Management's Discussion and Analysis

For the Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

1.0 INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of Honey Badger Silver Inc. ("Honey Badger" or the "Company") has been prepared based on information available to the Company as at August 22, 2022, and should be read in conjunction with Honey Badger's condensed interim consolidated financial statements for the three and six months ended June 30, 2022 and 2021 (the "Interim Financial Statements") and the related notes thereto and the audited consolidated financial statements for the years ended December 31, 2021 and 2020 and notes related thereto (the "Annual Financial Statements"). The Interim Financial Statements and MD&A are expressed in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements. A copy of the Interim Financial Statements and other information are available on the Company's website at www.honeybadgersilver.com and on SEDAR at www.sedar.com.

2.0 CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the anticipated content, commencement, anticipated exploration program results, the ability to complete future financings, the ability to complete the required permitting, the ability to complete the exploration program and drilling, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the commodity markets generally, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the inability of the Company to obtain any necessary permits, consents or authorizations required, including Toronto Stock Exchange Venture ("TSXV") acceptance, for its planned activities, the analytical results from surface trenching and sampling programs, including diamond drilling programs, the results of IP surveying, the inability of the Company to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, the potential impact of COVID-19 (coronavirus) on the Company's exploration program and on the Company's general business, operations and financial condition, and other risks and uncertainties. Readers are urged to access www.sedar.com to review additional information about the Company, including the technical reports filed with respect to the Company's mineral properties interests. This document contains information with respect to adjacent or similar mineral properties interests in the Thunder Bay Silver District in respect of which the Company has no interest or rights to explore or mine. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such adjacent properties, and that mineral deposits, and the results of any mining thereof, on adjacent or similar properties, are not indicative of mineral deposits on the Company's properties or any potential exploitation thereof.

3.0 BACKGROUND

3.1 DIRECTORS, OFFICERS AND MANAGEMENT

Chad Williams – Non-Executive Chairman, Director
Brian Briggs – Independent Director
W. Douglas Eaton - Independent Director
John H. Hill - Independent Director
Donna McLean – CFO
Namrata Malhotra – Corporate Secretary
Edmond Thorose – President

3.2 CORPORATE OFFICE

Ste. 2704 – 401 Bay St.
Toronto, ON M5H 2Y4

3.3 EXCHANGE LISTINGS

Honey Badger is a publicly listed company, and its common shares are traded on the TSXV under the trading symbol "TUF" and on the OTCQB Market Exchange under the trading symbol "HBEIF".

3.4 CORPORATE INFORMATION

Honey Badger was incorporated pursuant to the Business Corporations Act (Ontario) in 1992 and is engaged in the identification and acquisition of silver properties/assets in mining-friendly jurisdictions. Led by a highly experienced leadership and technical team, the Company's primary focus is on the acquisition, development, and integration of accretive transactions of silver ounces to build the Company's portfolio of assets.

Honey Badger's mineral properties are currently in the exploration stage. Honey Badger's continued operations are dependent upon the ability of the Company to finance: the exploration of its mineral properties, the possible expansion of its portfolio of assets and ongoing corporate costs. The Company has not yet determined whether any of its mineral properties contain mineralization that is economically recoverable. In consideration of future acquisitions, the company will conduct detailed due diligence as appropriate to determine the viability of any undertaking.

4.0 MISSION, STRATEGY AND KEY DRIVERS

Mission
Honey Badger's mission is to assemble a three-tiered portfolio of diversified silver assets at various stages of advancement:

- District scale, high-grade silver properties;
- Projects with existing silver resources/reserves;
- Cash flowing silver royalties and streams.

This portfolio approach to aggregating silver assets represents a new concept in modern silver investing and sets Honey Badger apart from the typical Canadian mineral exploration company.

Strategy
The Company's strategy includes:

- Acquiring mineral properties and interests that strengthen Honey Badger's portfolio of silver assets;
- Creating value-accretive vehicles for by-product metals typically associated with silver, such as zinc and lead;
- Advancing the geological knowledge of its mineral properties through prudent work programs;
- Broadening the Company's participation in joint ventures to foster accretive acquisitions; and
- Sourcing and evaluating opportunities and interests in existing and prospective silver mining assets situated in mining-friendly jurisdictions in the Americas.

Key Performance Drivers

- Highly prospective property holdings in the Yukon and Ontario's Thunder Bay Silver District, in proximity to past producing, high-grade silver mines; and
- Industry recognized Management and Board with a track record of shareholder value creation, having extensive network and technical expertise with the ability to source and evaluate high quality asset acquisition opportunities.

Why Silver? Honey Badger's Positive Outlook on the White Metal

Honey Badger's Board and Management believe in the monetary and inflation-hedging attributes of silver: as a hard asset in a world of paper profits, digital trading and currency creation; a tangible hedge against global inflationary and portfolio management risk; and expansive applications in renewable energy and combatting climate change, including use in photovoltaic cells (the main constituents of solar panels), cell phone and 5G (5th generation mobile network) technology.

