

# ESG Report

Based on submission dated 28<sup>th</sup> March 2024

# Bunker Hill Mining Corp.

and associated mining project(s)

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## Disclosures in this submission

Type	Name	ESG framework type
Corporate	Bunker Hill Mining Corp.	Development stage corporate framework
Project	Bunker Hill Mine	Development stage project framework



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# Introduction

Digbee ESG is the industry standard ESG disclosure framework for the mining sector. It provides mining companies with a right-sized, future-looking set of frameworks against which they can credibly disclose, track, compare and improve their ESG performance.

Digbee ESG has been developed in consultation with mining companies, ESG specialists and capital providers and is endorsed by leading financial institutions, producing mining companies and other industry stakeholders.

This Digbee ESG Report is the resulting output from your recent ESG submission and comprises an executive summary, your score, score breakdown, positives and negatives as well as a summary of your ESG submission responses.

## How are scores calculated?

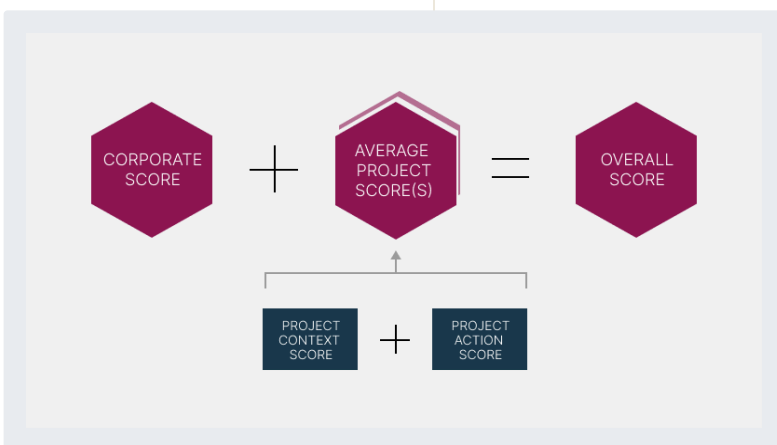
All ESG submissions are manually reviewed and scored against a set of rigorous and standardised scoring criteria.

An ESG submission comprises two types of questionnaire:

1. A single corporate-level questionnaire.
2. One or more project-level questionnaires (one for each disclosable project you own).

The questionnaires are tailored to the stage of the mining company and its projects (i.e., exploration, development and/or producing).

The project questionnaires comprise a number of 'Context' questions (relating to the situation of the project) and 'Action' questions (what is being done by the management both in the boardroom and on the ground to mitigate ESG risks).



▲ Visualisation of how Digbee ESG scores are calculated

There is little one can do to influence context scores, however action scores can vary depending on the action being taken by management. Each question is scored in accordance with our scoring criteria and averaged to provide an overall output score along with a confidence banding. A confidence banding illustrates the potential range with which the awarded score can move should any of the risks be realised or mitigated.

## Who scores the submission?

Scoring is undertaken by a team of accredited ESG experts who have deep experience in mining projects similar to those being scored. Each scoring team consists of two scorers and a team lead. This team of three ensures consistent scoring through robust peer review and quality control.

## Executive summary



Your next ESG submission is due on **28<sup>th</sup> March 2025**. We will notify you 2 months prior to the expiry of your current Digbee ESG score.

Listed on the TSXV (BNKR) and OTCQB (BHLL), BUNKER HILL MINING CORP. (BHMC) has assembled a strong and dedicated team of experts within the mining sector to ensure that ESG remains a core component of Bunker Hill culture and activities. This team is supported by strong governance at corporate level. This is the third Digbee review of the company and its principal asset, the Bunker Hill Project. The London JV, which was reported on during the second assessment, was not included this year as the Company is focusing on bringing its core asset into production.

