HONEY BADGER SILVER INC.

Management's Discussion and Analysis

For The Nine Months Ended September 30, 2023

(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 November 27, 2023, and should be read in conjunction with Honey Badger's condensed consolidated interim financial statements (unaudited) for the nine months ended September 30, 2023 (the "Reporting Period") and the notes related thereto (the "Interim Financial Statements") and the audited annual financial statements for the year ended December 31, 2022 and the 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.sedarplus.ca

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 and 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 and to raise the necessary capital or to be fully able to implement its business strategies. Readers are urged to access www.sedarplus.ca to review additional information about the Company, including the technical reports filed with respect to the Company's mineral properties interests. 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
Dorian L. (Dusty) Nicol – Interim Chief Executive Officer (CEO)
Brian Briggs – Director
W. Douglas Eaton - Director
John H. Hill - Director
Donna McLean – Chief Financial Officer (CFO)
Namrata Malhotra – Corporate Secretary
Yvan Gregoire – VP, Business Development
Michele Savella – VP, Administration and Investor Relations

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 TSX Venture Exchange ("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 and other metals 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, however, similar to other junior exploration companies, Management is tasked with identifying and evaluating other metals projects should they bring value added to the asset base.

Honey Badger's mineral properties are currently in the exploration or early development 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 and other assets at various stages of advancement:

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

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, lead, germanium, and gallium;
- Advancing the exploration potential 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 in proximity to past-producing, high-grade silver mines;
- The acquisition of the Sunrise Lake silver project (historic silver resource) in Northwest Territories;
- The acquisition of the Nanisivik historic silver-zinc-producing mine in Nunavut; 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, 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 that 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. It is the best conductor of electricity and heat among all metals and the best reflector of visible light.

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 HIGHLIGHTS_ACTIVITIES

5.1 TECHNICAL

In the last two years, the Company has significantly expanded its portfolio of mineral properties, through a number of acquisition transactions and by claim-staking. Honey Badger continues to actively evaluate silver-based and other metallic assets for potential acquisition.

- On August 24, 2023, the Company provided an update on its Plata Silver Project in the Yukon. Ongoing exploration work is comprised of prospecting, geological mapping, and geochemical sampling. Assay results are pending. *See Section 6.1 Technical Work* and the press release of the same date.
- On September 18, 2023, the Company announced its plans for exploration work on its wholly owned Nanisivik Project near Arctic Bay, Nunavut. The Company has mobilized a team to undertake initial mapping and sampling of the outcropping massive sulphide target. Field work results are pending. *See Section 6.1 Technical Work* and the press release of the same date.
- On October 17, 2023, the Company signed a Purchase Agreement with SSR Mining Inc. ("SSR") to acquire 100% of SSR's Sunrise Lake Silver Project ("Sunrise Lake") in the Northwest Territories.

5.2 CORPORATE

- The Company received a $28,437 grant allowed under the Yukon Mineral Exploration Program (YMEP). This reduced the total E&E incurred during the Groundhog 2022 summer program;
- From April 11 and May 24, 2023, the Company successfully completed an oversubscribed, non-brokered hard dollar and flow-through private placement for aggregate gross proceeds of $1,261,450.

- Changes in Management during the Reporting Period:
  i) From April 1 to July 31, 2023, George Davis served as Interim CEO. Mr. Davis is a Chartered Professional Accountant (Ontario), Chartered Financial Analyst, and holds a Bachelor of Commerce degree from the University of Toronto.
  ii) On July 31, 2023, Dorian L. (Dusty) Nicol was appointed as Interim CEO, following the departure of Mr. Davis.

6.0 RESULTS OF OPERATIONS

6.1 EXPLORATION PROPERTIES

Honey Badger has mineral property interests in the Yukon, Ontario, Nunavut, and Quebec, Canada. The The Company has determined that those in Ontario are a lesser priority and is allowing those claims to lapse.

Project/Property	Province/Territory	Number of Claims	Area (Hectares)
Plata	Yukon	281	5,770 Ha
Groundhog	Yukon	217	4,215 Ha
Hy Project	Yukon	348	7,160 Ha
Clear Lake	Yukon	121	2,479 Ha
Nanisivik	Nunavut	3	5,723 Ha
James Bay	Quebec	45	2,275 Ha
Thunder Bay	Ontario	456	16,800 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[(1)].

(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 [(2)].

(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[(3)].