Besides being a physical asset, which cannot be hacked, erased or inflated away, silver is one of the most widely used commodities in the world today. Silver plays an integral role in technology, particularly in innovations critical to fostering a more environmentally friendly future.

Silver has served as a critical store of value and medium of exchange for millennia due to its fixed supply, broad adoption and safe haven qualities. While fiat currencies, such as the U.S. dollar, are widely used and offer price stability, they do not have a fixed supply and can be printed at the will of governments. An increasing money supply means that over the long-term, fiat currencies may lose purchasing power relative to inflation.

Many major asset classes are highly correlated, meaning that they tend to move in the same direction at the same time. This is because many assets, like stocks or real estate, tend to rise and fall with economic performance and investor sentiment. Silver's performance, on the other hand, works to offset and diversify a portfolio's proclivity to unilateral movements.

5.0 PERIOD HIGHLIGHTS

5.1 TECHNICAL

Over the past eighteen months, the Company has significantly expanded its portfolio of mineral properties in Ontario and the Yukon through a number of acquisition transactions and by map-staking. The Company currently holds mineral properties/interests in the Yukon, Ontario and Quebec (see section 6.1 – Exploration Properties) and continues to actively evaluate silver-based assets for potential acquisition.

- On March 29, 2022, the Company acquired a 100% interest in the Clear Lake deposit in the Whitehorse Mining District of the Yukon, for a total consideration of $250,000 in cash, subject to a 1% net smelter return royalty ("NSR") on all metals other than silver;

- On April 10th, 2022, the Company elected to allow 433 claim cells covering 9,300 hectares of ground, on its Mink Silver Mountain property in the Thunder Bay Silver District, to lapse. These holdings were deemed to be of lower perspectivity given their distance to historical silver mines in the district and paucity of silver showings or prospects within them.

- On May 16, 2022, the Company announced that it had s received a 10-year Class 3 Quartz Mining Land Use Approval ("Land Use Approval") from the Yukon Government for its high-grade Plata Silver Property ("Plata") located in east-central Yukon. The Land Use Approval allows Honey Badger to perform ground exploration activities that allow for up to 300 diamond drill and 300 reverse circulation holes, each for a total length of 30,000 metres, significant trenching and bulk sampling, as well as road construction, as required, to define areas of mineralization on the property.

- On June 10, 2022, the Company announced that it had entered into a non-binding term sheet (the "Term Sheet") to acquire from Aftermath Silver Ltd. ("Aftermath") its 100% interest in the Cachinal de la Sierra Silver-Gold Project (the "Cachinal Project" or "Cachinal"), located in the Cachinal de la Sierra area in Chile's Antofagasta region (Region II). See press released dated June 10, 2022 and August 18, 2022. Honey Badger and Aftermath are working diligently to complete the transaction in September 2022. *See press release dated June 10, 2022*.

5.2 CORPORATE

Financings/Equity Transactions

- The Company continues to draw down on the funds raised by the two financings completed in fiscal 2021 in order to meet its financial obligations;
- On August 21, 2022, a total of 12,125,000 warrants expired, unexercised;
- The Company added to its portfolio with the acquisition of a 100% interest in the Clear Lake deposit in the Yukon; see Section 5.1;
- Management held its Annual General Meeting of Shareholders on January 18, 2022 and all items of business were approved and/or adopted; and
- Management continues to identify and evaluate potential acquisition assets.

6.0 RESULTS OF OPERATIONS

6.1 TECHNICAL WORK PERFORMED DURING 2021 AND 2022

The Company has been pursuing a two-pronged approach to providing its shareholders with added exposure to silver, on an accretive per-share basis, chiefly by:

- Advancing its existing project(s) with highly focused work programs designed to build upon previous campaigns with the aim of refining exploration models and finding additional silver resources; and
- Acquiring new assets in silver-rich districts in Canada and abroad. Well over 100 such targets – appropriate in scale and scope for the Company at the current time - are being reviewed in detail.

YUKON

In July 2021, the Company engaged Archer, Cathro & Associates (1981) Limited ("Archer Cathro") to oversee a Phase 1 work program on its 100%-owned, 5,690-hectare Plata Silver Property ("Plata") located in east-central Yukon.

Plata lies within the Tintina Gold Belt and displays numerous similarities to the world-class Keno Hill Mining Camp, Canada's second largest primary producer of silver, located 165 km west of the Plata. Keno Hill produced more than 200 million ounces of silver at an average grade of 44 ounces per ton (oz/t) of silver from approximately thirty-five vein deposits between 1913 and 1989[1].

The Plata property hosts 32 hard rock showings that have seen minimal past exploration as well as eight strong multi-element soil anomalies suggesting additional zones along trend that have seen little to no follow-up work, which offer excellent potential for new discoveries.

