HOMERUN RESOURCES INC.

Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2024 and 2023

(unaudited – prepared by the management)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by the auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

HOMERUN RESOURCES INC.

Condensed Consolidated Interim Statements of Financial Position
As at March 31, 2024 and December 31, 2023

	Notes		March 31, 2024		December 31, 2023
ASSETS					
Current Assets					
Cash		$	**72,080**	$	18,630
GST receivable			**5,535**		12,053
Prepaid expenses			**116,147**		229,980
			193,762		260,663
Non-current Assets					
Exploration and evaluation assets	5		**444,715**		326,396
TOTAL ASSETS		$	**638,477**	$	587,059
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)					
Current Liabilities					
Accounts payable and accrued liabilities	6,9	$	**665,795**	$	825,165
Loan payable	10		**-**		94,741
			665,795		919,906
Non-current liabilities					
Loan payable	10		**94,741**		-
TOTAL LIABILITIES			**760,536**		919,906
Shareholders' Deficiency					
Share capital	3,7		**26,755,781**		26,080,781
Share subscription received			**170,000**		20,000
Accumulated other comprehensive loss			**(25,611)**		(19,634)
Contributed surplus	3,7		**2,785,799**		2,327,197
Deficit			**(29,808,028)**		(28,741,191)
			(122,059)		(332,847)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		$	**638,477**	$	587,059

Nature of operations and going concern (Note 1)
Subsequent event (Note 12)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

*"Brian Leeners"*________________

Director

*"Gregory Pearson"*_____________

Director

HOMERUN RESOURCES INC.

Condensed Consolidated Interim Statements of Comprehensive Loss
For the Three Months Ended March 31, 2024 and 2023

		Three Months Ended March 31,	
		2024	**2023**
Expenses			
Consulting and management fees	6	$ **132,702**	$ 70,500
Exploration and evaluation expenditures	5,6	**205,658**	42,974
Foreign exchange loss		**323**	76
Investor relations		**80,270**	108,923
Office and miscellaneous	6	**40,286**	47,611
Professional fees	6	**14,500**	2,000
Stock-based compensation		**458,602**	54,957
Transfer agent and filing fees		**16,884**	2,000
		(949,225)	(329,041)
Other items			
Write-off of debts	11	**326,211**	-
Impairment of exploration and evaluation assets		**(444,000)**	-
Interest income		**177**	-
		(117,612)	-
Net loss for the period		**(1,066,837)**	(329,041)
Other comprehensive loss			
Foreign exchange differences on translation of foreign operation		**(5,977)**	-
Net loss and comprehensive loss for the period		$ **(1,072,814)**	$ (329,041)
Basic and diluted loss per share		$ **(0.02)**	$ (0.01)
Weighted average number of common shares outstanding		**49,719,705**	38,186,411

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

HOMERUN RESOURCES INC.

Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended March 31, 2024 and 2023

	For the Three Months Ended March 31, 2024	2023
Cash provided by (used in):		
Operating activities		
Comprehensive loss for the period	$ **(1,066,837)**	$ (329,041)
Items not affecting cash:		
Write-off of debts	**(326,211)**	-
Impairment of exploration and evaluation assets	**444,000**	-
Stock-based compensation	**458,602**	54,957
Changes in non-cash working capital items:		
GST receivable	**6,518**	(6,201)
Prepaid expenses	**113,833**	48,771
Accounts payable	**133,341**	(169,484)
Accrued liabilities	**33,500**	(43,000)
Cash used in operating activities	**(203,254)**	(37,021)
Financing activities		
Shares issued for cash	**-**	751,400
Shares subscription received – shares to be issued	**170,000**	-
Share issued from warrants exercise	**91,000**	-
Cash provided by financing activities	**261,000**	631,910
Effect of foreign exchange	**(4,296)**	-
Net increase in cash	**57,745**	307,402
Cash, beginning of the period	**18,630**	489
Cash, end of the period	$ **72,080**	$ 307,891
Supplemental schedule of non-cash activities:		
Shares issued for acquisition of exploration and evaluation assets	$ **564,000**	$ -

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

HOMERUN RESOURCES INC.

