

# Bunker Hill Provides September 2022 Project Restart Update

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Live 6ix Summit Today, Wednesday October 5 @ 11:00am ET / 8:00am PT

## HIGHLIGHTS

- Phase 1 Prefeasibility Study results reported, envisaging low capex, high-margin restart with average annual FCF
- Ball mill capable of increasing production throughput to 2,100 tpd (vs. 1,800 tpd in PFS) secured
- Procurement and Construction Management (PCM) contractor selected and on-site
- Underground decline advances; purchased haul truck and jumbo drill placed in service
- Demolition at Pend Oreille site continuing safely and on schedule; expected completion in November
- CEO Sam Ash and CFO David Wiens to host interactive 6ix investor event today, Wednesday October 5 at 11:00am ET / 8:00am PT

TORONTO, Oct. 05, 2022 -- [Bunker Hill Mining Corp.](#) (the "Company") (CSE: BNKR, OTCQB: BHLL) is pleased to provide an update on restart project activities during the month of September 2022.

Sam Ash, CEO stated: "September was an important and exciting month at Bunker Hill, including the reporting of our Phase 1 PFS results, the securing of an additional ball mill capable of meeting and potentially increasing PFS throughput levels, and the selection of a PCM contractor. On the ground, it is also pleasing to see key underground and surface activities continuing to advance in support of a planned mine restart at the end of next year."

## PROCUREMENT AND CONSTRUCTION MANAGEMENT (PCM) CONTRACTOR SELECTION

After an extensive evaluation process, the Company has appointed Strike Group ("Strike") as its PCM partner for the mine restart activities. Strike is 100% owned by American Industrial Partners, an operationally-oriented private equity firm that has an extensive track record in new capital construction and infrastructure solutions. The Strike team has established a permanent on-site presence in mid-September and is in the process of refining the master schedule for the project and driving various engineering and other studies to facilitate project advancement.

## UNDERGROUND ACTIVITY AND MOBILE EQUIPMENT

The underground decline ramp from the 5-Level to the 6-level of the mine continued to advance with a total of 1,325 feet of the planned 2,125 feet completed as of September 30. All muck bays and sumps have now been completed, and ventilation planning has optimized the location of the "vent drift" fan which will be driven coincident with the ramp. Completion of ramp will facilitate access to the existing Newgard 3,300-foot internal ramp system and subsequent sub-level development within the Newgard portion of mineralization.

The previously announced 16-ton haul truck and electric jumbo drill have now been serviced and are currently in operation underground. The electric jumbo drill has the capability to drill 12-foot advancement rounds, as compared to the previous jumbo drill's 10-foot rounds. With this extra footage capacity, advancement rates are expected to increase for the remainder of the decline drive.

## DEMOLITION ACTIVITIES AT PEND OREILLE SITE

With the process plant having been fully demobilized (see the Company's news release of August 31, 2022 for further detail), demolition activities at Teck's Pend Oreille site commenced in mid-September. By the end of September, the former crusher building had been reduced to its foundations, a key milestone. Progress

also included the dropping of a conveyor that had fed the fine ore bins from the surface crushers, and the reduction of the former mill building to a single level. Work is on schedule for full completion in early November.

Photo 1: Arrival of additional DUX underground haul truck

<https://www.globenewswire.com/NewsRoom/AttachmentNg/9d3472d7-1ddd-4af3-a01f-dac4f8e939e9>

Photo 2: Crusher building reduce to its foundations

<https://www.globenewswire.com/NewsRoom/AttachmentNg/23a182ec-dfdd-49b0-8a70-d12919f21bb8>

Photo 3: Mill building reduced to one level

<https://www.globenewswire.com/NewsRoom/AttachmentNg/cfd43bd7-b101-4d66-8e95-8cd353b768f6>

## PREFEASIBILITY STUDY RESULTS AND BALL MILL PURCHASE

On September 6<sup>th</sup>, the Company reported the results of a Prefeasibility Study ("PFS") for the first phase of the restart of the Bunker Hill Mine. The PFS plan significantly de-risks the project and describes a \$55 million (including contingency) initial capital cost to restart the mine by the end of 2023, generating over \$25 million of annual average free cash flow from an initial 5-year mine plan based on Probable Mineral Reserves to produce over 315 million pounds of zinc, 145 million pounds of lead, and 3 million ounces of silver at an estimated All-in Sustaining Cost of \$0.77 per payable pound of zinc (net of by-products). The Company is finalizing the associated Prefeasibility Study report, which will be filed on SEDAR by October 21, 2022.

