



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by management of Honey Badger Silver Inc. (the “**Company**” or “**Honey Badger**”). Information in this circular is given as of the 31st day of October 2022 (the “**Effective Date**”), except as otherwise indicated. Unless otherwise indicated, dollar amounts are expressed in Canadian dollars.

SOLICITATION OF PROXIES

Although, it is expected that management’s solicitation of proxies for the Meeting will be made primarily by mail, proxies may be solicited by directors, officers and employees of the Corporation personally or by telephone, fax, email or other similar means of communication. **This solicitation of proxies for the Meeting is being made by or on behalf of the directors and management of the Corporation and the Corporation will bear the costs of this solicitation of proxies for the Meeting.**

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with the transfer agent, investment dealers, intermediaries, custodians, depositories and depository participants and other nominees to forward solicitation materials to the beneficial owners of the common shares (the “**Shares**”) of the Corporation. The Corporation will provide, without any cost to such person, upon request to the Non-Executive Chairman of the Corporation, additional copies of the foregoing documents for this purpose.

REGISTERED SHAREHOLDERS VOTING BY PROXY

Enclosed with this Circular is a form of proxy. The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **Every Shareholder of the Corporation has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons already named in the enclosed form of proxy to represent such shareholder of the Corporation at the virtual Meeting by striking out the printed names of such persons and clearly printing the name of such other person AND an email address for contact in the blank space provided therein for that purpose.** In order to be valid, a proxy must be received by AGM Connect, 401 Bay Street, Suite 2704, Toronto, Ontario, M5H 2Y4 by 2:00 pm on December 13, 2022, or in the event of an adjournment or postponement of the Meeting, no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays in Ontario) before the time for holding the adjourned or postponed Meeting.

Shareholders may also elect to vote electronically in respect of any matter to be acted upon at the Meeting. Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as, votes cast via a paper form of proxy. To vote electronically, registered shareholders are asked to go to the website shown on the form of proxy and follow the instructions on the screen. Please note that each shareholder exercising the electronic voting option will need to refer to the Voter ID & Meeting Access Code indicated on their proxy form to identify themselves in the electronic voting system, an email address of choice will also be required for verification. Shareholders should also refer to the instructions on the proxy form for information regarding the deadline for voting shares electronically. If a Shareholder votes electronically he or she is asked not to return the paper form of proxy by mail.

In order to be effective, a form of proxy must be executed by a shareholder exactly as his or her name appears on the register of shareholders of the Corporation. Additional execution instructions are set out in the notes to the form of proxy. The proxy must also be dated where indicated. If the date is not completed, the proxy will be deemed to be dated on the day on which it was mailed to shareholders.

The management representatives designated in the enclosed form of proxy will vote the Shares in respect of which they are appointed proxy in accordance with the instructions of the shareholder as indicated on the proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

In the absence of such direction, such Shares will be voted by the management representatives named in such form of proxy in favour of each of the matters referred to in the Notice and will be voted by such representatives on all other matters which may come before the Meeting in their discretion.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

THE ENCLOSED FORM OF PROXY OR VOTER INSTRUCTION FORM, WHEN PROPERLY SIGNED, CONFERS DISCRETIONARY VOTING AUTHORITY ON THOSE PERSONS DESIGNATED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.

At the time of printing of this Circular, management of the Corporation know of no such amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice and this Circular. **However, if any matters which are not now known to management of the Corporation should properly come before the Meeting, the Shares represented by proxies in favour of the Management Nominees will be voted on such matters in accordance with the best judgement of the Management Nominee.**

ATTENDING THE MEETING

	IF YOU HAVE RECEIVED PROXY FROM WITH A VOTER ID and MEETING ACCESS CODE FROM AGM CONNECT		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A <u>16-DIGIT CONTROL NUMBER</u> FROM AN INTERMEDIARY
	Registered Shareholders (your securities are held in your name in a physical certificate or DRS statement)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)
PRIOR TO THE MEETING	N/A	Appoint yourself as proxyholder on your proxy and follow the instructions at https://agmconnect.com/honeybadger/	Appoint yourself as proxyholder as instructed herein and on the VIF.
	N/A	Following the proxy cut-off date, your appointed proxyholder will be provided with an AGM Connect Voter ID and Meeting Access Code	AFTER submitting your proxy appointment, you MUST contact AGM Connect to obtain a Voter ID and Meeting Access Code at +1. 855.839.3715 or vote@agmconnect.com
JOINING THE VIRTUAL MEETING (at least 15 minutes prior to start of the Meeting)	Register and login at http://app.agmconnect.com Registered Shareholders or validly appointed Proxyholders will need to provide an email address, <i>AGM Connect Voter ID</i> and the <i>Meeting Access Code</i>		



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

VOTE USING THE FOLLOWING METHODS PRIOR TO THE MEETING

	IF YOU HAVE RECEIVED PROXY FROM WITH A VOTER ID and MEETING ACCESS CODE FROM AGM CONNECT		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A 16-DIGIT CONTROL NUMBER FROM AN INTERMEDIARY
VOTING METHOD	Registered Shareholders (your securities are held in your name in a physical certificate or DRS statement)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)
Internet	Login to https://app.agmconnect.com Using the Meeting Access Code and Voter ID provided to you complete the form to Submit Proxy		Go to www.proxyvote.com Enter the 16- digit control number printed on the VIF and follow the instructions on screen
Email	Complete, sign and date the proxy form and email to: vote@agmconnect.com		N/A
Telephone	Call +1.855.839.3715 to register your vote for the Honey Badger Silver Inc. AGSM		N/A
Mail	Enter your voting instructions, sign, date and return the form to AGM Connect in the enclosed envelope		Enter your voting instructions, sign, date and return completed VIF in the enclosed postage paid envelope

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only Registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend, and vote at the Meeting. However, in many cases, Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Shares (Intermediaries include, among others, banks, trust companies, investment dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the Notice, this Circular and its form of proxy (collectively, the “**Meeting Materials**”) to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which must be completed and returned by the Non-Registered Shareholder in accordance with the directions printed on the form (in some cases, the completion of the voting instruction form by telephone, facsimile or over the Internet is permitted) or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder, but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with AGM Connect, 401 Bay Street, Suite 2704, Toronto, Ontario, M5H 2Y4.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and clearly print the Non-Registered Shareholder's (or such other person's) name and valid email address in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. If you are a Non-Registered Shareholder, and we or our agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the VIF or the proxy is to be delivered.**

REVOCATION OF PROXIES

A registered shareholder of the Corporation who has submitted a proxy may revoke it by:

- (a) depositing an instrument in writing signed by the registered shareholder or by an attorney authorized in writing or, if the registered shareholder is a corporation, by a duly authorized officer or attorney, either:
 - (i) at the office of AGM Connect, 401 Bay Street, Suite 2704, Toronto, Ontario, M5H 2Y4 Corporation, by 2:00 pm on December 13, 2022, or in the event of an adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturday, Sunday and holidays in Ontario) before the time for holding the adjournment or postponement Meeting; or
 - (ii) with the Chairman of the Meeting prior to commencement of the Meeting on the day of the Meeting;
- (b) transmitting, by telephonic or electronic means, a revocation that complies with (i) or (ii) above and that is signed by electronic signature provided that the means of electronic signature permit a reliable determination that the document was created or communicated by or on behalf of the registered shareholder or the attorney, as the case may be; or
- (c) in any other manner permitted by law.

A Non-Registered Shareholder who has submitted voting instructions to an Intermediary should contact their Intermediary for information with respect to revoking their voting instructions.

NOTICE-AND-ACCESS

The Company is utilizing the notice-and-access mechanism (the "Notice-and-Access Provisions") that came into effect on February 11, 2013, under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument 51-102 – Continuous Disclosure Obligations, for distribution of Meeting materials to registered and beneficial Shareholders.

SHAREHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR BEFORE VOTING

VOTING SHARES AND RECORD DATE

In accordance with the provisions of the *Business Corporations Act* (Ontario) (the "Act"), the directors of the Corporation have fixed October 31, 2022, as the record date for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting. Shareholders of the Corporation of record at the close of business on October 31, 2022, will be entitled to vote at the Meeting and at all adjournments thereof. The Corporation will prepare a list of holders of its Common Shares as at the close of business on the record date. A shareholder named in the list will be entitled to vote the Common Shares shown opposite his name at the Meeting and all adjournments thereof.

The Corporation is authorized to issue an unlimited number of Common Shares with each share carrying the right to one vote per share at all meetings of the shareholders of the Corporation. As of October 31, 2022, the Corporation had 177,688,639 Common Shares issued and outstanding.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

We encourage you to make sure that your votes are represented at the meeting. Additional information on how to attend the virtual meeting and to vote your shares in advance of the Meeting is enclosed. Please take the time to vote using the Form of Proxy or VIF sent to you in accordance with the instructions thereon so that your shares are voted according to your instructions and represented at the Meeting.

PRINCIPAL HOLDERS OF VOTING SHARES

As of October 31, 2022, to the knowledge of the Directors and senior Officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation, except as follows:

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding Shares
Strategic Metals Ltd	34,804,718	19.59%

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. FINANCIAL STATEMENTS

The Corporation's financial statements for the fiscal year ended December 31, 2021, and the report of the auditors thereon, have been filed on www.sedar.com and have been sent to registered and beneficial shareholders who have requested copies thereof using the request form accompanying this Circular and will be submitted to the meeting of shareholders. Receipt at the Meeting of the auditors' report and the Corporation's financial statements for this fiscal period will not constitute approval or disapproval of any matters referred to therein, and no action is required to be taken by Shareholders thereon.

2. APPOINTMENT AND REMUNERATION OF AUDITORS

Effective July 25, 2022, Davidson & Company LLP (former auditors) resigned as the auditor for the Corporation and Jones & O'Connell LLP, Chartered Professional Accountants (new auditors) was appointed as auditor of the Company, to hold office until the Meeting. In accordance with National Instrument 51-102, a copy of the prescribed reporting package relating to the change in auditors is attached to this Information Circular as Appendix "A", including the Company's notice of change in auditors dated July 28, 2022, and letters of acknowledgement from each of former and new auditors. As noted in the reporting package, no "reportable events" (within the meaning of NI 51-102) have occurred, and the former auditors did not express a modified opinion on any of their reports on the Company's financial statements for the two most recently completed fiscal years or for any period subsequent thereto for which an audit report was issued and preceding the effective date of the resignation of the Former Auditors.

It is proposed to appoint Jones & O'Connell LLP, Chartered Professional Accountants as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the Directors to fix their remuneration.

The Board recommends a vote FOR the appointment of Jones & O'Connell LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Directors to fix their remuneration. Unless another choice is specified, the persons named in the enclosed Form of Proxy intend to vote FOR the appointment of Jones & O'Connell LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Directors to fix their remuneration.

3. ELECTION OF DIRECTORS

The articles of the Corporation (the "**Articles**") provide for a minimum of three and a maximum of ten Directors. The Directors are elected annually. Pursuant to the authority vested in the Board, the Directors have passed a resolution determining that the number of Directors to be elected at the meeting is four. Each Director will hold office until the next annual meeting or until his or her successor is elected or appointed.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

The following table sets forth the names of all the persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment within the five preceding years, the year in which they first became Directors of the Corporation and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, by each of them as of October 31, 2022. The information as to Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.

NAME, RESIDENCE, OFFICE HELD	PRINCIPAL OCCUPATION, BUSINESS OR EMPLOYMENT	DIRECTOR SINCE	COMMON SHARES BENEFICIALLY OWNED
Chad Williams ⁽¹⁾⁽³⁾ Toronto, Ontario Director and Non-Executive Chairman	Chairman of Red Cloud Mining Capital Inc	January 25, 2021	10,212,500
Brian Briggs P.E. ⁽¹⁾⁽²⁾⁽⁴⁾ Ouray, CO, USA Director	Managing Partner at B.K. Briggs & Associates VP Exploration Great American Minerals and Exploration	June 2, 2021	0
Doug Eaton ⁽¹⁾⁽⁵⁾ North Vancouver, BC Director	Geologist, Retired Partner, Archer, Cathro & Associates	June 24, 2021	0
John H. Hill ⁽⁶⁾ Mill Valley, CA, USA Director	Rexerro Capital Ltd.	October 28, 2021	0

Notes:

- (1) Member of the Audit Committee
- (2) Chair of the Audit Committee
- (3) Mr. Williams also holds 7,314,000 Stock Options
- (4) Mr. Briggs also holds 1,000,000 Stock Options
- (5) Mr. Eaton also holds 984,000 stock Options
- (6) Mr. Hill also holds 984,000 Stock Options

Cease Trade Orders and Bankruptcies

To the best of the Corporation's knowledge, no proposed director of the Corporation is, or within 10 years before the date hereof, has been: (a) a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. No proposed director: (a) is at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.; or (b) has, or within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director. To the best of the Corporation's knowledge, no proposed director of the Corporation has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Some of the proposed directors and officers are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Corporation, notwithstanding that they are bound by the provisions of the *Business Corporations Act* (Ontario) to act at all times in good faith in the interest of the Corporation and to disclose such conflicts to the Company if and when they arise.

The Board recommends a vote FOR the election of the directors. Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the election of the individuals set forth below. Management does not contemplate that any of such nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee in their discretion.

4. APPROVAL OF THE COMPANY'S STOCK OPTION PLAN

Shareholder approval is being sought at the Meeting to re-approve the Company's rolling Stock Option Plan (the "Plan") and accordingly shareholders will be asked to consider, and if deemed advisable, to approve with or without variation, an ordinary resolution approving the Plan for the ensuing year.

The following information is intended as a brief description of the Plan which is available at the Corporation's offices for ten (10) business days prior to the Meeting, during business hours. The capitalized terms are defined in the Plan.

1. **Objective of the Option Plan:** The purpose of the Plan is to give to Directors, Employees, Management Company Employees and Consultants of the Company and its subsidiaries, as additional compensation, the opportunity to participate in the success of the Company, and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock.
2. **Maximum term of the Options:** The term of any Options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any Options granted under the Option Plan may not exceed ten years.
3. **Limits under the Option Plan:** The Option Plan provides that at the time of grant of any Option, the aggregate number of Shares reserved for issuance under the Plan which may be made subject to Options at any time and from time to time (including those issuable upon the exercise of Pre-Existing Options) shall not exceed 10% of the total number of issued and outstanding Shares at any point in time, on a non-diluted basis, unless the Company has obtained Disinterested Shareholder Approval. The number of Shares which may be issuable under the Plan and all of the Company's other previously established plan:
 - to any one individual, within any twelve-month period, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, unless the Company has obtained Disinterested Shareholder Approval;
 - to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares, at any point in time and in any 12-month period, on a non-diluted basis; unless the Company has obtained Disinterested Shareholder Approval;
 - to any one Consultant, within any twelve-month period, shall not exceed 2% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
 - to all Investor Relations Service Providers, within any twelve-month period, shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.
4. **Administration of the Option Plan:** The Option Plan is administered by the Board, which will have full and final authority with respect to the granting of all Options thereunder.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

5. **Vesting Provision:** The Board, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in the Option Plan, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Investor Relations Service Providers, which Options must vest in stages over twelve months such that:
- no more than 1/4 of the Stock Options vest no sooner than three months after the Stock Options were granted;
 - no more than another 1/4 of the Stock Options vest no sooner than six months after the Stock Options were granted;
 - no more than another 1/4 of the Stock Options vest no sooner than nine months after the Stock Options were granted; and
 - the remainder of the Stock Options vest no sooner than 12 months after the Stock Options were granted.

