit 10.3 to the Form 8-K filed on March 31, 2023\)](#)
- 21.1 [List of Subsidiaries \(incorporated by reference to Exhibit 21.1 to the Form 10-KT filed on April 1, 2021\)](#)
- 23.1 [Consent of Resource Development Associates Inc. \(incorporated by reference to Exhibit 23.1 to the Form 10-K filed on April 17, 2023\)](#)
- 23.2 [Consent of Robert H. Todd \(incorporated by reference to Exhibit 23.2 to the Form 10-K filed on April 17, 2023\)](#)
- 23.3 [Consent of Peter Kondos \(incorporated by reference to Exhibit 23.3 to the Form 10-K filed on April 17, 2023\)](#)
- 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 \(incorporated by reference to Exhibit 31.1 to the Form 10-K filed on April 17, 2023\)](#)
- 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 \(incorporated by reference to Exhibit 31.2 to the Form 10-K filed on April 17, 2023\)](#)
- 31.3\* [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](#)
- 31.4\* [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 \(incorporated by reference to Exhibit 32.1 to the Form 10-K filed on April 17, 2023\)](#)
- 32.2 [Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(incorporated by reference to Exhibit 32.2 to the Form 10-K filed on April 17, 2023\)](#)
- 32.3\*\* [Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.4\*\* [Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

95.1	<a href="#">Mine Safety Disclosure pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (incorporated by reference to Exhibit 95.1 to the Form 10-K filed on April 17, 2023)</a>
96.1	<a href="#">S-K 1300 Technical Report Summary, Bunker Hill Mine Pre-Feasibility Study, Coeur d'Alene Mining District, Shoshone County, Idaho, USA (incorporated by reference to Exhibit 96.1 to the Form 10-K filed on April 17, 2023)</a>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

\*\* Furnished herewith

## SIGNATURES

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

By: /s/ Sam Ash

Sam Ash, Chief Executive Officer, Principal Executive Officer

By: /s/ Gerbrand Van Heerden

Gerbrand Van Heerden, Chief Financial Officer and Corporate Secretary, Principal Financial Officer, Principal Accounting Officer

Date: December 22, 2023

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: December 22, 2023

By: /s/ Sam Ash

Name: Sam Ash

Title: Chief Executive Officer, Principal Executive Officer

Date: December 22, 2023

By: /s/ Gerbrand Van Heerden

Name: Gerbrand Van Heerden

Title: Chief Financial Officer and Corporate Secretary, Principal Financial Officer, Principal Accounting Officer

Date: December 22, 2023

By: /s/ Richard Williams

Name: Richard Williams

Title: Executive Chairman and Director

Date: December 22, 2023

By: /s/ Dickson Hall

Name: Dickson Hall

Title: Director

Date: December 22, 2023

By: /s/ Mark Cruise

Name: Mark Cruise

Title: Director

Date: December 22, 2023

By: /s/ Cassandra Joseph

Name: Cassandra Joseph

Title: Director

Date: December 22, 2023

By: /s/ Pamela Saxton

Name: Pamela Saxton

Title: Director

Date: December 22, 2023

By: /s/ Paul Smith

Name: Paul Smith

Title: Director

**Exhibit 31.3**

**CERTIFICATION**

I, Sam Ash, certify that:

1. I have reviewed this annual report on Form 10-K/A of Bunker Hill Mining Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 22, 2023

By: /s/ Sam Ash  
Sam Ash, Chief Executive Officer, President and  
Principal Executive Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant to be furnished to the Securities and Exchange Commission or its staff upon request.

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**Exhibit 31.4**

### **CERTIFICATION**

I, Gerbrand Van Heerden, certify that:

1. I have reviewed this annual report on Form 10-K/A of Bunker Hill Mining Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (fourth quarter in the case of an annual

report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 22, 2023

By: /s/ Gerbrand Van Heerden  
Gerbrand Van Heerden, Chief Financial Officer,  
Principal Financial Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant to be furnished to the Securities and Exchange Commission or its staff upon request.

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**Exhibit 32.3**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Bunker Hill Mining Corp., (the "Company") on Form 10-K/A for the period ending December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sam Ash, Chief Executive Officer, President and Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Bunker Hill Mining Corp.

/s/ Sam Ash DATE: December 22, 2023  
Sam Ash, Chief Executive Officer and President

A signed original of this written statement required by Section 906 has been provided to Bunker Hill Mining Corp. and will be retained by Bunker Hill Mining Corp. to be furnished to the Securities and Exchange Commission or its staff upon request.

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**Exhibit 32.4**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Bunker Hill Mining Corp., (the “Company”) on Form 10-K/A for the period ending December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gerbrand Van Heerden, Chief Financial Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Bunker Hill Mining Corp.

/s/ Gerbrand Van Heerden

DATE: December 22, 2023

Gerbrand Van Heerden, Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Bunker Hill Mining Corp. and will be retained by Bunker Hill Mining Corp. to be furnished to the Securities and Exchange Commission or its staff upon request.

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