Condensed Consolidated Interim Statements of Changes in Shareholder's Equity
For the Three Months Ended March 31, 2024 and 2023

	Number of Common Shares Outstanding	Share Capital ($)	Share Subscription Received ($)	Contributed Surplus ($)	Accumulated Other Comprehensive Income ($)	Deficit ($)	Total Shareholders' Equity (deficiency) ($)
Balance, December 31, 2023	**48,830,639**	**26,080,781**	**20,000**	**2,327,197**	**(19,634)**	**(28,741,191)**	**(332,847)**
Shares issued for acquisition of exploration and evaluation assets (Note 5, 7c)	**1,200,000**	**564,000**	**-**	**-**	**-**	**-**	**564,000**
Shares issued - warrants exercise (Note 7b)	**555,000**	**111,000**	**(20,000)**	**-**	**-**	**-**	**91,000**
Share subscriptions – shares to be issued	**-**	**-**	**170,000**	**-**	**-**	**-**	**170,000**
Share-based compensation (Note 7c)	**-**	**-**	**-**	**458,602**	**-**	**-**	**458,602**
Net loss and comprehensive loss	**-**	**-**	**-**	**-**	**(5,977)**	**(1,066,837)**	**(1,072,814)**
Balance, March 31, 2024	**50,585,639**	**27,755,781**	**170,000**	**2,785,799**	**(25,611)**	**(29,808,028)**	**(122,059)**
Balance, December 31, 2022	35,765,233	24,134,820	-	2,067,537		(27,166,009)	(963,652)
Share issued for cash (Note 8a)	7,514,000	751,400	-	-		-	751,400
Share-based compensation (Note 8c)	-	-	-	54,957		-	54,957
Net loss	-	-	-	-		(163,885)	(163,885)
Balance, March 31, 2023	43,279,233	24,886,220	-		2,122,494	(27,495,050)	(486,336)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. Nature of operations and going concern

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") under the trading symbol HMR. On August 16, 2021, the Company changed its name to Homerun Resources Inc. from Envirotek Remediation Inc. The Company is dedicated to becoming a leading materials company by processing high-purity (HPQ) silica into industrial inputs such as solar glass and silicon. The corporate head office and registered records office of the Company is located at Suite 2110, 650 West Georgia Street, Vancouver, B.C., V6B 4N9.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. As at March 31, 2024, the Company had no source of operating cash flows, its current liabilities exceeds its current assets by $472,033 (December 31, 2023 - $659,243), and has an accumulated deficit of $29,808,028 (December 31, 2023 - $28,741,191), and the Company expects to incur further losses in the development of its business. These factors cast substantial doubt about the Company's ability to continue as a going concern. Management has estimated that the Company will require additional financing to meet its obligations for the fiscal year. Continued operations are dependent on the Company's ability to complete equity or debt financings. The condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations as a going concern. Such adjustments could be material.

2. Basis of preparation

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2023. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary AKA Ventures USA Inc and Homerun Brasil Mineracao Ltda. All inter-company transactions have been eliminated upon consolidation. The Board of Directors approved these consolidated financial statements on May 29, 2024.

Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned and controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions and balances have been eliminated upon consolidation.

Functional and presentation currency

Items included in the consolidated financial statements of the Company and its wholly owned subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and its subsidiary AKA Ventures USA Inc. is the Canadian dollar. The functional currency of Homerun Brasil Mineracao Ltda. is the Brazilian Real.

The results and financial position of a subsidiary that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated using exchange rates prevailing at the end of each reporting period;
- Income and expenses for each line item in the consolidated statement of loss and comprehensive loss are translated at average exchange rates for the period; and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

2. Basis of preparation (continued)

Functional and presentation currency

On consolidation, exchange differences arising from the translation of the net investment in foreign entity are recorded in accumulated other comprehensive loss. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingency liabilities as at the date of the financial statements, and the reported amount of revenues and expenses during the reporting year. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key critical judgment and sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the condensed consolidated interim financial statements are as follows:

Recent accounting pronouncements

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Capital management

The Company classifies its share capital and contributed surplus as capital. When managing capital, the Company's objective is to ensure the Company continues as a going concern as well as to maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide optimal returns to shareholders and benefits for other stakeholders. The Board of Directors does not establish qualitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent upon external financing to fund its activities. In order to carry out its business activity and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