Notwithstanding the foregoing, in the event that a Pre-Existing Plan imposed vesting requirements on a Pre-Existing Option, such vesting requirements must be satisfied before any such Pre-Existing Options shall become Vested.

6. **Exercise Price:** The exercise price will be determined by the Board and set forth in the Option Agreement issued in respect of such Option and, in any event, will not be less than the Market Price of the Corporation's Shares as of the Grant Date.
7. **Manner of Exercise:** The Option shall be exercisable by delivering to the Company an exercise notice specifying the number of Option Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Option Share. Upon notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Option Holder's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honored upon presentation in which case the Option shall not have been validly exercised.

Cashless Exercise

Subject to the provisions of the Plan, once an Option has vested and become exercisable, an Option Holder may elect to exercise such Option by either (a) a "net exercise" whereby Options, excluding Options held by any Investor Relations Service Provider, is exercised without the Participant making any cash payment so the Company does not receive any cash from the exercise of the subject Options, and instead, the Participant receives only the number of underlying Common Shares that is equal to the quotient obtained by dividing: (A) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options; by (B) the VWAP of the underlying Shares; or, (b) a broker-assisted "cashless exercise" in which the Company delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations a determined by the Company against delivery of the Common Shares to settle the applicable trade. The Option Holder then receives the balance of Listed Shares or the cash proceeds from the balance of such Listed Shares" from what is leftover above the exercise price / withholding taxes.

An Option may be exercised pursuant to this Section from time to time by delivery to the Company, at its head office or such other place as may be specified by the Company of (i) written notice of exercise specifying that the Option Holder has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Option Holder or the Company arising under applicable law and verified by the Company to its satisfaction (or by entering into some other arrangement acceptable to the Company in its discretion, if any).

8. **Expiry during blackout period:** If the Expiry Date in respect of any Option occurs within a trading black-out period imposed by the Company, the Expiry Date of the Option shall be automatically extended to the date that is ten (10) business days following the end of such black-out period.
9. **Termination provisions:** If the Option Holder ceases to be an Eligible Person, due to his or her death or, in the case of an Option Holder that is a company, the death of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Option Holder



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of: (i) 365 days after the date of death; and (ii) the Expiry Date.

If the Option Holder holds his or her Option as a Director of the Corporation and such Option Holder ceases to be a Director of the Corporation, the Expiry Date of the Option will not exceed the first anniversary following the date the Option Holder ceases to be a Director of the Corporation unless the Option Holder ceases to be a Director of the Corporation as a result of (i) ceasing to meet the qualifications of a director set forth in the OBCA; or (ii) an ordinary resolution having been passed by the shareholders of the Corporation pursuant the OBCA; or (iii) an order made by any Regulatory Authority having jurisdiction to so order, in which case the Expiry Date will be the date the Option Holder ceases to be a Director of the Corporation.

If the Option Holder ceases to be an Employee or Consultant of the Corporation other than by reason of death, the Expiry Date of the Option will not exceed the first anniversary following the Termination Date.

If the Option Holder ceases to be an Eligible Person as a result of "termination for cause" of such Option Holder by the Company or its subsidiary (or in the case of an Option Holder who is a Management Company Employee or Consultant, by the Option Holder's employer), as that term is interpreted by the courts of the jurisdiction in which the Option Holder is employed or engaged, any outstanding Option held by such Option Holder on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

If the Option Holder ceases to be engaged to provide Investor Relations Activities, other than by reason of death, the Expiry Date of the Option will not exceed the 30th day following the Termination Date unless the Option Holder ceases to be so engaged as a result of either "termination for cause" or an order made by any Regulatory Authority having jurisdiction to so order, in which case the Expiry Date will be the Termination Date.

If an Option Holder commits an act of bankruptcy or any proceeding is commenced against the Option Holder under the *Bankruptcy and Insolvency Act* (Canada) or other applicable bankruptcy or insolvency legislation in force at the time of such bankruptcy or insolvency and such proceeding remains undismissed for a period of thirty (30) days, no Option held by such Option Holder may be exercised following the date on which such Option Holder commits such act of bankruptcy or such proceeding remains undismissed, as the case may be.

- 10. Disinterested shareholder approval:** Disinterested Shareholder Approval must be obtained for any reduction in the Exercise Price or extension to the term if the Option Holder is an Insider of the Corporation at the time of the proposed reduction or extension. Furthermore, Disinterested Shareholder Approval must be obtained for the circumstances laid down in Sec 5.3(a) of the TSX-V Policy 4.4, including when the number of Shares reserved for issuance under the Plan to be granted to Insiders exceeds 10% of the issued and outstanding Shares and if the grant of Options to Insiders, within any 12-month period, exceeds 10% of the Corporation's issued and outstanding Shares.

As of October 31, 2022, 17,459,800 options were outstanding under the Plan to acquire, 17,459,800 Shares, representing approximately 9.82 % of the Corporation's current issued and outstanding Shares.

A copy of the Plan may be inspected at the head office of the Corporation, Suite 2704, 401 Bay Street, Toronto ON M5H 2Y4 during normal business hours and at the Meeting.

TSXV policies require that rolling plans be approved by shareholders on a yearly basis. Accordingly, shareholders are being asked to pass an ordinary resolution to ratify and confirm the Plan as adopted by the Board which permits the issuance of up to 10% of the issued and outstanding Shares from time to time. To be effective, the resolution must be passed by a simple majority of the votes cast thereon by Shareholders present in person or by proxy at the Meeting. If the resolution to approve the Plan is not approved by Shareholders of the Corporation, all unallocated stock options will be cancelled, and the Corporation will not be permitted to make any further grants until Shareholder approval is obtained. **Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of the resolution approving the Stock Option Plan.**

At the Meeting, the shareholders will be asked to pass the following resolution:



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Option Plan of the Corporation, as adopted by the Board of Directors, and as described in the Corporation's management information circular dated October 31, 2022, be and is hereby approved and ratified, and the Corporation be and is hereby authorized to reserve for issuance pursuant to the Option Plan up to 10% of the issued and outstanding common shares of the Corporation from time to time;
2. the Board of Directors be and is hereby authorized on behalf of the Corporation to make any amendments to the Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the shareholders of the Corporation, in order to ensure the adoption and efficient function of the Option Plan; and
3. any director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Option Plan."

The directors of the Corporation believe the passing of the foregoing ordinary resolution is in the best interests of the Corporation and recommend that Shareholders of the Corporation vote **IN FAVOUR** of the resolution. **In the absence of contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intended to vote IN FAVOUR of the approval of the Plan.**

5. APPROVAL OF THE CONSOLIDATION OF OUTSTANDING SECURITIES

The Board proposes to reduce the number of Common Shares of the Corporation in order to increase its flexibility with respect to potential business transactions, including any equity financings, if determined by the Corporation to be necessary. Shareholders are being asked to consider and, if thought appropriate, to pass the special resolution authorizing the Board, in its sole discretion, to consolidate the Common Shares on the basis of 1 new Common Share for every 5.7 old Common Shares (the "Consolidation") and amending the Corporation's articles accordingly. Notwithstanding approval of the Consolidation by the shareholders, the Board of Directors may, in its sole discretion, revoke this special resolution, and abandon the Consolidation without further approval or action by or prior notice to shareholders.

Prior to making any amendment to effect the consolidation of the Common Shares, the Corporation shall first be required to obtain any and all applicable regulatory and relevant TSX Venture Exchange (the "TSXVE") approvals.

The Board believes that it is in the best interests of the Corporation to provide the Board with the flexibility to elect to reduce the number of outstanding Shares by way of the Share Consolidation. Some of the potential benefits of the Share Consolidation include:

- **Increased Investor Interest.** The current share structure of the Corporation may make it more difficult for the Corporation to attract additional equity financing that may be required or desirable to maintain the Corporation or to further develop its business. The Share Consolidation may have the effect of raising, on a proportionate basis, the price of the Shares, which could appeal to certain investors that find shares valued above certain prices to be more attractive from an investment perspective.
- **Reduced Volatility.** The higher anticipated price of the post-consolidation Shares may result in less volatility as a result of small changes in the share price of the Shares. For example, a nominal price movement will result in a less significant change (in percentage terms) in the market capitalization of the Corporation.

