HONEY BADGER SILVER INC.

Management Discussion & Analysis

For the year ended December 31, 2023

(Expressed in Canadian dollars)

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Honey Badger Silver Inc. (the "Company") for the year ended December 31, 2023, and up to the date of this MD&A. This MD&A should be read in conjunction with the accompanying audited consolidated financial statements for the year ended December 31, 2023, together with the notes thereto (the "Financial Report").

All financial information in this MD&A is derived from the Company's consolidated financial statements prepared in accordance with IFRS Accounting Standards and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is April 24, 2024.

CORPORATE OVERVIEW AND OUTLOOK

The Company is a publicly traded company incorporated in Ontario in 1992. The Company's common shares are listed for trading on the TSX Venture Exchange (the "Exchange") under the symbol "TUF" and on the OTCQB Venture Market in the United States under the symbol "HBEIF". The Company corporate office is located at Unit 1 – 15782 Marine Drive, Vancouver, BC, V4B 1E6 and the Company's registered and records office is located at 199 Bay Street, Suite 5300, Commerce Court West, Toronto, Ontario, M5L 1B9.

The Company is engaged in identifying, evaluating, acquiring, and exploring silver-based and other metals-based assets, including high-grade properties, and projects with existing mineral resources/reserves and cash-flowing metal royalties and streams. The Company has several projects in Canada.

On January 20, 2023, the Company consolidated its common shares on the basis of one post-consolidation common share for every 5.7 pre-consolidation common shares issued and outstanding. All share and per share amounts in this MD&A have been restated to reflect this share consolidation.

EXPLORATION PROJECTS

Yukon Properties

On June 4, 2021, the Company completed the acquisition of three silver properties located in Yukon, Canada comprised of the Plata, Groundhog, and Hy properties. In consideration, the Company issued 6,106,091 common shares valued at $4,524,613 to Strategic Metals Ltd., a public company which a former director of the Company is also the Chief Executive Officer, President and a director.

Plata

Plata lies within the Tintina Gold Belt and displays many similarities to the Keno Hill Silver Camp located about 165 producer of silver with production from approximately thirty-five vein deposits between 1913 and 1989. A reported 2,041 tonnes of hand sorted material were shipped from high grade veins on the Plata property to a smelter, yielding about 9,020 kg (290,000 ounces) of silver; this equates to a recovered silver grade of approximately 4,420 grams per tonne (g/t) silver.

On March 5, 2024, the Company announced the acquisition of additional claims adjacent to its Plata Project. Recent compilation work on the Company's Plata Project confirmed similarities to the adjacent exciting Rogue Project owned by Snowline Gold (TSXV: SGD). Rogue appears to be one of the most exciting and potentially one of the largest recent mineral discoveries anywhere in the world.

Plata hosts spectacular high grade silver mineralization, traditionally interpreted as a Keno Hill analogue. Recent mapping and compilation work confirm the similarity of Plata geology to the geologic setting at Snowline Gold's adjacent Rogue Project where, about 30km east of Plata at the Valley discovery, recent drilling has intersected exceptional gold intercepts such as 2.48 gpt Au over 553.8 meters. Geologic mapping during the last field season led to our current interpretation of Plata as being related to the same style of mineralization ("Reduced Intrusion Related Gold System" or RIRGS) as at Valley. Our observations at Plata fit into a mineralization zoning model indicating that surface vein mineralization at Plata is the periphery of a RIRGS mineralizing system. This significantly expands the discovery potential at Plata. Our new claims cover a geophysical magnetic low which we interpret as representing a possible buried intrusion that fed the mineralizing system.

The claims were staked by ECEE Money Ltd. ("ECEE"), a private corporation controlled by W. Douglas Eaton, a former director of Honey Badger, with the concurrence and knowledge of Honey Badger. ECEE has transferred ownership of the claims to Honey Badger at no cost, subject to a 2% net smelter royalty ("NSR") on future commercial gold production. The NSR applies only to gold.