(b) 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[(4)(5)], 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.

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[1] 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

[2] 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

[3] 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

[4] 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

[5] 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.

NANISIVIK, Nunavut

In September 2021 the Company map staked 3 claims covering 4,850 hectares on the historic Nanisivik mine on Baffin Island, Nunavut, which produced 17.9 million tons of ore between 1976 and 2002, grading 9% zinc, 0.72% lead, and 35 grams per ton silver. The Company staked claims totaling 5,723 hectares over the Nanisivik mine area in 2022.

In addition to the ore that was mined, previous exploration identified several areas of massive sulphide (principally pyrite) with reported anomalous concentrations of silver as well as, locally, germanium, gallium, and indium. A team undertook initial mapping and sampling of the outcropping massive sulphide targets in September 2023. Some assays are still pending, and results are being interpreted.

NORTHWEST TERRITORIES, Canada

On October 17, 2023, the Company signed a Purchase Agreement with SSR Mining Inc. ("SSR") to acquire 100% of SSR's Sunrise Lake Silver Project ("Sunrise Lake") in the Northwest Territories. The project comprises six contiguous mining leases totaling 1,621 hectares, with annual lease payments of about $8,000 and no minimum work commitments.

Terms of the acquisition include a) zero cash consideration, b) SSR will retain a 4% net smelter royalty (NSR) on any future production from the project, c) Half (2%) of the NSR can be purchased by Honey Badger 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 130 kilometers northeast of Yellowknife. 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[(1)], the contained metal is approximately **28.7million ounces silver equivalent Indicated and 35 million ounces silver equivalent Inferred.** The Silver equivalent (Ag eq) ounces were calculated assuming 100% metallurgical recoveries and metal prices of silver $23/ounce; gold $1,920/ounce; zinc $1.14/pound; lead $1.00/pound; and copper $3.80/pound.

It is classed as a historic mineral resource estimate. A qualified person has not done sufficient work to classify this historic tonnage estimate as a current mineral resource and the Company is not treating the estimate as a current mineral resource. The historic resource estimate cannot be relied upon. Additional work, including verification drilling/sampling and remodeling, will be required to verify the estimate as a current mineral resource.

JAMES BAY TERRITORY, Quebec

The Company holds 45 claims in 7 blocks covering 2,275 hectares in the James Bay area of Quebec. The Company has compiled available data on these properties.

6.2A DISCONTINUED EXPLORATION PROPERTIES

CACHINAL, Chile

On February 14, 2023, the Company signed a Definitive Purchase and Sale Agreement for the acquisition of the 100% interest in the Cachinal De La Sierra Silver-Gold Project (the "**Cachinal Project**" or "**Cachinal**") from Aftermath Silver Ltd. ("**Aftermath**"). The consideration for the acquisition included cash payable in installments and the issuance of common shares. Following a lengthy due diligence, it was agreed to terminate the transaction and the Agreement lapsed. No payments were made, and no common shares were issued in connection with the acquisition.

THUNDER BAY, Canada

The Company has determined that its Ontario properties are of lesser priority and the claims are being allowed to lapse.

6.3 TECHNICAL WORK PERFORMED DURING 2021 TO 2023

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. A multitude of 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 is a past high-grade producer with significant infrastructure. 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. Historically, 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[6]. Recently, Keno Hill was acquired by major silver producer Hecla (HL), which plans production restart in 2023.

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 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.

[6] 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.

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.

Recent Activity

During 2023, further groundwork was completed to further define the exploration targets at Plata and to define drill targets for future testing. Multiple new zones of mineralization were observed during the program, associated with previously identified soil geochemical anomalies. Mineralization observed comprised sulphides and iron oxides associated with silicification and quartz-veining. Field observations will be collated with assay data when they become available. This will lead to recommendations for the next phase of work on this project – see Press Release dated August 24, 2023.

Groundhog, Yukon

On October 6, 2022, the Company announced the completion of a summer work program at its wholly owned Groundhog property in the Yukon ("Groundhog"). 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 silver1 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.

The summer program was comprised of soil sampling and detailed structural and lithological mapping of previously identified showings to understand their extent, character, and structural/stratigraphic relationships relative to each other. In all, 49 rock samples, including 11 chip samples were collected from seven showings on the property. In addition, 488 soil geochemical samples were collected on 4 soil grids in the western and south-western parts of the property in areas lacking coverage.