The Board believes shareholder approval of the consolidation ratio of 1:5.7 provides the Board with flexibility to achieve the desired results of the Consolidation, and to ensure that the Corporation remains in compliance with applicable shareholder distribution requirements of the TSXVE. If this special resolution is approved, the Consolidation will be implemented, if at all, only upon a determination by the Board that the Consolidation is in the best interests of the Corporation and its shareholders at that time. In connection with any determination to implement a Consolidation, the Board will set the timing for such a consolidation.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

Certain Risks Associated with the Consolidation

There can be no assurance that the total market capitalization of the Common Shares (the aggregate value of all Common Shares at the then-market price) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the market price per Common Share following the Consolidation will be higher than the market price per Common Share immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. A decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of a Consolidation, and the liquidity of the Common Shares could be adversely affected. There can be no assurance that, if the Consolidation is implemented, the margin terms associated with the purchase of Common Shares will improve or that the Corporation will be successful in receiving increased attention from institutional investors.

Principal Effects of the Consolidation

As of October 31, 2022, the Corporation had 177,688,639 Common Shares issued and outstanding. Following the completion of the proposed Consolidation, the number of Common Shares of the Corporation issued and outstanding will be reduced to 37,806,093.

Tax Effect

The Consolidation will not give rise to a capital gain or loss under the Income Tax Act (Canada) for a shareholder who holds such Common Shares as capital property. The adjusted cost base to the shareholder of the new Common Shares immediately after the consolidation will be equal to the aggregate adjusted cost base to the shareholder of the old Common Shares immediately before the Consolidation. **EACH SHAREHOLDER SHOULD CONSULT ITS TAX ADVISOR WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES OF THE SHARE CONSOLIDATION TO SUCH SHAREHOLDER, INCLUDING THE EFFECTS OF ANY CANADIAN OR U.S. FEDERAL, STATE AND LOCAL, FOREIGN AND OTHER TAX LAWS.**

Notice of Consolidation and Letter of Transmittal

The Corporation has mailed with the proxy materials to each registered Shareholder a letter of transmittal in connection with the Consolidation. Each registered Shareholder must complete and sign the letter of transmittal after the Consolidation takes effect. **Registered Shareholders should delay sending in the Letter of Transmittal until the Consolidation Resolution has been approved and the Corporation announces the Consolidation has occurred.**

The letter of transmittal contains instructions on how to surrender to the transfer agent the certificate(s) representing the registered Shareholder's pre-consolidation Shares. The transfer agent will send to each registered Shareholder who follows the instructions provided in the letter of transmittal a share certificate representing the number of post-consolidation Shares to which the registered Shareholder is entitled rounded down to the nearest whole number or, alternatively, a DRS Advice/Statement representing the number of post-consolidation Shares the registered Shareholder holds following the Consolidation. Beneficial Shareholders (i.e., non-registered Shareholders) who hold their Shares through intermediaries (securities brokers, dealers, banks, financial institutions, etc.) and who have questions regarding how the Consolidation will be processed should contact their intermediaries with respect to the Consolidation. See "Effect on Non-Registered Holders" below.

Until surrendered to the transfer agent, each share certificate representing pre-consolidation Shares will be deemed for all purposes to represent the number of post-consolidation Shares to which the registered Shareholder is entitled as a result of the Consolidation. Until registered Shareholders have returned their properly completed and duly executed letter of transmittal and surrendered their share certificate(s) for exchange, registered Shareholders will not be entitled to receive any distributions, if any, that may be declared and payable to holders of record following the Consolidation.

Any registered Shareholder whose old certificate(s) have been lost, destroyed or stolen will be entitled to a replacement share certificate only after complying with the requirements that the Corporation and the transfer agent customarily apply in connection with lost, stolen or destroyed certificates.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

The method chosen for delivery of share certificates and letters of transmittal to the Corporation's transfer agent is the responsibility of the registered Shareholder and neither the transfer agent nor the Corporation will have any liability in respect of share certificates and/or letters of transmittal which are not actually received by the transfer agent.

REGISTERED SHAREHOLDERS SHOULD NEITHER DESTROY NOR SUBMIT ANY SHARE CERTIFICATE UNTIL HAVING RECEIVED A LETTER OF TRANSMITTAL.

Effect on Non-registered shareholders

Non-registered shareholders of the Corporation holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the proposed Consolidation than those that will be put in place by the Corporation for registered shareholders. If you hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

Effect on Fractional Shares

No fractional Common Shares of the Corporation will be issued upon the Consolidation. All fractions of post Consolidation Common Shares will be rounded down to the next lowest whole number if the first decimal place is less than five and rounded up to the next highest whole number if the first decimal place is five or greater.

Effect on Percentage Shareholdings

The Consolidation will not affect any shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Common Shares. Instead, the Consolidation will reduce proportionately the number of Common Shares held by all shareholders.

Effect on Convertible Securities and Stock Options

The exercise or conversion price and/or the number of Shares issuable under any of the Corporation's outstanding convertible securities including under outstanding stock options, warrants, rights, restricted share units and any other similar securities will be proportionally adjusted upon the implementation of the Consolidation, in accordance with the terms of such securities, based on the Consolidation ratio.

Implementation

The implementation of the special resolution is conditional upon the Corporation obtaining the necessary regulatory consents. The special resolution provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation, without further approval of the Corporation's shareholders. In particular, the Board of Directors may determine not to present the special resolution to the Meeting or, if the special resolution is presented to the Meeting and approved, may determine after the Meeting not to proceed with completion of the proposed Consolidation and filing of the articles of amendment. If the Board does not implement the Consolidation prior to the next annual meeting of shareholders, the authority granted by the special resolution to implement the Consolidation on these terms would lapse and be of no further force or effect.

Special Resolution Approving the Consolidation

It is proposed that the shareholders pass a resolution in the form set forth below:



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

“NOW THEREFORE BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

1. The Corporation be and is hereby authorized to amend the articles of the Corporation to consolidate the issued and outstanding Common Shares in the capital of the Corporation on the basis of 1 new Common Share for every 5.7 old issued and outstanding Common Shares (the “Consolidation”);
2. the Board of Directors is hereby authorized to determine the ratio for the Consolidation within the range set out in Table 1 – “Consolidation Ratio” of the management information circular dated November 7, 2022;
3. in the event that the Consolidation would otherwise result in the issuance of a fractional share, no fractional share will be issued, and such fractional share will be rounded down to the next lowest whole number if the first decimal place is less than five and rounded up to the next highest whole number if the first decimal place is five or greater;
4. the effective date of such Consolidation shall be the date shown in the certificate of amendment; and
5. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation; and
6. notwithstanding the passing of this special resolution by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the Shareholders of the Corporation not to proceed with the Consolidation or to revoke this resolution at any time prior to the Consolidation becoming effective.”

Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the resolution authorizing and approving the Consolidation. In order to be approved, the special resolution must be passed by at least 66 2/3% of the votes cast by shareholders at the Meeting in person or by proxy.

STATEMENT OF EXECUTIVE COMPENSATION

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, 2021 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.

