HOMERUN RESOURCES INC.
Management's Discussion & Analysis
For the Years Ended December 31, 2022 and 2021

This management's discussion and analysis of Homerun Resources Inc. (the "Company" or "Homerun Resources") contains analysis of the Company's operational and financial results for the years ended December 31, 2022. The following should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All figures are in Canadian dollars unless otherwise stated.

DATE OF REPORT

April 27, 2023

JURISDICTION OF INCORPORATION AND CORPORATE NAME

Homerun Resources Inc. ("the Company") was incorporated in British Columbia on October 21, 1980 and is a public company listed on the TSX Venture Exchange ("TSX-V"). On August 16, 2021, the Company changed its name to Homerun Resources Inc. from Envirotek Remediation Inc. The principal business activity of the Company was environmental remediation but intends to change its focus to mineral exploration. The corporate head office of the Company is located at Suite 2110, 650 West Georgia Street, Vancouver, B.C., V6B 4N9.

CORPORATE HIGHLIGHTS

Highlights of the Company's activities for years ended December 31, 2022, and up to the date of this report.

On January 25, 2022, the Company completed a non-brokered private placement for gross proceeds of $202,541 by issuing 2,025,406 units at a price of $0.10 per unit. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price $0.20 per share for 12 months. The warrants are subject to the right of the company to accelerate the exercise period of the warrant if shares of the Company trade at or above $0.50 for a period of 10 consecutive trading days. The Company incurred share issuance costs of $6,480 by issuing 64,800 broker units (one common share and one common share purchase warrant) at a price of $0.10 per unit for 12 months. The Company transferred $100,377 from share subscription account to share capital.

On February 2, 2022, the Company announced it has increased its Homathko Project land package by an additional 17,700 hectares. The project now covers a total of 30,970 hectares. Also, the Company completed an airborne magnetic survey on the Homathko project.

On February 8, 2022, the Company announced it has signed a letter of intent for the option to purchase up to a 100% interest in the Ze Manoel project in Goias state, Brazil.

On May 12, 2022, the Company's shares resumed trading on TSX-V as the company met the listing requirements for a Tier 2 company. The Company's listing was transferred from the NEX to TSX-V, and the trading symbol for the Company changed from HMR.H to HMR. The Company is classified as a mineral exploration company on TSX-V.

On June 15, 2022, the Company granted 1,950,000 stock options. These options are exercisable for up to five years at a price of $0.20 per share.

On June 22, 2022, the Company entered into an agreement with Zimtu Capital Corp. ("Zimtu"), a public investment issuer. Zimtu will provide the Company with its ZimtuADVANTAGE program (lead generation campaign, social media, YouTube, and video news release, etc) and will receive $12,500 per month for a period of 12 months. During the year ended December 31, 2022, the Company paid Zimtu $150,000 under the agreement.

On August 16, 2022, the Company completed a non-brokered private placement for gross proceeds of $309,000 by issuing 2,060,000 units at a price of $0.15 per unit). Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price $0.25 per share for 12 months. The warrants are subject to the right of the Company to accelerate the exercise period of the warrant if shares of the Company trade at or above $0.50 for a period of 10 consecutive trading days.

On September 8, 2022, the Company executed a definitive agreement for an option to purchase up to 100% interest in the 3,019-hectare Tatooine Silica Project in British Columbia, Canada.

On November 14, 2022, the Company amended its purchase option agreement for the purchase, in stages, of up to a 100% interest in the Ze Manuoel (ZM) Project in Brazil. Under the purchase option agreement, dated April 28, 2022, the Company had the option to reimburse the vendor for certain historical expense incurred by the vendor and issue, in stages, a total of 12 million common shares over a four year. The Company and the vendor have amended the purchase option agreement to expedite the Company's ownership of the ZM Project by changing the payment period for the 12,000,000 common shares. On January 12, 2023, the Company decided not to pursue the interest in Ze Manuoel Project under option agreement.

During the year ended December 31, 2022, 2,633,820 warrants were exercised at a price of $0.15 per warrant for proceeds of $395,073, and 1,425,000 warrants at a price of $0.15 per warrant, expired.

On January 12, 2023, the Company extended the expiry date of 2,025,406 warrants to April 30, 2023.