The primary objective of the planned Phase 1 work program was to complete detailed mapping and rock and channel sampling at a number of priority target zones at Plata in order to better understand structural controls of silver mineralization. The secondary objective of the Phase 1 program was to better define the full extent of mineralization at Plata. W. Douglas Eaton, director of Honey Badger was a minority shareholder of Archer Cathro at December 31, 2021, but retired from that firm on February 29, 2022.

In three news releases published on December 13, 2021, January 18, 2022, and February 9, 2022, the Company published the results from the Plata Phase 1 work program as assays were received from the laboratory. These results confirmed the presence of Keno Hill-style high-grade silver including:

- 16,887 g/t silver and 67.99% lead from a rock sample (float) at the P1 Zone, 4,300 g/t silver, 22.00% zinc and 46.40% lead over 1.0 metre from a channel sample at the P2 Zone and 2,720 g/t silver, 72.63% lead from a rock sample (outcrop) at the P26 Zone associated with Type I veins;
- 4,500 g/t silver, 7.26 g/t gold and 24.13% lead over 0.85 metres from the Aho Zone, which extends over 800 metres along strike, associated with Type II veins;
- 5,190 g/t silver, 4.24 g/t gold, 24.4% lead and 3.62% zinc- obtained from composite grab samples from approximately 90 historical ore bags stored on the property.

On March 10, 2022, the Company engaged Archer Cathro to complete a comprehensive 3D geological modeling study to develop and refine targets at Plata. The 3D geological modeling study would incorporate historical drilling and channel sampling data, as well as soil geochemistry data and information derived from several iterations of geological and structural mapping conducted on the property. The objective of the program was to obtain an improved understanding of structural and lithological controls on mineralization. Having reviewed the results of the modeling study, it was concluded that further follow-up groundwork would be prudent before targets are prioritized for drilling.

THUNDER BAY

From May to July 2022, the Company completed grass roots prospecting activities on several silver showings on its Thunder Bay properties in the Thunder Bay Silver District. Review and analysis of results are ongoing.

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1 Cathro, R.C., 2006, Great Mining Camps of Canada 1. The History and Geology of the Keno Hill Silver Camp, Yukon Territory; Geoscience Canada, Vol.33, No.3, pp103-134.

6.2 EXPLORATION PROPERTIES

Honey Badger has mineral property interests in the Yukon, Thunder Bay, Ontario, and Quebec, Canada.

Project/Property	Province/Territory	Number of Claims	Area (Hectares)
Plata	Yukon	281	5,690 Ha
Groundhog	Yukon	217	4,200 Ha
Hy Project	Yukon	348	7,160 Ha
Clear Lake	Yukon	121	2,479 Ha
Thunder Bay	Ontario	628	12,852 Ha
Nunavut	Nunavut	3	4,850 Ha

YUKON SILVER PROPERTIES, the Yukon

a) On June 4, 2021, the Company acquired 100% of Strategic Metals' right, title and interest in three advanced silver-focused properties located in southeast and south-central Yukon, Canada. The properties, comprised of Plata, Groundhog, and Hy, are located near major historical silver camps or workings. In consideration for the properties, Honey Badger issued 34,804,718 common shares to Strategic Metals valued at $4,524,613.

(i) *Plata*
Plata lies within the Tintina Gold Belt and displays many similarities to the Keno Hill Silver Camp located about 165 km to the west. The Keno Hill Silver Camp is Canada's second largest primary 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[(2)].

(ii) *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 [(3)].

(iii) *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[(4)].

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[2] Assessment Report Describing Diamond Drilling, Excavator Trenching, Geophysical Surveys, Geochemical Sampling, Prospecting and Water Surveys, at the Plata Project, prepared by Archer, Cathro & Associates (1981) Limited for ROCKHAVEN RESOURCES LTD. M. Turner, B.Sc., May 2009

[3] Assessment Report Describing Geological Mapping, Prospecting, Hand Trenching and Geochemical Sampling, at the Groundhog Property, prepared by Archer, Cathro & Associates (1981) Limited for ROCKHAVEN RESOURCES LTD., M. Kammerer, M. Turner, B.Sc., May 2010

[4] Assessment Report Describing Geochemical Sampling, Prospecting, Geological Mapping and Ground Surveys, at the Hy Property, prepared by Archer, Cathro & Associates (1981) Limited for STRATEGIC METALS LTD. A. Mitchell, B.Sc., GIT, November 2015

Clear Lake

On March 29, 2022, the Company acquired a 100% interest in the Clear Lake deposit in the Whitehorse Mining District of the Yukon, for a total consideration of $250,000 in cash, subject to a 1% net smelter return royalty ("NSR") 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[(5)(6)], 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.

THUNDER BAY PROPERTIES, Ontario

a) Thunder Bay Silver & Cobalt Corp.