Groundhog

Silver mineralization was first discovered in the road-accessible Groundhog area in 1956. Since that time over one hundred showings have been discovered in the district by various operators. One of these showings was bulk sampled in 1988 and 1995. This work resulted in the removal of 52.5 tonnes grading approximately 3,800 g/t silver. A rock sample from the property returned 11,663.5 g/t silver.

The Project is located 50 km south of Ross River and approximately 25 km west of the former Ketza Mine, which produced over 57,500 ounces of gold and 33,400 ounces of silver from replacement-style manto deposits within a geologic region known as the Ketza Uplift. Groundhog hosts numerous mineralized showings with manto-hosted and fracture-hosted silver-lead-zinc mineralization. Historical grades range up to 18,120 g/t silver, 85% lead, 23.6% zinc and 5.91 g/t gold, within the Seagull Uplift, a structural environment similar to, and tectonically linked to, the Ketza Uplift.

On March 23, 2023, the Company announced exploration results from its 2022 program which included the collection of 49 rock samples and 488 soil samples. Three main types of mineralization were discovered on the Groundhog property: veins and breccia zones, replacement (manto) mineralization, and stratiform mineralization.

Hy

The road accessible Hy property covers many silver occurrences that were first discovered on the property in 1964. Three mineralized zones were the primary focus of past exploration with the areas between them essentially unexplored. Bulldozer stripping and trenching returned 684.0 g/t silver, 9.20% zinc and 11.01% lead over 1.83 metres from a chip sample at Showing A and 370.3 g/t silver, 8.22% lead and 14.01% zinc over 3.20 metres from a chip sample collected from the Hillside Showing.

Clear Lake

On March 29, 2022, the Company completed the acquisition of the Clear Lake silver/zinc/lead property located in Yukon, Canada. In consideration, the Company paid $250,000 cash and granted a 1% net smelter return (“NSR”) royalty on all metals other than silver.

The Clear Lake deposit hosts a historical NI 43-101 Inferred Resource prepared by SRK for Copper Ridge Exploration, of 7.76 million tonnes grading 22 grams per tonne silver, 7.6% zinc and 1.08% lead, containing 5.5 million ounces of silver, 1.4 billion pounds of zinc and 185 million pounds of lead.

Northwest Territories Property

Sunrise Lake

On October 17, 2023, the Company entered into a purchase agreement with SSR Mining Inc. ("SSR") to acquire 100% of SSR's Sunrise Lake silver project in the Northwest Territories, Canada. In consideration, SSR will retain a 4% NSR royalty on any future production from the project and half (2%) of the NSR royalty can be purchased by the Company at any time prior to commencement of construction at the project for US$ 10 million, but the Company has no obligation to do so.

Sunrise Lake is located in the Northwest Territories, Canada, 130 kilometers northeast of Yellowknife, and hosts silver-gold and base metal mineralization outlined by 21,774 meters of surface diamond drilling since its discovery in 1987. The Sunrise Lake deposit is a volcanogenic massive sulphide deposit comprising a steeply dipping lens three-to-four meters thick, 120 meters wide and 190 meters long. Underlying the mineralization is lower grade disseminated mineralization up to about 50 meters in thickness. Numerous exploration targets have been identified on the property. The project comprises six contiguous mining leases totaling 1,621 hectares, with annual lease payments of about $8,000 and no minimum work commitments.

Sunrise Lake has an estimated historical resource comprising Indicated: 1.522 million tonnes grading 262 grams/tonne silver, 6.0% zinc, 2.4% lead, 0.08% copper, and 0.67 grams/tonne gold and Inferred: 2.555 million tonnes grading 169 grams/tonne silver, 4.4% zinc, 1.9% lead, 0.07% copper, and 0.51 grams/tonne gold. This represents contained silver of approximately 12.8 million ounces Indicated and 13.9 million ounces Inferred. Expressed as silver equivalent ounces, the contained metal is approximately 28.7million ounces silver equivalent Indicated and 35 million ounces silver equivalent Inferred.