On January 25, 2023, 64,800 broker's warrants expired, unexercised.

On March 13, 2023, the Company granted 500,000 stock options. These options are exercisable for up to five years at a price of $0.20 per share.

In April 2023, 2,005,410 warrants exercised at a price of $0.20 and 1,000,000 warrants exercised at a price of $0.25, for total proceeds of $651,082.

OUTLOOK

The Company will need additional funding for its exploration, corporate and overhead expenses in near future through either equity or debt financing. Many factors influence the Company's ability to raise funds, including the health of the capital market and the Company's track record. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favorable.

MINERAL EXPLORATION PROJECTS

a. Homathko gold project option

The Company has an option for the right to acquire a 100% interest in the Homathko gold project, located in the Caribou regional district of British Columbia. The Company expanded the project size land position by 30,770 hectares via staking, bringing the total land position to 30,970 hectares.

Mineralization on the property was first identified by Falconbridge Ltd. in 1966, which reported grab and trench sampling returning up to 384 grams per tonne gold. Work completed by Transition Metals Corp. identified a larger, high-grade lode gold system traceable at surface along 1.5 kilometres of strike length. According to Transition, the mineralization is hosted within quartz-carbonate veining developed within and near the margins of a shear-bounded, altered quartz-feldspar porphyry sill. Based on field observations, geologists from Transition have interpreted that the environment for mineralization on the property appears consistent with that of a traditional mesothermal lode gold deposit, which bears many similarities to similar deposits occurring elsewhere in the Stikine belt.

Homathko project highlights:

- Surface and trench grab samples returning up to 384 g/t gold in 1966;
- Grab samples returning up to 64.5 g/t gold in 1989;
- Grab samples returning up to 87.5 g/t gold and 45 g/t silver in 2010 by Transition Metals;
- To date, the Homathko project has never been drill tested.

Cautionary note: the reader is cautioned that rock grab samples are selective by nature and may not represent the true grade or style of mineralization across the property.

Under the terms of the option agreement, the Company can earn a 100% interest in the claims by making such payments necessary to keep the property in good standing and by completing the following:

- Making the following cash payments and issuing the following common shares to Transition Metals:
  - A $10,000 cash payment on or before Dec. 31, 2020 (paid);
  - 700,000 common shares upon TSX-V acceptance of the option agreement and no later than June 30, 2021 (issued with a fair value of $49,000);
  - $40,000 in common shares at a 30-day volume-weighted average price on or before the first anniversary of the option agreement (issued 470,588 common shares);
  - $50,000 in common shares at a 30-day volume-weighted average price on or before the second anniversary of the option agreement;
  - $50,000 in common shares at a 30-day volume-weighted average price on or before the third anniversary of the option agreement.
- Completing the following work expenditures on the property:
  - Cumulative $100,000 by June 30, 2021 (completed);
  - Cumulative $550,000 by December 31, 2022.

The optionor will retain a 1% net smelter return royalty on all mineral production, 0.5% of which can be purchased by the Company for $1,000,000. The property is also subject to a pre-existing 1% royalty in favour of a third party.

On September 12, 2022, the Company terminated the Homathko option agreement. For the year ended December 31, 2022, the Company recorded an impairment of $145,398 in acquisition costs related to the Homathko property.

b. Tatooine Silica Project, Brisco, BC, Canada

On September 8, 2022, the Company (the optionee) has executed an Definitive Agreement with Claimhunt Inc ("CHI"), the optionor. The Company has options to purchase up to 100% interest in the 3,019-hectare Tatooine Silica Project in British Columbia, Canada. The Tatooine Silica Project covers an area of approximately 3,019 hectares, located directly adjacent to the community of Brisco, British Columbia and BC Highway 95, and approximately 65 kilometres southeast of Golden, BC. To complete the Purchase Option, the Company will make a cash payment of $7,500, make work expenditures of $200,000 and issue 1,450,000 common shares of the Company to CHI, as per the following and subject to the terms of the signed Definitive Agreement:

a. The Company will pay $7,500 (paid) and issue 250,000 (issued with a fair value of $32,500) common shares of the Company to CHI on execution of the Definitive Agreement.