The Named Executive Officers for the financial year ended December 31, 2021, were:

- a. Chad Williams, Interim Chief Financial Officer, Chairman and Director,
- b. Ed Baer, former Chief Executive Officer and Director
- c. Donna McLean, Chief Financial Officer

No other executive officer received total compensation, including salary, bonus and all other compensation, aggregating in excess of \$150,000 for the financial year of the Corporation ended December 31, 2021.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

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 ⁽¹⁾ <i>Interim CEO, Chairman & Director</i>	2021	280,000	Nil	Nil	Nil	Nil	280,000
	2020	55,385	Nil	Nil	Nil	Nil	55,385
Ed Baer ⁽²⁾ <i>Former CEO & Director</i>	2021	173,824	Nil	Nil	Nil	Nil	173,824
	2020	80,000	Nil	Nil	Nil	Nil	80,000
Donna McLean ⁽³⁾ <i>Chief Financial Officer</i>	2021	44,000	Nil	Nil	Nil	Nil	44,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Chad Gilfillan ⁽⁴⁾ <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Brian Briggs ⁽⁵⁾ <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Doug Eaton ⁽⁶⁾ <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
John H Hill ⁽⁷⁾ <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Williams assumed the role of Interim CEO effective January 25, 2021. Effective June 2, 2022, Mr. Williams was not Interim CEO and assumed the role as Non-Executive Chair.
- (2) Mr. Baer resigned on January 25, 2021, as CEO & Director.
- (3) Commencing January 28, 2021, Ms. McLean was retained by Grove Corporate Services "Grove" to serve as CFO for the Corporation. During the year Grove charged \$44,000 to the Corporation for services provided by Ms. McLean.
- (4) Mr. Gilfillan resigned on June 24, 2021.
- (5) Mr. Briggs was appointed effective June 2, 2021.
- (6) Mr. Eaton was appointed effective June 24, 2021
- (7) Mr. Hill was appointed effective October 28, 2021.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

Stock Options and Other Compensation Securities

During the financial year ended December 31, 2021, the following compensation securities were granted or issued to the directors and NEOs 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 ⁽¹⁾ <i>Interim CEO, Chairman & Director</i>	Stock-Options	4,335,000	March 23, 2021	March 23, 2026	0.125	0.12	0.08
		1,404,000	December 30, 2021	December 30, 2026	0.075	0.08	0.08
Chad Gilfillan ⁽²⁾ <i>Former Director</i>	Stock-Options	400,000	March 23, 2021	March 23, 2026	0.125	0.12	0.08
Ed Baer ⁽²⁾ <i>Former CEO & Director</i>	Stock-Options	Nil	Nil	Nil	Nil	Nil	Nil
Brian Briggs ⁽³⁾ <i>Director</i>	Stock-Options	750,000	August 3, 2021	August 3, 2026	0.08	0.09	0.08
		234,000	December 30, 2021	December 30, 2026	0.075	0.08	0.08
Doug Eaton ⁽⁴⁾ <i>Director</i>	Stock-Options	750,000	August 3, 2021	August 3, 2026	0.08	0.09	0.08
		234,000	December 30, 2021	December 30, 2026	0.075	0.08	0.08
John H Hill ⁽⁵⁾ <i>Director</i>	Stock-Options	750,000	October 28, 2021	October 27, 2026	0.065	0.07	0.08
		234,000	December 30, 2021	December 30, 2026	0.075	0.08	0.08
Donna McLean ⁽⁶⁾ <i>CFO</i>	Stock-Options	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) As of December 31, 2021, Mr. Williams, held 7,314,000 incentive stock options entitling him to acquire, upon exercise, 7,314,000 common shares in the capital of the Corporation. As of December 31, 2021, 6,378,000 options were vested.
- (2) Mr. Baer and Mr. Gilfillan were not associated with the Corporation as of December 31, 2021.
- (3) As of December 31, 2021, Mr. Briggs held 984,000 incentive stock options entitling him to acquire, upon exercise, 984,000 common shares in the capital of the Corporation. As of December 31, 2021, 328,000 options are vested.
- (4) As of December 31, 2021, Mr. Eaton held 984,000 incentive stock options entitling him to acquire, upon exercise 984,000 common shares in the capital of the Corporation. As of December 31, 2021, 328,000 options are vested.
- (5) As of December 31, 2021, Mr. Hill held 984,000 incentive stock options entitling him to acquire, upon exercise, 984,000 common shares in the capital of the Corporation. As of December 31, 2021, 328,000 options are vested.
- (6) As of December 31, 2021, Ms. McLean held Nil incentive stock options directly, however during the year, a total of 884,000 incentive stock options were granted to Grove, employer of Ms. McLean.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

Each outstanding stock option of the Corporation entitles the holder thereof to acquire, upon exercise, one common share in the capital of the Corporation. There has been no compensation security that has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year, including the original and modified terms, the effective date, the reason for the modification, and the name of the holder.

Exercise of Stock Options and Other Compensation Securities

Except as disclosed below, no directors and NEOs exercised compensation securities during the financial year ended December 31, 2021.

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 (\$)
Ed Baer <i>Former CEO & Director</i>	Stock-Options	650,000	April 20, 2021	0.06	0.125	0.065	42,250
Chad Gilfillan <i>Former Director</i>	Stock-Options	350,000	February 19, 2021	0.055	0.08	0.025	8,750

External Management Companies

Pursuant to an agreement dated February 1, 2021, the Corporation entered into a business services agreement with Grove to provide management and administrative services to the Corporation. The contract includes fees for services provided by the Corporate Secretary and the CFO, office rent and other regular administrative functions. The contract is billed on a monthly basis at a monthly rate of \$7,000 plus HST. The contract may be terminated by the Corporation for cause without prior notice and either party can terminate the contract on three (3) months written notice for other than cause.

The Corporation was billed \$77,000 plus HST by Grove for services under this contract, during the year ended December 31, 2021.

Pension Plan Benefits

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

Stock Option Plan and Other Incentive Plans

Currently, the Corporation has a “rolling” stock option plan, details of which are summarized under the section “Business to be Transacted at the Meeting–Approval of Stock Option Plan”.

Employment, Consulting and Management Agreements

The Corporation entered into a consulting agreement dated April 21, 2021 (the “Agreement”), effective January 25, 2021, with Crimson Sun Holdings (the “Consultant”), a corporation owned by Chad Williams (the “Principal”), whereby the Principal agrees to provide management services to the Corporation in his capacity as Chairman and CEO for a base monthly fee of \$25,000. In addition, he may be entitled to additional fees including: success, capital raised, M&A, share liquidity, share price target, EBITDA etc., each of which is contingent on the occurrence of events as described in the Agreement.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

Long Term Incentive Plans - The Consultant (or Principal) shall also be entitled to participate in the Corporation's share-based compensation plans including its stock option plan and other incentive plans, if applicable, as amended from time to time (collectively the "Plans"), on an ongoing basis, to an extent determined by the Board in its sole discretion, acting in good faith. The number of options or other incentive entitlements granted in future (if any) and the terms and conditions of such grants, including the exercise price, vesting schedule, expiry date and other terms, will be determined by the Board in its sole discretion, acting in good faith.

Accelerated Vesting on a Change of Control: In the event of a Change of Control all granted share options of the Consultant which have not vested shall be deemed to be fully vested and exercisable so as to permit him to exercise such options and participate in the Change of Control transaction in respect of the shares thereby acquired, if applicable. The Corporation will take all reasonable steps to promptly obtain Exchange approval, if applicable.

Grounds for termination of Agreement:

- a. Upon Agreement. This Agreement may be immediately terminated at any time (including before the expiry of the Term) upon agreement in writing between the Corporation and the Consultant.
- b. Termination upon Death.
- c. Termination by Corporation for Fundamental Breach of this Agreement.
- d. Termination by Corporation with Notice. The Corporation may terminate this Agreement immediately at any time (including before the expiry of the Term) by written notice and paying to the Consultant in a lump sum all Fees and other remunerations due but not as yet paid to the Consultant to the day of the notice of termination plus an additional lump sum amount equal to 24 months of the Monthly Base Fee plus accumulated bonus at date of termination plus 3 times the last 12 months' aggregate performance fees (eg capital raised, share liquidity etc.).
- e. Termination by Consultant on Notice. The Consultant may terminate this Agreement at any time (including before the expiry of the Term) by providing 60 calendar days' written notice to the Corporation. The Corporation may, in its discretion, waive such notice in whole or in part. If the Consultant terminates this Agreement prior to the end of the Term, the Consultant will receive from the Corporation all Fees and other remunerations under this Agreement that he would be entitled up to the 60th day following such notice of termination.
- f. Insolvency Event. The Corporation may terminate the Agreement at any time in the event the Consultant becomes insolvent, or commences bankruptcy or winding up proceedings, or makes an assignment for the benefit of its creditors

"Change of Control" means: the acquisition by any person or by any person and a person "acting jointly or in concert with" such person, as defined in the Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids instrument ("MI 62-104"), whether directly or indirectly, of voting securities which, when added to all other voting securities of the Consultant at the time held by such person or by such person and a person "acting jointly or in concert with" another person, totals for the first time not less than 50% of the outstanding voting securities of the Consultant or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Consultant.

