HONEY BADGER

SILVER INC.

Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2026
(Expressed in Canadian dollars)
(Unaudited)

Notice to Reader

These condensed interim consolidated financial statements of Honey Badger Silver Inc. have been prepared by management and approved by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim consolidated financial statements, notes to the financial statements or the related quarterly Management's Discussion and Analysis.

Honey Badger Silver Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Expressed in Canadian dollars)

As at	Note		March 31, 2026		December 31, 2025
ASSETS					
Current					
Cash	4	$	2,028,068	$	2,479,770
Deposit on acquisition	1		2,000,000		-
Marketable securities	5		62,917		54,475
Investment in Monetary Metals	6		1,047,983		986,480
Receivables			160,446		107,830
Prepaid expenses			186,041		65,051
			5,485,455		3,693,606
Long-term					
Right-of-use asset	7		50,579		65,753
		$	5,536,034	$	3,759,359
LIABILITIES					
Current					
Trade and other payables		$	573,304	$	307,686
Due to related parties	12		43,809		43,030
Lease liability - short-term portion	8		45,963		56,135
Obligation to issue shares			-		54,000
Flow-through premium liability	10		580,871		619,059
			1,243,947		1,079,910
Long-term	8				
Lease liability - long-term portion			-		5,207
			1,243,947		1,085,117
SHAREHOLDERS' EQUITY					
Share capital	11		25,151,114		24,094,306
Warrants	11		3,099,330		1,859,145
Contributed surplus	11		5,690,166		5,330,979
Deficit			(29,648,523)		(28,610,188)
			4,292,087		2,674,242
		$	5,536,034	$	3,759,359
Nature of operations and going concern	1				
Subsequent events	14				

These condensed interim consolidated financial statements are approved for issue by the Board of Directors of the Company on May 28, 2026.

They are signed on the Company's behalf by:

"Chad Williams", Director

"Paolo Cattelan", Director

Honey Badger Silver Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – Expressed in Canadian dollars)

For the Three Months Ended March 31,	Note		2026		2025
Expenses					
Consulting fees	*12*	$	163,500	$	129,286
Exploration and evaluation expenditures	*9 & 12*		131,818		75,639
General and administrative			19,760		10,317
Marketing, promotion and travel	*11*		131,022		63,306
Professional fees			286,259		16,066
Project investigation costs			-		27,550
Regulatory fees and transfer agent			40,961		28,023
Amortization	*6*		15,174		-
Share-based compensation	*11*		359,187		-
			(1,147,681)		(350,187)
Flow-through premium recovery	*9*		38,188		12,979
Foreign exchange loss			1,213		(1,197)
Interest income			-		13
Unrealized gain on Monetary Metals investment	*6*		61,503		-
Net change in fair value of marketable securities	*5*		8,442		(3,470)
Loss and comprehensive loss for the year		$	(1,038,335)	$	(341,862)
Basic and diluted loss per share		$	(0.01)	$	(0.00)
Weighted average number of shares outstanding			127,714,393		75,514,648

Honey Badger Silver Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Expressed in Canadian dollars)

For the Three Months Ended March 31,		2026		2025
Operating activities				
Loss for the period	$	(1,038,335)	$	(341,862)
Items not affecting cash:				
Share-based compensation		359,187		-
Amortization		15,174		
Flow-through premium recovery		(38,188)		(12,979)
Unrealized (gain) loss on marketable securities		(8,442)		3,470
Unrealized gain on Monetary Metals investment		(61,503)		-
Change in non-cash working capital items:				
Receivables		(52,616)		9,897
Deposit on acquisition		(2,000,000)		
Prepaid expenses		(120,990)		10,835
Trade and other payables		265,618		(32,187)
Due to related parties		779		11,424
Cash used in operating activities		(2,679,316)		(351,402)
Financing activities				
Proceeds from private placements (Note 11)		2,250,000		560,400
Subscription receivable		-		-
Share issuance costs (Note 11)		(75,857)		(11,499)
Exercise of warrants (Note 11)		122,850		29,250
Right-of-Use lease payments		(15,379)		-
Obligation to issue shares		(54,000)		-
Cash provided by financing activities		2,227,614		578,151
Increase in cash for the period		(451,702)		226,749
Cash, beginning of period		2,479,770		150,100
Cash, end of period	$	2,028,068	$	376,849
Non-cash investing and financing activities				
Shares issued to settle trade and other payables	$	-	$	-
Broker warrants		71,042		1,867
Unit warrants		1,217,100		71,524
Allocation of flow-through premium		-		18,600
Allocation exercise of warrants		47,958		10,540

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Honey Badger Silver Inc.