2023 ANALYSIS OF 2022 TECHNICAL WORK

Highlights from the 2022 program included:

- 2,410 g/t silver, 7.8% copper, 0.27% lead and 0.75% zinc over 0.3 m (Cirque Showing).
- 2,430 g/t silver, 0.71% copper, 21.3% lead and 6.3% zinc over 0.3 m (Cirque Showing).
- 2,120 g/t silver, 78.6% lead, 0.45% zinc (grab from Foggy Showing).
- 755 g/t silver, 29.2% lead, 24.7% zinc (grab from Foggy Showing); and,
- 234 g/t silver, 11.7% lead and 3.2% zinc (grab from Rob #1 Showing).

See News Release dated March 23, 2023 for more details on the completed Groundhog summer program.

6.4 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.

The following table summarizes the evaluation and exploration costs incurred by the Company for the nine months ended September 30, 2023 and 2022:

	September 30, 2023	September 30, 2022
CANADA		
Yukon		
Acquisition, maintenance	**$24,039**	$270,233
E&E	**138,881**	147,668
Less grant	**(28,438)**	–
	134,482	417,901
Thunder Bay		
Acquisition, maintenance	**27,411**	22,913
E&E	**–**	25,140
	27,411	48,053
Nunavut		
Acquisition, maintenance	**–**	13,590
E&E	**41,597**	2,304
	41,597	15,894
CHILE		
Acquisition, maintenance	**–**	–
E&E	**60,228**	110,916
	60,228	110,916
OTHER		
Acquisition, maintenance	**2,865**	2,439
E&E	**30,892**	–
	33,757	2,439
	$297,475	$595,203

During the nine months ended September 30, 2023, the technical team focused on a) continuing the diligence of the data and other information available for the Cachinal Project, b) implementing a program of groundwork at the Plata project, c) reviewing Honey Badger's properties and claims to ensure that the assets remain in good standing and evaluating staking additional or dropping existing claims, d) assessing the results of the Groundhog technical program carried out in the summer of 2022, and d) the continued identification and evaluation of additional potential acquisitions. The Company incurred a total of $297,475 of exploration and evaluation expenditures for field program fees and expenses, consulting fees, and claims renewals/management costs.

7.0 FINANCIAL PERFORMANCE

7.1 SELECT PERIOD FINANCIAL INFORMATION

As at	**September 30, 2023**	December 31 2022
Statements of Financial Position	**$**	$
Cash and cash equivalents	**686,486**	544,478
Total assets	**781,906**	638,977
Total liabilities	**561,295**	307,086
Shareholders' equity	**220,612**	331,891
Accumulated deficit	**(23,399,827)**	(22,005,308)

For the nine months ended September 30,	2023	2022
Statements of Loss and Comprehensive Loss	**$**	$
Exploration expenditures – program	**243,160**	286,028
Exploration expenditures – acquisition and claim costs (recovery)	**54,315**	309,175
General and administrative (“G&A”) and business development	**1,025,726**	812,431
Share-based compensation	**78,263**	158,346
Other income (loss) items	**(6,944)**	60,886
Net loss and comprehensive loss	**1,394,520**	1,626,866
Basic loss per share	**$0.04**	$0.05
Weighted average shares outstanding (1)	**36,137,446**	31,173,445

For the three months ended September 30,	2023	2022
Statements of Loss and Comprehensive Loss	**$**	$
Exploration expenditures – program	**183,791**	126,580
Exploration expenditures – acquisition and claim costs (recovery)	**32,658**	27,961
General and administrative (“G&A”) and business development	**381,313**	209,144
Share-based compensation	**43,041**	52,782
Other income (loss) items	**(5,843)**	26,322
Net loss and comprehensive loss	**634,961**	442,789
Basic loss per share	**$0.02**	$0.01
Weighted average shares outstanding (1)	**39,476,491**	31,173,445

7.2 QUARTERLY RESULTS

	2023			2022
	September 30	June 30	March 31	December 31
Statement of Loss	**$**	$	$	$
Exploration expenditures	**216,449**	76,080	4,946	38,812
G&A	**381,314**	325,658	318,754	231,326
Share-based compensation	**43,041**	17,611	17,611	52,782
Other income (loss) items	**(5,843)**	713	(1,814)	(309,851)
Net loss	**634,951**	420,062	339,497	13,069
Weighted average no. of shares (1)	**39,476,491**	37,707,846	31,173,445	31,173,445
Basic and diluted loss per share (1)	**$0.02**	$0.01	$0.01	$0.01
Statement of Financial Position	**$**	$	$	$
Cash & cash equivalents	**686,486**	1,124,050	317,148	544,478
Total assets	**781,906**	1,265,610	413,785	638,977
Total liabilities	**(561,295)**	(453,079)	(403,780)	(307,086)
Shareholders' equity	**220,611**	812,532	10,005	331,891

