

Exceptions to Forfeiture for Mining Questionnaire – Section 42-223(11), Idaho Code

This questionnaire should be used as a guide to provide evidence supporting an exception to forfeiture. Each answer will need to have corresponding documents and/or affidavits.

List the adjudication claim number(s) in which an exception to forfeiture under Section 42-223(11), Idaho Code is sought:

See attached

- 1) Enter the name of the mine or property in which the water claimed above was historically used. (All of the following questions will refer to the mine or property named below.)

See attached

- 2) When was the mining, mineral processing or milling at the mine or property suspended?

See attached

- 3) Described the reason(s) the mining, mineral processing or milling of minerals at the mine or property was suspended or the mine was closed?

See attached

- 4) Does the mine or property have one or more valuable minerals as defined in Section 47-1205, Idaho Code? If so, please list the mineral(s).

See attached

- 5) Please provide a history of the price of the mineral(s) at the mine or property?

See attached

- 6) Explain how the property and mineral rights have been maintained for future mineral production at the mine or property?

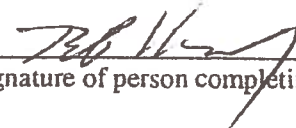
See attached

BOB HOOPER President-CEO-OWNER

Please print name and title of person completing this questionnaire

2-11-16

Date


Signature of person completing this questionnaire

ATTACHMENT
Exceptions to Forfeiture for Mining Questionnaire
Section 42-223(11), Idaho Code

Questionnaire Responses – Water Rights 94-2071, 94-4003 and 94-4218

1. Mine Name – Bunker Hill Mine
Location – Kellogg, Idaho
2. Large scale mining and processing operations at the mine were suspended in 1991. Small scale operations have been conducted at the mine periodically since 1991, including during the summer of 2015. The above-referenced water rights have been used in these operations but on a limited basis.
3. Mining operations at the Bunker Hill Mine were suspended in 1991 in part due to low metals prices, labor issues and environmental concerns. The recession of 1981 and the decline in metal prices led to a slow-down in operations at the mine and significant lay-offs ensued. Continued uncertainty about metal prices and the unlikelihood of winning wage roll-backs from labor contributed to the former owner, Gulf Resources', decision in August 1981 to close its Bunker Hill operations and put the company up for sale. In 1982 the company was sold to the Bunker Limited Partnership. Although the new company reopened the mine, the lead and zinc operations remained closed. The mine operated from 1988 to 1990, then, in 1991, the partnership filed for bankruptcy. On May 1, 1992 the mineral rights were transferred to Robert Hopper, owner of Placer Mining Co. Placer Mining Co. owns the mine today.

While full scale mining and production activities have been suspended since 1991, infrastructure and facilities improvement, and care and maintenance activities have continued since that time, and well as limited, small-scale mining operations.

4. The Bunker Hill Mine's valuable minerals consist primarily of silver, lead and high-grade zinc, cadmium, and antimony.
5. With regards to metals prices at the mine, below are graphs of silver prices over the last 100 years¹, lead prices since 1993,² and zinc prices since the mid-1960s.³ Because the Bunker Hill Mine has historically been a large, global-scale metals producer, global metals prices are reflective of at-mine prices.

¹ Source - <http://www.macrotrends.net/1470/historical-silver-prices-100-year-chart>

² Source - <http://www.tradingeconomics.com/commodity/lead>

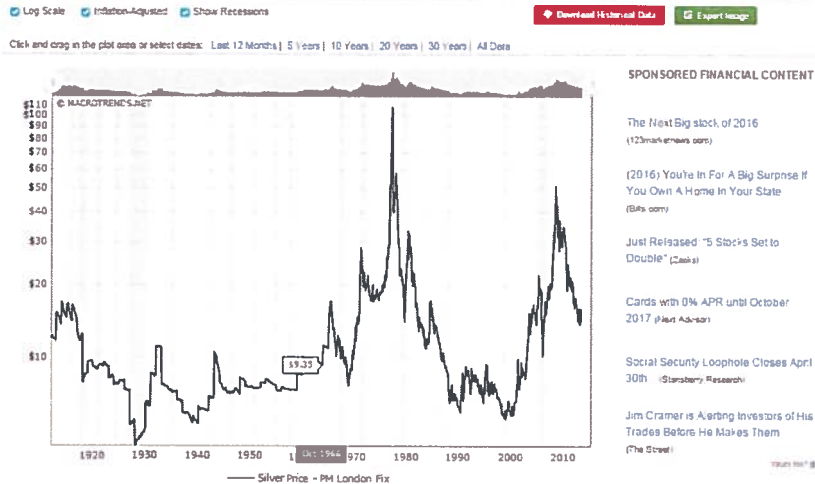
³ Source - <http://www.tradingeconomics.com/commodity/zinc>