Condensed Interim Consolidated Statements of Shareholders' Equity (Deficiency)

(Unaudited – Expressed in Canadian dollars)

	Number of shares	Share capital	Warrants	Contributed surplus	Deficit	Total
Balance, December 31, 2025	117,110,892	$ 24,094,306	$ 1,859,145	$ 5,330,979	$ (28,610,188)	$ 2,674,242
Private placements	12,499,998	1,032,900	1,217,100	-	-	2,250,000
Share issue costs - cash	-	(75,857)	-	-	-	(75,857)
Share issue costs - warrants	-	(71,043)	71,043	-	-	-
Exercise of warrants	703,334	170,808	(47,958)	-	-	122,850
Share-based compensation	-	-	-	359,187	-	359,187
Loss and comprehensive loss for the period	-	-	-	-	(1,038,335)	(1,038,335)
Balance, March 31, 2026	130,314,224	$ 25,151,114	$ 3,099,330	$ 5,690,166	$ (29,648,523)	$ 4,292,087

	Number of shares	Share capital	Warrants	Contributed surplus	Deficit	Total
Balance, December 31, 2024	73,214,670	$ 19,749,128	$ 1,637,226	$ 4,783,259	$ (25,973,501)	$ 196,112
Private placement	2,084,230	213,376	71,524	-	-	284,900
Share issues costs - cash	-	(11,499)	-	-	-	(11,499)
Share issue costs - warrants	-	(1,867)	1,867	-	-	-
Allocation of flow-through premium	-	(18,600)	-	-	-	(18,600)
Exercise of warrants	450,000	39,790	(10,540)			29,250
Loss and comprehensive loss for the period	-	-	-	-	(341,862)	(341,862)
Balance, March 31, 2025	75,748,900	$ 19,970,328	$ 1,700,077	$ 4,783,259	$ (26,315,363)	$ 138,301

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2026, the Company had working capital of $4,241,508. Management estimates that the Company does not have sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

Acquisition of Canadian Zinc Corporation

On March 13, 2026, the Company entered into a definitive agreement (the "Agreement") to acquire all of the issued and outstanding shares of Canadian Zinc Corporation ("CZC"), 100% owner of the Prairie Creek Project ("PC Silver Project", or the "Project"), from Resource Capital Fund VI L.P. ("RCF"), an arm's length party to the Company, for $10 million in cash plus $2 million in Honey Badger shares and warrants (the "Acquisition"). The PC Silver Project is a major permitted underground silver-zinc-lead project located in the Northwest Territories.

Total consideration of $12 million is to consist of a $10 million cash payment on closing, (subject to closing adjustments as defined in the agreement) plus $2 million in shares and warrants of Honey Badger, with pricing determined based upon the Offering and in accordance with applicable TSX Venture Exchange ("TSXV") policies, in each case subject to the Agreement, including adjustments contained therein. Under the terms of the initial term sheet, in January 2026, the Company paid a $2,000,000 forty-five day exclusivity fee.

On April 27, 2026, the Agreement closed. It is management's preliminary assessment is that this acquisition will be accounted for as an asset acquisition under IFRS 3.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board.

These condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2025.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the parent company's functional currency, as well as the functional currency of its wholly owned subsidiaries.

Use of estimates and judgments

Information about estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are included in Note 2 to the Company's December 31, 2025 annual consolidated financial statements.

(Unaudited – Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied by the Company as at and for the year ended December 31, 2025.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2025 and have not been applied in preparing these consolidated financial statements.

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

4. CASH AND FUNDS HELD IN TRUST

		March 31, 2026		December 31, 2025
Cash and funds held in trust	$	-	$	54,000
Cash - unallocated		266,738		89,699
Cash allocated for flow-through expenditures		1,761,330		2,336,071
Total	$	2,028,068	$	2,479,770

Cash and funds held in trust as at December 31, 2025 was comprised of funds received for the January 2026 private placement for which the Company subsequently issue common shares.

