

Bunker Hill Closes Private Placement With Two Key Investors

written by Raj Shah | August 14, 2018

✖ August 13, 2018 ([Source](#)) – **Bunker Hill Mining Corporation** (the “**Company**” or “**Bunker**”) (CSE:BNKR) is pleased to announce that it has closed the private placements previously announced on August 9, 2018, with two key investors, for gross proceeds of CAD\$1,379,304.

The Company issued 1,604,076 Units to Gemstone 102 Ltd. (“Gemstone”) at a price of \$0.45 per Unit. Each Unit entitles Gemstone to acquire one common share (“Unit Share”) and one common share purchase warrant (“Unit Warrant”), with each Unit Warrant entitling Gemstone to acquire one common share of the Company at a price of \$0.45 for a period of three years. Prior to the issuance of the Units, Gemstone held 4,000,000 common shares of Bunker (12.12%) and 2,000,000 warrants (“Prior Warrants”) exercisable at a price of \$2.00 per share (16.21% on a partially diluted basis). Immediately prior to closing, the Prior Warrants were early terminated by mutual agreement of the Company and Gemstone. Upon issuance of the 1,604,076 Units to Gemstone, Gemstone beneficially owns or exercises control or direction over 5,604,076 common shares of Bunker representing 16.2% of the issued and outstanding shares. Assuming exercise of the Unit Warrants, Gemstone would hold 7,208,152 of the outstanding common shares of Bunker, representing 19.90% of the issued and outstanding common shares of Bunker.

Gemstone’s participation in the Offering constitutes a “related party transaction” under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions

("MI 61-101"). The Company is relying on the exemption from valuation and minority shareholder approval requirements pursuant to sections 5.5(a) and 5.7(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company.

Under the terms of the Amended and Restated Loan Agreement with Hummingbird Resources PLC ("Hummingbird") having a principal amount of USD\$2,000,000 and bearing interest at 10%, maturing June 13, 2019, Hummingbird may, at any time prior to maturity, convert any or all of the principal amount of the loan and accrued interest thereon, into common shares of Bunker as follows: (i) USD\$1,500,000, being the original principal amount ("Principal Amount"), and using a USD/CAD currency conversion rate of .7689, the Principal Amount may be converted at a price per share equal to \$0.85, entitling Hummingbird to acquire 2,294,835 common shares upon conversion of the Principal Amount, and 229,411 common shares upon conversion of the unpaid and accrued interest thereon; (ii) 2,294,835 common shares may be acquired upon exercise of warrants at a price of \$0.85 per warrant for a period of two years from the date of issuance; (iii) USD\$500,000, being the additional principal amount ("Additional Amount") and using a USD/CAD currency conversion rate of .7507, the Additional Amount may be converted at a price per share equal to \$0.45, entitling Hummingbird to acquire 1,477,777 common shares upon conversion of the Additional Amount, and 147,777 common shares upon conversion of the unpaid and accrued interest thereon; and (iv) 1,167,143 common shares may be acquired upon exercise of warrants at a price of \$0.45 per warrant for a period of two years from the date issuance.

In the event that Hummingbird would acquire common shares in excess of 9.999% through the conversion of the Principal Amount or Additional Amount, including interest accruing thereon, or on exercise of the warrants as disclosed herein, the Company shall

pay to Hummingbird a cash amount equal to the common shares exercised in excess of 9.999%, multiplied by the conversion price. The news release of the Company dated August 9, 2018 further sets out restrictions, terms and conditions that may require the Company to pay cash to Hummingbird in lieu of the issuance of a number of common shares resulting in Hummingbird holding more than 9.999% of the Company's issued common shares.

Gemstone acquired the securities for investment purposes and may increase or decrease its holdings in Bunker from time to time. This press release is being issued pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issuers* which requires the issuance of this news release and the filing of an early warning report under Bunker's profile on SEDAR (www.sedar.com) containing additional information respecting the forgoing matters. A copy of that early warning report may be obtained under Bunker's profile at www.sedar.com.

All of the securities issued, including all underlying securities thereof, are subject to a hold period under applicable securities law of four months a day from the date of issuance. Securities of the Company sold in the Offering constitute "restricted securities" under U.S. securities laws and, accordingly, are also subject to additional resale restrictions. The Offering is subject to final acceptance of the Canadian Stock Exchange (CSE).

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

The proceeds of the two financings shall be used for payments to the property owner, the United States Environmental Protection Agency and for general working capital.

About Bunker Hill Mining Corp.

Bunker Hill Mining Corp. has an option to acquire 100% of the Bunker Hill Mine. Information about the Company is available on its website, www.bunkerhillmining.com, or in the SEDAR and EDGAR databases.

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. The forward looking statements made herein are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations or assumptions with respect to, among other things, the ability of the Company to successfully complete the acquisition of the Bunker Hill Mine Complex on the terms as announced or other satisfactory terms or at all, and fund the initial payments for which the Company does not have funds at this time, the Company's present and future financial condition, the Company's ability to secure financing, and the state of financial markets. 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", and may include statements regarding, among other things, the terms of the Bunker Hill Mine Complex acquisition and funding of the acquisition. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, results of exploration, project development, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as: the inability of the Company to successfully acquire the Bunker Hill Mine Complex on the terms as announced or other satisfactory terms or at all, and fund the payments for which the Company does not have funds at this time; the inability of the Company to budget and manage its liquidity in light of the failure to obtain additional financing; the inability of the Company to develop or sustain an active public market for its securities; development of changes in general economic conditions and conditions in the financial markets; changes in demand and prices for precious metals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; operational difficulties encountered in connection with the activities of the Company; and other matters discussed in this news release. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors made in public disclosures and filings by the Company should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.