Nunavut Property

Nanisivik

On September 13, 2023, the Company announces its plans for exploration work on its wholly owned Nanisivik Project near Arctic Bay, Nunavut.

In 2021 and 2022, the Company staked claims totaling 5,723 hectares over the Nanisivik Mine area. The Nanisivik Mine (near Arctic Bay, Nunavut) produced over 20 million ounces of silver between 1976 and 2002, from 17.9 million tons of ore, grading 9% zinc, 0.72% lead, and 35 grams per ton silver. In addition to the polymetallic orebody, previous exploration identified massive sulphide bodies (principally pyrite), totaling about 100 million tons, containing base metal and silver values not economic at the time.

On September 18, 2203, the Company announced the mobilization of a team to undertake initial mapping and sampling of the outcropping massive sulphide target. Results of this field work will be reported as they are received.

QUALIFIED PERSON

Dorian L. (Dusty) Nicol, the Company's Chief Executive Officer (PG, FAusIMM) and a Qualified Person as defined by NI 43-101, has reviewed and approved the exploration information contained in this MD&A.

SELECTED ANNUAL INFORMATION

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Statement of Loss:			
Net revenues	**$Nil**	**$Nil**	**$Nil**
Net loss	**$1,840,895**	**$1,636,801**	**$7,246,578**
Basic and diluted loss per share	**$0.05**	**$0.05**	**$0.27**
Financial Position:			
Total assets	**$344,009**	**$638,977**	**$2,441,037**
Total liabilities	**$552,498**	**$307,086**	**$683,473**

RESULTS OF OPERATIONS

The loss for the year ended December 31, 2023 was $1,840,895 compared to $1,636,801 for the year ended December 31, 2022.

During the year ended December 31, 2023, the Company paid or accrued consulting fees of $742,818 (2022 - $513,300) to senior management. During the current year, there were various changes to senior management which accounted for the increased fees. With senior management now stabilized, the Company expects these costs to normalize.

Exploration and evaluation expenditures for the year ended December 31, 2023 totalled $260,428 compared to $522,897 in the comparative year. The Company's exploration expenditures have primarily been on its Plata project in the Yukon and to a lessor extent on its Nanisivik project in Nunavut.

Marketing, promotion and travel costs for the year ended December 31, 2023 were $466,086 compared to $350,160 in the comparative year and relate to increased market awareness activities.

Professional fees for the year ended December 31, 2023 were $88,856 and were comparable to the prior year of $62,470.

Project investigation costs for the year ended December 31, 2023 were $115,433 compared to $111,118 in the comparative year and all relate to the Company to the Company's potential acquisition of the Cachinal De La Sierra Silver-Gold Project located in Chile. Following a lengthy due diligence period, the parties agreed to terminate the transaction.

Non-cash share-based compensation for the year ended December 31, 2023 totalled $104,070 (2022 - $211,128) and relates to stock options that vested during the year.

During audits conducted for the years 2010 and 2014, it was determined that the Company may continue to have a shortfall on previously renounced flow-through financings and accordingly, the Company recorded a provision for shareholder indemnification. IAS 37 paragraph 59 allows that provisions such as these shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. As at December 31, 2022, the Company believed it was no longer probable that an outflow of resources embodying economic benefits would be required to settle these obligations and accordingly reversed the historic flow-through provision of $298,031.

SUMMARY OF QUARTERLY RESULTS

	3 Months Ended December 31, 2023	3 Months Ended September 30, 2023	3 Months Ended June 30, 2023	3 Months Ended March 31, 2023
Total revenues	$ -	$ -	$ -	$ -
Net loss	$ (446,375)	$ (634,961)	$ (420,062)	$ (339,497)
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)

	3 Months Ended December 31, 2022	3 Months Ended September 30, 2022	3 Months Ended June 30, 2022	March 2, 2021 to March 31, 2022
Total revenues	$ -	$ -	$ -	$ -
Net loss	$ (14,125)	$ (442,789)	$ (546,022)	$ (633,865)
Basic and diluted loss per share	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.02)

FOURTH QUARTER

The Company began the fourth quarter with $686,486 cash. During the three months ended December 31, 2023, the Company spent $434,245 on operating activities, net of working capital changes, to end at December 31, 2023 with $252,241 cash.

