

STATEMENT OF EXECUTIVE COMPENSATION OF HONEY BADGER SILVER INC. (THE “CORPORATION”)

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and the most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of financial year ended December 31, 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 Executive 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.

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.
- (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.

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⁾ Director	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⁾ Director	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⁾ Director	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⁾ Director	Stock-Options	750,000	October 28, 2021	October 27, 2026	0.0065	0.07	0.08
		234,000	December 30, 2021	December 30, 2026	0.075	0.08	0.08
Donna McLean ⁽⁶⁾ CFO	Stock-Options	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- 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 are vested.
- Mr. Baer and Mr. Gilfillan were not associated with the Corporation as of December 31, 2021.
- 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.
- 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.
- 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.
- 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.

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

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

Pursuant to the Plan, the maximum number of Common Shares reserved for issuance in any 12-month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12-month period to any consultant

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

The Plan was last approved for use by the Corporation at the annual meeting of shareholders held on January 18, 2022, and is required to be approved by shareholders, annually. The Plan will undergo revisions in terms with the revised TSX-V Policy 4.4, changes are subject to the TSX-V approval. The revised Plan will be presented for the shareholders' approval in the next annual general meeting.

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 success fee, capital raised fee, M&A fee, share liquidity fee, share price target fee, EBITDA fee etc., each of which is contingent on the occurrence of events as described in the Agreement.

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

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.

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.