BHMC's Bunker Hill lead/silver/zinc project has moved from an Exploration project to Development stage since the previous assessment. The brownfield lead/silver/zinc mining project is located in the Silver Valley / Coeur D'Alene Mining District of Idaho, USA. Mining will produce Silver, Lead and Zinc and byproducts of the critical minerals Germanium and Gallium. The project has the opportunity to remediate historic mine workings that were previously abandoned without any formal closure or management of potential legacy impacts to the environment or community. This will also be the first mining operation to be restarted in an active EPA Superfund clean-up site since these programs began in 1969, which represents a significant milestone for the US Mining Industry.

With all necessary permits secured, the mine plan has been strategically devised to integrate design elements like paste backfill, injections into historical mining voids, and water treatment, effectively mitigating surface ESG risks. Several ongoing or upcoming studies will systematically evaluate risks, encompassing potential opportunities and threats stemming from natural hazards, geological factors, technical aspects, societal considerations, supply chain dynamics, and permitting requirements. Concurrently, baseline monitoring initiatives are being initiated, furnishing data essential for the Environmental, Social, and Health Impact Assessment (ESHIA).

Bunker Hill Mining Corp. has acquired a local mining contractor company which allows the company to build on a skilled workforce and experienced leadership.

**Based on the information provided, BUNKER HILL MINING CORP. has achieved an overarching score of A with a range of CCC to AAA as of April 2024. A corporate score of A with a range of BB to AA was obtained, with the Bunker Hill Project achieving a score of A with a range of CCC to AAA. This is a robust improvement since the previous Digbee review.**

## Your submission team

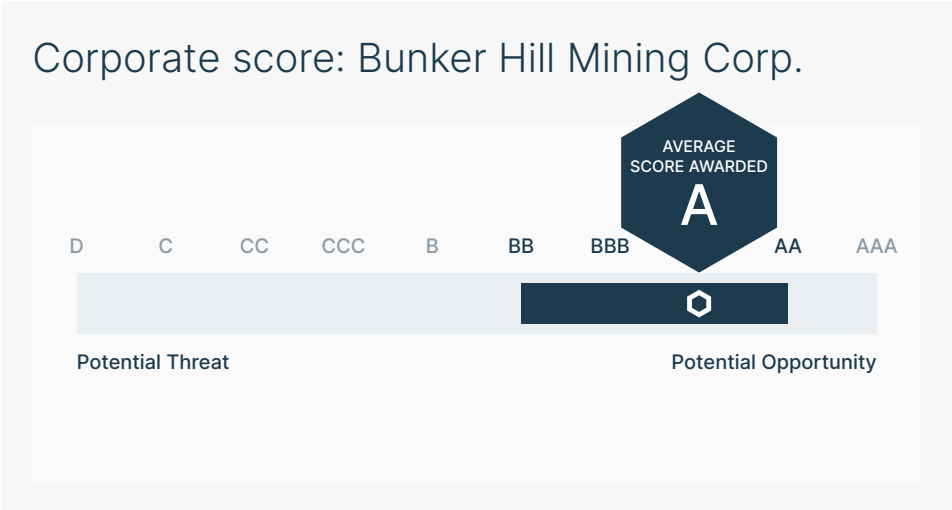
- Samuel Ash - ADMIN
- Bradley Barnett - ADMIN
- Anneli Becker - ADMIN
- Richard Williams - APPROVER

# Overall score for this submission



## The score breakdown

**i**  
**Corporate Score:**  
This is the score awarded for the responses to the 'Corporate-level' questionnaire.



# The score breakdown continued...

**i**

**Project Score:**  
 These are the scores awarded to any 'Project-level' questionnaires that have been submitted.

**Action:**  
 Within each project, action questions try to understand what action is being taken by the mining companies to mitigate ESG risks.

**Risk Context:**  
 Within each project, context questions try to understand the inherent risks of where the mining companies are operating.