Honey Badger controls approximately 12,852 hectares of ground in the Thunder Bay Silver District, which historically has produced 4.7 million ounces of silver from over a dozen past-producing high-grade silver mines[(7)]. Six claims are subject to a 2.5% net smelter royalty ("NSR") which may be reduced to a 1.0% NSR in exchange for a $1,500,000 cash payment. Beaver Silver Property

On July 19, 2018, the Company entered into an option agreement to acquire up to a 100% interest in the Beaver Silver Property from Cairngorm Mines Ltd. Under the terms of the option agreement, the Company may exercise the option over a three-year period, by a) making cash payments totaling $75,000, b) incurring exploration expenditures of $750,000 over the option period and by c) issuing common shares with a market value of $410,000 over the option period. Once the three conditions are met, the Optionor shall be granted a 2% NSR which may be repurchased by the Company for $1,000,000. The Company is currently in default under the terms of the agreement. However, negotiations continue to enter into a new option agreement.

NUNAVUT

In September 2021 the Company map staked 3 claims covering 4,850 hectares. Management is currently assessing the potential value of staking additional claims for this project.

CACHINAL, CHILE

Management is currently completing the due diligence for this project and expects to complete the acquisition, pending a positive evaluation, by the end of September 2022.

6.3 EXPLORATION AND EVALUATION EXPENDITURES

Pursuant to the Company's accounting policy for exploration and evaluation expenditures, Honey Badger expenses all costs relating to the acquisition and exploration of mineral claims. Such costs include but are not limited to acquisition, claims management, geological consulting, geophysical studies, exploratory drilling and sampling costs.

During the six months ended June 30, 2022, the technical team focused on a) completing the acquisition of Clear Lake, b) reviewing Honey Badger's properties and claims to ensure that the assets remain in good standing and pondering staking additional claims, c) finalizing technical programs planned for the balance of 2022, and d) the continued identification and evaluation of additional potential acquisitions. The

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[5] Clear Lake Lead-Zinc-Silver Deposit, Yukon, Prepared by SRK Consulting for Copper Ridge Exploration Inc., February 2010, Authors Gilles Arseneau, Ph.D., P. Geo., Donald G. MacIntyre, Ph.D., P. Eng., Reviewed by Gordon Doerksen, P. Eng

[6] The foregoing resource estimate is historical in nature. The historical estimate was not prepared by the Company. The Company considers the 2010 historical estimate to be relevant and reliable given the high quality of the historical estimate completed and the fact that the estimate was prepared in accordance with NI 43-101. The Company has not independently verified the resource estimate, and therefore, it cannot be relied upon as a current mineral resource for the Company.

[7] J. M. Franklin, S. A. Kissin, M. C. Smyk, and S. D. Scott. Silver deposits associated with the Proterozoic rocks of the Thunder Bay District, Ontario. Canadian Journal of Earth Sciences. 23(10): 1576-1591

Company incurred a total of $190,661 of exploration and evaluation expenditures for field program fees and expenses, consulting fees and claims management costs. In 2021, the Company issued a total of 35,908,224 shares to acquire claims in the Yukon and Thunder Bay areas. See above and note 5 in the Interim Financial Statements.

The following table summarizes the evaluation and exploration costs incurred by the Company for the six months ended June 30, 2022:

	June 30, 2022	June 30, 2021
CANADA		
Yukon		
Acquisition, maintenance	**265,233**	4,524,613
E&E	**81,812**	–
	347,045	4,524,613
Thunder Bay		
Acquisition, maintenance	**12,278**	2,703
E&E	**13,414**	–
	25,692	2,703
CHILE		
Acquisition, maintenance	**–**	–
E&E	**50,191**	54,753
	50,191	54,753
OTHER		
Acquisition, maintenance	**4,413**	–
E&E	**13,590**	–
	17,733	–
	$440,661	$4,582,070

7.0 FINANCIAL PERFORMANCE

7.1 SELECTED PERIOD FINANCIAL INFORMATION

For the six months ended June 30,	**2022**	2021
Statements of Loss and Comprehensive Loss	**$**	$
Exploration expenditures – program	**159,007**	–
Exploration expenditures – acquisition and claim costs	**281,654**	4,524,613
General and administrative (“G&A”) and business development	**603,289**	593,008
Share-based compensation	**105,564**	673,991
Other (income) loss items	**30,372**	276,211
Net (loss) and comprehensive loss	**(1,179,886)**	(6,067,823)
Basic loss per share	**$(0.01)**	$(0.05)
Weighted average shares outstanding	**177,688,639**	126,016,687

As at	June 30, 2022	December 31, 2021
Statements of Financial Position	**$**	$
Cash and cash equivalents	**1,128,161**	2,143,956
Total assets	**1,262,409**	2,441,037
Total liabilities	**579,166**	683,473
Shareholders' equity	**683,243**	1,757,564
Accumulated deficit	**(21,548,394)**	(20,368,507)