4. Financial instruments and financial risk management

a) Fair value

The fair value of financial instruments is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted market prices, as appropriate, in the most advantageous market for that instrument to which the Company has immediate access. Where quoted market prices are not available, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics. The fair value of current financial instruments approximates their carrying values as long as they are short term in nature.

b) Fair value hierarchy

Financial instruments that are held at fair value are categorized based on a valuation hierarchy which is determined by the valuation methodology utilized:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

4. Financial instruments and financial risk management (continued)

b) Fair value hierarchy (continued)

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments are carried at amortized cost with the exception of cash. Cash is measured using level 1 inputs.

There were no transfers between levels 1 and 2 during the period.

c) Financial risks

(i) Interest rate risk

The Company's interest rate risk arises primarily from the interest received on cash, which is invested on a short-term basis to enable adequate liquidity for payment of operational and capital expenditures. Therefore, interest rate risk is considered minimal.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to accounts payable that are denominated in US dollars. The Company does not use derivative instruments to reduce its exposure to foreign exchange risk.

As at March 31, 2024, the Company had negligible financial assets or liabilities denominated in a foreign currency.

		March 31, 2024		December 31, 2023
Cash	R$	26,449	R$	54,418
Receivables		783		751
Prepaid expenses		9,103		3,996
Accounts payable		(33,915)		(33,822)
Net exposure		2,420		25,343
Canadian dollar equivalent	$	656	$	6,909

As of March 31, 2024, a 5% change in the exchange rate between Brazilian Real ("R$") and Canadian dollars would impact the Company's net assets by $33 (2023 - $345). The Company assessed its foreign currency risk as moderate as of March 31, 2024.

(iii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. 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. Credit risk is assessed as minimal.

(v) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining cash. 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 March 31, 2024, 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.

5. Exploration and evaluation assets

Tatooine Silica Project, Brisco, British Columbia Canada

On September 8, 2022, the Company (the optionee) entered into a Definitive Agreement with ClaimHunt Inc ("CHI"), the optionor. The Company has the option to purchase up to 100% interest in the Tatooine Silica Project in British Columbia, Canada.

Under the terms of the agreement, the Company can earn a 100% interest in the claims if the following cash payments, work expenditures and share issuances are met by the dates specified:

- The Company will pay $7,500 (paid) and issue 250,000 common shares (issued) of the Company to CHI on execution of the Definitive Agreement.
- The Company will issue a further 300,000 common shares (issued) of the Company to CHI on or before the 1st anniversary (September 8, 2023) of the Definitive Agreement.
- The Company will spend a cumulative $100,000 in work expenditures and issue a further 300,000 common shares (issued) of the Company to CHI on or before the 2nd anniversary (September 8, 2024) of the Definitive Agreement.
- The Company will issue a further 300,000 common shares (issued) of the Company to CHI on or before the 3rd anniversary (September 8, 2025) of the Definitive Agreement.
- The Company will spend a cumulative $200,000 in work expenditures and issue a further 300,000 common shares (issued) of the Company to CHI on or before the 4th anniversary (September 8, 2026) of the Definitive Agreement.

On March 1, 2024, the Company issued 1,200,000 common shares of the Company to the CHI, at market price of $0.47. The issuance set the initial valuation of the acquisition at $576,000. At the March 31, 2024, management reassessed the fair value of the acquisition to be $120,000, in line with the option payment terms at $0.10 per share (deemed price), per Definitive Agreement. The Company recognized an impairment loss of $444,000 due to the overvaluation from issuance of shares. As of March 31, 2024, the Company has fulfilled all share issuance obligations.

CBPM Mineral Rights, Santa Maria Eterna, Brazil

During the year ended December 31, 2023, the Company entered into a complementary research contract and mineral rights lease agreement with Companhia Baiana de Pesquisa Mineral ("CBPM") to extract high-purity silica sourced from CBPM's concessions in Santa Maria Eterna, Brazil. For the mineral rights, the Company will pay R$1,000,000 Brazilian reais (paid $272,600) and an additional R$1,000,000 is due upon receipt of Brazilian regulatory approvals of the Company's extraction plans.

