

Bunker Hill Mining Corp. Announces \$15 Million Convertible Debt Financing

20.06.2022 | [GlobeNewswire](#)

Bunker Hill to Host Live Interactive 6ix Summit on Wednesday, June 22 @ 2:00pm ET / 11:00am PT

TORONTO, June 20, 2022 - [Bunker Hill Mining Corp.](#) (the "Company") (CSE: BNKR; OTCQB: BHLL) is pleased to announce the execution and closing of a new \$15 million convertible debenture financing (the "Series 2 Convertible Debentures") with Sprott Private Resources Streaming & Royalty Corp. ("SRSR" or "Sprott"). All figures in this news release are in US dollars unless otherwise stated.

Sam Ash, CEO, stated "We are very pleased to announce this new \$15 million financing, representing an increase in our project finance package with Sprott to \$66 million. Together with our recent equity raise, this materially improves our working capital position, enables us to meet our financial assurance obligations with the EPA, and funds several key workstreams over the coming months including completion of the underground decline, demobilization of the Pend Oreille mill, and further engineering optimization in preparation for the mine restart."

Investors are invited to register for the live interactive 6ix Summit at: [\[LINK\]](#)

CONVERTIBLE DEBENTURE FINANCING

The Series 2 Convertible Debentures bear interest at an annual rate of 10.5%, payable in cash or shares at the Company's option, and mature on March 31, 2025. Repayments of \$2 million shall be made at the end of each calendar quarter, starting on 30 June 2024, with the remaining \$9 million due on March 31, 2025. The Series 2 Convertible Debentures are convertible into shares of the Company at a share price of CAD 0.29 per share until the maturity date. The Company may elect to re-pay the Convertible Debenture early; if SRSR elects not to exercise its conversion option at such time, a minimum of 12 months of interest would apply. The Series 2 Convertible Debentures will be secured by the same security package that has been put in place to secure the \$8 million Royalty Convertible Debenture and the aggregate \$6 million Convertible Debentures (the "Series 1 Convertible Debentures") that closed in January 2022.

The parties have also agreed to a number of changes to the previously announced project finance package of up to \$51 million (of which \$14 million has been advanced to date), consisting of the Royalty Convertible Debenture, Series 1 Convertible Debentures, and the Stream. Firstly, the maturity dates of the Royalty Convertible Debenture and Series 1 Convertible Debentures have been extended to March 31, 2025 (previously July 7, 2023). As previously envisaged, the Royalty Convertible Debenture will convert to a 1.85% life of mine royalty or be repaid when the Stream is advanced. However, in the event of conversion, the Company will enter into a Royalty Put Option entitling the royalty holder to resell the royalty to the Company for \$8 million upon default under the Series 1 Convertible Debentures or Series 2 Convertible Debentures until such time that the Series 1 Convertible Debentures and Series 2 Convertible Debentures are paid in full. The Series 1 Convertible Debentures will remain outstanding until March 31, 2025, regardless of whether the Stream is advanced, unless the Company elects to exercise its option of early repayment. Lastly, the minimum quantity of metal delivered under the Stream, if advanced, will increase by 10% relative to amounts announced in the news release of December 20, 2021.

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. However, the Company and Sprott have agreed that the Company is permitted to sell an additional \$5 million of the Series 2 Convertible Debentures to other investors until August 1, 2022.

The net proceeds of the financing will be primarily used to satisfy the Company's financial assurance obligations with the US Environmental Protection Agency ("EPA") and the advancement of mine restart activities, including the completion of the underground decline, demobilization of the Pend Oreille mill, and advancement of EPCM activities in anticipation of mill construction in the fourth quarter of 2022.

NEXT STEPS

Additional optimization opportunities have been identified as technical work on the Prefeasibility Study

("PFS") has advanced. In order to incorporate these into the PFS, technical work is continuing and the PFS is now expected to be completed later in the third quarter of 2022. The advancement of the Stream is also expected to take place at approximately that time. While this additional technical work is in progress, development drifting will continue with an expected breakthrough into the internal ramp between the 6 and 8 levels to occur in September 2022. Relocation of the Pend Oreille Mill will continue throughout the summer with a key milestone being the disassembly and transport of the primary ball mills in August.

RELATED PARTY TRANSACTIONS

The financing transactions described in this press release (the "Transactions") constitute related party transactions pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). In consideration of the financial circumstances of the Company and a determination by the directors, all of whom are considered independent as determined pursuant to Part 7 of MI 61-101, the Company intends to rely upon the "financial hardship" exemptions from the requirements to obtain a formal valuation and minority shareholder approval in Sections 5.5(g) and 5.7(e) of MI 61-101 respectively. The Company will also file a material change report on SEDAR (www.sedar.com). The material change report will be filed less than 21 days prior to the closing of the Transactions due to the Company's immediate need for financing.

ABOUT BUNKER HILL MINING CORP.

Under new Idaho-based leadership the Bunker Hill Mining Corp, intends to sustainably restart and develop the Bunker Hill Mine as the first step in consolidating a portfolio of North American precious-metal assets with a focus on silver. Information about the Company is available on its website, www.bunkerhillmining.com, or within the SEDAR and EDGAR databases.

For additional information contact:

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CAUTIONARY STATEMENTS

Certain statements in this news release are forward-looking and involve a number of risks and uncertainties. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, as well as within the meaning of the phrase 'forward-looking information' in the Canadian Securities Administrators' National Instrument 51-102 – Continuous Disclosure Obligations. Forward-looking statements are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's intentions regarding: its objectives, goals or future plans and statements; closing the Stream as described herein with SRSR; the financing package with SRSR being sufficient for the purposes described herein; the Company's ability to secure additional financing, whether dilutive or non-dilutive; the Company's ability to progress detailed engineering of the Bunker Hill Mine; the Company's ability to complete the underground decline, the demobilization of the Pend Oreille mill, and further engineering optimization in preparation for the mine restart; the Company's ability to restart production at the Bunker Hill Mine; and the completion of a pre-feasibility study and the timing thereof. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to: the ability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of commodities, capital market conditions, restriction on

labour and international travel and supply chains; failure to identify mineral resources; failure to convert estimated mineral resources to reserves; the inability to complete a feasibility study which recommends a production decision; the preliminary nature of metallurgical test results; the Company's ability to restart and develop the Bunker Hill Mine and the risks of not basing a production decision on a feasibility study of mineral reserves demonstrating economic and technical viability, resulting in increased uncertainty due to multiple technical and economic risks of failure which are associated with this production decision including, among others, areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to resources and reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit with no guarantee that production will begin as anticipated or at all or that anticipated production costs will be achieved; failure to commence production would have a material adverse impact on the Company's ability to generate revenue and cash flow to fund operations; failure to achieve the anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability; delays in obtaining or failures to obtain required governmental, environmental or other project approvals; political risks; changes in equity markets; uncertainties relating to the availability and costs of financing needed in the future; the inability of the Company to budget and manage its liquidity in light of the failure to obtain additional financing, including the ability of the Company to complete the payments to the U.S. EPA pursuant to the terms of the agreement to acquire the Bunker Hill Mine; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of projects; capital, operating and reclamation costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry; the cost, timing and ability to implement ESG initiatives which may not be technically successful or economically viable; and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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