Historical Silver Prices - 100 Year Chart

Interactive chart of historical data for real (inflation-adjusted) silver prices per ounce back to 1915. The series is deflated using the headline Consumer Price Index (CPI) with the most recent month as the base. The current month is updated on an hourly basis with today's latest value. The current price of silver as of 12:40 PM EST on February 11, 2016 is \$15.91 per ounce.

Data Sources: London Bullion Market Association, Bureau of Labor Statistics

Topics: silver gold precious metals



Lead 1993-2016 | Data | Chart | Calendar | Forecast | News

Lead decreased 15 USD/MT or 0.82% to 1806.50 on Wednesday February 10 from 1810.25 in the previous trading session. Looking back, Lead lost 7.5 USD/MT or 0.41 percent during the last 12 months from 1,817.75 USD/MT in February of 2015. Historically, Lead reached an all time high of 3989 in October of 2007 and a record low of 357 in October of 1993.

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Intraday Historical Forecast



Actual	Previous	Highest	Lowest	Dates	Unit	Frequency
1806.50	1810.25	3989.00	357.00	1993 - 2016	USD/MT	Daily

Zinc 1960-2016 | Data | Chart | Calendar | Forecast | News

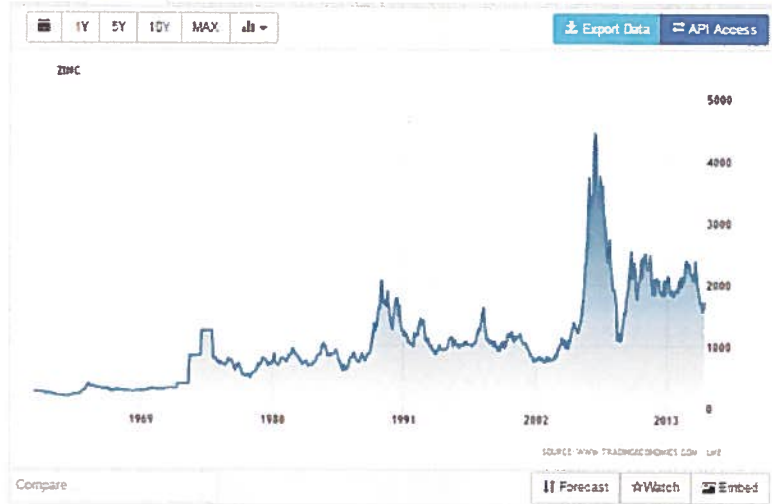
Zinc increased 17.5 USD/MT or 1.04% to 1702.50 on Wednesday February 10 from 1685 in the previous trading session. Looking back, Zinc lost 403 USD/MT or 19.14 percent during the last 12 months from 2,105.50 USD/MT in February of 2015. Historically, Zinc reached an all time high of 4603 in November of 2006 and a record low of 176.37 in September of 1962.

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Intraday Historical Forecast



Actual	Previous	Highest	Lowest	Dates	Unit	Frequency
1702.50	1685.00	4603.00	176.37	1960 - 2016	USD/MT	Daily

6. As noted previously, while large-scale production operations at the mine were suspended in 1991, the mine continues to be maintained, and infrastructure improvements and replacement projects completed, in anticipation of improved metal market conditions. A full time mining and engineering staff has remained at the mine since 1991 to maintain the mine and surface facilities. Placer Mining also continues to work with the EPA in pursuit of a settlement of certain outstanding environmental remediation claims.

The Bunker Hill's property and mineral rights continue to be maintained. The mine's resource package consists of patented mining claims, which Placer Mining continues to own.

Over the past two years, Placer Mining has completed construction of a new mill on the mine site, and planned to restart mining and milling operations in the third quarter of 2015. Those plans have been delayed, but mining and milling operations are expected to start up in 2016. Additional information on the mine reopening can be found in the around at the following link:

<http://legacy.krem.com/story/news/local/shoshone-county/2015/04/01/bunker-hill-mine-set-to-resume-production/70806726/>