b. The Company will issue a further 300,000 common shares of the Company to CHI on or before the 1st anniversary of the Definitive Agreement.

c. The Company will spend a cumulative $100,000 in work expenditures and issue a further 300,000 common shares of the Company to CHI on or before the 2nd anniversary of the Definitive Agreement.

d. The Company will issue a further 300,000 common shares of the Company to CHI on or before the 3rd anniversary of the Definitive Agreement.

e. The Company will spend a cumulative $200,000 in work expenditures and issue a further 300,000 common shares of the Company to CHI on or before the 4th anniversary of the Definitive Agreement.

f. The common shares issued to CHI by the Company under the terms of the Purchase Option, will be subject to a 4-month statutory hold period which will begin on the date of issuance of the common shares.

g. Any common shares of the Company issued prior to the dates above as part of the Purchase Option will be subject to a 4-month statutory hold period which will begin on the date of issuance of the common shares.

c. Ze Manoel Project, Goias State, Brazil

On February 8, 2022, the Company entered a letter of intent ("LOI") for the option to purchase up to a 100% interest in the Ze Manoel project in Goias state, Brazil by making a cash payment of US$250,000 and issuing 12,000,000 common shares to the vendor over a period of three years. The non-binding LOI is intended to document the general terms of a purchase option agreement between the Company and Beko Invest Ltd. For the three months ended, the Company incurred $21,390 in project review costs (2021 - $Nil).

The project covers an area of approximately 7,587 acres in the western portion of the Goias state within the Arenopolis municipality of Brazil, about 290 kilometres from the state capital, Goiania, and approximately 60 kilometres east of the city Ipora. Access to the property is through well-maintained state roads, which cross most of the southern segment of the mineral concession. Access throughout the property is facilitated by unpaved secondary roads and trails.

The Ze Manoel project lies within the Tocantins structural province in the Brasilia fold belt, inserted in the Arenopolis magmatic arc, located within the greater Goias magmatic arc (of Neoproterozoic age). The property has significant metallogenic potential, justified by the occurrences of intrusion-related and epithermal gold deposits of Bacilandia; the Bom Jardim de Goias copper and gold deposits; nickel, copper, cobalt and PGE (platinum group element) deposits and vermiculite deposits (related to layered mafic-ultramafic bodies); occurrences of tin in anorogenic granites; occurrences of cretaceous diamondiferous kimberlitic intrusions, carbonatites and kamafugites from the Goias Alkaline province (GAP); in addition to various industrial materials used for civil and agricultural inputs.

A recent research study on the property comprises the majority of data available on the project and includes ground-based geophysics, stream sediment sampling, trenching and lithogeochemical outcrop sampling.

Target zones

The project consists of four major target zones: Ze Manoel, PAV, Dipolo and Alkaline. A recent in-depth research report on the property determined that it is situated in a favourable geological context for the formation of polymetallic mineral deposits. The geochemical results obtained corroborate the economic potential for copper, gold, iron and diamond, with copper contents above 1 per cent, gold above one gram per tonne and Fe_2O_3 (iron oxide) above 80%.

The primary target, Ze Manoel, yielded anomalous values of copper (1,325 to 11,410 parts per million), gold (five to 400 parts per billion), Fe_2O_3 (11.7% to 83.2%) and up to 3.85 parts per million of silver in magnetitic rock samples. The anomalous concentrations for these elements were from two main locations -- one in the central portion of the target, in the contact of mylonite and diorite, where a breccia was found; and one in the northeast region of the target, with elevated cobalt and Fe_2O_3 content. Trenching identified anomalous copper values.

Sediment sampling at the Dipolo target, named as such for the presence of four north-south-oriented dipoles identified from airborne geophysics, yielded three positive results for gold out of approximately 17 samples, with one sample yielding 1.678 grams per tonne gold. The sample is located east and downstream of the dipoles. The near-term plan at Dipolo is a comprehensive mapping program.

The Alkaline target is defined by the presence of an alkaline intrusion mapped by the Brazilian Geological Survey. Twelve current sediment samples were collected with three positive results for gold, up to 0.28 gram per tonne gold, which is located downstream of the alkaline rock body.