7.2 QUARTERLY RESULTS

	2022		2021	
	June 30	March 31	December 31	September 30
Statement of Loss	**$**	$	$	$
Exploration expenditures	**106,805**	333,856	147,720	172,350
G&A	**352,133**	251,177	458,416	236,801
Share-based compensation	**52,782**	52,782	166,182	21,716
Other (income) loss items	**34,322**	(3,950)	20,822	(48,252)
Net loss and comprehensive loss	**(546,042)**	(633,865)	(793,140)	(382,615)
Basic and diluted loss per share [(1)]	**(0.00)**	(0.00)	(0.00)	(0.00)
Statement of Financial Position	**$**	$	$	$
Cash & cash equivalents	**1,128,161**	1,447,860	2,143,956	2,625,178
Total assets	**1,262,409**	1,641,894	2,441,037	2,926,517
Total liabilities	**579,166**	465,413	683,473	597,496
Shareholders' equity	**683,243**	1,176,481	1,757,564	2,329,021

	2021		2020	
	June 30	March 31	December 31	September 30
Statement of Loss	$	$	$	$
Exploration expenditures	4,563,491	18,579	549	4,785
G&A	322,980	215,571	322,479	192,611
Share-based compensation	—	673,991	—	225,000
Other (income) expense items	96,885	179,326	(421,953)	(7,149)
Net loss (earnings)	(4,983,356)	(1,087,467)	98,925	(414,247)
Basic and diluted loss per share [(1)]	(0.06)	0.00	0.00	(0.00)
Statement of Financial Position	$	$	$	$
Cash & cash equivalents	2,748,622	3,057,458	235,650	537,066
Total assets	3,056,703	3,441,105	728,209	583,136
Total liabilities	581,338	488,379	408,322	447,506
Shareholders' equity	2,475,365	2,952,726	319,887	135,630

(1) Net loss per share on a diluted basis is the same as basic net loss per share as all factors which were considered in the calculation are anti-dilutive.

Six months ended June 30, 2022 (the "Reporting Period" or “H1”) compared to H1/2021

Fiscal 2021 was a year of redirection and growth. One year later, the Company has completed two equity financings and made several acquisitions. In the Reporting Period, excluding share-based compensation, the Company realized an operating loss of $1,043,951 (2021 - $5,120,991). The current period expenses were comprised of regular operating costs of $793,951 and the purchase of Clear Lake for $250,000. Management fees were slightly higher in H1/2022 because there was a retroactive catch-up payment to Grove for its increased monthly fee for Services, starting in April. Professional and consulting fees were significantly higher in H1/2021 due to certain severance payouts not repeated in the current year. Investor relations and business development costs were significantly higher in H1/2022 ($231,465 vs. $50,520) as several independent consultants have been retained to provide leads for potential asset acquisitions and Management attended several virtual and in person conferences to heighten the market awareness of the Company. In addition, a financial services firm was engaged to work with Management to monitor, track and report on the market activity of the Company's stock. Regulatory fees were higher in H1/2022 due to the heightened trading activity, the hosting of an AGM, and the completion of a financing during the period. The OTCQB listing did not occur until late 2021. G&A was higher in the current period due to the remittance of payroll deductions that had not been accounted for in prior years. The 2022 audit fee charged for year-end 2021 was 33% higher than that charged for year-end 2020, a negative trend prevalent for many public companies due to a shortage of qualified and available audit staff. One of the additional consequences of Covid 19 was a significantly increased D&O insurance premium. Canadian companies are pooled with American companies of similar nature and the experience rating of those companies increased significantly during Covid.

The $4,582,070 recorded for E&E in H1/2021 is the fair value of shares issued for the acquisition of claims in the Yukon and Thunder Bay. In the same period in 2022, $250,000 cash was paid for the rights to explore the Clear Lake project, and the balance of $190,661 recorded as E&E was spent on a) Phase I exploration program and 3D modeling study at Plata, Yukon, b) prospecting program on the Thunder Bay claims, and c) professional and technical due diligence costs for the Cachinal project in Chile. In H2/2022 the Company satisfied the expenditure requirements to support the 2021 renunciation of eligible CEE associated with the 2021 flow-through financing.

There were no new stock options granted in H1/2022 so the share-based compensation recorded resulted only from the amortization of options vesting during the period. Conversely, a large option grant in H1/2021 resulted in recording a significant share-based compensation expense of $673,991 in that period. Finally, $65,227 was recorded as a holding loss on marketable securities in H1/2022 with the revaluation of a portfolio investment. In the same period in 2021, a much higher holding loss of $277,167 was recognized. See note 4 – *Marketable Securities* in the Interim Financial Statements.

Three months ended June 30, 2022 ("Q2") compared to Q2/2021

In general, corporate costs in Q2/22 were higher than those incurred in Q2/2021, for the reasons stated above. Certain residual costs of the financing completed in Q1 were recorded in Q2 and legal and other corporate expenses incurred in relation to the property acquisitions (closed in Q2) also contributed to the higher operations loss period over period. Share-based compensation in Q2/2022 was significantly lower than that recorded for the same period in the prior year, as the $52,782 was recorded as the estimated fair value of the options vesting in that period, and not new option grants. As eligible exploration expenditures were made during the quarter, the deferred premium liability was derecognized to the statement of loss as a gain on flow-through premium of $7,537. The flow-through financing was completed in July 2021 hence no derecognition was recorded in Q2 of the prior year. Finally the unrealized loss of $48,920 recorded in Q2/2022 was significantly less than the $97,791 recorded in Q2/2021 as the decrease in share price of the investment held was less in the current period.