(Unaudited – Expressed in Canadian dollars)

5. MARKETABLE SECURITIES

		March 31, 2026		December 31, 2025
Opening balance	$	54,475	$	34,696
Removal of cost of marketable securities sold		-		(43,371)
Reversals of previously recognized unrealized losses on marketable securities		-		144,800
Realized loss on disposal of marketable securities		-		(118,779)
Net change in fair value of marketable securities		8,442		37,129
Ending balance	**$**	**62,917**	$	54,475

The Company holds 2,405 common shares of IAMGOLD Corporation ("IAMGOLD"), a public company listed on the TSX. During the three months ended March 31, 2026, the Company recognized a net change in value of $8,442 on its condensed interim consolidated statements of loss and comprehensive loss.

During the year ended December 31, 2025, the Company recorded an unrealized gain on marketable securities of $63,150 (2024 – loss of $17,347) related to the revaluation of these common shares. On December 22, 2025, the Company's holdings of 693,910 shares in Mines D'Or Orbec were consolidated into 2,405 common shares of IAMGOLD, pursuant to an acquisition of Mines D'Or Orbec by IAMGOLD.

6. INVESTMENT IN MONETARY METALS

On December 4, 2025, the Company invested $738,780 in a 9,958 oz silver loan with Monetary Metals & Co. The loan bears interest at a rate of 12% per annum and matures in August 2027. As at March 31, 2026, the fair value of the investment was $1,047,983, representing an unrealized gain of $61,503 during the three months ended March 31, 2026, which is recognized on the Company's statements of loss and comprehensive loss. (Three months ended March 31, 2025 - $nil). The investment has been classified as held for sale under IFRS 9 and is measured at fair value through profit and loss (FVTPL).

(Unaudited – Expressed in Canadian dollars)

7. RIGHT-OF-USE ASSETS

Balance, December 31, 2025	$	65,753
Additions		-
Depreciation		(15,174)
Balance, March 31, 2026	$	50,579

Right of use assets consist of a facility lease for office space. Amortization is recorded on a straight-line basis over a period of 18 months.

8. LEASE LIABILITY

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the Company's incremental borrowing rate. The continuity of the lease liabilities are presented in the table below:

Balance, December 31, 2025	$	61,342
Additions		-
Accretion expense	$	1,683
Lease payments		(17,062)
Balance, March 31, 2026	$	45,963

Balance, March 31, 2026		
Less than one year	$	45,963
Greater than one year		-
Total lease obligation	$	45,963

Maturity Analysis - Contractual Undiscounted Cash Flows

As at March 31, 2026		
Less than one year	$	56,793
Greater than one year		-
Total undiscounted lease obligation	$	56,793

9. EXPLORATION AND EVALUATION EXPENDITURES

Yukon Properties

Plata, Groundhog, and Hy

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

Clear Lake

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

Northwest Territories Property

Sunrise Lake

On October 17, 2023, the Company entered into a purchase agreement with SSR Mining Inc. ("SSR") to acquire 100% of SSR's Sunrise Lake silver project in the Northwest Territories, Canada. In consideration, the Company granted SSR a 4% NSR royalty on any future production from the project, half (2%) of which may be purchased by the Company at any time prior to commencement of construction at the project for US$10 million

Nunavut Properties

Nanisivik

In 2021 and 2022, the Company staked certain claims in Nunavut, Canada known as the Nanisivik silver property.

Yava

On October 1, 2024, the Company issued 4,250,000 common shares value at $340,000 to acquire the Yava project located in Nunavut, Canada.

(Unaudited – Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION EXPENDITURES (continued)

During the three months ended March 31, 2026 and 2025, the Company incurred the following exploration and evaluation expenditures.

For the Three Months Ended March 31,	2026	2025
Yukon Properties		
Claim maintenance	$ 9,489	$ -
Geological	7,704	-
Support costs		-
Geophysics	51,401	16,625
Data interpretation		17,145
	68,594	33,770
Northwest Territories Property		
Acquisition	-	-
Geophysics	10,613	-
Claim maintenance	2,250	7,197
Geological	4,796	3,500
	17,659	10,697
Nunavut Properties		
Acquisition	-	-
Claim maintenance	4,283	-
Geological	10,136	-
Geophysics	31,147	31,172
	45,565	31,172
Ontario Properties		
Claim maintenance	-	-
	-	-
Quebec Property		
Claim maintenance	-	-
	-	-
Total	$ 131,818	$ 75,639

(Unaudited – Expressed in Canadian dollars)

10. FLOW-THROUGH PREMIUM LIABILITY

		March 31, 2026		December 31, 2025
Opening balance	$	619,059	$	64,137
January 2025 flow-through private placement		-		19,425
July 3, 2025 flow-through private placement		-		230,513
July 16, 2025 flow-through private placement		-		111,913
October 8, 2025 flow-through private placement		-		370,992
Flow-through premium recovery		(38,188)		(177,921)
Closing balance	$	580,871	$	619,059

11. SHARE CAPITAL

Authorized

The Company has an unlimited number of common shares without par value authorized for issue.