Transaction detailsc

The LOI is intended to document the general terms of a purchase option agreement between the Company and Beko Invest Ltd. concerning the exclusive terms for the purchase of the Ze Manoel project, which is owned by Beko through its 100% ownership of 3S Ltd. The proposed terms and conditions of the purchase option, which are entirely subject to the terms and conditions to be set forth in the definitive agreement, are as follows:

- In order to initiate the exercise of the purchase option, the Company will advance cash payments of US$250,000 to cover the historical expenditures made by the vendor on the Ze Manoel project.

- The Company will have the option of making common share payments totaling 12,000,000 common shares to the vendor for a 100% direct ownership in the Ze Manoel project as follows:

    - The Company will acquire an initial 25% interest in the Ze Manoel project upon the issuance of 3,000,000 common shares of the Company to the vendor issued upon the receipt of TSX-V approval of the purchase option.
    - The Company will acquire an additional 25% interest (cumulative 50%) in the Ze Manoel project upon the issuance of an additional 3,000,000 common shares of the Company to the vendor at any time before the first anniversary of the TSX-V approval of the purchase option.
    - The Company will acquire an additional 25% interest (cumulative 75%) in the Ze Manoel project upon the issuance of an additional 3,000,000 common shares of the Company to the vendor at any time before the second anniversary of the TSX-V approval of the purchase option.
    - The Company will acquire a final 25% interest (cumulative 100%) in the Ze Manoel project upon the issuance of an additional 3,000,0000 common shares of the Company to the vendor at any time before the third anniversary of the TSX-V approval of the purchase option.

On November 14, 2022, the Company and vendor amended the option agreement where the issuance of 12,000,000 common shares of the Company be issued in their entirety upon the TSX-V approval of the purchase option agreement.

On January 12, 2023, the Company decided not to pursue the interests in Ze Manoel project under the option agreement. At December 31, 2022, the Company recorded an impairment of $16,974 of costs related to the project as the Company no longer intends to pursue the interest under LOI.

INVESTOR RELATIONS

On June 22, 2022, the Company entered into an agreement with Zimtu Capital Corp, a public investment issuer. Zimtu will provide the Company with its ZimtuADVANTAGE program (lead generation campaign, social media, YouTube, and video news release, etc) and will receive $12,500 per month for a period of 12 months. The Company made a one-time payment of $150,000 under the agreement.

SELECTED ANNUAL FINANCIAL INFORMATION

The financial data presented below for the current and comparative periods was prepared in accordance with IFRS. The functional and reporting currencies of the parent and subsidiary have been determined to be the Canadian dollar.

The following financial data are derived from our consolidated financial statements for the years ended December 31, 2022, 2021 and 2020:

	December 31, 2022	December 31, 2021	December 31, 2020
Expenses	$ 1,154,219	$ 814,268	$ 615,712
Other loss (income)	82,372	(97,080)	(2,897,987)
Net and comprehensive (income) loss	1,236,591	717,188	(2,282,275)
Basic and diluted loss (income) per share	0.05	0.04	(0.20)
Total current assets	118,016	102,874	36,800
Total assets	158,016	248,272	46,800
Total current liabilities	1,121,668	1,024,783	1,548,162
Total liabilities	1,121,668	1,024,783	1,548,162

RESULTS OF OPERATIONS

For the Three Months Ended December 31, 2022 and 2021

For the three months ended December 31, 2022, the Company recorded net comprehensive loss of $163,580 (2021 - $21,633 income). Major expenditures during the quarter were:

- Consulting and management fees $70,500 (2021 - $79,500);
- Exploration and evaluation expenses $77,529 (2021 - $42,498);
- Investor relations $112,458 (2021 - $Nil)
- Office and miscellaneous $31,215 (2021 - $30,601);
- Professional fees $30,864 (2021 - $43,927);
- Transfer and filing fees $841 (2021 - $4,687);
- Share-based compensation recovery $81,787 (2021 - $115,400)
- Impairment of E&E assets $16,974 (2021 - $Nil)
- Flow-through settlement $80,000 (2021 - $Nil)
- Gain on debt settlement $Nil (2021 - $97,080)

The increased loss in the last quarter in 2022 was mainly driven by the investor relation expenses of $112,458 related to Zimzu agreement, and the impairment of acquisition costs associated with Ze Manoel project of $16,974. In the last quarter in 2021, the Company recorded a gain on debt settlement of $97,080.

