MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2024

This Management Discussion and Analysis ("MD&A") of Homerun Resources Inc. (the "Company" or "Homerun") is prepared as of May 29, 2024 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024, and audited annual financial statements for the year ended December 31, 2023, (collectively, the "financial statements") and related notes thereto. The financial statements 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 dollar amounts referred to in this MD&A are expressed in Canadian dollars unless otherwise stated.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally in the MD&A is complete and reliable. Readers of the MD&A should be cautioned that information and statements derived from the Company's financial statements do not necessarily reflect the future financial performance of the Company. Statements in the MD&A that are not historical based facts are forward-looking statements which are made subject to cautionary language on pages 15 and involve known and unknown risks and uncertainties. Actual results could vary considerably from these statements. Readers should be cautioned not to put undue reliance on forward looking statements.

DESCRIPTION OF BUSINESS

Homerun Resources Inc. 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 Company is committed to becoming a leading materials company by processing silica into industrial inputs such as solar glass and silicon. It aims to extend its reach into verticals that specifically address the energy transition. The corporate head office of the Company is located at Suite 2110, 650 West Georgia Street, Vancouver, B.C., V6B 4N9.

OVERALL PERFORMANCE

As at March 31, 2024, the Company had no source of revenue and reported loss for the three month of $1,066,837 (2023 - $329,041), and had 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.

Highlights of the Company's activities for three months ended March 31, 2024, and up to the date of this report.

Corporate Updates

On January 29, 2024, the Company executed a non-binding memorandum of understanding ("MOU") with Minerals Development Oman SAOC ("MDO"). Under the terms of the MOU, MDO and the Company agree to jointly explore the options available to improve the quality of the quartzite available in the quartzite concessions owned by MDO. A second objective of the MOU is to complete a scoping study for the development of a solar glass manufacturing facility in Oman.

On February 7, 204, the Company received the approval for concessions totalling 7,930 hectares for its application, submitted in November 2023, to increase its presence in Belmonte Silica District in Belmonte, Bahia, Brazil.

On March 1, 2024, the Company issued 1,200,000 common shares of the Company to pursuant the Definitive Agreement with ClaimHunt Inc.

On March 12, 2024, and May 8, 2024, the Company granted 3,300,000 and 500,000 to incentive stock options to directors, officers and consultants of the Company, respectively. The incentive stock options are exercisable at $0.75 per option for five years.

On May 2, 2024 and May 8, 2024, the Company appointed Mr. Armando Fahate as the Chief Operating Officer, and Nancy Zhao as the Chief Financial Officer, respectively.

On May 21, 2024, the Company entered Letter of Intent with Si & Mex Solutions GmbH. the Company intends to provide up to 365,000 tonnes per year of solar glass supply to Si & Mex Solutions.

On May 23, 2024, the Company commences its 2,000-metre Mineral Resource Estimate (the "MRE") auger drill program Belmonte high-purity silica deposit in Belmonte, Bahia, Brazil.

Financing Activities

On May 1, 2024, the Company completed a non-brokered private placement for gross proceeds of $1,000,650 by issuing 2,001,300 units at a price of $0.50 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant being exercisable at $0.75 per common share for a period of 24 months from the date of issuance. Proceeds received from the issuance were intended to allocate to mineral property exploration and acquisitions, general working, capital purposes and research and development.

For the three months ended March 31, 2024, and up to the date of this report, 593,000 warrants were exercised at a price of $0.20 exercised, for total proceeds of $118,600.

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.

Homerun Three-Phase Strategic Development Plan

The Company is not just a resource company; it is heading to the pathway to become a materials company. While a resource company mines silica, a materials company processes silica into industrial inputs like silicon and can extend its influence across the entire industrial vertical all the way to the product or solution. The Company's Three-Phase Strategic Plan includes the Company extending expanding into verticals that specifically address the energy transition.