Under the agreement, the Company will pay an extraction royalty of R$50 per tonne of extracted silica sand. Any of the extracted silica sand sold outside of Brazil will be subject to a further 5% gross sales royalty in addition to R$50 per tonne royalty. Under the complementary research agreement, the Company must invest a minimum amount of R$2,500,000 in research work. As at March 31, 2024, the Company has not yet started the research program.

The Company will make minimum annual royalty payments corresponding to the sale of a minimum annual production of 12,000 tones of processed sand. The term of the agreement is for an initial 20-year term with an additional 20-year term if the agreement is in good standing at the end of the initial term. As at March 31, 2024, the carrying value of the mineral rights was $271,000 (December 31, 2023 - $272,600) and the Company has not yet extracted any silica sand.

Belmonte Silica Concession, Bahia, Brazil

On November 1, 2023, the Company entered into a purchase option agreement with Aristoteles Chaves da Silva ("ACS") for the conditional purchase of the Belmonte silica concession in Belmonte, Bahia, Brazil. The Belmonte silica concession comprises of approximately 69.4 hectares. The terms and conditions of the agreement between the parties are as follows:

5. Exploration and evaluation assets (continued)

Belmonte Silica Concession, Brazil (continued)

- The Company will make a cash payment to ACS of US$10,000 within 10 days of the execution date (paid $13,796);
- If the results of the drill program confirm that the same regional quality of silica is contained in over 25% of the area of the project, the Company will make a second payment to ACS of US$40,000 and ACS will transfer 100% of the project to the Company.
- The Company will have until March 31, 2024, to evaluate the concession and that evaluation will consist of a 200-metre percussion drill program. On April 15, 2024, the Company entered into an amending agreement to extend the due date up to September 30, 2024.

Quartz Silica Sand Supply, Brazil

On July 12, 2023, the Company entered into a material supply agreement with Silica Del Piero Ltda. ("SDP") detailing the operational terms regarding the supply of high-purity silica sand sourced from SDP's district-scale, fully permitted project in Bahia, Brazil. Under the agreement, the purchase price has been set at US$20.00 per ton, net of the Company's obligation to cover recoverable costs and applicable taxes. The applicable taxes in Brazil are dependent on customer jurisdiction both domestically and for international shipments. Recoverable costs are dependent on whether the mode of operation is service contractor or internal capital equipment or equipment lease. This is yet to be determined.

The continuity of the Company's acquisition costs at period ended March 31, 2024, and December 31, 2023 are as follows:

	March 31, 2024			
Acquisition Costs	Belmonte, Brazil ($)	CPBM right, Brazil ($)	Tatooine, Canada ($)	Total ($)
Balance, opening	13,796	272,600	40,000	326,396
Option payments	-	-	120,000	120,000
Foreign exchange effect	(81)	(1,600)	-	(1,681)
Balance, ending	13,715	271,000	160,000	444,715

	December 31, 2023			
Acquisition Costs	Belmonte, Brazil ($)	CPBM right, Brazil ($)	Tatooine, Canada ($)	Total ($)
Balance, opening	-	-	40,000	40,000
Option payments	13,796	272,600	-	286,396
Balance, ending	13,796	272,600	40,000	326,396

For three months ended March 31, 2024 and 2023, the Company's exploration and evaluation expenditures recognized on the statements of comprehensive loss are as follows:

Exploration and evaluation expenditures		**March 31, 2024**		**March 31, 2023**
Project management fees	$	124,845	$	22,500
Assays		-		474
Project review		80,813		20,000
Total	$	205,658	$	42,974

6. Related party transactions

The amounts payable to related parties summarized as above were included in accounts payable and accrued liabilities. Balances owning are unsecured, non-interest bearing and have no specified terms of repayment.