## Overarching positives and negatives

Positives	Negatives
<ul style="list-style-type: none"> <li>BHMC acquired Coeur D'Alene Mining Contractor (CMC) in November 2023, gaining valuable mining contractor expertise, equipment, and key leadership. This strategic move bolsters BHMC's competitive edge in the local mining talent market.</li> <li>BHMC's objective is to revive a historic, abandoned mine, thereby facilitating the remediation of existing mining legacies while extracting valuable minerals to meet current market demands. The presence of the abandoned mine presents an opportunity to develop much of the planned supporting infrastructure, including underground tailings disposal. The revitalised mine is expected to generate employment opportunities and provide support to the local community, including infrastructure enhancement and skills development.</li> <li>This will be the first mining operation to be restarted in an active EPA Superfund clean-up site since these programs began in 1969, which represents a significant milestone for the US Mining Industry.</li> <li>In addition to Silver, Zinc, and Lead, BHMC also has an interest in producing critical minerals such as Germanium and Gallium.</li> </ul>	<ul style="list-style-type: none"> <li>The project anticipates undertaking environmental and social impact assessments (voluntarily or due to a legal mandate) including associated specialist studies. While a voluntary Environmental, Social, and Health Impact Assessment (ESHIA) is in the process of being prepared, it has yet to be completed.</li> <li>A tailings facility will be required, though the Company has designed processes to minimise the footprint through backfilling and dry stacking.</li> </ul>

### Corporate positives and negatives

## Corporate positives

- The Company shared its latest Strategy in February 2024. This strategy incorporates specific ESG objectives and their integration into the organisation's business model.
- BHMC boasts a robust Board structure, comprising 7 Directors, with 4 of them designated as independent Directors. Two Directors are female.
- Demonstrating its commitment to international standards, BHMC has pledged to adhere to a number of relevant frameworks and initiatives. These requirements are expected to be seamlessly integrated into the ongoing development of the Company's ESG management system.
- BHMC ensures compliance with all tax filings, maintaining up-to-date records.

5. The Company has appointed a Vice President of Sustainability with the authority to implement the organisation's sustainability strategy comprehensively and effectively.
6. The Company diligently monitors permitting and approval compliance requirements across various levels to ensure meticulous attention to detail. This oversight is conducted through monitoring and reporting at the on-site management level, with subsequent reporting to both the CEO and the Board.
7. Regular engagement with governmental bodies is a priority, with a designated senior individual tasked with maintaining and reporting on these interactions.
8. Risk management has been incorporated into senior management meetings.
9. Weekly meetings are consistently held with key government stakeholders, particularly with the EPA, to discuss the latest project plans and activities.
10. BHMC maintains active memberships in relevant local and regional industry bodies, including commercial and developmental organisations. Additionally, the Company actively participates in the Lake Coeur D'Alene Basin Commission.
11. A REMCO (Remuneration Committee) is currently operational. Discussions on executive remuneration are conducted regularly with major shareholders as part of routine engagements. ESG-related targets, particularly focusing on safety and environmental aspects, have been identified as Key Performance Indicators (KPIs) and will be elaborated upon the commencement of mine production.
12. Shareholder requests are addressed on a quarterly basis as necessary, aligning with industry best practices and complying with regulations from the TSX (Canada) and OTCQB (US).
13. BHMC has been actively investing in ESG solutions, including advancements in water treatment technologies, and plans to introduce further voluntary initiatives to progress its ESG objectives. Extensive water sampling and testing initiatives have been implemented.
14. The Company's resilience is tested through both desktop and in-person emergency drills, scheduled at intervals of every 6 or 12 months. These drills encompass various scenarios, including underground situations such as fires and collapses.
15. Despite pressure from more assertive shareholders to focus on collecting drilling data, the Company prioritised conducting additional studies on water quality and treatment to gain a deeper understanding of future water treatment challenges.
16. Succession planning has been formally adopted and is reviewed on a quarterly basis to ensure organisational readiness for future transitions.



