



**Condensed Interim Consolidated Financial Statements
For the Three and Six Months Ended June 30, 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	June 30, 2026	December 31, 2025
ASSETS			
Current			
Cash	4	\$ 4,434,713	\$ 2,479,770
Marketable securities	5	54,136	54,475
Prepaid expenses		332,905	65,051
Receivables		444,319	107,830
Silver loan	6	876,948	986,480
Property, plant and equipment		954,573	
		7,097,594	3,693,606
Long-term			
Restricted cash	14	5,712,029	-
Right-of-use asset	7	368,171	65,753
		\$ 13,177,794	\$ 3,759,359
LIABILITIES			
Current			
Trade and other payables		\$ 3,319,020	\$ 307,686
Due to related parties	12	40,506	43,030
Lease liability - short-term portion	8	38,034	56,135
Obligation to issue shares		-	54,000
Flow-through premium liability	10	580,871	619,059
		3,978,431	1,079,910
Long-term			
Decommissioning provision	14	3,376,966	
Lease liability - long-term portion		271,209	5,207
		7,626,606	1,085,117
SHAREHOLDERS' EQUITY			
Share capital	11	38,299,481	24,094,306
Warrants	11	10,145,063	1,859,145
Contributed surplus	11	7,114,263	5,330,979
Deficit		(50,007,619)	(28,610,188)
		5,551,188	2,674,242
		\$ 13,177,794	\$ 3,759,359
Nature of operations and going concern			
	1		
Subsequent events			
	15		

These condensed interim consolidated financial statements are approved for issue by the Board of Directors of the Company on August 31, 2026.

They are signed on the Company's behalf by:

"Chad Williams", Director

"Paolo Cattelan", Director

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

Honey Badger Silver Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited – Expressed in Canadian dollars)

		Three Months Ended June 30,		Six Months Ended June 30,	
	Note	2026	2025	2026	2025
Expenses					
Consulting fees	12	\$ 197,830	\$ 121,860	\$ 361,330	\$ 251,146
Exploration and evaluation expenditures	9 & 12	1,601,922	79,422	1,733,740	155,061
General and administrative		311,059	6,390	330,819	16,707
Marketing, promotion and travel	11	448,845	45,106	579,867	108,412
Professional fees		573,225	11,751	859,484	27,817
Project investigation costs		-	2,100	-	29,650
Regulatory fees and transfer agent		45,083	14,445	86,044	42,468
Amortization	6	15,174	-	30,348	-
Share-based compensation	11	1,469,886	-	1,829,073	-
		(4,663,024)	(281,074)	(5,810,705)	(631,261)
Flow-through premium recovery	9	0	-	38,188	12,979
Foreign exchange loss		(41,469)	(1,645)	(40,256)	(2,842)
Interest income		-	-	-	13
Acquisition cost		(13,924,570)	-	(13,924,570)	-
Exploration and evaluation assets expensed on acquisition		(1,550,216)	-	(1,550,216)	-
Unrealized gain on Monetary Metals investment	6	(171,036)	-	(109,533)	-
Net change in fair value of marketable securities	5	(8,781)	6,939	(339)	3,469
Loss and comprehensive loss for the period		\$ (20,359,096)	\$ (275,780)	\$ (21,397,431)	\$ (617,642)
Basic and diluted loss per share		\$ (0.10)	\$ (0.00)	\$ (0.13)	\$ (0.01)
Weighted average number of shares outstanding		199,178,790	78,844,242	163,436,724	75,660,220

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

Honey Badger Silver Inc.

Condensed Interim Consolidated Statements of Cash Flows (Unaudited – Expressed in Canadian dollars)

