

STATEMENT OF EXECUTIVE COMPENSATION of Honey Badger Silver Inc., (the “Corporation”)

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and the most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of financial year ended December 31, 2020 and whose total compensation exceeded \$150,000, for that financial year (collectively, “NEO” or the “Named Executive Officers”) and for the directors of the Corporation.

As at December 31, 2020, the Corporation had two individuals that qualified as NEOs: Chad Williams, Chairman, and Eduardo Baer, CEO. From January 1, 2020 to December 23, 2020 Ms. Fiona Fitzmaurice served as CFO. During year ended December 31, 2020, there were other CEO’s and CFO’s. See the Summary Compensation Table below.

Summary Compensation Table

The following table is a summary of the compensation paid, directly or indirectly, to the Named Executive Officers and directors of the Corporation for the two most recently completed financial years.

COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Fiscal Year	Salary, Consulting Fees, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All other compensation (\$)	Total compensation (\$)
Chad Williams Chief Executive Officer & Director (1)	2020	55,385	Nil	Nil	Nil	Nil	55,385
Ed Baer (2) Chief Executive Officer & Director	2020	80,000	Nil	Nil	Nil	Nil	80,000
Fiona Fitzmaurice (3) Chief Financial Officer	2020 2019	89,005 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	89,005 Nil
Petra Decher (3) Chief Financial Officer	2019	17,119	Nil	Nil	Nil	Nil	17,119
Tara Gilfillan (4) Chief Financial Officer	2019	32,000	Nil	Nil	Nil	49,739	81,739
Quentin Yarie President & Chief Executive Officer	2019 2020	43,774 38,824	Nil	Nil	Nil	Nil	43,774 38,824
Chad Gilfillan Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Craig Scherba(5) Director	2020 2019	Nil	Nil	Nil	Nil	Nil	Nil
Kevin Tanas(6) Director	2020 2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Chad Williams served as CEO from July 23, 2020 to September 22, 2020.
- (2) Ed Baer was appointed as CEO from September 22, 2020 to January 25, 2021 and as Director from August 22, 2020 to April 1, 2021.
- (3) Fiona Fitzmaurice was appointed as CFO effective December 11, 2019 and resigned on December 23, 2020.
- (4) Petra Decher was appointed as CFO effective January 1, 2018 and resigned effective May 1, 2019.
- (5) Tara Gilfillan was appointed as CFO effective May 2, 2019 and resigned effective December 11, 2019. Ms. Gilfillan was also a director of the Corporation until her appointment as CFO.
- (6) Craig Scherba resigned as Director on July 23, 2020.
- (7) Kevin Tanas resigned as Director on July 23, 2020.

Stock Options and Other Compensation Securities

During the financial year ended December 31, 2020, the following compensation securities were granted or issued to the directors and Named Executive Officers by the Corporation:

COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class (#)	Date of Issue or Grant	Expiry Date	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at year end (\$)
Chad Williams <i>Chief Executive Officer & Director</i>	Stock Options	1,575,000	August 28, 2020	August 28, 2025	0.06	N/A	N/A
Quentin Yarie President & Chief Executive Officer	Stock Options	650,000	August 28, 2020	August 28, 2025	0.06	N/A	N/A
Petra Decher Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tara Gilfillan Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiona Fitzmaurice Chief Financial Officer	Stock Options	150,000	August 28, 2020	August 28, 2025	0.06	N/A	N/A
Chad Gilfillan Director	Stock Options	650,000	August 28, 2020	August 28, 2025	0.06	N/A	N/A
Ed Baer <i>Chief Executive Officer & Director</i>	Stock Options	650,000	August 28, 2020	August 28, 2025	0.06	N/A	N/A
Craig Scherba Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kevin Tanas Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Exercise of Stock Options and Other Compensation Securities

During the financial year ended December 31, 2020, the following compensation securities were exercised by the directors and Named Executive Officers of the Corporation:

COMPENSATION SECURITIES EXERCISED							
Name and Position	Type of Compensation on Security	Number of Underlying Securities Exercised	Date of Exercise	Exercise Price per Security (\$)	Closing Price per Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
Chad Williams <i>Chief Executive Officer & Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ed Baer <i>Chief Executive Officer & Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiona Fitzmaurice <i>Chief Financial Officer</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Petra Decher <i>Chief Financial Officer</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tara Gilfillan <i>Chief Financial Officer</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Quentin Yarie <i>President & Chief Executive Officer</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Craig Scherba <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kevin Tanas <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chad Gilfillan <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Pension Plan Benefits

For the most recently completed financial year, the Corporation did not have any pension or retirement benefit plans and none are proposed at this time.

Stock Option Plan and Other Incentive Plans

Currently, the Corporation has a “rolling” stock option plan as described in TSXVE Policy 4.4. Pursuant to the Plan, the Board may from time to time, in its discretion, and in accordance with TSXVE requirements, grant to directors, officers, consultants and employees of the Corporation and its affiliates, non-transferable options to purchase Common Shares exercisable for a period of up to five years from the date of the grant, provided that the number of Common Shares reserved for issuance thereunder may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The Plan was last approved for use by the Corporation at the annual meeting of shareholders held on September 30, 2020 and is required to be approved by shareholders, annually.