For the Year Ended December 31, 2022 and 2021

For the year ended December 31, 2022, the Company recorded net comprehensive loss of $1,236,591 (2021 - $717,188). Major expenditures during the quarter were:

- Consulting and management fees $297,000 (2021 - $291,000);
- Investor relations $187,458 (2021 - $Nil)
- Exploration and evaluation expenses $187,234 (2021 - $199,108);
- Office and miscellaneous $128,313 (2021 - $120,730);
- Professional fees $114,062 (2021 - $61,247);
- Transfer and filing fees $35,794 (2021 - $11,013);
- Share-based compensation $210,713 (2021 - $131,600)

- Impairment of E&E assets $162,372 (2021 - $Nil)
- Gain on debt settlement $Nil (2021 - $97,080)
- Flow-through settlement $80,000 (2021 - $Nil)

The increased loss in fiscal year 2022 was mainly driven by the investor relation expenses of $187,234 related to Zimzu agreement, and the write-off of $162,372 in acquisition costs relating to the Homathko and Ze Maneol projects. In 2022, the Company incurred higher expenses compared to the 2021, including due diligence, legal and regulatory costs relating to the acquisition and Exchange review of the Ze Manoel and Tatooine Silica projects. The Company also incurred costs for an annual general meeting and regulatory filings. Costs incurred during the year were towards project evaluation (Ze Manoel and Homathko), and regulatory filings related to the acquisition of Ze Manoel and filing fee of moving the Company's shares from the NEX to the TSX-V.

Summary of Quarterly Results

Results for the eight most recent quarters are as follows:

	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022
Expenses	$ 226,606	$ 238,348	$ 525,380	$ 163,885
Other income (loss)	63,026	(145,398)	-	-
Net income (loss)	(163,580)	(383,746)	(525,380)	(163,885)
Comprehensive income (loss)	(163,580)	(383,746)	(525,380)	(163,885)
Basic and diluted income (loss) per share	(0.00)	(0.01)	(0.02)	(0.01)
Total current assets	118,016	242,934	515,609	284,017
Total assets	158,016	263,992	661,007	429,415
Total current liabilities	1,121,668	1,014,277	1,028,046	1,061,397
Total liabilities	1,121,668	1,014,277	1,028,046	1,061,397

	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Expenses	$ 75,447	$ 387,516	$ 201,341	$ 149,964
Other income (loss)	97,080	-	-	
Net income (loss)	21,633	(387,516)	(201,341)	(149,964)
Comprehensive income (loss)	21,633	(387,516)	(201,341)	(149,964)
Basic and diluted income (loss) per share	0.00	(0.02)	(0.01)	(0.01)
Total current assets	102,874	9,100	93,437	12,249
Total assets	248,272	124,498	152,437	22,249
Total current liabilities	1,024,783	917,539	1,661,422	1,673,575
Total liabilities	1,024,783	917,539	1,661,422	1,673,575

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2022	December 31, 2021
Cash	$ 489	$ 99,547
GST receivable	4,985	3,327
Exploration and evaluation assets	40,000	145,398
Current liabilities	1,121,668	1,024,783
Shareholders' deficiency	(963,652)	(776,511)
Working capital deficiency	(1,003,652)	(921,909)

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon the capital markets to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on terms acceptable to the Company. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, which will be derived from the exercise of stock options and warrants, and/or private placements. The Company may also seek short-term loans from directors of the Company.

As at December 31, 2022, the Company had cash of $489 (December 31, 2021 - $99,547) and negative working capital of $1,003,652 (December 31, 2021 - $921,909). Cash used in operating activities was $880,821. Cash used in investing activities was $24,474. Cash received in financing activities totaled $806,237. Significant working capital components include cash in current or interest-bearing accounts, accounts payable, loans payable.

Capital stock

The Company's share capital consists of unlimited common voting shares, without par value.