Although most of the Company's corporate costs are somewhat fixed in nature, Management continues to conserve cash wherever possible.

7.3 CASH FLOW ANALYSIS

Cash flow used in/provided by for the six months ended June 30, 2022 and 2021 was as follows:

Six months ended June 30,	**2022**	2021
Net cash (used in) provided by:		
Operating activities	**$(1,015,795)**	$(514,724)
Financing activities	—	3,027,696
(Decrease) increase in cash and cash equivalents	**(1,015,795)**	2,512,972
Cash and cash equivalents, beginning of period	**2,143,956**	235,650
Cash and cash equivalents, end of period	**$1,128,161**	$2,748,622

Net cash used in operating activities during the six months ended June 30, 2022 was $1,015,795 which was partially funded by the successful HD and FT financings completed in 2021. In H1/2021, net proceeds of $2,879,871 was added to treasury from a $3,000,000 non-brokered HD financing, completed in March 2021, and the exercise of 688,250 warrants and 1,700,000 stock options. There was no financing or investing activity in H1/2022.

While Management has no definite plans to conduct a new equity financing at this time due to the stagnant markets for junior mining companies, in order to complete the prospective acquisition of the Cachinal project, and should other attractive asset(s) become available, the Company would be looking to raise additional capital through different strategies including the issuance of shares, debt financing or joint venture participation.

8.0 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

i. Related Party Transactions

Related parties as defined by IAS 24 - *Related Party Disclosures* include members of the Board of Directors, key management personnel, and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling activities of the Company being directors and executive management, comprising of the Chief Executive Officer and the Chief Financial Officer.

During the six months ended June 30, 2022 and 2021, the Company entered the following transactions with related parties:

a) A corporation controlled by an officer charged the Company $150,000 (2021 - $125,000).
b) A company of which a director was a minority interest shareholder until February 28, 2022, billed the Company $62,550 (2021 - $nil) for technical fees and expenses.
c) Commencing February 2021, the Company has retained Grove Corporate Services Ltd. ("Grove") to provide accounting, governance and administrative services, including that provided by a new Chief Financial Officer ("CFO") and Corporate Secretary (the "Services"). From February 2021 to March 2022, Grove charged the Company $7,000 per month plus HST for the Services. Effective April 1, 2022, this rate increased to $9,450 per month. During the reporting period, Grove charged a total of $51,275 (2021 - $35,000) for the Services.

d) On June 4, 2021, the Company acquired 100% of right, title and interest in three advanced silver-focused properties located in southeast and south-central Yukon, Canada, from Strategic Metals Ltd. ("Strategic Metals"). A director of the Company is also Chief Executive Officer, President, and a director of Strategic Metals.
e) The Company engaged a financial services firm ("Finservco") to monitor, track and report on the analytics of the Company's stock trading activity. An officer of the Company is a founder and principal shareholder of Finservco and, during the reporting period, Finservco charged the Company $25,000 for the services rendered.

ii. Key Management Compensation Transactions

Compensation for key management personnel of the Company is as follows:

Six months ended June 30,	**2022**	2021
Management fees [1]	**241,975**	$131,600
Share-based compensation [2]	**87,716**	514,107
	$329,691	$645,707

[1] Management fees are comprised of salaries, consulting fees and exploration expenditures.
[2] Represents the FV expense of the stock options that vested during the period, to Key Management. No new options were granted during the period.

At June 30, 2022, a total of $162,975 (December 31, 2021 -$174,737) is included in accounts payable for unpaid management and consulting fees, reimbursable expenses and E&E. These transactions were conducted in the normal course of operations.

9.0 LIQUIDITY AND CAPITAL MANAGEMENT

The Company monitors its capital structure and makes adjustments to it according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon securing additional financing. As of June 30, 2022, Management believes the Company has sufficient funding for the basic corporate costs, however depending on exploration results and any successful acquisitions of additional assets, the Company may seek additional funding through equity or debt financings.

The Company considers its capital to be comprised of share capital, warrants, contributed surplus and accumulated deficit, which at June 30, 2022 was $683,244 (December 31, 2021 - $1,757,564).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained significantly unchanged during the six months ended June 30, 2022 and 2021.

10.0 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments – *see note 13 in the Interim Financial Statements.*

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk, and price risk).

Risk management is carried out by the Company's management team with oversight of these risks by the Company's Board of Directors.