LIQUIDITY AND CAPITAL RESOURCES

The Company began the fiscal year with $544,478 cash. During the year ended December 31, 2023, the Company spent $1,513,207 on operating activities, net of working capital changes, and received $1,220,970 from financing activities, to end at December 31, 2023 with $252,241 cash.

As at December 31, 2023, the Company had a working capital deficiency of $208,489.

On April 10, 2024, the Company completed a non-brokered placement through the issuance of 16,749,000 units at a price of $0.05 per unit for gross proceeds of $837,450 and the issuance of 5,642,307 flow-through shares at a price of $0.065 per flow-through share for gross proceeds of $366,750. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.065 until October 10, 2025. The Company paid finder's fees of $7,130 cash and 97,000 finder warrants. The finder warrants are on the same terms as the private placement warrants.

However, management estimates that the Company may not have sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

Related party transactions

	Year ended December 31,	
	2023	2022
Consulting fees		
Chairman	$ 300,000	$ 300,000
Chief Executive Officer	120,000	-
Former Chief Executive Officer	75,250	-
Former Chief Executive Officer	56,270	-
Former President	3,750	83,250
Golden Oak *	20,000	-
Grove **	113,400	106,050
	688,670	489,300
Exploration and evaluation expenditures		
Former Chief Operating Officer	20,000	-
Former President	2,500	55,500
	22,500	55,500
Marketing, promotion and travel		
Red Cloud ***	81,200	21,000
Sharechest ****	6,000	13,500
	87,200	34,500
Share-based compensation	31,873	175,552
Total	$ 830,243	$ 754,852

* Golden Oak Corporate Services Ltd. (“Golden Oak”) is a consulting company controlled by the Chief Financial Officer and Corporate Secretary of the Company. Golden Oak provides the services of a Chief Financial Officer, Corporate Secretary, and accounting and administrative staff to the Company.
** Grove Corporate Services Ltd. (“Grove”) is a consulting company which provided the services of a Chief Financial Officer, Corporate Secretary, and accounting and administrative staff to the Company.
*** Red Cloud Securities Inc. and Red Cloud Financial Services Inc. (collectively “Red Cloud”) are owned 100% by Red Cloud Mining Capital Inc., whose Chairman is also the Chairman of the Company.
**** Sharechest Inc. (“Sharechest”) is a company controlled by the Chairman of the Company.

Related party balances

		December 31, 2023	December 31, 2022
Chairman	Fees	$ 238,410	$ 28,250
Chairman	Expenses	66,657	-
Former President	Fees	-	35,312
Golden Oak	Expenses	632	-
Grove	Fees	-	32,997
Red Cloud	Fees	75,200	-
Sharechest	Fees	1,695	2,260
Total		$ 382,594	$ 98,819

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The components of exploration and evaluation assets are described in Note 6 to the Financial Report.

OUTSTANDING SHARE DATA AS AT THE DATE OF THIS MD&A

Authorized: an unlimited number of common shares without par value.

	Number of Shares	Warrants	Stock Options
Balance, December 31, 2023	39,476,491	7,962,865	2,999,985
Private placement	22,391,307	8,471,500	-
Expiry of warrants	-	(3,759,402)	-
Cancellation of options	-	-	(408,246)
Options granted	-	-	3,595,000
Balance, the date of this MD&A	61,867,798	12,674,963	6,186,739

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVTOCI"); or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		December 31, 2023	December 31, 2022
Cash	Amortized cost	$ 252,241	$ 544,478
Marketable securities	FVTPL	52,043	32,613
Receivables	Amortized cost	25,818	34,443
Trade and other payables	Amortized cost	(166,254)	(208,267)
Due to related parties	Amortized cost	(382,594)	(98,819)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

> Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
> Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
> Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The carrying values of cash, receivables, trade and other payables, and due to related parties approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The Company's marketable securities are held in a company with an active market and are classified as current assets at fair value.

Risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit Risk

The Company's credit risk is the risk of counterparty default on cash held on deposit with financial institutions. The Company manages this risk by ensuring that deposits are only held with large Canadian banks and financial institutions. The Company's receivables related to sales taxes have negligible counterparty default risk.

Liquidity Risk

The Company's liquidity risk is the risk that Company has insufficient funds to settle its contractual financial liabilities. The Company manages this risk by ensuring sufficient funds are available as contractual cash flows become due.

As at December 31, 2023, the Company had a cash balance of $252,241 to settle trade and other payables and due to related parties of $548,848.

While the Company has been successful in obtaining the required funding in the past to meet its financial obligations, there is no assurance that future financings will be available.

Market risks

The Company's market risk arises from changes in interest rates, market prices, commodity prices, and foreign exchange rates that could have an impact on profit or loss. This includes:

a) Interest rate risk is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that were subject to variable interest rates.
b) Market price risk is the sensitivity of the fair value of the Company's marketable securities to price volatility. The fair value of its portfolio is not material, and any market price risk is considered insignificant.
c) Commodity price risk is the sensitivity of the fair value of the future cash flows of mineral assets. The Company manages this risk by continually monitoring base and precious metal prices and commodity price trends to determine the appropriate timing for funding the exploration of its mineral assets, or for the acquisition or disposition of mineral-based assets.
d) Currency risk is the sensitivity of the fair value or of the future cash flows of financial instruments to changes in foreign exchange rates. The Company does not have any financial assets or liabilities that are subject to variable foreign exchange rates and as such the Company is not subject to currency risk.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires Management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Judgments, estimates and assumptions are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience. However, actual outcomes may differ from the amounts included in the financial statements.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the financial statements relate to the following:

Going concern assumption

In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations for a period of one year. Changes in estimated cash use may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Income taxes and the recovery of deferred taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires Management to make judgments in the interpretations and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of consolidated financial statements.

Deferred flow-through premium estimates

Recorded costs of flow-through share premium liabilities reflect premiums received by the Company on the issue of flow-through shares. The premium is subject to measurement uncertainties and requires the Company to assess the value of non-flow-through shares. The determination is subjective and does not necessarily provide a reliable single measure of the fair value of the premium liability.

Share-based compensation

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based payment expense for the period along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in note 10.

Warrants

The Company may issue units in their financings, comprised of common shares and common share purchase warrants. The fair value of the warrants issued on the closing is estimated, and reflected in the reserve for warrants account until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount recorded is transferred to contributed surplus.

NEW ACCOUNTING PRONOUNCEMENTS

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2023 and have not been applied in preparing these consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to IAS 1 Presentation of Financial Statements clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity.

The Company has not early adopted this revised standard and its adoption is not expected to have a material impact on the Company's consolidated financial statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward–looking statements are based on a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward–looking statements. Such risks and uncertainties include, but are not limited to, assumptions regarding future uranium prices, debt and equity financing market conditions, receipt of regulatory approvals, and other factors set forth under "Forward Looking Statements" and "Risk Factors" in the Amended and Restated Filing Statement of the Company dated September 21, 2023. The Company undertakes no obligation to update or revise any forward–looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. New factors emerge from time to time, and it is not possible for the Company to predict all of them, or assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward–looking statement. Any forward–looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement.

ADDITIONAL INFORMATION

Additional information relating to the Company is available at SEDAR+ and on the Company's website https://honeybadgersilver.com/.