For the Six Months Ended June 30,	2026	2025
Operating activities		
Loss for the period	\$ (21,397,431)	\$ (617,642)
Items not affecting cash:		
Share-based compensation	1,829,073	-
Amortization	224,711	-
Flow-through premium recovery	(38,188)	(12,979)
Exploration and evaluation assets expensed on acquisition	1,550,216	-
Unrealized (gain) loss on marketable securities	339	(3,469)
Unrealized gain on silver loan	109,533	-
Change in non-cash working capital items:		
Receivables	(336,489)	11,511
Prepaid expenses	-	(10,157)
Trade and other payables	3,065,463	281,001
Due to related parties	(2,524)	(177,265)
Cash used in operating activities	(14,995,297)	(529,000)
Investing activities		
Cash acquired on acquisition of Canadian Zinc	1,595,998	-
Cash provided by investing activities	1,595,998	-
Financing activities		
Proceeds from private placements	13,750,000	560,400
Subscription receivable	-	-
Share issuance costs	(639,212)	(11,499)
Exercise of warrants	2,264,216	29,250
Exercise of options	50,300	-
Right-of-Use lease payments	(17,062)	-
Obligation to issue shares	(54,000)	-
Cash provided by financing activities	15,354,242	578,151
Increase in cash for the period	1,954,943	49,151
Cash, beginning of period	2,479,770	150,100
Cash, end of period	\$ 4,434,713	\$ 199,251
Non-cash investing and financing activities		
Shares issued on acquisition of Canadian Zinc	\$ 4,000,000	\$ -
Broker warrants	71,042	1,867
Unit warrants	-	71,524
Allocation of flow-through premium	-	18,600
Allocation exercise of options	45,789	-
Allocation exercise of warrants	845,269	13,096

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	84,374,998	7,709,856	6,040,144	-	-	13,750,000
Share issue costs - cash	-	(639,212)	-	-	-	(639,212)
Share issue costs - warrants	-	(71,043)	71,043	-	-	-
Shares issued on acquisition	12,500,000	4,000,000	3,020,000	-	-	7,020,000
Exercise of warrants	12,194,676	3,109,485	(845,269)	-	-	2,264,216
Exercise of options	485,000	96,089	-	(45,789)	-	50,300
Share-based compensation	-	-	-	1,829,073	-	1,829,073
Loss and comprehensive loss for the period	-	-	-	-	(21,397,431)	(21,397,431)
Balance, June 30, 2026	226,665,566	\$ 38,299,481	\$ 10,145,063	\$ 7,114,263	\$ (50,007,619)	\$ 5,551,188

	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	48,846	(13,096)	-	-	35,750
Loss and comprehensive loss for the period	-	-	-	-	(617,642)	(617,642)
Balance, June 30, 2025	75,748,900	\$ 19,979,384	\$ 1,697,521	\$ 4,783,259	\$ (26,591,143)	\$ (130,979)

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

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

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 June 30, 2026, the Company had working capital of \$3,119,163. 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.

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.

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)

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.

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the parent company and its wholly owned subsidiaries, from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All inter-company balances and transactions, and any income and expenses arising from inter-company transactions, are eliminated on consolidation.

Name of Subsidiary	Place of Incorporation	Owership Interest at June 30, 2026	Principal Activity
Canadian Zinc Corporation	Canada	100%	Active Exploration
Honey Badger Silver Royalties Inc.	Canada	100%	Holding Company
Honey Badger Silver (Nunavut) Ltd.	Canada	100%	Dormant Company
Honey Badger Zinc Ltd.	Canada	100%	Dormant Company
Silver Storm Royalties Inc.	Canada	100%	Dormant Company
Thunder Bay Silver & Cobalt Corp	Canada	100%	Dormant Company

Property, Plant and Equipment ("PPE")

Items of PPE classified as PPE or other long-term assets are carried at acquisition cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation is provided on a declining-balance basis, less the estimated residual value, at the following annual rates:

Mining equipment	33%
Office equipment	20%

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)

Buildings and leasehold improvements are recorded at cost, net of accumulated depreciation. Depreciation on buildings and leasehold improvements are provided on a straight-line basis over the life of the asset.

Depreciation methods, material residual value estimates and estimates of useful lives are reviewed at each reporting date and updated as required. Gains or losses arising on the disposal of PPE are determined as the difference between the proceeds on disposition and the carrying value of the assets and are recognized in profit or loss at the time of the disposal. Amortization of the Prairie Creek plant and mill will be based on the unit-of-production method using estimated proven and probable reserves.

Decommissioning, Restoration and Other Provisions

The Company recognizes provisions for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a decommissioning provision is recognized at its present value in the period in which it is incurred, which is generally when an environmental disturbance occurs or a constructive obligation is determined. Upon initial recognition of the provision, a corresponding amount is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using the unit-of-production method. Subsequent to initial recognition the carrying value of the provision is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. This accretion expense is recognized in profit or loss as finance costs. Changes to estimated future decommissioning costs are recognized in the statement of financial position by either increasing or decreasing the decommissioning provision and the related asset.

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.