<u>Phase One - HPQ Silica Supply</u>

The Company has successfully secured a substantial supply of HPQ Silica in Brazil, positioning itself to cater to the premium end-markets of this critical mineral. The strategic acquisition, integral to Phase One, ensures a steady and reliable source of HPQ Silica amidst growing global demand for sustainable industrial and green energy applications. The Company now occupies a significant position in the expansive critical minerals market and stands to benefit from the escalating demand for HPQ Silica and its derivatives.

Phase 1 has been a markedly successful for the Company, highlighted by the December 2023 announcement of the 40-year partnership with CBPM and the Bahia state government in the Belmonte silica sand district. Known for its vast size and consistently high-quality natural grade, Belmonte represents a world-class asset. This strategic interest in such a rare commodity substantially enhances shareholders value and provides considerable reassurance. Over the coming months, the Company will focus on quantifying the direct value of the secured silica sand.

<u>Phase Two - Infrastructure and Logistics</u>

HPQ Silica can be sold in its natural form, however, to meet various end-user requirements, the raw sand undergoes processing – this includes washing, sizing, and upgrading - before it is utilized in most industries. Under Phase Two of the

Company's Strategic Plan, the focus has been on integrating infrastructure and logistics essential for the mining, transportation, storage, and processing of its HPQ Silica.

Following the partnership announcement with CBPM, the Company initiated its logistics plan in the first quarter of 2024. Key logistics for silica sand production encompass extraction, processing, transport and storage, and shipping. During the first half of 2024, management prioritized the establishing partnerships in these domains to reduce the necessity for capital financing. From a mine development prospective, there is a concerted effort to compress the traditional 2-3 years development to cash flow cycle into a mere 12 months, aiming to significantly decrease capital input. The strategy includes shipping the silica to a silicon production facility that will be constructed in the Salvador, Bahia, area of Brazil.

Phase Three - Revenue and Vertical Integration

Homerun is advancing toward generating revenue. Initially, revenue streams will be derived from the sale of sand in its natural state while the Company build the necessary infrastructure and logistics to serve clients requiring processed HPQ Silica. Concurrently, we are actively pursuing research and development initiatives to gain a competitive edge, either independently or through partnerships, in HPQ Silica verticals that support the energy transition.

The Company initiated its vertical integration plan in Q1 2024, following the announcement of the partnership with CBPM. One of the key vertical integration strategies is the 'silica to solar' pathway, which encompasses: (1) producing solar quality silica sand; (2) organizing logistics to transport the silica sand from the mine to the solar glass manufacturing facility; (3) acquiring land for a solar glass plant; (4) constructing the solar glass plant; and (5) securing anchor customers globally for the solar glass, located near the plant. In the solar glass industry, a core competitive advantage lies in minimizing logistics costs.

HPQ Silica Strategy

The modern society is built on materials. HPQ Silica, is one of these materials, and is widely used in multiple industrial and commercial products including many solutions in the energy and technology sectors. In the manufacture of solar systems, HPQ Silica is the basic material used to produce both polysilicon and solar glass. In the manufacture of mobile devices, HPQ Silica is used to produce both processing chips and interactive glass. Without HPQ Silica, there would be no solar energy generation and there would be no mobile devices. Global supplies of HPQ Silica are being exhausted much faster than they are being discovered, and if shoring up the supply of the world's second-most used commodity after water is not already front of mind for investors, governments, and regulators around the world, it will be soon.

The U.S. Department of Energy (DOE) recently published its 2023 Critical Materials Assessment, highlighting the undeniable importance of silicon in energy solutions like solar and storage. The DOE's report underscores the critical need for stable and reliable supplies of silicon. As stated previously, silicon is processed from HPQ Silica.

Mineral Exploration Projects

Tatooine Silica Project, Brisco, BC, Canada

On September 8, 2022, the Company (the optionee) has executed a 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 common shares (*issued*) of the Company to CHI on execution of the Definitive Agreement.
b. The Company will issue a further 300,000 common shares (*issued*) 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 (*issued*) 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 *(issued*) 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 (issued) 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.

