

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **BUNKER HILL MINING CORP. (FORMERLY LIBERTY SILVER CORP.)** (the "Issuer").

Trading Symbol: **BNKR**

Number of Outstanding Listed Securities: **34,617,791 common shares issued and outstanding**

Date: **August 31, 2018**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

BUNKER HILL INCREASES PRIVATE PLACEMENT WITH TWO KEY INVESTORS

On August 9, 2018 the Issuer announced that two key investors in the Company have agreed to (separately) increase their investments, for gross proceeds of CAD\$1,379,304. Firstly, the investment by an arm's length investor (Hummingbird Resources PLC ("Hummingbird") announced June 19, 2018 will increase from USD\$1,500,000 ("Initial Amount") to USD\$2,000,000 ("Principal Amount") by an investment of USD\$500,000 ("Additional Amount"). The Company and Hummingbird have entered into an amended and restated convertible loan agreement evidencing the increase in the Principal Amount, in addition to a deed of warrant whereby the Company will grant Hummingbird 1,167,143 share purchase warrants, entitling it to acquire 1,167,143 common shares of Bunker at a price of CAD\$0.45 per share, expiring 24 months from the date of issuance. Completion of the increased investment by Hummingbird is conditional upon completion of the increased investment by Gemstone 102 Ltd. set out below.

Additionally, the Company will complete a private placement offering of 1,604,076 Units with Gemstone 102 Ltd. ("Gemstone"), an insider of the Company by virtue of its percentage holdings, for gross proceeds of CAD\$721,834. Each Unit is comprised of one common share, issuable at CAD\$0.45 per share, and one warrant, entitling Gemstone to acquire 1,604,076 common shares of the Company at a price of CAD\$0.45 per share, expiring 36 months from the date of issuance.

The terms of the amended and restated convertible loan agreement with Hummingbird are substantially the same as those of the convertible loan agreement summarized in the Company's news release dated June 19, 2018, except: (A) the Principal Amount is USD\$2,000,000 (as disclosed herein); (B) the Additional Amount of USD\$500,000 and interest thereon (that is the subject of this news release) is convertible at a price of CAD\$0.45 per share; (C) a provision requiring the Company to pay cash to Hummingbird in lieu of the issuance of a number of common shares exercisable under the loan and warrant agreements where consents and approvals for the issuance of common shares cannot be obtained. The cash payment shall be equal to the number of common shares which may not be issued, multiplied by the higher of the conversion price (Can\$0.45 in the case of the Additional Amount or Can\$0.85 in the case of the Initial

Amount) and the closing price of the common shares on the date that Hummingbird serves a conversion notice on the Company; (D) a provision requiring the Company to pay cash to Hummingbird in lieu of the issuance of a number of common shares exercisable under the loan and warrant agreements where such issuance will result in it holding more than 9.999% of the Company's issued common shares, will no longer apply in instances where Hummingbird acquires any interest in common shares in the Company pursuant to (i) accepting a general take-over offer for the entire issued share capital of the Company; (ii) accepting a tender offer or partial offer where the offeror may come to hold 30% or more of the Company's outstanding shares (iii) accepting a general offer for the share capital of the Company pursuant to a scheme of arrangement, a plan of arrangement or any merger or amalgamation; (iv) executing an irrevocable commitment, deed or undertaking to accept an offer referred to in (i) to (iii) above; (v) pursuant to an issuer bid by the Company; and (E) in the event that Hummingbird holds more than 10% of the issued and outstanding shares of the Company subsequent to the exercise of any of its convertible securities held under the placement, it shall have the right to appoint one director to the board of Bunker, and where it holds in excess of 5%, it shall be entitled to appoint and remove an observer to attend all board meetings.

All other provisions remain substantially unamended.

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

BUNKER HILL CLOSES PRIVATE PLACEMENT WITH TWO KEY INVESTORS

On August 13, 2018 the Issuer announced 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 Securities 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.

2. Provide a general overview and discussion of the activities of management.

See #3 below

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Management working towards raising capital needed to complete the acquisition of the Bunker Hill Mine Complex and to rehabilitate the Mine. Management has been focused on rehabilitating the Bunker Hill Mine infrastructure and evaluating and digitizing geological data. No new drilling, exploration or production in August 2018.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

No expiry or termination of any contracts or agreements in August 2018.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

N/A

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

None

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
<i>Purchase Warrants (2)</i>	<i>1,167,143</i>	<i>C\$0.45 per share, for two years</i>	<i>Fulfill payment obligations to the property owner, the United States Environmental Protection Agency and for general working capital</i>
<i>Purchase Warrants (2)</i>	<i>1,604,076</i>	<i>C\$0.45 per share, for three years</i>	<i>Fulfill payment obligations to the property owner, the United States Environmental Protection Agency and for general working capital</i>

(1) State aggregate proceeds and intended allocation of proceeds.

(2) Issued pursuant to the Private placement described in Section 1.

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

None

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **September 5, 2018** _____.

Julio DiGirolamo

Name of Director or Senior
Officer

/s/ Julio DiGirolamo

Signature

Chief Financial Officer

Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/D
Bunker Hill Mining Corp.	August 2018	18/09/05
Issuer Address 2702 – 401 Bay Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, ON M5H 2Y4	()	(416) 477.7771
Contact Name	Contact Position	Contact Telephone No.
Julio DiGirolamo	CFO	(416) 477.7771 x 202
Contact Email Address jd@bunkerhillmining.com	Web Site Address www.bunkerhillmining.com	