Issued and outstanding

During the three months ended March 31, 2026, the Company completed the following:

(i) On January 19, 2026, the Company closed a non-brokered private placement (the "Offering") of units of the Company (the "Units") for aggregate gross proceeds of $2,250,000 through the issuance of 12,499,998 Units at a price of $0.18 per Unit.

Each Unit consists of one common share of the Company (each, a "Unit Share") and one common share purchase warrant (each, a "Unit Warrant"). Each Unit Warrant entitles the holder to acquire one common share of the Company (each, a "Warrant Share") at an exercise price of $0.23 per Warrant Share for a period of 36 months from the closing date of the Offering.

In connection with the Offering, the Company incurred an aggregate of $75,857 in finder's fees and costs and issued 334,946 non-transferrable finder warrants to eligible finders (each, a "Finder's Warrant"). Each Finder's Warrant entitles the holder to acquire one common share of the Company (each, a "Finder's Warrant Share") at a price of $0.23 per Finder's Warrant Share, for a period of 36 months following the closing date of the Offering.

(Unaudited – Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Issued and outstanding (continued)

The 12,499,998 $0.23 warrants issued in conjunction with the financing were valued at $1,217,100 using the Black-Scholes option pricing model, relative value method with the following assumptions: a risk-free interest rate of 2.51%; an expected volatility of 116%; %; a share price of $0.29 on the date of issuance, an expected life of 3 years; and an expected dividend yield of 0%.

The 334,946 $0.23 finders warrants issued in conjunction with this financing were valued at $71,042 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.51%; an expected volatility of 116%; a share price of $0.23 on the date of issuance, an expected life of 3 years; and an expected dividend yield of 0%.

(ii) During the three months ended March 31, 2026, the Company issued 703,334 common shares on the exercise of warrants for gross proceeds of $122,850. The Company recorded an allocation on exercise of warrants of $47,958 from warrants reserve to share capital.

Warrants

The continuity of share purchase warrants for the three months ended March 31, 2026 is as follows:

Expiry date	Exercise price	Balance, December 31, 2025	Granted	Exercised	Expired	Balance, March 31, 2026
January 3, 2026	$ 0.150	362,680	-	-	(362,680)	-
January 16, 2026	$ 0.150	133,000	-	-	(133,000)	-
April 11, 2026	$ 0.18	3,212,189	-	(278,334)	-	2,933,855
May 24, 2026	$ 0.18	957,940	-	(100,000)	-	857,940
January 3, 2027	$ 0.15	4,884,550		(50,000)	-	4,834,550
January 16, 2027	$ 0.15	2,325,000	-	(75,000)	-	2,250,000
October 18, 2027	$ 0.35	290,322	-	-	-	290,322
December 16, 2027	$ 0.18	4,709,567	-	(200,000)	-	4,509,567
January 3, 2028	$ 0.18	1,647,130	-	-	-	1,647,130
January 19, 2029	$ 0.23	-	12,499,998	-	-	12,499,998
January 19, 2029	$ 0.23	-	334,946	-	-	334,946
		18,522,378	12,834,944	(703,334)	(495,680)	30,158,308
Weighted average exercise price		$ 0.13	$ 0.23	$ -	$ -	$ 0.20

As at March 31, 2026, the weighted average remaining contractual life of the share purchase warrants outstanding was 2.41 years.

(Unaudited – Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Warrants (continued)

The continuity of share purchase warrants for the three months ended March 31, 2025 is as follows:

Expiry date	Exercise price	Balance, December 31, 2024	Granted	Exercised	Expired	Balance, March 31, 2025
October 10, 2025	$ 0.065	7,746,000	-	(450,000)	-	7,296,000
April 11, 2026	$ 0.18	3,245,523	-	-	-	3,245,523
May 24, 2026	$ 0.18	957,940	-	-	-	957,940
December 16, 2027	$ 0.18	4,709,567	-	-	-	4,709,567
January 3, 2028	$ 0.18	-	1,647,130			1,647,130
		16,659,030	1,647,130	(450,000)	-	17,856,160
Weighted average exercise price		$ 0.13	$ 0.18	$ 0.07	$ -	$ 0.13

As at March 31, 2025, the weighted average remaining contractual life of the share purchase warrants outstanding was 1.43 years.