During the year ended December 31, 2022:

- On January 25, 2022, the Company completed a non-brokered private placement for gross proceeds of $202,541 by issuing 2,025,406 units at a price of $0.10 per unit. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price $0.20 per share for 12 months. The warrants are subject to the right of the company to accelerate the exercise period of the warrant if shares of the company trade at or above $0.50 for a period of 10 consecutive trading days. The Company incurred share issuance costs of $6,480 by issuing 64,800 broker units (one common share and one common share purchase warrant) at a price of $0.10 per unit for 12 months. The Company transferred $100,377 from share subscription account to share capital.

- On August 16, 2022, the Company completed a non-brokered private placement for gross proceeds of $309,000 by issuing 2,060,000 units at a price of $0.15 per unit. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price $0.25 per share for 12 months. The warrants are subject to the right of the company to accelerate the exercise period of the warrant if shares of the company trade at or above $0.50 for a period of 10 consecutive trading days.

- On September 9, 2022, the Company issued 250,000 common shares with a fair value of $32,500 for an option payment on the Tatooine project.

- 2,633,820 common shares were issued pursuant to warrants exercised at a price of $0.15 for total proceeds of $395,073.

As at December 31, 2022 the Company had 35,765,233 common shares issued and outstanding (December 31, 2021 – 28,731,207).

Subsequent to the year ended December 31, 2022, the Company closed a private placement for gross proceeds of $751,400. The Company issued 7,514,000 common shares and 7,514,000 share purchase warrants, with each warrant being exercisable at $0.20 per common share for a period of 24 months from date of issuance. The warrants will be subject to the right of the company to accelerate the exercise of the warrants if the shares of the company trade at or above $0.50 for a period of 10 consecutive trading days.

Subsequent to the year ended, 2,005,410 warrants were exercised at a price of $0.20 and 1,000,000 warrants were exercised at a price of $0.25, for total proceeds of $651,082.

Stock options

The Company has adopted an incentive stock option plan under the rules of the TSX-V pursuant to which it is authorized to grant options, as amended, to executive officers, directors, employees and consultants. On June 15, 2022, the Company granted 1,950,000 stock options. These options are exercisable for up to five years at a price of $0.20 per share.

The Continuity of the Company's outstanding options is as below:

	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Exercise Price
Balance, December 31, 2020	-	-	-
Granted	3,500,000	3,500,000	$0.10
Balance, December 31, 2021	3,500,000	3,500,000	$0.10
Granted	1,950,000	975,000	$0.20
Balance, December 31, 2022	5,450,000	4,475,000	$0.14

As at December 31, 2022, the following stock options were outstanding:

Expiry Date	Weighted Average Exercise price	Number of options outstanding	Number of Options Exercisable	Weighted Average Remaining Years
September 14, 2026	$ 0.10	3,500,000	3,500,000	3.71
June 15, 2027	$ 0.20	1,950,000	975,000	4.56

On March 13, 2023, the Company granted 500,000 stock options. These options are exercisable for up to five years at a price of $0.20 per share. As at the date of this report, 5,950,000 stock options were outstanding.

<u>Warrants</u>

The continuity of the Company's outstanding warrants is as follows:

	Number	Weighted Average Price
Balance, December 31, 2020	-	-
Issued	4,058,820	$0.18
Balance, December 31, 2021	4,058,820	$0.18
Issued	4,085,406	$0.23
Exercised	(2,633,820)	$0.15
Expired	(1,425,000)	$0.22
Balance, December 31, 2022	4,085,406	$0.23

At December 31, 2022, the following warrants were outstanding:

Expiry Date	Weighted Average Exercise price	Number of warrants outstanding	Weighted Average Remaining Years
January 25, 2023	$ 0.20	2,025,406	0.33
June 15, 2023	$ 0.20	2,000,000	0.46
August 16, 2023	$ 0.25	60,000	0.62
	$ 0.23	4,085,406	0.39

Subsequent to the year ended December 31, 2022:

On January 12, 2023, the Company extended the expiry date of 2,025,406 warrants to April 30, 2023.
In March 2, 2023, the Company issued 7,514,400 warrants at $0.20 with expiry of 2-year from private placement.

Subsequent to the year ended, 2,005,410 warrants were exercised at a price of $0.20 and 1,000,000 warrants were exercised at a price of $0.25, for total proceeds of $651,082.