On July 11, 2023, the Company received average grad of 98.8% from 27 samples at Tatooine Silica Project. Results from the program identified two new distinct, structurally repeated units of the Mount Wilson Quartzite Formation, one of which measures 170 metres in thickness and at least 300 metres along strike, with an average grade of 98.8% SiO_2 from outcrop sampling. These newly identified quartzite units lie to the east of the existing Brisco Pit, which historically produced a total of 62,450 tonnes of quartzite silica.

On March 1, 2024, the Company issued 1,200,000 common shares as part of option payment, thereby fulfilling all obligations related to shares issuance. The early issuance of common shares demonstrates management's commitment to fully acquiring the Tatooine Silica Project.

<u>CBPM Mineral Rights, Santa Maria Eterna, Brazil</u>

On October 25, 2023, the Company entered into a 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 paid R$1,000,000 Brazilian reais, an additional R$1,000,000 is due upon receipt of Brazilian regulatory approvals of the Company's extraction plans. Under the CBPM 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. 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 CBPM agreement is for an initial 20-year term with an additional 20-year term if the CBPM agreement is in good standing at the end of the initial term.

On May 23, 2024, the Company started it 2,000-meter MRE auger drill program at Belmonte high-purity silica deposit in Belmonte by securing the services of a local contractor. The samples obtained during the drill program will be sent to SGS Geosol for chemical analysis. The management aims to use the information generated by the drill program to issue a National Instrument 43-101 compliant MRE.

<u>Belmonte Silica Concession, Bahia, Brazil</u>

On November 1, 2023, the Company entered into a binding letter 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 69.4 hectares and is contiguous to concessions that are known to contain district quality silica sand. The proposed terms and conditions of the agreement between the parties are as follows:

- The Company will make a cash payment to ACS of US$10,000 within 10 days of the execution date (paid);

- If the results of the drill program confirms 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.

On February 7, 2024, the Company has received final approval of its four applications to the Agencia Nacional de Mineracao (ANM) to increase its presence in the Belmonte silica district in Belmonte, Bahia, Brazil, near the Port of Ilheus. The applications comprise new concessions totalling 7,930 hectares. The concessions are contiguous to the quartzite stone quarry operations of Saint Gobain (Brazil) in the Belmonte silica district. The approval of the application is a further step in the company's continuing strategy to expand its presence and opportunities within the Belmonte silica district.

<u>Quartz Silica Sand Supply, Brazil</u>

On July 12, 2023, Homerun Resources Inc. completed 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 tonne, 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.

This strategic Agreement marks a substantial step forward for the Company and reinforces the Company's commitment to establishing a strong foothold in the critical and energy materials sector.

<u>Cooperative Research & Development Agreement - U.S. Department Of Energy's National Renewable Energy Laboratory</u>

On November 3, 2023, the Company entered into a multi-party shared resource/funds-in Cooperative Research and Development Agreement ("CRADA") with the United States Department of Energy's National Renewable Energy Laboratory and The Babcock & Wilcox Company.

The general purpose of the CRADA is a collaborative effort to jointly evaluate integrating a silica sand refinement process into the ENDURING Energy Storage Application. NREL, Homerun and B&W have recognized the potential of using the novel energy storage technology to process upgrade Homerun's silica sand while providing clean reliable energy. This initiative supports Homerun's goal of refining their silica sand to serve various industrial sectors.

The project is designed to support an advanced energy solution in long duration energy storage using particle-based thermal energy storage and overcome market hurdles for using this technology in broad decarbonization applications. It will help define a technology commercialization pathway that currently lacks first-of-its-kind use and lay groundwork for ongoing technology developments capable of enhancing U.S. industry and manufacturing jobs. If the particle thermal energy storage is realized by this collaboration, it can be deployed to train U.S. workers working on this energy solution for long term economic competitiveness. Additionally, particle thermal storage may enhance energy security and resilience by providing a potential low-cost and long-duration ability to overcome blackouts or weather events that may crumple local electric grids.