During the three months ended March 31, 2024 and 2023, the Company entered into transactions with the related parties as below:

Name	Relationship	Nature of Transaction	Stock-based compensation for March 31, 2024	Fees for 3-month ended March 31, 2024	Fees for 3-months ended March 31, 2023	Balance payable at March 31, 2024	Balance payable at December 31, 2023
			($)	($)	($)	($)	($)
Nexvu Services Inc.	Owned by Nexvu Capital Corporation, of which Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders.	Rent and corporate services	-	30,000	30,000	58,321	39,040
Nexvu Capital Corporation	Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders.	Demand loan	-	-	-	2,000	2,000
Brian Leeners *	Chief Executive Officer and a Director	Management services	133,859	81,723	30,000	47,980	54,795
Global Link Capital	Greg Pearson, a Director of the Company, is a shareholder	Management services	-	36,000	30,000	40,480	11,980
Gordon J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation.	Legal services	-	2,000	2,000	102,906	100,906
Antonio Victor*	VP and country manager, Brasil Ltda	Mining management	100,395	49,021	-	-	-
Mauro Cesar* Terence	Chief Technology Officer	Mining management	66,930	12,255	-	-	-
AE Financial Management Ltd.	Edward Low, Chief Financial Officer, is a shareholder	Accounting services	-	10,500	10,500	47,088	40,250
			301,184	221,478	102,500	298,774	248,971

* During the three months ended March 31, 2024, the Company granted 3,300,000 stock options at an exercise price of $0.75 per common share to its officers and consultants. Of these, 1,000,000, 750,000, and 500,000 stock options were granted to Brian Leeners, Antonio Victor, and Mauro Cesar Terence, respectively (Note 7 d).

7. Share capital

Authorized: Unlimited common voting shares, without par value.

a. Share issuance - private placement

Three Months Ended March 31, 2024
No common shares were issued from private placement.

Three Months Ended March 31, 2023
On March 2, 2023, the Company completed a non-brokered private placement for gross proceeds of $751,400 by issuing 7,514,000 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. Each warrant being exercisable at $0.20 per common share for a period of 24 months from the date of issuance. The warrants will be subject to the right of the company to accelerate the exercise period of the warrants if shares of the company trade at or above $0.50 for a period of 10 consecutive trading days.

7. Share capital (continued)

b. Share issuance – warrants exercised

Three Months Ended March 31, 2024
For the three months ended March 31, 2024, the Company issued 555,000 common shares, pursuant to warrants exercised at a price of $0.20, for total proceeds of $111,000.

c. Share issuance – acquisition of exploration and evaluation assets

Three Months Ended March 31, 2024
For the three Months ended March 31, 2024, the Company issued 1,200,000 commons shares, with a fair value of $564,000 for an option payment on Tatooine Project (Note 5).

d. Stock options

Pursuant to policies of TSX-V, the Board of the Company has established an incentive Stock Option Plan (the "Plan") for directors, officers, employees, and consultants of the Company and its subsidiary, or any affiliate of the Company. This Plan reserves for issuance up to 9,746,105 of common shares, including any common shares issuable on any outstanding stock options previously granted individually. The number of common shares issued maybe increased or changed subject to shareholder and regulatory approval. The number of common shares reserved for issuance to insiders shall not exceed 10% of the outstanding issue at any point in the time unless disinterested shareholder approval is obtained. No more than 5% of the outstanding issue may be granted to any one individual in any 12-month period. Options granted under the Plan exercisable over a period not exceeding 5 years. Termination of options shall not exceed 90 days after the termination date of optionees' employment status with the Company. Any options granted shall vest in the optionee and be exercisable as follows: 25% vest on the date of granting; 25% vest 6 months from the date of granting; 25% vest 12 months from the date of granting; and 25% vest 18 months from the date of granting.

Three Months Ended March 31, 2024
On March 12, 2024, the Company granted 3,300,000 stock options to its officers and consultants, of which, 25% vested upon grant date, and thereafter vest 25% every 6 months. These options are exercisable for up to five years at a price of $0.75 per share. The Company calculated its stock-based compensation by the Black-Scholes Option Pricing Model using the following assumptions: risk free interest rate 3.39%, volatility of 151.62%, annual rate of dividend of 0% and an expected life of the option of 5 years. The total fair value of the options granted is $1,485,000. For the three months ended March 31, 2024, the total fair value of stock-based compensation recorded is $458,602 (Note 6).