## Corporate negatives

1. The composition of skills and experience among the Board of Directors is deemed appropriate for the current project stage. However, there is potential to include additional expertise in areas such as ESG in the future.

## Project positives and negatives

### Project positives - Bunker Hill Mine

1. This submission marks the third from Bunker Hill Mining Corp. (BHMC) for the Bunker Hill project, with the first submission being completed in April 2021. This is the first time that the project has passed into the “development” phase from “exploration”, resulting in additional information being submitted for consideration.
2. Situated in Idaho, USA, the project benefits from being located in a stable and supportive mining jurisdiction.
3. The project’s objective is to revive a historic, abandoned mine, thereby facilitating the remediation of past workings while extracting valuable minerals to meet current market demands.
4. The presence of the legacy mine workings presents the opportunity to utilise methods such as enhanced underground tailings disposal.
5. The revitalised mine is expected to generate employment opportunities and provide support to the local community, including infrastructure enhancement and skills development.
6. In addition to silver, zinc, and lead, BHMC also plans to extract critical minerals such as Germanium and Gallium.
7. BHMC acquired Coeur D’Alene Mining Contractor (CMC) in November 2023, gaining valuable mining contractor expertise, equipment, and key leadership. This strategic move bolsters BHMC’s competitive edge in the local mining talent market.
8. The Company is currently in the process of preparing a voluntary Environmental, Social, and Health Impact Assessment (ESHIA), which is planned to coincide with the commencement of commissioning. The results will be integrated into the planned ESG management system. However, this approach may limit the opportunity to fully mitigate or eliminate negative impacts.
9. BHMC has robust plans in place for the transition from project management to construction and operational teams, which is underpinned by continuous stakeholder involvement and participation to ensure a seamless transition.
10. The contractors engaged for both construction and ongoing operational support are predominantly local, facilitating easy access and reducing the need for temporary accommodation.
11. At present, approximately 80% of the workforce consists of local employees, with plans to increase this to 95%. While there are no legal mandates for local hiring, the Company is collaborating with the Governor’s office to establish a skills and employment training program based in Kellogg, starting from 2025 onwards.

12. Since the initial submission, BHMC, in collaboration with Mine Water LLC, has successfully constructed and operated a pilot plant version of a proposed full-scale water treatment system. This system is intended to treat discharge water currently managed by the federal Environmental Protection Agency (EPA). The upcoming full-scale plant is anticipated to meet state water permit requirements by treating mine discharge to minimum compliance.
13. BHMC also established a research partnership with the University of Idaho to investigate mine water infiltration pathways and flow rates, with engineering studies to facilitate capping of highly fractured areas with high porosity.
14. Ownership of the land and patented mining claims has been effectively transferred from previous owners to BHMC, with clearly defined ownership structures.
15. The Company demonstrates a sound understanding of permitting requirements and their current status, and monitors these routinely. Additionally, all federal permits are in place, and the construction permits have been submitted or will be submitted.
16. Because it is situated on patented mining claims, the project currently does not necessitate additional permits as long as no new surface developments are initiated, and there are no such plans in the foreseeable future.
17. All communications with local communities are conducted in English, the primary language of the area.
18. The Company believes its priorities align well with those of local indigenous communities, fostering a constructive relationship.
19. Upstream and downstream risks, particularly associated with old mine workings and underground water flow paths, have been comprehensively reviewed. Future considerations may include additional factors beyond water.
20. Health and safety systems are mostly in place, with improved reporting increasing effectiveness.
21. An administrative office relocation adjacent to the Kellogg Yard has enhanced health and safety management.
22. Infrastructure is in place for product delivery to the customer/smelter facility.
23. The project is currently partially powered by the local grid which uses renewable energy sources. In the future, this is expected to be 100% renewable.
24. The project area is not considered under water stress; hence the mining operation will not cause any water quantity related issues and nor place water constraints on the community, provided that the water will be treated prior to discharge.