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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

	June 30, 2026	December 31, 2025
Cash and funds held in trust	\$ -	\$ 54,000
Cash - unallocated	2,747,037	89,699
Cash allocated for flow-through expenditures	1,687,676	2,336,071
Total	\$ 4,434,713	\$ 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.

5. MARKETABLE SECURITIES

	June 30, 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	(339)	37,129
Ending balance	\$ 54,136	\$ 54,475

The Company holds 2,405 common shares of IAMGOLD Corporation (“IAMGOLD”), a public company listed on the TSX. During the six months ended June 30, 2026, the Company recognized a net change in value of \$339 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.

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

6. SILVER LOAN

On December 4, 2025, the Company invested \$738,780 in a 9,958 oz silver loan. The loan bears interest at a rate of 12% per annum and matures in August 2027. As at June 30, 2026, the fair value of the investment was \$876,948, representing an unrealized loss of \$109,533 during the six months ended June 30, 2026, which is recognized on the Company's statements of loss and comprehensive loss. (six months ended June 30, 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).

7. RIGHT-OF-USE ASSETS

Balance, December 31, 2025	\$	65,753
Acquired on acquisition of Canadian Zinc		496,679
Depreciation		(194,261)
Balance, June 30, 2026	\$	368,171

Right of use assets consist of a facility lease for office space and office equipment for those assets acquired with the acquisition of Canada Zinc..

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
Acquired on acquisition of Canadian Zinc		358,215
Accretion expense	\$	11,060
Lease payments		(121,374)
Balance, June 30, 2026	\$	309,243

Balance, June 30, 2026		
Less than one year	\$	38,034
Greater than one year		271,209
Total lease obligation	\$	309,243

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

8. LEASE LIABILITY (Continued)

Maturity Analysis - Contractual Undiscounted Cash Flows

<u>As at June 30, 2026</u>		
Less than one year	\$	39,975
Greater than one year		271,209
Total undiscounted lease obligation	\$	311,184

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

Prairie Creek Silver Mine

Acquired through the acquisition of Canadian Zinc Corporation on April 24, 2026, the Prairie Creek Project is a permitted underground high grade silver-zinc-lead project located in the Northwest Territories.

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.

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION EXPENDITURES (Continued)

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.

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION EXPENDITURES (continued)

During the six months ended June 30, 2026 and 2025, the Company incurred the following exploration and evaluation expenditures.

	Three Months ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Yukon Properties				
Claim maintenance	\$ -	\$ -	\$ 9,489	\$ -
Geological	5	-	7,709	-
Support costs	3,026	-	3,026	-
Geophysics	13,449	16,625	64,849	33,250
Data interpretation		39,172	-	56,317
	16,480	55,797	85,073	89,567
Northwest Territories Property				
Acquisition			-	-
Geophysics	9,768	-	20,381	-
Claim maintenance	-	-	2,250	7,197
Geological	11,115	3,500	15,911	7,000
	20,883	3,500	38,542	14,197
Nunavut Properties				
Acquisition		-	-	-
Claim maintenance	-	-	4,283	-
Geological	17,254	-	27,390	-
Geophysics	19,038	20,125	50,185	51,297
	36,292	20,125	81,858	51,297
Prairie Creek Property				
Support costs	604,439	-	604,439	-
Water monitoring/treatment	541,292	-	541,292	-
Geophysics	11,750	-	11,750	-
Environmental	370,787	-	370,787	-
	1,528,268	-	1,528,268	-
Ontario Properties				
Claim maintenance	-	-	-	-
	-	-	-	-
Quebec Property				
Claim maintenance	-	-	-	-
	-	-	-	-
Total	\$ 1,601,922	\$ 79,422	\$ 1,733,740	\$ 155,061

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

10. FLOW-THROUGH PREMIUM LIABILITY

	June 30, 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 six months ended June 30, 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.

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(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) On April 24, 2026, the Company closed a brokered private placement offering of subscription receipts for aggregate gross proceeds of \$11,500,000. A total of 71,875,000 Subscription Receipts were issued at a price of \$0.16 per Subscription Receipt. The subscription receipts converted into one unit of the Company which consisted of one common share and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share for a period of three years from the closing the acquisition of Canadian Zinc on April 24, 2026 at an exercise price of \$0.24 per warrant.