As at the date of this report, 8,593,996 warrants were outstanding.

Broker Warrants

During the year ended December 31, 2022, the Company issued 64,800 broker warrants. Each broker warrant allows the holder to acquire one common share at a price of $0.20 for the period of 12 months. The continuity of the Company's outstanding broker warrants is as follows:

	Number of outstanding	Weighted Average Price
Balance, December 31, 2020	-	-
Issued	20,000	$0.25
Balance, December 31, 2021	20,000	$0.25
Issued	64,800	$ 0.20
Expired	(20,000)	$ 0.20
Balance, December 31, 2022	64,800	$ 0.20

On January 25, 2023, 64,800 broker's warrants expired, unexercised. At the date of this report, there were no broker warrants outstanding:

As at the date of this report, the Company has 46,284,643 common shares, 5,950,000 incentive stock options, 8,593,996 warrants outstanding. If all of the stock options and warrants were exercised the Company would have 60,328,639 common shares issued and outstanding.

USE OF PROCEEDS

Proceeds received from the issuance of shares will be allocated toward general working, capital purposes, mineral property exploration and acquisitions.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

RELATED PARTIES AND KEY MANAGEMENT COMPENSATION

The Company's related parties consist of its key management personnel, including its directors and officers.

The amounts payable to related parties summarized as above were included in accounts payable and accrued liabilities. Balances owing are unsecured, non-interest bearing and have no specified terms of repayment. As at December 31, 2022 and 2021, the following are due to related parties.

Name	Relationship	Nature of Transaction	Balance payable at December 31, 2022	Balance payable at December 31, 2021
Nexvu Services Inc.	Owned by Nexvu Capital Corporation, which Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Rent and corporate services	$ **78,576**	$ 83,652
Nexvu Capital Corporation	Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Demand loan	**2,000**	2,000
Brian Leeners	Chief executive officer and director	Management services	**100,480**	84,230
Greg Pearson	Director of the Company			

Global Link Capital	Greg Pearson, director of the Company, is a shareholder	Management services		**100,480**	84,230
Gordon J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation.	Legal services		**175,906**	107,052
Lew Dillman	Director of the Company		-	**-**	-
Hugh Callaghan	Director of the Company		-	**-**	-
AE Financial Management Ltd.	Edward Low, chief financial officer, is a shareholder	Accounting services		**57,588**	43,588
			$	**515,030**	$ 404,752

During the year ended December 31, 2022 and 2021, the Company entered into transactions with the related parties as below:

Name	Nature of Transaction	Stock Option Compensation- for year ended December 31, 2022	Stock Option Compensation- for year ended December 31, 2021	Fees - for year ended December 31, 2022	Fees - for year ended December 31, 2021
Nexvu Services Inc.	Rent and corporate services	**$ -**	$ -	**$ 120,000**	$ 120,000
Brian Leeners	Management services	**55,000**	18,800	**120,000**	120,000
Greg Pearson	Management services	**27,500**	18,800	**-**	-
Global Link Capital	Management services	**-**	-	**120,000**	120,000
Gordon Fretwell, Law Corporation	Legal services	**-**	-	**69,364**	10,000
Gordon Fretwell	Legal services	**11,000**	18,800	**-**	-
Lewis Dillman		**22,000**	11,280	**-**	-
Hugh Callaghan		**22,000**	11,280		
AE Financial Management Ltd.	Accounting services	**-**	-	**42,000**	42,000
Edward Low	Accounting services	**5,500**	7,520	**-**	-
		$ 143,000	$ 86,480	**$ 471,364**	$ 412,000

- On June 16, 2022, the Company completed the first tranche of a non-brokered private placement for gross proceeds of $300,000 by issuing 2,000,000 units at a price of $0.15 per unit. A company owned by a director subscribed for 1,000,000 units.
- On June 15, 2022, the Company granted incentive stock options to officers, directors, and consultants. The stock-based compensation related to officers and directors is $143,000 (2021 - $86,480).

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- Assessment of the Company's ability to continue as a going concern;
- Impairment of long-lived assets;

- Recoverability and measurement of deferred tax assets; and
- Measurement of share-based payments.