(i) Credit risk

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

(ii) 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.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At June 30, 2022, the Company had a cash balance of $1,128,161 (December 31, 2021 – $2,143,956) to settle current accounts payable and accrued liabilities of $281,134 (December 31, 2021 – $357,992. The Company has also recorded a flow-through share premium liability of $nil (December 31, 2021 – $27,450). As exploration expenses are incurred, this liability is reduced proportionately to the amount expended.

Nearly all of the Company's financial liabilities have contractual maturities of less than 30 days.

(iii) Market risk

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

This includes:

- 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.

- The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities. As the Company is not a commodity producer, management believes the Company's exposure to price risk is minimal.

- Foreign 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 were subject to variable foreign exchange rates and as such the Company is not subject to currency risk.

11.0 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

12.0 PROPOSED TRANSACTION

The Company has no other proposed transactions pending other than Cachinal, however, Management has been actively reviewing potential property acquisitions, investment and joint venture transactions and other opportunities with a view to expand the asset base of the Company.

See section 6.1 – *Technical Work Performed during 2021 and 2022*

13.0 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Management of the Company applies assumptions and makes judgements in determining the going concern, deferred flow-through premium estimates, deferred taxes, share-based compensation, and warrant fair value estimates.

For additional details, the accounting policies, and critical judgments, estimates and assumptions applied in the preparation of the Company's consolidated financial statements are reflected in note 2 of the Annual Financial Statements.

14.0 NEW ACCOUNTING STANDARDS

Basis of Consolidation

During H1/2022, the Company incorporated three new subsidiaries for the purpose of housing new or prospective assets of the Company. The Company's consolidated financial statements now include the accounts of the Company, and its wholly-owned subsidiaries, 606596 Alberta Ltd., The Thunder Bay Silver & Cobalt Corp., Silver Storm Royalties Inc. (formerly 2815210 Ontario Inc.), Honey Badger Zinc Ltd., and Honey Badger (Nunavut) Ltd.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Adoption of New Accounting Standards

Certain pronouncements have been issued by the IASB or the IFRIC that are effective for accounting periods on or after January 1, 2022. The Company has reviewed these updated standards and determined that none of these updates are applicable or consequential to the Company and have been excluded from discussion within this MD&A and the Interim Financial Statements.

15.0 INCOME TAX STATUS

See note 12 in the Annual Financial Statements.

16.0 SHARE CAPITAL: common shares, warrants and stock options

Activity in the Company's equity accounts is more fully described in note 9 of the Interim Financial Statements.

There were 177,688,639 common shares outstanding as of June 30, 2022 and the issued share capital was $17,056,261.

(i) There were no issuances of shares or warrants during H1/2022.

(ii) The following table reflects the warrants issued and outstanding as at June 30, 2022:

Date of issue	Expiry date	Weighted Average Exercise price	Number of warrants	Remaining life (years)
August 21, 2020	August 21, 2022	$0.05	12,125,000	0.39
July 2, 2021	July 2, 2023	$0.15	114,926	1.25
March 18, 2021	March 18, 2024	$0.10	21,428,571	1.96
		$0.08	**33,668,497**	

(iii) The Company has a stock option plan (the "Plan") pursuant to which the Company's Board of Directors may grant incentive stock options to directors, officers, employees and consultants at the discretion of the Board of Directors. The exercise price of the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. The Board, in accordance with applicable Exchange or other regulatory requirements, if any, will determined the vesting period. There is no minimum vesting period unless the optionee is engaged in investor relation activities. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued shares. The fair value of the share-based compensation is recognized as contributed surplus upon vesting.

There were no new stock options granted during the reporting period and the following table reflects the stock options outstanding as of June 30, 2022:

Outstanding options	Options exercisable	Exercise price	Expiry date	Weighted average life (years)
675,000	675,000	$0.10	August 20, 2023	1.39
100,000	100,000	$0.07	November 1, 2024	2.59
2,900,000	2,900,000	$0.06	August 28, 2025	3.41
250,000	250,000	$0.08	February 11, 2026	3.87
300,000	300,000	$0.10	February 19, 2026	3.87
6,175,000	6,175,000	$0.125	March 23, 2026	3.97
1,500,000	500,000	$0.08	August 3,2026	4.34
750,000	250,000	$0.065	October 28,2026	4.57
4,809,800	1,603,267	$0.075	December 30, 2026	4.75
17,459,800	**12,753,267**	**$0.09**		

17.0 COMMITMENTS AND PROVISION

(i) Flow-through expenditure commitments: from time to time, the Company completes flow-through share financings that involve a commitment to incur Canadian Exploration Expenditures ("CEE") prior to the end of specific calendar years and to renounce the CEE tax deductions to the subscribers. For the flow-through financing completed in 2021, the Company has now incurred enough CEE to satisfy the commitment to those subscribers.

(ii) Upon review of the Company's 2011 and 2014 flow-through financings, the Company has determined through historical audits by the Canada Revenue Agency and the Company's independent auditors, that it may continue to have a shortfall on previously renounced flow-through financings and has recorded a provision of $298,031 for shareholder identification.