The net proceeds of the offering were used to fund the cash portion of the purchase price for the acquisition (the "Acquisition") of all the issued and outstanding shares of Canadian Zinc Corporation. (see note 14)

The 71,875,000 \$0.24 warrants issued in conjunction with the private placement were valued at \$3,989,796 using the Black-Scholes option pricing model, relative value method with the following assumptions: a risk-free interest rate of 2.90%; an expected volatility of 116%; %; a share price of \$0.325 on the date of issuance, an expected life of 3 years; and an expected dividend yield of 0%.

The 3,448,875 \$0.24 finders warrants issued in conjunction with this financing were valued at \$833,248 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.90%; an expected volatility of 116%; a share price of \$0.24 on the date of issuance, an expected life of 3 years; and an expected dividend yield of 0%.

The Company paid finders fees and cash costs of issue aggregating \$563,355.

- (iii) On April 24, 2026, the Company issued 12,500,000 units, comprised of one common share and one common share purchase warrant entitling the holder to receive one common share with an exercise price of \$0.24. The common shares were ascribed a fair market value on the date of issuance of \$4,000,000.

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Issued and outstanding (continued)

The 12,500,000 \$0.24 warrants issued in conjunction with the unit issuance were valued at \$3,020,000 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.90%; an expected volatility of 116%; a share price of \$0.24 on the date of issuance, an expected life of 3 years; and an expected dividend yield of 0%.

- (iv) During the six months ended June 30, 2026, the Company issued 12,194,676 common shares on the exercise of warrants for gross proceeds of \$2,264,216. The Company recorded an allocation on exercise of warrants of \$845,269 from warrants reserve to share capital.
- (v) During the six months ended June 30, 2026, the Company issued 485,000 common shares on the exercise of options for gross proceeds of \$50,300. The Company recorded an allocation on exercise of warrants of \$45,789 from contributed surplus to share capital.

Warrants

The continuity of share purchase warrants for the three months ended June 30, 2026 is as follows:

Expiry date	Exercise price	Balance, December 31, 2025	Granted	Exercised	Expired	Balance, June 30, 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	-	(3,212,189)	-	-
May 24, 2026	\$ 0.18	957,940	-	(957,940)	-	-
January 3, 2027	\$ 0.15	4,884,550	-	(2,843,908)	-	2,040,642
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	-	(2,688,575)	-	2,020,992
January 3, 2028	\$ 0.18	1,647,130	-	-	-	1,647,130
January 19, 2029	\$ 0.23	-	12,499,998	(2,021,742)	-	10,478,256
January 19, 2029	\$ 0.23	-	334,946	-	-	334,946
April 24, 2029	\$ 0.24	-	71,875,000	(105,000)	-	71,770,000
April 24, 2029	\$ 0.24	-	3,448,875	-	-	3,448,875
April 24, 2029	\$ 0.24	-	12,500,000	-	-	12,500,000
		18,522,378	100,658,819	(12,194,676)	(495,680)	106,490,841
Weighted average exercise price	\$ 0.13	\$ 0.24	\$ 0.19	\$ 0.15	\$ 0.23	

As at June 30, 2026, the weighted average remaining contractual life of the share purchase warrants outstanding was 3.66 years.

Honey Badger Silver Inc.

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11. SHARE CAPITAL (continued)

Warrants (continued)

The continuity of share purchase warrants for the six months ended June 30, 2025 is as follows:

		Balance, December 31,				Balance, June 30,
Expiry date	Exercise price	2024	Granted	Exercised	Expired	2025
October 10, 2025	\$ 0.065	7,746,000	-	(550,000)	-	7,196,000
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	(550,000)	-	17,756,160
Weighted average exercise price	\$ 0.13	\$ 0.18	\$ 0.07	\$ -	\$ 0.13	

As at June 30, 2025, the weighted average remaining contractual life of the share purchase warrants outstanding was 1.24 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 six months ended June 30, 2026 is as follows:

		Balance, December 31, 2025	Granted	Exercised	Expired / Forfeited	Balance, June 30, 2026				
Expiry date	Exercise price									
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	-	(220,000)	(400,000)	1,875,000				
July 16, 2030	\$ 0.120	4,000,000	-	(240,000)	(160,000)	3,600,000				
September 8, 2030	\$ 0.230	1,360,000	-	-	(75,000)	1,285,000				
January 9, 2031	\$ 0.200	-	2,000,000	(25,000)	-	1,975,000				
March 31, 2031	\$ 0.220	-	1,000,000	-	-	1,000,000				
April 29, 2031	\$ 0.450	-	5,335,000	-	-	5,335,000				
		9,605,159	8,335,000	(485,000)	(1,705,790)	15,749,369				
Weighted average exercise price	\$	0.19	\$	0.36	\$	0.10	\$	0.42	\$	0.26

Honey Badger Silver Inc.