25. Business-driven remediation is taking place in certain areas of the project area to address historic disturbances caused by mining activities.
26. The Company has well-established relationships with the local community and is well embedded and present among local and regional stakeholders and authorities around the project. It was not obvious whether the Company also engages with community representatives (outside of the mayor's office) formally to discuss any concerns.
27. Although lacking a formal procurement policy, the Company emphasises hiring local service providers, such as utilising a local analytics laboratory. Over 70% of goods are planned to be procured locally.

## Project negatives - Bunker Hill Mine

1. The potential environmental and social impacts of the project on downstream human and ecological receptors will be evaluated as part of the voluntary ESHIA process, scheduled to commence in the second half of 2024.
2. Continuous discharge of contaminated water from historic mine workings is ongoing and anticipated in the future. Recommencement of mining with use of water for paste backfill and redirecting of runoff will reduce water ingress and subsequent discharge long term. Currently, this water is treated at an EPA-operated facility with an expired state-issued water permit (a federal allowance). The project is exploring an alternative, cost-effective water treatment solution, potentially replacing the EPA system in the long term. Post-closure water treatment requirements may necessitate further review and determination.
3. Traffic impacts on the local area are currently low but expected to increase during construction and operation phases. The forthcoming ESHIA is anticipated to address traffic-related impacts and incorporate traffic management plans to mitigate risks.
4. Although Bunker Hill holds ownership of the majority of patented mining claims, surface rights in the project development area are owned by other parties. Ownership allocation however appears to be well understood.
5. Noise, vibration, and emission baseline studies have received some consideration, however there is a potential to include further analysis regarding the impact on underground workers.
6. Various specialist environmental and social studies which were planned previously have yet to commence. This includes biodiversity and noise baseline studies which are to be started in 2024.
7. The cultural significance of the historic mine has not been evaluated yet but is expected to be addressed in the planned ESHIA process.
8. Currently, no formal due diligence processes seem to be in place which not only

consider the expertise and competencies of the incumbent also other aspects such as criminal checks.

9. Tailings facilities will be required as per the current submission; however, this will consist of a mix of underground paste backfill and dry stacking.
10. The Company has shown a broad understanding of the closure and rehabilitation requirements, however underground rehabilitation may not have been considered as of yet.
11. The Company is aware that further actions are required to support local development, with discussions underway with the Governor's office to establish detailed plans regarding training facilities for example.



# Corporate Score Distributions: Bunker Hill Mining Corp.

Development Framework: Scores valid for 12 months as of 28<sup>th</sup> Mar 2024.

The following visual is an overview of the corporate-level questionnaire scores.

Question IDs & theme	Potential Threat					Potential Opportunity				
	D	C	CC	CCC	B	BB	BBB	A	AA	AAA
C-01.01 ESG Risk Strategy									AA	
C-01.02 Organisational Commitment									AA	
C-01.03 ESG Budgetary Provision									AA	
C-01.04 Updated ESG KPIs									AA	
C-01.05 Presence & Influence of Significant Partners							BBB			
C-01.06 Management of Operating Partner									AA	
C-02.01 Board and Leadership Structure									AA	
C-02.02 Independent Directors									AA	
C-02.03 Director Rotation								A		
C-02.04 Executive Pay Aligned to Sustainability									AA	
C-02.05 Board Capability				CCC			BBB			
C-02.06 Board Diversity				CCC			BBB			
C-02.07 Succession Planning							BBB			
C-02.08 Labour Management									AA	





# Project Score Distributions: Bunker Hill Mine

Development Framework: Scores valid for 12 months as of 28<sup>th</sup> Mar 2024.

**i** This is an overview of the project-level questionnaire scores. In some instances a question may elicit multiple responses (e.g., context and action). In these cases, we provide multiple scores for that question ID. The individual scores noted on each bar are the scores that have been awarded for that question. If an individual bar comprises 2 scores, it's because the scores covered a range across multiple bandings and are represented as a range.