(iii) The Company currently has renewable agreements for management services, with two senior officers (the "Executives"). The base salaries of the Executives range from $12,500 to $25,000 per month. The contracts contain standard termination clauses (without cause) and payout clauses for change of control. The Executives are also eligible for certain success fees and stock option grants, at the discretion of the Board of Directors.

(iv) Effective April 1, 2022, Grove provides corporate services as described in section 8.0 - *Related Party Transactions and Key Management Compensation*. At that date the fees paid for the Services increased from $7,000 to $9,450 per month. This contract is renewable annually with an early termination penalty of two months' fees.

(v) The Company has renewable advisory agreements with certain consultants that advise Management as to leads and analysis of potential merger and acquisition targets.

18.0 OUTSTANDING SHARE DATA

As of August 22, 2022, the number of common shares outstanding or issuable pursuant to option and warrant entitlements is as follows:

As at	Common Shares	Warrants	Stock Options	Fully Diluted
December 31, 2021	177,688,639	33,668,497	17,459,800	228,816,936
June 30, 2022	177,689,639	33,688,497	17,459,800	228,816,936
August 22, 2022	177,689,639	21,543,497	17,459,800	216,692,936

19.0 CONTROLS

19.1 INTERNAL CONTROLS OVER FINANCIAL REPORTING

Due to the small size of the Company's finance department, there are a limited number of personnel handling accounting and financial matters and as a result, there is a lack of segregation of duties. Management believes that it has designed sufficient compensating internal controls to mitigate these limitations, including dual signatories on all cheques. Additional internal controls include audit committee and senior management review and oversight.

20.0 OTHER RISKS

Risk factors that must be considered in achieving the Company's business objectives include the risk that exploration or joint venture activities may not result in the discovery of minerals or definition of any mineral resources or reserves, that significant expenses could be required to define mineral reserves, that environmental, land title and competitive issues may prevent the development of any mineral reserves, and that the Company or its prospective joint venture partners may fail to generate adequate funding to develop mineral reserves.

The Company accepts the risks which are inherent to mineral exploration programs, venturing into certain joint venture relationships, and the exposure to the cyclical nature of mineral prices. The Company relies on the geological and industry expertise of its Toronto-based management team and engages sub-contractors to complete certain aspects of its exploration and acquisition programs.

An investment in the securities of the Company is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

- *Exploration Stage Company and Exploration Risks*

The Company is a junior resource company focused primarily on the acquisition and exploration of mineral properties located in Canada. The properties of the Company have no established reserves. There is no assurance that any of the projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration program of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves that are sufficient to commercially mine some of the Company's properties and to construct complete and install mining and processing facilities on those properties that are actually mined and developed.

- *No History of Profitability*

The Company is an exploration stage company with no history of profitability. There can be no assurance that the operations of the Company will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

- *Government Regulations*

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labor standards. In order for the Company to carry out its mining activities, its exploitation must be kept current. There is no guarantee that the Company's exploitation will be extended or that new exploitation will be granted. In addition, such exploitation could be changed and there can be no assurances that any application to renew any existing will be approved. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions.

- *Market Fluctuation and Commercial Quantities*

The market for minerals is influenced by many factors beyond the control of the Company such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability so that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

- *Mining Risks and Insurance*

The Company is subject to risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator if its exploration programs cannot insure or against which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the financial position of the Company.

- *Environmental Protection*

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

- *Capital Investment*

The ability of the Company to continue exploration and development of its property interests will be dependent upon its ability to raise significant additional financing. There is no assurance that adequate financing will be available to the Company or that the terms of such financing will be. Should the Company not be able to obtain such financing, its properties may be lost entirely.

- *Conflicts of Interest*

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in base and precious metal exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matters in which they may have a conflict of interest.

- *Current Global Financial Conditions*

Current global financial conditions have been characterized by increased volatility, declining liquidity and the exit of a number of traditional investors from public markets. Access to public financing has been made more challenging by a global contraction of commercial and consumer credit markets. The ensuing decline in consumption has led to a marked erosion of investor confidence and risk tolerance. A major consequence/contributor to these factors may be seen in the unparalleled number of established financial institutions facing involuntary corporate reorganization, insolvency, bankruptcy and/or governmental intervention. While the most sensational of the corporate casualties have occurred in the United States, the global nature of today's economic reality has left no interrelated public market unscathed. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company or at all. Any or all of these economic factors, as well as other factors not specifically identified herein, may cause a decline in asset values that could be deemed to be other than temporary, resulting in impairment losses. If such conditions continue, the Company's operations could be negatively impacted, and the trading price of its common shares may be adversely affected.

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business.

- *Novel Coronavirus ("COVID-19")*

Since March 2020 there has been a continuing global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

21.0 FURTHER INFORMATION

Additional information relating to the Company can be found on the Company's website at www.honeybadgersilver.com.