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11. SHARE CAPITAL (continued)

Stock Options (continued)

As at June 30, 2026, 11,581,869 of the 15,749,369 options were exercisable with a weighted average remaining contractual life of 4.16 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 six months ended June 30, 2026, stock based compensation expense of \$182,152 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 six months ended June 30, 2026, stock based compensation expense of \$322,140 was expensed in conjunction with this grant.

- (iii) On April 29, 2026, the Company granted an aggregate of 5,335,000 stock 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.

The options were valued at \$1,970,749 using the Black-Scholes option pricing model with the following assumptions: an exercise price of \$0.45, a risk-free interest rate of 3.26%; an expected volatility of 116%; an expected life of 5 years; a share price of \$0.45 on the date of grant; and an expected dividend yield of 0%. During the six months ended June 30, 2026, stock based compensation expense of \$1,324,781 was expensed in conjunction with this grant.

Honey Badger Silver Inc.

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For the six months ended June 30, 2026

(Unaudited – Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Stock Options (continued)

The continuity of stock options for the six months ended June 30, 2025 is as follows:

Expiry date	Exercise price	Balance, December 31, 2024	Granted	Exercised	Expired / Forfeited	Balance, June 30, 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 June 30, 2025, all stock options were exercisable with a weighted average remaining contractual life of 2.90 years.

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Consulting fees				
Chairman	\$ 75,000	\$ 75,000	\$ 150,000	\$ 150,000
Chief Executive Officer	-	12,250	-	24,500
Chief Operating Officer	54,175	-	131,250	-
Golden Oak *	-	25,000	-	55,000
The Marrelli Group ***	46,941	5,877	78,398	5,877
	176,116	118,127	359,648	235,377
Exploration and evaluation expenditures				
Chief Executive Officer	-	40,250	-	80,500
Nemo Resources **	42,908	15,000	87,908	22,500
	42,908	55,250	87,908	103,000
Share-based compensation	1,632,262	-	2,093,592	-
Total	\$ 1,851,286	\$ 173,377	\$ 2,541,148	\$ 338,377

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited – Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

* 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

		June 30, 2026	December 31, 2025
Chairman	Fees	\$ 28,250	\$ -
Chairman	Expenses	-	26,635
The Marrelli Group	Fees	6,838	16,395
Chief Operating Officer	Expenses	5,418	-
Total		\$ 40,506	\$ 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.

Honey Badger Silver Inc.

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14. 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. The PC Silver Project is a major permitted underground silver-zinc-lead project located in the Northwest Territories. The Agreement closed April 24, 2026.

Total consideration consisted of \$12 million in cash plus 12,500,000 common share units, with each unit consisting of one common share of the Company and one common share purchase warrant, exercisable at \$0.24 each.

The Company assessed the Acquisition in accordance with IFRS 3, Business Combinations, and concluded that the assets and activities acquired did not constitute a business, as the acquired set did not include the substantive processes necessary to significantly contribute to the ability to produce outputs. Accordingly, the Acquisition was accounted for as an asset acquisition.

A summary of the consideration paid and net assets acquired is as follows:

Consideration Paid		
Cash	\$	12,000,000
Fair value of 12,500,000 common shares issued (Note 11(iii))		4,000,000
Fair value of 12,500,000 warrants issued (Note 11(iii))		3,020,000
	\$	19,020,000
Net Assets Acquired		
Bank	\$	1,595,998
Accounts payable		244,923
HST receivable		18,957
Restricted cash		5,712,029
Property, plant and equipment		951,788
Exploration and evaluation assets		1,550,216
Long-term property, plant and equipment		496,679
Accounts payable		(246,087)
Accrued liabilities		(1,794,744)
Lease obligations		(358,215)
Decommissioning provision		(3,376,996)
Transaction costs		300,882
	\$	5,095,430
Acquisition cost	\$	13,924,570

Restricted cash is comprised of bonds held with government bodies as collateral against possible future site remediation

Honey Badger Silver Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited – Expressed in Canadian dollars)

15. SUBSEQUENT EVENTS

Subsequent to June 30, 2026, 18,868,901 warrants were exercised for gross proceeds of \$4,488,325.

16. COMPARATIVE FIGURES

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