Question IDs & theme	Potential Threat					Potential Opportunity				
	D	C	CC	CCC	B	BB	BBB	A	AA	AAA
P-01.01 Project Location									AA	
P-01.02 Natural Hazard Risk			CC							
P-01.03 Impact of Upstream Activities					B		BBB			
P-01.04 Impact on Downstream Activities				CCC						
P-01.05 Instability							BBB			
P-02.01 Planned Activities				CCC						AAA
P-02.02 Planned Mine Products			CC							AAA
P-03.01 Project Team Size			CC			BB				
P-03.01 Project Team Size			CC			BB				
P-03.02 Management Changes								A		
P-03.03 State Shareholding & Rep. on Board										NOT APPLICABLE
P-03.04 Local Representation in Team									AA	
P-03.04 Local Representation in Team										AAA



P-03.05	Employee and Contractor Employment			AAA
P-03.06	Local Employment Requirements			AAA
P-03.07	Local Representation Requirements		BB	
P-03.08	Health and Safety Record	CCC		
P-03.09	Health and Safety Activities		A	
P-03.10	Security and Firearms			AAA
P-03.11	Team and Equipment Security		A	
P-03.12	Contractor Due Diligence		BBB	
P-04.01	Acquisition History			AAA
P-04.02	Existing Land Use			AAA
P-04.03	Adjacent Land Use	C		AA
P-04.04	Competing Land Use			AAA
P-04.05	Changes to Adjacent Land Use			AAA
P-04.06	Presence of Local Communities			AAA
P-04.07	Resettlement and Compensation		NOT APPLICABLE	
P-04.08	Presence of Informal Mining		NOT APPLICABLE	
P-04.09	Regulation of Informal Mining		NOT APPLICABLE	
P-04.10	Biodiversity Management		BB	
P-05.01	Ownership		B	A
P-05.02	Property Access		B	BBB

P-05.02	Property Access	B	BBB
P-05.03	Product Distribution		A
P-05.04	Integration to State Development Plan		BBB
P-05.05	Energy Sources	CCC	A
P-05.05	Energy Sources		A
P-05.06	Energy Sharing	NOT APPLICABLE	
P-05.07	Water Stress		AA
P-05.08	Water Use		A
P-05.08	Water Use		A
P-05.09	Water Impact Minimisation		BBB
P-05.10	Water Discharge	CCC	BB
P-05.10	Water Discharge	B	BB
P-05.11	Waste Management	B	BB
P-05.11	Waste Management		BBB
P-05.12	Toxic Waste	B	BBB
P-05.13	Tailings Facility Requirement	B	A
P-05.14	Incorp. of New Info on Future Plans		BBB
P-05.15	Noise Reduction	CC	BB
P-05.16	Emission Reduction	B	AA
P-05.17	Vibration Reduction	CC	BB

P-05.18	Major Facility Rehabilitation	CCC	BB
P-05.19	Approved Rehabilitation Plan	NOT APPLICABLE	
P-05.20	Financing Rehabilitation	NOT APPLICABLE	
P-05.21	Property Transfer Post-Closure	B	
P-05.22	Current Remediation Activity		A
P-06.01	Social Media Plan		BB
P-06.02	Stakeholder Engagement Appointee		BBB
P-06.03	Local Language Engagement		AAA
P-06.04	Cultural Preservation	CC	BB
P-06.05	Past and Current Mining	B	AA
P-06.06	Local Mining Support		AA
P-06.07	External Feedback on Activities	B	A
P-06.08	Government Inspections		A
P-07.01	Community-Government Relationship		AA
P-07.02	Local Procurement Requirements		A
P-07.03	Local Procurement Practices		A
P-07.04	Definition of Regulatory Framework		BBB
P-07.05	Regional Governmental Bodies	CCC	BB
P-07.06	State Development Plan		AA

