

# Letter from the CEO: Bunker Hill Gears Up for Significant Development

written by Raj Shah | June 21, 2018



June 21, 2018 ([Source](#)) – Bunker Hill Mining Corp. (CSE:BNKR) (“Bunker Hill” or the “Company”) is pleased to issue a letter to investors from President and CEO, Bruce Reid, to update investors on recent developments and future plans.

Dear Investor,

I would like to take this opportunity to provide you with an update on recent developments at the Bunker Hill Mine, and on our exciting plans going forward.

## Fully Permitted: Patented Ground and signed EPA Agreement

The Company is now fully permitted to proceed with mining operations at the Bunker Hill mine. The entirety of the Bunker Hill Mine land package lies on patented ground, which allows for underground mining activity, provided emissions permitting is obtained. The agreement reached with the EPA (see press release dated March 7, 2018) essentially provides the Company with the only emissions permit required – a water discharge permit which allows for the EPA to continue managing the processing of the mine effluent from the Bunker Hill Mine, for at least 5 years, with an opportunity to continue this arrangement thereafter. This agreement was met with significant support from municipal and county level governments.

## Technical Report: TSX listing, Continuity and Grade demonstration

The Company has initiated a NI 43-101 technical report on the Bunker Hill property, and this report is expected to be released in Q3 2018. Bunker Hill hopes to use this report to apply for a listing on the TSX. As part of the exercise, data from approximately 1,000 historic diamond drill holes will be input into a wire frame software package, which will generate suitably constrained solids that may demonstrate 3D continuity and economically interesting grades. This information may be included in the report. These holes are part of over 3,400 holes historically drilled on the property, for which the Company has the drill logs. Many high grade intercepts from these holes have never been followed up on, and these represent significant exploration targets for future exploration programs.

## Development Plans – Internal Mine Plan

Bunker Hill has spent considerable time and resources outlining an internal mine plan. As part of this exercise, an estimate of mineable material, including tons and grade, which is based on non NI 43-101 compliant historical reserves and resources, provided a basis around which a conceptual mine was designed. Subsequently, an external consultant (SRK Consulting (Canada) Inc.'s underground mine team based in Sudbury, Ontario) was used to review the Company's analysis. The resultant mine plan indicates good economic returns at current commodity prices. Bunker Hill has built a very experienced mine operations team at the mine site, with most individuals possessing decades of local experience. This team includes a mining engineer, chief mine geologist, mine superintendent, logistics manager, and mine maintenance manager. The design parameters and costs utilized in the mine plan therefore reflect very specific locally relevant knowledge of mining operations brought by the Bunker

Hill mine design team, in addition to SRK's broad industry perspective and underground mining experience. The main capital cost components of the mine plan include rehabilitation/repair of underground access (Kellogg and Russell tunnels, number 1 and 2 hoists), additional underground development (inter-level ramps, etc.), civil engineering/construction (surface buildings, roads), and process plant and tailings facility construction. The total cost of these items, pre-production, are estimated at approximately US\$75M.

#### Processing Plant: Proven Metallurgy

90 years of processing history has provided an extensive metallurgical database, which shows that excellent recoveries and good concentrates can be produced from a simple flowsheet. Recoveries averaged 93% for zinc, and 92% for lead. Concentrates were of high grade (56% zinc, 64% lead) and were clean with no deleterious elements. These results were obtained with over 50-year-old technology, as the plant was last upgraded in the 1940's (producing up to the 1980's). The Company will tender for an engineering study (bulk sample, metallurgical testing, flowsheet design, feasibility study, engineering design, EPC contract) to be completed for an on-site 1,500 tpd modular processing facility, which would allow for a potential future doubling of throughput rate. This tender process is expected to conclude during H2 2018.

#### Financing Activities: Ongoing discussions

The Company has been very active in searching out and engaging potential financing partners for funding the re-start of the Bunker Hill mine. These include both financial groups, and mining companies. Bunker Hill is currently in discussions with sophisticated potential investors with deep knowledge of mining risk and an understanding of the significant value that the

Bunker Hill mine represents. The key value drivers include:

1. fully permitted
2. extensively developed
3. good metallurgy proven by 90 years of past production
4. exploration potential of an underexplored intensely mineralized system
5. infrastructure rich, low cost (power rates of \$0.045-0.05/kWh), first world setting.

The Bunker Hill management team has worked tirelessly over the last year to advance and de-risk the Bunker Hill mine on many different levels. In 2018 we completed an agreement with the EPA, completed an internal mine plan, initiated a NI 43-101 property report as a pre-condition to TSX listing, started planning for a process plant technical study, and worked endlessly on arranging financing for the pre-production costs of a Bunker Hill mine re-start. We are pleased to have this opportunity to update you on all these activities to-date and look forward to providing you with further news as we continue to advance the project. Thank you for your patience and support.

We invite you to contact us anytime with questions and thank you for your support. Our key initiatives will provide ample catalysts in the market and we plan to move forward quickly.

**Regards,**

***Bruce Reid***

**President and CEO, Bunker Hill Mining Corp.**

**About Bunker Hill Mining Corp.**

Bunker Hill Mining Corp. has an option to acquire 100% of the Bunker Hill Mine. The Bunker Hill Mine was the largest producing

mine in the Coeur D'Alene zinc, lead and silver mining district in northern Idaho. Historically, the mine produced over 35M tons of ore grading on average 8.76% lead, 3.67% zinc, and 155 g/t silver (Bunker Hill Mines Annual Report 1980).

### **Qualified Person**

The technical information in this press release has been reviewed and approved by Peter Karelse P.Geo., a consultant to the Company, who is a Qualified Person as defined by NI 43-101. Mr. Karelse has more than 30 years of experience in exploration and development.

Information about the Company is available on its website, [www.bunkerhillmining.com](http://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.*