Other than as disclosed herein, the Corporation has no other 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 determines the compensation payable to the NEOs and directors of the Corporation and reviews such compensation annually. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of stock options, to be granted to the executive officers and directors to ensure such arrangements reflect the responsibilities and risks associated with each position.

The Board's goal is to enable it to attract, retain and motivate talented employees, contractors and consultants who will contribute to the long-term success of the Corporation by aligning compensation with market conditions, corporate performance, and the interest of shareholders to maximize shareholder value

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.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

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.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has implemented the Plan, described in more detail under the headings “Part II – Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans” above. The following table sets out additional information with respect to the Plan as of December 31, 2021.

Name and Position	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding security reflected in column (a))
Stock Option Plan	17,459,800	0.09	309,063
Equity Compensation Plans Not Approved by Shareholders	N/A	N/A	N/A

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. Receipt at the Meeting of reports to the Directors and auditors and the Corporation’s financial statements for its last completed financial year and the auditors’ report thereon will not constitute approval or disapproval of any matters referred to therein. If any matters which are not now known should properly come before the Meeting, the accompanying Form of Proxy will be voted on such matters in accordance with the best judgment of the person voting it.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is now or was at any time since the beginning of the most recently completed financial year of the Corporation has been, a director, executive officer or senior officer of the Corporation, or associate thereof, been indebted to the Corporation, or had indebtedness during that period which was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDITORS

The external auditor of the Corporation is Jones & O’Connell LLP, Chartered Professional Accountants, of St. Catherines, ON. Jones & O’Connell LLP, Chartered Accountants were appointed as the Corporation’s Auditors in July 2022.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

Except as disclosed below, to the best of the knowledge of the management, none of the directors or senior officers of the Corporation, nor any proposed director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation’s last completed fiscal year or in any proposed transaction which, in either case, has or will materially affect the Corporation.

Mr. Douglas Eaton is the CEO of Strategic Metals Ltd which holds 19.59%, as of record date, of voting securities of the Corporation. Strategic Metals Ltd acquired 34,804,718 common shares of the Corporation under an asset purchase agreement pursuant to which the Corporation acquired a 100% interest in Strategic’s Groundhog and Hy Properties, each situated in the Watson Lake Mining District, Yukon Territory, and Strategic’s Plata property, situated in the Mayo Mining District, Yukon Territory, subject to Strategic retaining a 2% net smelter return royalty on all minerals, excluding silver, produced from these properties.

DISCLOSURES RELATING TO CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”) and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) set out a series of guidelines for effective corporate governance. The guidelines address matters such as the constitution and independence of corporate boards, the function to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each reporting issuer of its approach to corporate governance with reference to the guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of conformity. The following disclosure is provided in accordance with the corporate governance disclosure prescribed by Form 58-101F2 of NI 58-101.

Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is defined as a relationship, which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment.

The Board is currently comprised of four members. The Board of Directors has determined that the Board will consist of four persons to be elected at the Meeting and has nominated that number of individuals for election at the Meeting. Under NI 58-101 and NP 58-201, all of the Directors are considered “independent” as that term is defined therein, except Chad Williams who is not considered independent as he is the Chief Executive Officer of the Corporation.

Directorships

Certain of the Directors of Honey Badger are also directors of other reporting issuers in a Canadian jurisdiction (or the equivalent in a foreign jurisdiction) as follows:

Director Name	Issuer
Chad Williams	Blue Thunder Mining Inc. (TSXV), Karora Resources Inc. (TSXV)
Brian Briggs	None
William Douglas Eaton	GGL Resources Corp. (TSXV), Strategic Metals Ltd. (TSXV), Rockhaven Resources Ltd. (TSXV), Silver Range Resources Ltd. (TSXV)
John Hambury Hill	None

Nomination of Directors



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

The Board performs the functions of a nominating committee and is responsible for the appointment and assessment of Directors. The Board believes that this is a practical approach at this stage of Honey Badger's development and given the small size of the Board. While there are no specific criteria for Board membership, Honey Badger attempts to attract and maintain Directors with business knowledge and an established knowledge of mineral exploration and development, or other areas such as finance, which would assist in guiding the Officers of Honey Badger.

As such, nominations tend to be the result of recruitment efforts by management of Honey Badger and discussions among Directors prior to the consideration by the Board as a whole.

Director Term Limits

The Corporation has not adopted term limits for or other mechanisms for board renewal. The Board believes that term limits are not practical at this stage of the Corporation's development.

Board's Relations with Management

The interaction between Management and Board members, both inside and outside of meetings of the Board, ensures that the Board is properly informed and that the Board members' experience is brought to bear when needed by management.

The Board remains sensitive to corporate governance issues and seeks to set up the necessary structures to ensure the effective discharge of its responsibilities without creating additional overhead costs or reducing the return on shareholders' equity. The Board is committed to ensuring the long-term viability of Honey Badger, as well as the well-being of its consultants and of the communities in which it operates.

Director Compensation

Refer to "Executive Compensation – Compensation Discussion and Analysis" for a discussion of the steps taken to determine the compensation of the NEOs of Honey Badger.

Director Assessment

The Board assesses, on an annual basis, the contribution of the Board as a whole and each of the individual Directors, in order to determine whether each is functioning effectively.

Director Orientation and Continuing Education

Honey Badger does not provide a formal orientation and education program for new Directors. However, new Directors are given an opportunity to familiarize themselves with Honey Badger by visiting our corporate offices, meeting with other Directors, reviewing the rules and regulations of the stock exchange where the shares are listed, and reviewing the corporate by-laws. Moreover, new Directors are encouraged to speak with Honey Badger's solicitors to become familiarized with their legal responsibilities as Directors.

Ethical Business Conduct

The role of the Board is to oversee the conduct of Honey Badger's business, to set corporate policy and to supervise management, which is responsible to the Board for the day-to-day conduct of business. However, given the size of the Corporation, all material transactions are addressed at the Board level. The Board discharges five specific responsibilities as part of its overall "stewardship responsibility". These are:

- (1) Strategic Planning Process: Given Honey Badger's size, the strategic plan is elaborated directly by management, with input from and assistance of the Board;



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

- (2) **Managing Risk:** The Board directly oversees most aspects of the business of Honey Badger and thus does not require the elaboration of “systems” or the creation of committees to effectively monitor and manage the principal risks of all aspects of the business of Honey Badger;
- (3) **Appointing, Training and Monitoring Senior Management:** No elaborate system of selection, training and assessment of management has been established, as those would prove too costly; however, the Board closely monitors management’s performance, which is measured against the overall strategic plan, through reports by and regular meetings with management;
- (4) **Communication Policy:** It is and has always been the unwritten policy of the Board to communicate effectively with its shareholders, other stakeholders, and the public generally through statutory filings and mailings, as well as news releases; the shareholders are also given an opportunity to make comments or suggestions at shareholder meetings; these comments and suggestions are then factored into the Board’s decisions.
- (5) **Ensuring the Integrity of Honey Badger’s Internal Control and Management Information System:** Given the involvement of the Board in operations, the reports from and the meetings with management, the Board can effectively track and monitor the implementation of approved strategies.