	2022			2021
	September 30	June 30	March 31	December 31
Statement of Loss	$	$	$	$
Exploration expenditures	154,542	106,805	333,856	147,720
G&A	209,146	352,110	251,177	458,416
Share-based compensation	52,782	52,782	52,782	166,182
Other income (loss) items	27,378	34,322	(3,950)	20,822
Net loss	443,848	546,019	633,865	793,140
Weighted average no. of shares (1)	31,173,445	31,173,445	31,173,446	30,829,399
Basic and diluted loss per share (1)	$0.01	$0.02	$0.02	$0.01
Statement of Financial Position	$	$	$	$
Cash & cash equivalents	890,437	1,128,161	1,447,860	2,143,956
Total assets	980,382	1,262,409	1,641,894	2,441,037
Total liabilities	(691,338)	(579,165)	(465,413)	(683,473)
Shareholders' equity	289,044	683,244	1,176,481	1,757,564

(1) Weighted average no. of shares and basic and diluted (loss) gain per share have been restated to give a retroactive effect to a share consolidation of 1 new share for every 5.7 old shares that became effective on January 20, 2023.

PERIOD RESULTS

Nine months ended September 30, 2023 (the "Reporting Period"), compared to September 30, 2022

In the Reporting Period, excluding share-based compensation, the Company realized an operating loss of $1,323,200 (2022 - $1,407,636). During the Reporting Period, the Company expended a total of $297,475 on E&E expenditures, principally as follows: $54,315 for claims renewals, $100,110 on E&E at the Plata, Groundhog and Clear Lake Yukon projects and $41,597 on E&E at Nanisivik, Nunavut project. Approximately $60,000 was spent on the continuing evaluation and due diligence related to the prospective Cachinal project.

In the comparable period in 2022, the E&E expenditures were comprised of: the purchase of Clear Lake for $250,000, claims maintenance costs of $81,876 for the Yukon and Thunder Bay projects, and E&E of $147,000 was expended at the Plata project including geology, travel and other field costs. Evaluation costs of acquiring the Cachinal project in the prior year was approximately $110,000. Management continues to evaluate potential silver and other metals projects in Canada and abroad.

Management fees were 40% higher ($541,020 versus $325,800) as there was some overlap and duplication of fees in the transitions of new Key Management Personnel. Investor relations and travel decreased slightly period over period principally due to reducing conference and business development fees. Professional and consulting fees were slightly higher in the current Reporting Period as the monthly fees for Grove were increased from 2021 rates, Dusty Nicol was retained as the Company's new COO and CEO and the Company incurred other legal fees related to staffing matters and potential acquisitions. Regulatory and transfer agent fees and G&A remained constant period over period.

The Company maintains a daily-interest savings Guaranteed Investment Certificate ("GIC") when holding sufficient cash to do so. The interest income recorded in the Reporting Period relates to the actual interest received when periodic redemptions were made in January and February. The market value of Blue Thunder shares rallied slightly in Q3 which resulted in a modest holding gain of $2,082 and a stronger US dollar resulted in an unrealized loss on US funds held during the Reporting Period. In the prior year accumulated interest income was realized on a higher cash balance held for a longer period of time. In Q3/23 the Company completed a financing with the issuance of flow-through shares, for gross proceeds of $255,900. The Company has committed to subscribers to spend this amount on eligible Canadian Exploration Expenses ("CEE"), prior to December 31, 2024. In both 2023 and 2022 Reporting Periods, the Company expended sufficient eligible CEE that resulted in the recording of a gain on flow-through premium in the other income section of the interim statement of loss.

A total of 549,000 stock options were granted in the Reporting Period. A total fair value of $46,992 was estimated for these options using the Black-Scholes option pricing model. Vesting occurs every six months. An additional $52,830 was charged to the statement of loss for the amortization of vesting options that were granted in 2021.