Three Months Ended March 31, 2023
On March 13, 2023, the Company granted 500,000 stock options, of which, 25% vested upon grant date, and thereafter vest 25% every 6 months. These options are exercisable for up to five years at a price of $0.20 per share. The Company calculated its stock-based compensation by the Black-Scholes Option Pricing Model using the following assumptions: risk free interest rate 3.37%, volatility of 144.86.14%, annual rate of dividend of 0% and an expected life of the option of 5 years. The total fair value of the options granted is $85,419. For the three months ended March 31, 2023, the total fair value of stock-based compensation recorded is $25,193.

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, 2022	5,450,000	5,150,000	$0.14
Granted	750,000	612,500	$0.30
Exercised	(300,000)	(300,000)	$0.10
Balance, December 31, 2023	5,900,000	5,462,500	$0.16
Granted	3,300,000	1,012,500	$0.75
Balance, March 31, 2024	9,200,000	6,475,000	$0.37

7. Share capital (continued)

d. Stock options (continued)

At March 31, 2024, 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	3,200,000	3,200,000	2.46
June 15, 2027	$0.20	1,950,000	1,950,000	3.21
March 13, 2028	$0.20	500,000	375,000	3.95
July 7, 2028	$0.50	250,000	125,000	4.27
March 12, 2029	$0.75	3,300,000	825,000	4.95
		9,200,000	6,475,000	3.64

e. Warrants

Three Months Ended March 31, 2024
No warrants were issued from private placement.

Three Months Ended March 31, 2023
For the three months ended March 31, 2023, the Company issued 7,514,000 warrants at a price of $0.20 issued. On January 12, 2023, the Company extended expiry date of 2,025,406 warrants to April 30, 2023.

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

	Number of Warrants Outstanding	Weighted Average Price
Balance, December 31, 2022	4,085,406	$0.23
Issued	7,514,000	$0.20
Exercised	(5,251,406)	$0.22
Balance, December 31, 2023	6,348,000	$0.22
Exercised	(555,000)	$0.20
Balance, March 31, 2024	5,793,000	$0.21

At March 31, 2024, the following warrants were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Years
March 2, 2025	$ 0.20	5,793,000	0.92

f. Contributed surplus

The contributed surplus records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital for accounting purpose.

8. Segmented information

The Company is organized into business units based on exploration and evaluation assets and has two reportable operating segments, being that its corporate headquarters located in Canada and of it operations in Brazil. The Company's in exploration stage and has no reportable segment revenues or operating results.

8. Segmented information (continued)

	Assets		Expenditures	
	March 31, 2024	December 31, 2023	March 31,2024	March 31,2023
Canada	$ 316,655	284,535	$ 882,967	$ 329,041
Brazil	321,822	$ 302,524	183,870	-
	$ 638,477	$ 587,059	$ 1,066,837	$ 329,041

9. Accounts payable and accrued liabilities

	March 31, 2024	December 31, 2023
Trade payables	**$ 455,707**	$ 648,577
Accrued liabilities	**210,088**	176,588
Total	**$ 665,795**	$ 825,165

Of the total accounts payable and accrued liabilities, $298,774 were due to related partis (Note 6).

10. Loan payable - subscriptions received

The Company recorded a loan payable that were initially recognized as share subscriptions based on the terms of the share subscription agreement set out in 2016. As at March 31, 2024, the shares have not been issued to the subscribers and the balance of the loan is $94,741 (December 31, 2023 – $94,741).

11. Write-off of debt

During the three months ended March 31, 2024, the Company recognized the write down of Accounts Payables aged over two years of $326,211 (2023 - $Nil). These debts were past the Limitation Act (British Columbia) general limitation period of two years on March 31, 2024.

12. Subsequent event

On May 1, 2024, the Company closed a non-brokered private placement financing for gross proceeds of $1,000,650. The financing consists of 2,001,300 units at $0.50 per unit, each unit consisting of one common share and one common share purchase warrant with each warrant being exercisable for an additional common share at an exercise price of $0.75 for 24 months.

On May 8, 2024, the Company granted 500,000 at an exercise price of $0.75 to two officers of the Company for expiry of 5 years.

In May 2024, 38,000 warrants were exercised at a price of $0.20, for total proceeds of $7,600.

In May 2024, 100,000 stock options exercised at a price of $0.10 and 50,000 stock options exercised at a price of $0.20, for total proceeds of $20,000.