Diversity Policy

The Corporation encourages diversity in the composition of the Board and requires periodic review of the composition of the Board as a whole to recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of diversity, knowledge, experience, skills and expertise required for the Board as a whole. The Corporation endorses the principle that the Board should have a balance of skills, experience and diversity of perspectives appropriate to the business.

The Board has not yet adopted a written policy or targets relating to the identification and nomination of designated groups (including women, Aboriginal peoples, persons with disabilities and members of visible minorities) to the Board. And while competence, skillset and experience remain the foremost qualifications for nomination, the Board does take into consideration a nominee’s potential to contribute to diversity within the Board. Given that diversity is part of determining the overall balance, the Board has not yet adopted a gender specific policy target. The Board will review its structure and diversity annually and may set diversity aspirations regarding the Board’s optimum composition as part of the identification and nomination of members of the Board. The Board will consider a number of factors, including gender, ethnic and geographic diversity, age, business experience, professional expertise, sexual identity, religion, family upbringing, neurodiversity, personal skills, personal experience and personal perspectives, when seeking and considering new members for nomination or evaluating Board nominees for re-election.

Notwithstanding the foregoing, recommendations concerning Board nominees are, foremost, based on merit and performance, with due regard to the overall effectiveness of the Board, with diversity being taken into consideration, as it is beneficial that a diversity of backgrounds, views and experiences be present at the Board and management levels.

The Board is currently comprised of four male directors. Consistent with the Issuer’s approach to diversity at the Board level, hiring practices include consideration of diversity across designated groups. The Board will, among other factors in the making of executive officer appointments, consider the level of representation of designated groups. In searches for new executive officers, the Board will consider the level of diversity in management as one of several factors used in its search process. Notwithstanding the foregoing, all executive officer appointments will always be based on merit, having regard to the requirements of the Issuer.

The Issuer does not have a target number of executive officers from designated groups. Given the small size of the executive team, Management believes that implementing targets is not appropriate at this time. However, in the Issuer’s hiring practices, it considers the level of representation of women in executive officer positions.

Management Contracts

No management functions of the Corporation or subsidiary are performed to any substantial degree by a person other than the Directors or executive officers of the Corporation or subsidiary.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

DISCLOSURES RELATING TO AUDIT COMMITTEE

National Instrument 52-110 – Audit Committees (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. The following disclosure is provided in accordance with the audit committee disclosure prescribed by Form 52-110F2 of NI 52-110.

Audit Committee Charter and Composition

The Board has established an Audit Committee consisting of three Directors of the Corporation, the majority of whom are not Officers, employees, or Control Persons of the Corporation.

As of the Record Date, Brian Briggs who is Chair, Doug Eaton and Chad Williams are members of the audit committee and are “financially literate” as defined in NI 52-110. All members of the Audit Committee are “independent” Directors, as defined in NI 52-110, except Chad Williams who is not considered independent.

Pursuant to NI 52-110, a person is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements.

As a “venture issuer”, as defined in NI 52-110, the Corporation is relying on an exemption provided in section 6.1 thereunder from certain disclosure requirements and requirements regarding the composition of the audit committee, including the requirement that all members qualify as “independent”.

The responsibilities and operation of the Audit Committee are set out in the Corporation’s Audit Committee charter (see Appendix “B”).

Relevant Education and Experience

Brian Briggs

Mr. Briggs has significant expertise in managing social license and environmental issues including rehabilitation of brown fields locations and historic environmental impacts. He has been in many senior management roles including Managing Director, COO and numerous VPs and or Project Management positions in domestic and international organizations. He is a professional engineer with over 30 years of industry experience in both underground and surface mine operations holding a BS in Mining Engineering and MS in Agricultural engineering from the University of Wyoming.

Doug Eaton

Mr. Eaton has explored in Yukon for the past 50 years as a partner in Archer, Cathro & Associates (1981) Limited, a consulting firm that specializes on that territory. He has gained exceptional knowledge of Yukon geology and mining practices, which includes hands-on experience in small-scale silver mining while overseeing very profitable high-grading operations on properties in the Keno Hill District. He has been a director and officer of numerous public companies since the mid-1980s. Mr. Eaton obtained a Bachelor of Arts from the University of Alberta in 1971 and a Bachelor of Science in Geology from the University of British Columbia in 1980.

Chad Williams

Chad Williams has an extensive background in capital markets and business management. He is the founder and Chairman of Red Cloud Mining Capital, Inc. and Sharechest. Mr. Williams also serves on the board of Honey Badger Silver Inc., Karora Resources Inc., and Deep-South Resources Inc. He was one of the founders of both Agilith Capital Inc. and Westwind Capital Inc., as well as the former CEO of Victoria Gold Corp. and former Head of Mining Investment Banking at Blackmont Capital Inc. Prior to these positions, Mr. Williams was a top-ranked mining analyst at TD Bank and other Canadian brokerage firms in Toronto. Chad Williams is a member of the Association of Professional Engineers of Ontario, having received a Bachelor of Engineering degree and a Master of Business Administration from McGill University.

In addition to the background and experience noted with respect to each member of the Audit Committee, all members of the Audit Committee had direct access to the Corporation’s auditors and to the Corporation’s management.



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

Audit Committee Oversight

Since the commencement of the most recently completed financial year, the Board adopted all the recommendations of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the most recently completed financial year, the Corporation did not rely on an exemption provided under Section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, nor has the Corporation obtained or relied upon any exemption from a securities regulatory authority or regulator from the requirements of Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures regarding the engagement of non-audit services but does review such matters as they arise in light of factors such as the Corporation’s current needs, the availability of services from other sources and the other services provided by the Corporation’s auditor.

EXTERNAL AUDITOR SERVICES FEES

The following table sets out the aggregate fees billed by the Corporation’s external auditor during each of the last two fiscal years.

Category of Fees	Year Ended December 31, 2021 (\$)	Year Ended December 31, 2020 (\$)
Audit Fees ⁽¹⁾	42,000	25,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	5,000	8,200
All Other Fees ⁽⁴⁾	Nil	Nil

Notes:

- (1) Fees billed by the Corporation’s external auditor during the fiscal year.
- (2) Fees billed during the fiscal year for assurance and related services by the Corporation’s external auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported under “Audit Fees”.
- (3) Fees billed during the fiscal year for services rendered by the Corporation’s external auditor for tax compliance, tax advice and tax planning.
- (4) Aggregate fees billed during the fiscal year for products and services provided by the Corporation’s external auditor, other than the services reported under “Audit Fees”, “Audit-Related Fees” and “Tax Fees”.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is filed on the System for Electronic Data Analysis and Retrieval (“SEDAR”) and can be accessed on the internet at www.sedar.com. Financial information is provided in the Corporation’s comparative financial statements and in its management discussion and analysis (“MD&A”) for its most recently completed financial year.

Shareholders may request copies of such financial statements and MD&A by mailing a request to: Honey Badger Silver Inc., 2704-401 Bay Street, Toronto, Ontario, M5H 2Y4.

DIRECTORS’ APPROVAL

The contents and sending of this Circular have been approved by the Board.

DATED at Toronto, Ontario on November 7, 2022.

(Signed) “*Chad Williams*”
Chad Williams
 Director & Non-Executive Chairman

**APPENDIX A
AUDITOR REPORTING PACKAGE**



Notice of Change of Auditors

Pursuant to National Instrument 51-102

TO: British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

AND TO: Davidson & Company LLP
Jones & O'Connell LLP

July 28, 2022

Dear Sirs/Mesdames:

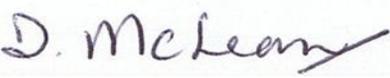
RE: Notice Regarding Change of Auditor Pursuant to National Instrument 51-102

Notice is hereby given, pursuant to section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), of a change of auditor of Honey Badger Silver Inc. (the “**Corporation**”).