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

Three months ended September 30, 2023 (the "Q3"), compared to Q3 in fiscal 2022

In Q3/23, excluding share-based compensation, the Company realized an operating loss of $597,763 (2022 - $363,685). The increased level of expenditures was primarily due to increased exploration in the Yukon and Nunavut and diligence performed on the prospective Cachinal project. G&A and IR were slightly higher due to increased marketing efforts and staffing changes.

7.3 CASH FLOW ANALYSIS

Cash flow used in/provided by for the nine months ended September 30, 2023, and 2022 was as follows:

Nine months ended September 30,	**2023**	2022
Net cash (used in) provided by:		
Operating activities	**$(1,078,962)**	$(1,253,519)
Financing activities	**1,220,970**	—
(Decrease) in cash and cash equivalents	**142,008**	(1,253,519)
Cash and cash equivalents, beginning of period	**544,478**	2,143,956
Cash and cash equivalents, end of period	**$686,486**	$890,437

Net cash used in operating activities during the nine months ended September 30, 2023, was $1,078,962 which spending was primarily funded from the net proceeds of the private placements completed in late 2022 and Q2/23. From April 11, 2023 to May 24, 2023, the Company completed a non-brokered hard dollar and flow-through dollar private placement, for aggregate gross proceeds of $1,261,450. Cash commissions were paid to eligible agents who contributed to the April Offering and certain transfer agent and legal fees were classified as share issue costs.

In order to advance exploration on the Company's existing projects and should other attractive assets become available, the Company will 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

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 nine months ended September 30, 2023 and 2022, the Company entered the following transactions with related parties:

a) A corporation controlled by an executive officer charged the Company $225,000 (2022 - $225,000) for consulting fees.
b) A corporation controlled by an executive officer/ director invoiced the Company for $51,270 (2022 - $nil) for consulting fees.
c) A corporation controlled by an executive officer invoiced the Company for $60,000 (2022 - $nil) for consulting fees.
d) Since February 2021, the Company has retained Grove Corporate Services Ltd. ("Grove") to provide accounting, governance and administrative services, including those provided by the Company's Chief Financial Officer ("CFO") and Corporate Secretary (the "Services"). Effective April 1, 2022, the monthly fee for the Services increased to $9,450 plus HST. During the reporting period, Grove invoiced the Company for $85,050 (2022 - $85,050) for the Services.
e) A company of which a director/ officer is a part of owner provided an investor relations tool a $500 monthly fee for a total of $4,500 (2022 - $3,500).
f) The Company engaged a financial services firm ("Finservco") to provide market maker services. An officer of the Company is a founder and principal shareholder of Finservco and during the reporting period, Finservco charged the Company $11,000 (2022- $74,500) for the services rendered.

Key Management Compensation Transactions

Compensation for key management personnel of the Company during the nine-months ended September 30, 2023 was as follows:

Nine months ended September 30,	**2023**	2022
Management fees [(1)]	**$541,020**	$376,300
Share-based compensation [(2)]	**$76,763**	$131,664
	$617,783	$507,964

(1) Management fees are comprised of consulting fees for executives and key management personnel.

(2) Represents the FV expense of the stock options that vested during the period, to Key Management.

At September 30, 2023, a total of $236,281 (2022-$188,791) is included in due to related parties for unpaid management and consulting fees, reimbursable expenses, and E&E. Certain account balances in this category are voluntary salary deferrals and others are currently under negotiation by Management. These transactions were conducted in the normal course of operations on standard commercial terms.

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 September 30, 2023, Management believes the Company has sufficient funding for the basic corporate costs, in the short term, 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 September 30, 2023, was $220,611 (December 31, 2022 - $331,891).

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 nine months ended September 30, 2023, and 2022.

10.0 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments – *see note 11 in the Annual 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 September 30, 2023, the Company had a cash balance of $686,486 (December 31, 2022 – $544,478) to settle current accounts payable and accrued liabilities and due to related parties totaling $552,230 (December 31, 2022 – $307,086). Flow-through share liability will not be settled in cash.

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 TRANSACTIONS

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

See section 6.1 – *Technical Work Performed during 2021 to 2023*

13.0 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

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 the 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 applies assumptions and makes judgments 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 Interim and Annual Financial Statements are reflected in note 2 of the Annual Financial Statements.

14.0 PRESENTATION AND NEW ACCOUNTING STANDARDS

Basis of Consolidation

In 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., Honey Badger (Nunavut) Ltd. And Honey Badger Chile, SpA.

