

Form 51-102F3.

MATERIAL CHANGE REPORT

1. Name and Address of the Issuer

Honey Badger Silver Inc. (“Honey Badger” or the “Company”)
401 Bay Street, Suite 2704
Toronto, Ontario
M5H 2Y4

2. Date of Material Change

February 14, 2023

3. News Release

The attached news release (Annexure A) was released on February 15, 2023.

4. Summary of Material Change

Honey Badger Silver Executes Definitive Agreement for the Acquisition of the Cachinal Silver Deposit in Chile.

5. Full Description of Material Change

The Company announced the signing of a definitive agreement dated February 14, 2023, in respect to the acquisition by the Company of the 100% interest in the Cachinal De La Sierra Silver- Gold Project from Aftermath Silver Ltd. Cachinal is in northern Chile, in the mineral-rich Antofagasta region (Region II). For more details on the terms of the acquisition, please refer to the attached Annexure A.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

None.

8. Executive Officer

For further information, please contact Brian Briggs, Interim CEO of the Issuer, at 416 642-1807.

9. Date of Report

February 16, 2023

Honey Badger Silver Executes Definitive Agreement for the Acquisition of the Cachinal Silver Deposit in Chile

Toronto, Ontario--(Newsfile Corp. - February 15, 2023) - **Honey Badger Silver Inc.** (TSXV: TUF) ("Honey Badger" or the "Company") is pleased to announce the signing of a definitive agreement dated February 14, 2023 (on the amended terms previously announced by the Company in its news release dated [January 11, 2023](#)), in respect to the acquisition by the Company of the 100% interest in the Cachinal De La Sierra Silver-Gold Project (the "Cachinal Project" or "Cachinal") from Aftermath Silver Ltd. ("Aftermath"). Cachinal is in northern Chile, in the mineral-rich Antofagasta region (Region II).

Brian Briggs, Interim CEO of Honey Badger stated, *"The acquisition of Cachinal will be a valuable addition to our expanding portfolio of silver assets, offering a significant silver resource as well as exciting exploration potential and the possibility of near-term cash flow. A presence in this mineral-rich and mining-friendly jurisdiction is expected to lead to further value-accretive opportunities for our shareholders."*

Rationale for Transaction:

The proposed acquisition of Cachinal by Honey Badger is expected to create significant shareholder value and deliver multiple benefits for Honey Badger shareholders:

- Aftermath has reported a resource estimate of 16.32 million ounces of silver in Indicated Resource (at 101 g/t silver for 5.05 million ounces of silver) and 2.48 million ounces of silver in Inferred Resource (at 145 g/t silver for 0.53 million ounces of silver). See below under the heading *"Notes Regarding NI 43-101"* for further details.
- There is the potential to generate near-term cash flow by providing ore to feed possible excess mill capacity at the nearby Guanaco gold-silver mine complex, 16 kilometers by road to the south of Cachinal.

The Cachinal acquisition marks an important milestone for Honey Badger, complementing its portfolio of high-grade, district-scale silver properties in the Yukon, as well as providing the opportunity for short-term cash flow and gaining the company a toehold in a mineral-rich region where there may be opportunities to unlock synergies with other industry players.

Transaction Terms:

- Consideration: The consideration payable to Aftermath for the acquisition by Honey Badger of the Cachinal Project will be comprised of the following: (a) an aggregate of 3,508,771 common shares of Honey Badger ("Honey Badger Shares"), at a deemed price per share of \$0.285 (being C\$1,000,000 in share consideration); (b) C\$652,000 in cash payable at closing; and (c) additional cash payments as described below.
- Subsequent Payments: The additional cash payments will be made in three subsequent payments, as follows:
 - C\$200,000 on or before by May 31st, 2023
 - C\$400,000 on or before March 31st, 2024
 - C\$400,000 on or before September 30th, 2024

The additional cash payments will be evidenced by a promissory note issued at closing (the "Promissory Note"), and the obligations thereunder will be secured by a pledge over the shares of the Chilean entity which holds the Cachinal Project. The Promissory Note will provide Honey Badger with the option, subject to regulatory approval (including the approval of the TSX Venture Exchange), to satisfy payments by issuing additional Honey Badger Shares at a deemed price per share equal to the greater of: (a) the 30 trading-day volume weighted average price of the Honey Badger Shares on the TSXV (the "VWAP"); or (b) the maximum permitted discount permitted under the policies of the TSXV; provided that the Company will not be able to issue Honey Badger Shares in satisfaction of amounts owing if its 30 trading-day VWAP is less than C\$0.05).