Stock Options

The Company has a stock option plan pursuant to which the Company's Board of Directors may grant incentive stock options to directors, officers, employees and consultants. 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 TSX-V or other regulatory requirements, if any, will determine any vesting period assigned therein. 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 stock option plan cannot exceed 10% of the issued shares. The fair value of the share-based compensation is recognized as contributed surplus upon vesting.

The continuity of stock options for the three months ended March 31, 2026 is as follows:

Expiry date	Exercise price	Balance, December 31, 2025	Granted	Exercised	Expired / Forfeited	Balance, March 31, 2026
February 19, 2026	$ 0.57	52,632	-	-	(52,632)	-
March 23, 2026	$ 0.71	760,526	-	-	(760,526)	-
August 3, 2026	$ 0.46	131,579	-	-	(131,579)	-
October 27, 2026	$ 0.37	131,579	-	-	-	131,579
December 31, 2026	$ 0.43	344,843	-	-	(41,053)	303,790
September 15, 2028	$ 0.09	329,000	-	-	(85,000)	244,000
April 24, 2029	$ 0.075	2,495,000	-	-	(400,000)	2,095,000
July 16, 2030	$ 0.120	4,000,000	-	-	(160,000)	3,840,000
September 8, 2030	$ 0.230	1,360,000	-	-	(75,000)	1,285,000
January 9, 2031	$ 0.200	-	2,000,000	-	-	2,000,000
March 31, 2031	$ 0.220	-	1,000,000	-	-	1,000,000
		9,605,159	3,000,000	-	(1,705,790)	10,899,369
Weighted average exercise price		$ 0.19	$ -	$ 0.08	$ 0.05	$ 0.16

(Unaudited – Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Stock Options (continued)

As at March 31, 2026, 9,399,369 of the 10,899,369 options were exercisable with a weighted average remaining contractual life of 2.71 years.

(i) On March 31, 2026, the Company issued 1,000,000 stock options to the Company's chief operating officer, exercisable for a period of 5 years at $0.22. The options vest at a rate of 50% upon grant and 50% after 6 months.

The options were valued at $240,200 using the Black-Scholes option pricing model with the following assumptions: an exercise price of $0.22, a risk-free interest rate of 3.09%; an expected volatility of 116%; an expected life of 5 years; a share price of $0.285 on the date of grant; and an expected dividend yield of 0%. During the three months ended March 31, 2026, stock based compensation expense of $120,767 was expensed in conjunction with this grant.

(ii) On January 9, 2026, the Company granted an aggregate of 2,000,000 options to acquire common shares of the Company (the "Options") to certain officers, employees and/or consultants of the Company. The Options have an exercise price of $0.20 per common share of the Company, have a 5-year term from the date of grant and vest in equal halves on the date of grant and on the date that is six months from the date of grant.

The options were valued at $327,600 using the Black-Scholes option pricing model with the following assumptions: an exercise price of $0.20, a risk-free interest rate of 2.92%; an expected volatility of 116%; an expected life of 5 years; a share price of $0.20 on the date of grant; and an expected dividend yield of 0%. During the three months ended March 31, 2026, stock based compensation expense of $238,420 was expensed in conjunction with this grant.

The continuity of stock options for the three months ended March 31, 2025 is as follows:

Expiry date	Exercise price	Balance, December 31, 2024	Granted	Exercised	Expired / Forfeited	Balance, March 31, 2025
August 28, 2025	$ 0.34	276,316	-	-	-	276,316
February 19, 2026	$ 0.57	52,632	-	-	-	52,632
March 23, 2026	$ 0.71	760,526	-	-	-	760,526
August 3, 2026	$ 0.46	263,158	-	-	(131,579)	131,579
October 27, 2026	$ 0.37	131,579	-	-	-	131,579
December 31, 2026	$ 0.43	385,896	-	-	(41,053)	344,843
September 15, 2028	$ 0.09	521,000	-	-	(75,000)	446,000
April 24, 2029	$ 0.075	3,595,000	-	-	-	3,595,000
		5,986,107	-	-	(247,632)	5,738,475
Weighted average exercise price		$ 0.22	$ -	$ -	$ 0.34	$ 0.21

As at March 31, 2025, all stock options were exercisable with a weighted average remaining contractual life of 3.15 years.