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, 2023. 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 13 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 8 of the Interim Financial Statements.

All numbers in this section for prior periods have been restated to give effect to the 1:5.7 consolidation that took effect on January 20, 2023.

There were 39,476,491 common shares outstanding as of September 30, 2023 and the issued share capital was $17,893,319.

COMMON SHARES

(i) During April and May 2023, the Company completed an oversubscribed non-brokered hard dollar and flow-through private placement for aggregate gross proceeds of $1,261,450 (the "April Offering"). The hard dollar component of the April Offering involved the sale of 6,703,668 units ("HD Units") at a price of $0.15 per HD Unit for gross proceeds of $1,005,550. Each HD Unit consists of one common share of the Company ("Common Share") and one-half of a Common Share purchase warrant, with each whole warrant entitling the holder to acquire one Common Share at a price of $0.18 for a period of 36 months from the date of closing. The flow-through component of the April Offering involved the sale of 1,599,375 units ("FT Units") at a price of $0.16 per FT Unit for aggregate proceeds of $255,900. Each FT Unit consists of one Common Share and one-half of a Common Share purchase warrant, with each whole warrant having the same terms as the warrants sold in the hard dollar offering. All securities issued pursuant to the April Offering are subject to a four-month statutory hold period under Canadian securities laws.

WARRANTS

(ii) The following table reflects the warrants issued and outstanding as at September 30, 2023:

Date of issue	Expiry date	Weighted average exercise price	Number of warrants	Remaining life (years)
March 18, 2021	March 18, 2024	$0.57	3,759,398	0.47
April 11, 2023	April 11, 2026	$0.18	3,245,522	2.53
April 11, 2023	April 11, 2026	$0.18	51,940	2.53
May 24, 2023	May 24, 2026	$0.18	906,000	2.65
		$0.36	**7,962,860**	

STOCK OPTIONS

(iii) On September 15, 2023, the Company granted a total of 549,000 stock options to directors, officers, employees, and consultants of the Company. The options are exercisable at a price of $0.09 per share, for a period of five years from the date of granted. These options vest ½ immediately and ½ six months after the date of grant. The fair value assigned to these stock options was $46,992 and was determined using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 4.02%, volatility of 172.39%, and expected life of 5 years. To September 30, 2023, a total of $25,433 has been recorded as share-based compensation expense for the options vested to date.

(iv) A total of 88,947 stock options were canceled for the unvested options held by consultants no longer working for the Company;

(v) A total of 118,421 stock options expired, unexercised; and

(vi) A total of $52,830 was recorded as share-based compensation expense for the vesting of stock options previously granted in 2021.

The following summarizes the stock options activity during the nine months ended September 30, 2023:

The following summarizes the outstanding stock options at September 30, 2023:

Outstanding options (#)	Options exercisable (#)	Exercise price	Expiry date	Weighted average life (years)
17,544	17,544	$0.40	November 1, 2024	1.09
508,772	508,772	$0.34	August 28, 2025	1.92
43,860	43,860	$0.46	February 11, 2026	2.37
52,631	52,632	$0.57	February 19, 2026	2.39
1,083,334	1,083,333	$0.71	March 23, 2026	2.48
263,158	175,438	$0.46	August 3,2026	2.85
131,579	87,719	$0.37	October 28,2026	3.08
754,877	503,252	$0.43	December 30, 2026	3.25
549,000	274,500	$0.09	September 15, 2028	4.97
3,404,755	**2,746,716**	**$0.45**		

17.0 COMMITMENTS

(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. The Company is committed to spending a total of $255,900 on eligible CEE prior to December 31, 2024. To date the remaining CEE spending obligation is approximately $145,000.

(ii) The Company currently has renewable agreements for management services with several officers (the "Executives"). The base salaries of the Executives range from $5,000 to $25,000 per month. The agreements 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.

(iii) Since February 2021, Grove has provided the Services as described in section 8.0 - *Related Party Transactions and Key Management Compensation*. Effective April 1, 2022, 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 three months' fees.

(iv) 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 November 27, 2023, 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, 2022	177,689,639	21,543,497	17,459,800	216,692,936
January 20, 2023 - Consolidation on a 5.7 for 1 basis was affected				
September 30, 2023 and November 27, 2023	**39,476,491**	**7,962,860**	**3,404,755**	**50,844,106**

19.0 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 payments. 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 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 the 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 the 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.

21.0 FURTHER INFORMATION

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