1. On July 25, 2022, Davidson & Company LLP (the “Former Auditors”) notified the Company about the firm’s decision to not stand for re-appointment as the auditor of the Company for the year ending December 31, 2022.
2. This decision of the Former Auditors was considered and accepted by the Audit Committee and the Board of Directors of the Corporation.
3. The Audit Committee also recommended, and the Board of Directors approved, subject to the applicable regulations, the appointment of Jones & O’Connell LLP (the “**New Auditors**”), as auditors of the Corporation to provide audit services to the Corporation for the year ending December 31, 2022, and to hold office as auditors of the Corporation until the next annual meeting of shareholders of the Corporation.
4. There was no reservation contained in the Former Auditor’s reports on the financial statements of the Corporation for: (a) the two most recently completed financial years of the Corporation; or (b) for any period subsequent thereto for which an audit report was issued and preceding the effective date of the resignation of the Former Auditors.
5. In the opinion of the Audit Committee and the Board of Directors of the Corporation, there are no reportable events to declare as defined in subparagraph 4.11(1) of NI 51-102.

HONEY BADGER SILVER INC.

Per:



Donna McLean
Chief Financial Officer

July 28, 2022

British Columbia Securities Commission

PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC
V7Y 1L2

TSX Venture Exchange

P.O. Box 11633
Suite 2700 – 650 West Georgia Street
Vancouver, BC
V6B 4N9

Alberta Securities Commission

600, 250 – 5th Street S.W.
Calgary, AB
T2P 0R4

Ontario Securities Commission

20 Queen Street West, 19th Floor, Box 55
Toronto Ontario
M5H 3S8

Dear Sirs / Mesdames

Re: Honey Badger Silver Inc. the "Company")
Notice Pursuant to NI 51 – 102 of Change of Auditor

In accordance with National Instrument 51-102, we have read the Company's Change of Auditor Notice dated July 28, 2022 and agree with the information contained therein, based upon our knowledge of the information at this date.

Should you require clarification or further information, please do not hesitate to contact the writer.

Yours very truly,



Chartered Professional Accountants

cc: TSX Venture Exchange



July 29, 2022

British Columbia Securities Commission
PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2

Alberta Securities Commission
600, 250-5th Street S. W.
Calgary, AB, T2P 0R4

Ontario Securities Commission
20 Queen Street West, 19th Floor, Box 55
Toronto, ON, M5H 3S8

TSX Venture Exchange
P.O. Box 11633
Suite 2700-650 West Georgia Street
Vancouver, BC V6B 4N9

Honey Badger Silver Inc.
401 Bay Street, Ste. 2704
Toronto, ON M5H 2Y4

Dear Sirs/Mesdames:

**Re: Honey Badger Silver Inc. (the "Company")
Notice Pursuant to NI 51-102 of Change of Auditor**

We acknowledge receipt of a Notice of Change of Auditor (the "**Notice**") dated July 28, 2022, delivered to us by the Company in respect of the change of auditor of the Company.

Pursuant to National Instrument 51-102 of the Canadian Securities Administrators, please accept this letter as confirmation by Jones & O'Connell LLP that we have read the Notice and, based on our knowledge as at the time of receipt of the Notice, we agree with each of the statements therein.

I trust the foregoing is satisfactory.

Yours truly,

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants

APPENDIX “B”

AUDIT COMMITTEE CHARTER

General and Authority - The Audit Committee (the “Committee”) is appointed by the Board of Directors of Honey Badger Silver Inc. (the “Corporation”). The Committee is a key component of the Corporation’s commitment to maintaining a higher standard of corporate responsibility. The Committee shall review the Corporation’s financial reports, internal control systems, the management of financial risks and the external audit process. It has the authority to conduct any investigation appropriate to its responsibilities. The Committee shall have the authority to: engage independent counsel and other advisors as it determines necessary to carry out its duties; set and pay the compensation for advisors employed by the Committee; and communicate directly with the internal and external auditors.

Overseeing the External Audit Process – (a) the Committee shall recommend to the Board the external auditor to be nominated, shall set the compensation for the external auditor and shall ensure that the external auditor reports directly to the Committee, (b) the Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting, (c) the Committee shall review the external auditor’s audit plan, including scope, procedures and timing of the audit, (d) the Committee shall pre-approve all non-audit services to be provided by the external auditor, (e) the Committee shall review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employers of the present and former external audit, and (f) the Committee shall review fees paid by the Corporation to the external auditor and other professionals in respect of audit and non-audit services on an annual basis.

Financial Reporting and Internal Controls – (a) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with generally accepted accounting principles, that the information contained therein is not erroneous, misleading or incomplete and that the audit function has been effectively carried out, (b) the Committee shall report to the Board with respect to its review of the annual audited financial statements and recommend to the Board whether or not same should be approved prior to their being publicly disclosed, (c) the Committee shall review the Corporation’s annual and interim financial statements, management’s discussion and analysis relating to annual and interim financial statements, and earnings press releases prior to any of the foregoing being publicly disclosed by the Corporation, (d) the Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements other than the disclosure referred to in Section 3.2(c) of this Charter, and periodically assess the adequacy of these procedures, (e) the Committee shall oversee any investigations of alleged fraud and illegality relating to the Corporation’s finances, (f) the Committee shall establish procedures for: (1) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (2) the confidential, anonymous submission by employees of the Corporation or concerns regarding questionable accounting or auditing matters, and (g) the Committee shall meet no less frequently than annually with the external auditor and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls, auditing matters and such other matters as the Committee deems appropriate.

Risk Management and Other Responsibilities - The Committee shall inquire of management and the external auditor regarding significant risks or exposures to which the Corporation may be subject and shall assess the adequacy of the steps management has taken to minimize such risks. The Committee shall perform any other responsibilities consistent with this charter and any applicable laws as appropriate.

Composition - The Committee shall be composed of three or more directors, the majority of whom are not employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates, as such capitalized terms are defined by the TSX Venture Exchange, (b) if at any time, the Corporation ceases to be exempt from Part 3 of Multilateral Instrument 52-100 - Audit Committees, every audit committee member shall be Independent, as such term is defined in said Instrument, (c) notwithstanding Sections 4.1(a) and 4.1(b) of this Charter, the Committee and its membership shall at all times be so constituted as to meet all current, applicable legal, regulatory and listing requirements, including, without limitation, securities laws and the requirements of the TSX and the TSX Venture Exchange and of all applicable securities regulatory authorities, and (d) committee members shall be appointed by the Board from time to time. One member shall be designated by the Board to serve as Chair.

Meetings – (a) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable laws. A minimum of two and at least 50% of the members present either in person or by telephone shall constitute a quorum. Further, in order for a quorum to be constituted, the majority of members present must not be employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates, as such capitalized terms are defined by the TSX Venture Exchange, (b) if and whenever a vacancy in the Committee shall exist, the remaining members may exercise all of its powers and responsibilities provided that a quorum (as herein defined) remains in office, (c) the time and place at which meetings of the Committee shall be held, and the procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile or electronic means, by giving 48 hours’ notice, or such greater notice as may be required under the Corporation’s By-Laws, provided that no notice shall be necessary if all the members are present either in person or by telephone or if those absent have waived notice or otherwise



401 Bay Street Suite 2704, Toronto, ON M5H 2Y4

indicated their consent to the holding of such meeting, (d) the Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person, who need not be a member, to act as a secretary at any meeting, (e) the Committee may invite such officers, directors and employees of the Corporation as it deems appropriate, from time to time, to attend meetings of the Committee, (f) Any matters to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.

Reporting to the Board - The Committee shall report regularly to the Board on Committee activities, findings and recommendations. The Committee is responsible for ensuring that the Board is aware of any matter that may have a significant impact on the financial condition or affairs of the Corporation.

Continued Review of the Charter - The Committee shall review and assess the continued adequacy of this Charter annually and submit such proposed amendments as the Committee sees fit to the Board for its consideration.