(Unaudited – Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

For the Three Months Ended March 31,		2026		2025
Consulting fees				
Chairman	$	75,000	$	75,000
Chief Executive Officer		-		12,250
Chief Operating Officer		77,075		-
Golden Oak *		-		30,000
The Marrelli Group ***		31,457		-
		183,532		117,250
Exploration and evaluation expenditures				
Chief Executive Officer		-		40,250
Nemo Resources **		45,000		7,500
		45,000		47,750
Share-based compensation		461,330		-
Total	$	689,862	$	165,000

* Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company controlled by the former Chief Financial Officer and Corporate Secretary of the Company. Golden Oak provided the services of a Chief Financial Officer, Corporate Secretary, and accounting and administrative staff to the Company until June 5, 2025.
** Nemo Resources Inc. ("Nemo Resources") is a consulting company controlled by a director of the Company which provides exploration services to the Company.
*** Commencing June 5, 2025, the Company engaged Marrelli Support Services Inc. and DSA Corporate Services L.P. . ("the Marrelli Group") for the services of a Chief Financial Officer, Corporate Secretary, and accounting and various administrative functions. The Company's Chief Financial officer is the President of Marrelli Support Services Inc.

Related party balances

			March 31, 2026		December 31, 2025
Chairman	Fees	$	28,250	$	-
Chairman	Expenses		6,225		26,635
The Marrelli Group	Fees		9,334		16,395
Golden Oak	Expenses		-		-
Total		$	43,809	$	43,030

All amounts owing are unsecured, non-interest bearing and due on demand.

13. SEGMENTED INFORMATION

Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and evaluation.

All of the Company's mineral exploration and evaluation assets are located in Canada.

14. SUBSEQUENT EVENTS

(i) On April 15, 2026, the Company closed a brokered private placement offering of subscription receipts of the Company (the "Subscription Receipts") for aggregate gross proceeds of $11,500,000 (the "Offering"). A total of 71,875,000 Subscription Receipts were issued at a price of $0.16 per Subscription Receipt. The subscription receipts will convert into one unit of the Company which consists of one common share and one common share purchase warrants, with each warrant entitling the holder to acquire one additional common share for a period of three years closing the acquisition at an exercise price of $0.24 per warrant

In consideration for their services, the Agents are entitled to a cash commission equal to 6% of the gross proceeds of the Offering and such number of compensation warrants equal to 6% of the number of Units issued under the offering, subject to a reduction to 3% in respect of sales to certain purchasers. Each compensation warrant will entitle the holder to acquire one Common Share at an exercise price of $0.24 per Common Share for a period of two years from the closing of the Acquisition. The compensation warrants will be issued only if the Escrow Release Conditions are satisfied on or before the Escrow Release Deadline.

The net proceeds of the Offering will be used to fund the cash portion of the purchase price for the acquisition (the "Acquisition") by Honey Badger of al of the issued and outstanding shares of Canadian Zinc Corporation (described in point (iii) below), the owner of the Prairie Creek Project (the "PC Silver Project" or the "Project"), from Resource Capital Fund VI L.P, and for expenses related to the Acquisition.

14. SUBSEQUENT EVENTS (Continued)

The gross proceeds of the Offering, less certain expenses and a portion of the Agents' fees, will be deposited into escrow with a subscription receipt agent pending satisfaction of the Escrow Release Conditions (such amount being the "Escrowed Funds"), which includes the completion, satisfaction or waiver of al conditions precedent to the closing of the Acquisition other than the payment of the purchase price and receipt of final approval of the TSXV (the "Escrow Release Conditions"). If the Escrow Release Conditions are satisfied on or before June 15, 2026 (the "Escrow Release Deadline"), the Escrowed Funds (less the balance of the Agents' fees) will be released to the Company and the Subscription Receipts will automatically convert into Units. If the Escrow Release Conditions are not satisfied on or before the Escrow Release Deadline, the Subscription Receipts will be canceled, and the Escrowed Funds will be returned to holders of Subscription Receipts on a pro rata basis.

(ii) On April 29, 2026, the Company granted an aggregate of 5,335,000 stock options (the "Options") to certain directors, officers, employees and/or consultants of the Company. The Options are exercisable at a price of $0.45 per share and are valid for a period of 5 years from the date of grant and vest in equal halves on the date of grant and on the date that is six months from the date of grant.

(iii) Subsequent to March 31, 2026, 10,303,392 common shares were issued upon exercise of warrants.

15. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified in order to conform with current period financial statement presentation.