- **Hold Period:** In addition to any hold periods imposed by applicable securities laws, the Honey Badger Shares to be issued to Aftermath (including any additional Honey Badger Shares issued in satisfaction of amounts owing under the Promissory Note) will be subject to the following restrictions on transfer, subject to customary exceptions (the "Holding Period"): (i) 50% of the shares issued will be subject to transfer restrictions expiring six months and one day from the date of issuance, and (ii) the remaining 50% of the shares issued will be subject to transfer restrictions expiring on the one-year anniversary of the date of issuance. The foregoing restrictions will be set out in a lock-up agreement that the parties will enter into as part of closing, which will also include customary covenants regarding voting support and standstill during the lock-up period as well as limitations on dispositions following the expiry of the lock-up period.
- **1% NSR and Production Payments Royalty:** In connection with the acquisition of the Cachinal Project, Honey Badger has agreed to grant Aftermath with a 1% net smelter returns royalty (with a complete buy-back option in favour of Honey Badger for C\$8,500,000) as well as a production payments royalty upon commencement of commercial production at Cachinal, (payable, in cash or shares at Aftermath's option (but subject to required regulatory approvals in respect of share payments), of C\$0.50 per payable silver ounce produced at the Cachinal Project, until an aggregate of C\$2,500,000 has been paid, at which point the production payments royalty will terminate.

Closing of the acquisition of the Cachinal Project remains subject to customary closing conditions for transactions of this nature, including approval by the TSX Venture Exchange.

Notes Regarding NI 43-101:

- *For complete details on the Cachinal Mineral Resource estimate, please refer to the NI 43-101 technical report made pursuant to National Instrument 43-101 ("NI 43-101") and entitled "Independent Technical Report for the Cachinal Silver-Gold Project, Region II, Chile", by Qualified Persons G. Cole, (P.Geo) of SRK Consulting (Canada) Inc. and S. Alvarado Casas, of Geoinvest SAC E.I.R.L. (Chile), dated September 11, 2020 with an effective date of August 10, 2020, filed on the SEDAR profile of Aftermath Silver Ltd. at www.sedar.com (the "Cachinal Technical Report").*
- *Dorian L. (Dusty) Nicol, RG, CG, FAusIMM, the Chief Operating Officer of the Company and a "Qualified Person" as defined in NI 43-101, has reviewed the Cachinal Technical Report on behalf of the Company and has approved the technical disclosure contained in this news release. To the best of the Company's knowledge, information and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources, mineral reserves or results of a preliminary economic assessment in the Cachinal Technical Report inaccurate or misleading.*
- *Cachinal mineral resources were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014).*
- *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*

- *All figures have been rounded to reflect the relative accuracy of the estimates.*
- *Cut-off grades are based on metal price assumptions of US\$22.00 / ounce of silver and US\$1,550 / ounce of gold, and metallurgical recoveries of 85% for both silver and gold using milling and cyanide leaching.*
- *The portion of the Mineral Resources that has been determined to be amenable to extraction through open-pit methods was reported to a cut-off of 30 g/t silver equivalent. The silver equivalent grade was calculated based on metals prices and metallurgical recoveries as noted above.*
- *The open-pit Mineral Resource is constrained within Lerchs-Grossman optimised pit shells that assume mining dilution & losses of 2.5%, 50-degree overall slope angles, mining costs of \$2/t rock, general and administrative costs of \$2/t rock, processing costs of US\$15/t for processing using milling and cyanide leaching.*
- *The portion of the Mineral Resources deemed to be amenable to extraction through underground methods are reported at a cut-off of 150 g/t silver equivalent. This assumes a mining cost of US\$90/t, general and administrative costs of \$2/t and a processing costs of US\$15/t. The silver equivalent grade was calculated based on metals prices and metallurgical recoveries as noted above.*

About Honey Badger Silver Inc.

Honey Badger Silver is a Canadian Silver company based in Toronto, Ontario, that is focused on the acquisition, development, and integration of accretive transactions of silver ounces. The company is led by a highly experienced leadership team with a track record of value creation backed by a skilled technical team. With significant land holdings in southeast and south-central Yukon, including the Plata property 180 kms to the east of the Keno Hill silver district, as well as Ontario's historic Thunder Bay Silver District, Honey Badger Silver is positioning to be a top-tier silver company.

ON BEHALF OF THE BOARD

Chad Williams, Director and Non-Executive Chair

For more information, please visit our website www.honeybadgersilver.com, or contact Ms. Michelle Savella for Investor Relations | msavella@honeybadgersilver.com | (604) 828-5886

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates, projections and interpretations as at the date of this news release. Forward-looking information in this news release includes statements regarding: the structure and anticipated benefits of completing the acquisition of the Cachinal Project (including historical resource estimate and possible positive effects on cash-flow); the terms and conditions on which the acquisition will be completed; the approval of the TSXV regarding the acquisition of the Cachinal Project; and any other information herein that is not a historical fact may be "forward-looking information". Any statement that involves discussions with respect to predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "interpreted", "management's view", "anticipates" or "does not

anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information. This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time such assumptions and estimates were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Honey Badger to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Such factors include, but are not limited to, risks that the conditions to completing the acquisition may not be met or waived; regulatory risks; risks relating to capital and operating costs varying significantly from estimates; delays in obtaining or failures to obtain required governmental, environmental or other project approvals; uncertainties relating to the availability and costs of financing needed in the future; changes in equity markets; inflation; fluctuations in commodity prices; delays in the development of projects; other risks involved in the mineral exploration and development industry; and those risks set out in the Company's public documents filed on SEDAR (www.sedar.com) under Honey Badger's issuer profile. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed timeframes or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.



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