NEW ACCOUNTING STANDARDS

For information on the Company's accounting policies and new accounting pronouncements, please refer to our disclosure in our unaudited condensed consolidated financial statements for the year ended December 31, 2022.

CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support ongoing operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business. In order to carry out its business activity and pay for administrative costs, the Company will need to raise additional working capital.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during period or during the period. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

Details of the Company's financial instruments, management's assessment of their related risks and details of management of those risks are as follows:

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts payable, and loans payable.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits. The Company has not experienced any losses and believes it is not exposed to any significant credit risk from cash.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The Company does not have any asset backed commercial paper.

Credit risk

The Company's credit risk is primarily attributable to cash. The Company limits its exposure to credit risk on cash as these financial instruments are held with major Canadian and international banks, from which management believes the risk of loss to be remote.

Liquidity risk

The Company manages liquidity risk by maintaining cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short term and long-term obligations. As at December 31, 2022, the Company did not have sufficient cash on hand to pay its short-term creditors and does not generate cash from its operations. Accordingly, liquidity risk is considered high.

Market risk

The market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The Company's future interest income is exposed to short-term rate fluctuations. This is not a significant risk to the Company.

Foreign exchange risk

The Company is exposed to foreign currency risk on fluctuations related to cash, demand loan payable, accounts payable and accrued liabilities that are denominated in US dollars. The Company does not use derivative instruments to reduce its exposure to foreign exchange risk. As at December 31, 2022, the Company had negligible financial assets or liabilities denominated in a foreign currency.

OTHER RISK FACTORS

The Company's success depends upon a number of factors, many of which are beyond the Company's control. Typical risk factors and uncertainties include the current world economic recovery, world conflict, natural disasters which affects the ability to raise financing, title matters, metal prices, currency rate fluctuations, operating hazards encountered in the mining business, and changing legislation, regulations or the administration thereof. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Environmental and Other Regulatory Requirements

Mineral exploration activities require permits from various governmental authorities and are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs, and delays as a result of the need to comply with applicable laws, regulations and permits. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mineral exploration and development activities may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The Company believes it is in compliance with all laws and regulations that currently apply to its activities. However, there can be no assurance that all permits which the Company may require for mineral exploration and development can be obtained or maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any such mineral exploration or development which the Company might undertake.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Metal Prices

The principal activity of the Company is the exploration of resource metal properties. The feasible development of such properties is highly dependent upon metal prices. A sustained and substantial decline in commodity prices could result in the write-down, termination of exploration and development work or loss of the Company's interests in identified resource properties. Although such prices cannot be forecast with certainty, the Company carefully monitors factors that could affect metal prices in order to assess the feasibility of its resource properties.

Industry and Economic Factors Affecting Performance

As a mineral exploration and development company, The Company's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

Critical Accounting Estimates and Assumptions

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Share-based payments

The Company uses the Black-Scholes pricing model to estimate the fair value of stock options granted and warrants issued. Under this model, the Company must estimate the term, volatility and if applicable, the forfeiture rate of options granted and warrants issued.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumption made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information become available.

LEGAL MATTERS

The Company is not currently and has not at any time during our most recently completed fiscal year, been party to, nor has any of its properties been the subject of, any material legal proceedings or regulatory actions.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of the Company's internal controls over financial reporting ("ICFR") as required by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). ICFR is intended to provide reasonable assurance regarding the preparation and presentation of financial statements for external purposes in accordance with applicable generally accepted accounting principles. Internal control systems, no matter how well designed, have inherent limitations.

Based on a review of its internal control procedures at the end of the year covered by this MD&A, management has determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financing reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in the Company's internal controls over financial reporting that occurred during the period that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

However, even those systems determine to be effective can provide only reasonable assurance with respect to financial statement and preparation. A control system, no matter how well conceived or operated can provide only reasonable, not absolute, assurance and are not expected to prevent all errors and fraud.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") ate.

APPROVAL

The board of directors has approved the disclosure contained in this MD&A.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers to be reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. Homerun Resources does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

Management & Directors
Brian Leeners – Director, Chief Executive Officer & Corporate Secretary
Hugh Callaghan - Director
Lew Dillman – Director
Greg Pearson – Director
Edward Low – Chief Financial Officer

Contact
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