Numerous value accretive opportunities were identified as part of the PFS study including unlocking value from the 6.9 million ton Inferred Mineral Resource which is not included in the 5-year mine plan. On September 20<sup>th</sup>, the Company reported that it had secured a ball mill and ancillary equipment capable of meeting the 1,800 ton per day production throughput rate envisaged in the PFS, while also supporting a 17% throughput increase to 2,100 tons per day, subject to future engineering and mine planning.

## SHARE ISSUANCE AND NEW PAYMENT BOND

Consistent with the payment of interest for the first and second quarters of 2022, the Company has elected to issue common shares for the payment of interest for the third quarter of 2022 to the holders of the Royalty Convertible Debenture, Series 1 Convertible Debenture, and Series 2 Convertible Debenture. A total of 8,252,940 common shares of the Company will be issued on October 5, 2022.

The Company also reports that it has been successful in securing a new payment bond to secure a portion of its cost recovery obligations to the US Environmental Protection Agency (the "US EPA"), resulting in an immediate \$3,000,000 improvement in liquidity. As reported in the Company's financial statements for the period ending June 30, 2022, the Company held restricted cash of \$9,476,000 as of June 30, 2022 which included \$7,001,000 as collateral for a letter of credit to the US EPA. This letter of credit has been reduced to \$2,000,001 as a result of a new \$5,000,000 payment bond being put in place through an insurance company. The collateral for the new payment bond is comprised of a \$2,000,000 letter of credit and a mortgage in land owned by MineWater Finance LLC (and related entities) ("MineWater"), the Company's anticipated exploration joint venture partner in the London Mining Gold District of Colorado (see the Company's news release of October 4, 2021 for further detail). The Company has entered into a separate financing cooperation agreement with MineWater providing for a monthly financing cooperation fee of \$20,000 (payable in cash or common shares of the Company, at the Company's election), a 12-month water management consulting services contract comprised of \$60,000 in cash and \$140,000 in common shares of the Company, and a subordinated interest in the Bunker Hill Mine.

The net result of these transactions for the Company is an immediate release of \$3,000,000 from restricted cash. 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. (see the Company's news release of December 20, 2021 for further detail), which would result in a further \$2,001,000 improvement in liquidity for the Company from the release of restricted cash.

## QUALIFIED PERSON

Mr. Scott E. Wilson, CPG, President of RDA and a consultant to the Company, is an independent "qualified person" as defined by NI 43-101 and is acting as the qualified person for the Company. He has reviewed and approved the technical information summarized in this news release.

The Qualified Person has verified the information disclosed herein, including the sampling, preparation, security and analytical procedures underlying such information, and is not aware of any significant risks and uncertainties that could be expected to affect the reliability or confidence in the information discussed herein.

#### 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 mining assets with a focus on silver. Information about the Company is available on its website, [www.bunkerhillmining.com](http://www.bunkerhillmining.com), or within the SEDAR and EDGAR databases.

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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, the envisaged outcomes from the PFS, the capabilities of the ball mill, estimated completion time for the demolition of the Pend Orielle site, the timing of the planned restart of the Bunker Hill Mine, Strike's ability to refine the master schedule for the project and drive engineering and other studies, the decline of the ramp at the Bunker Hill Mine's facilitation of access to existing internal ramp systems, the accretive opportunities identified in the PFS and the timing of filing a technical report with respect to the PFS. 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 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 pursuant to the terms of the agreement to acquire the Bunker Hill Mine Complex; 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; 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.*

#### Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

*This press release has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all resource and reserve estimates included in this press release have been disclosed in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards on Mineral Resources and Mineral Reserves. 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 disclosure standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and resource and reserve information contained in this press release may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. U.S. investors should also understand that "inferred mineral resources" have 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 "inferred mineral resource" will ever be upgraded to a higher category. 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. The requirements of NI 43-101 for disclosure of "reserves" are also not the same as those of the SEC, and reserves disclosed by the Company in accordance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits contained in our website may not be comparable with information made public by companies that report in accordance with U.S. standards.*

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