The purpose of the Plan is to develop the interest of bona fide officers, directors, employees, management company employees and consultants of the Corporation in the growth and development of the Corporation by providing them with the opportunity through stock options to acquire an increased proprietary interest in the Corporation. The exercise price for each option is determined by the Board at the time of grant and may not be less than the Discounted Market Price (as such term is defined in the policies of the TSXVE) of the Common Shares as of the date of grant. If any option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the option was not exercised shall be available for the purposes of the Plan. Any exercises

of options will make new grants available under the Plan, effectively resulting in a re-loading of the number of options available for grant under the Plan.

Pursuant to the Plan, the maximum number of Common Shares reserved for issuance in any 12-month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12-month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant. Incentive stock options granted to any optionee that does not continue as a director, officer, employee or consultant of the Corporation or one of its affiliates, may be exercised up to 90 days following the date the optionee ceases to be a director, officer, employee or consultant of the Corporation or one of its affiliates, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period determined by the Board, which date shall not be later than one year after such death and the expiry date of such option.

Employment, Consulting and Management Agreements

There was no agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Corporation or any of its subsidiaries that were performed by a director, NEO or was performed by any other party but are services typically provided by a director or NEO.

Oversight and Description of Director and Named Executive Officer Compensation

The Board, with the recommendation of the compensation committee, determines the compensation payable to the NEOs and directors of the Corporation and reviews such compensation annually.

For the fiscal year ending December 31, 2020, each director was entitled to (i) a \$nil monthly fee; (ii) \$nil per day for each meeting attended in person; (iii) \$nil for each meeting attended by telephone upon furnishing an invoice for same; (iv) reimbursement for travel and other meeting-related expenses and may, from time to time, be awarded stock options under the provisions of the Plan.

There are no other arrangements under which the directors of the Corporation were compensated by the Corporation during the most recently completed financial year end for their services in their capacity as directors.

Compensation of Named Executive Officers

Principles of Executive Compensation

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Corporation's management team. The main objectives the Corporation hopes to achieve through its compensation are:

- to attract and retain executives critical to the Corporation's success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value;
- to motivate the Corporation's management team to meet or exceed targets;
- to recognize the contribution of the Corporation's executive officers to the overall success and strategic growth of the Corporation; and
- to align the interests of management and the Corporation's shareholders by providing performance-based compensation in addition to salary.

It is one of the aims of the compensation strategy to ensure that executives of the Corporation are paid reasonably and consistent with the level of responsibility and authority which they assume and taking into account the role they play in advancing the strategic objectives of the Corporation.

For the fiscal year ending December 31, 2020, the compensation committee of the Board (the "**Compensation Committee**") was composed of three directors being Craig Scherba, Chad Gilfillan and Kevin Tanas, all of whom are considered to be independent. Mr. Scherba and Mr. Tanas did not stand for re-election at the Meeting. The Board will appoint replacements to these positions as soon as practicable. The role of the Compensation Committee is to undertake periodic, independent reviews of market conditions to ensure that the executive officers of the Corporation

are paid competitively relative to other comparable participants in the industry. When deemed necessary, the Compensation Committee may call upon outside resources to assist with these reviews and to ensure that the compensation packages available to executives are adequate to retain the existing complement of executives and recruit others into this group as an integral part of facilitating and sustaining the continued growth of the Corporation.

The basic elements of the compensation strategy are base salary, annual incentives and long-term incentives.

Base Salary

On an individual basis, base salaries are reviewed for each executive officer, including the CEO, and where it is deemed necessary, changes are made. In order to ensure that base salaries paid are competitive relative to other similar positions within the mining industry in Canada, surveys of such salaries are examined. Other considerations taken into account when examining base salaries include years of experience, the potential contribution which the individual can make to the success of the Corporation and the level of responsibility and authority inherent in the job and the importance of maintaining internal equity within the organization.

From November 1, 2017 to July 23, 2020, Mr. Yarie received a monthly retainer of \$3,500 for his service as President and CEO. Petra Decher was appointed as Chief Financial Officer effective January 1, 2018 and resigned effective May 1, 2019, for which she received annual compensation of \$48,000. Tara Gilfillan was appointed as Chief Financial Officer effective May 2, 2019 and resigned effective December 11, 2019; her annual compensation was \$54,000. Ms. Gilfillan was also a director of the Corporation until her appointment as Chief Financial Officer. Through her personal management corporation, Ms. Fitzmaurice was retained as CFO from December 11, 2019 and her monthly compensation was \$5,667.

Annual Incentives

The Compensation Committee may recommend bonuses be paid to executive officers of the Corporation when their performance warrants additional consideration. No bonuses were paid with respect to the 2020 financial period.

Long-term Incentives

Options to purchase the Common Shares of the Corporation encourage executive officers to own and hold the Corporation's Common Shares and are a method of linking the performance of the Corporation and the appreciation of share value to the compensation of the executive officer. When determining the number of options granted to an executive officer, items such as the relative position of the individual officer, the contribution made by that officer during the review period and the number of options granted previously would be taken into consideration.

The Compensation Committee recommends option grants to the Board. Pursuant to the Corporation's Plan, the Corporation's Board grants options to directors, executive officers, other employees and consultants as incentives. The level of stock options awarded to a Named Executive Officer (as hereinafter defined) is determined by his position and his potential future contributions to the Corporation.