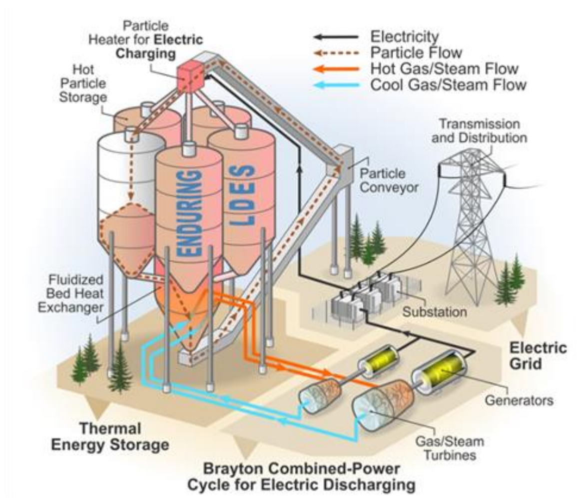
In conjunction, NREL will test Homerun silica sand to determine the composition and suitability for use in energy storage and assess other applications of silica purification for photovoltaic (PV) glass, PV silicon or glass substrate for perovskite PV cells, and silicon anode for Li-ion batteries. The Parties will analyze the economic benefits of using Homerun's silica sand for energy storage, including energy arbitrage from energy storage and grid service, processing of the silica sand by using low-cost electricity in energy storage, and generating potential income from processed materials after its use for energy storage (e.g., high-purity silica sand for renewable materials).

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.

Enduring Energy Storage – Pathway To Decarbonization

Energy storage provides a pathway to decarbonizing the economy and reducing dependency on the use of fossil fuels for a clean energy future. Long-duration stationary energy storage is increasingly recognized as a viable solution for improving the resiliency of the grid, integrating more intermittent renewable energy resources such as wind and solar, and providing reliable energy supply to grid or industrial processes.

NREL led technology development using particle-based thermal energy storage is aimed at enabling a low-cost technology for long-duration thermal energy storage ("LDES"). This technology is poised to have far-reaching impacts; it has applications in grid storage for renewable integration, and ultimately aims to compete with natural gas.



The ENDURING project led by NREL and collaborated with industry partners has developed key components in the storage system and verified their operation mechanism through laboratory prototypes testing and modeling of the component and system performance. The development supports designs of an electric-charging particle heater, a fluidized bed heat exchanger driving a power cycle, and a particle storage design for storing hot particles at 1200°C. An integrated storage system was designed and analyzed for performance and cost to verify the technoeconomic goals of LDES applications.
The ENDURING technology works by heating stable, low-cost solid silica particles—which unlike molten salts, are stable at both high and ambient temperatures—to over 1,000 degrees Celsius. This charging process happens when electric power is cheapest, allowing the resulting energy to be stored for several days in large storage modules. To discharge this energy, the hot particles are fed through a heat exchanger, ultimately driving an electric generator.

With more abundant renewable electricity available and electrification of the energy sector, thermal energy storage makes more and more sense for the broad decarbonization of the economy. The NREL technology focuses on using low-cost silica sand to provide broad application potentials integrating renewable generation.

RESULTS OF OPERATIONS

For the Three Months Ended March 31, 2024 and 2023

Significant items that contributed to the net loss for the three months ended March 31, 2024 and March 31, 2023 were as below:

- Consulting and management fees $132,702 (2023 - $70,500);
- Exploration and evaluation expenses $205,658 (2023 - $42,974);
- Investor relations $80,270 (2023 – $108,923);
- Office and miscellaneous $40,286 (2023 - $47,611);
- Professional fees $14,500 (2023 - $2,000);
- Transfer and filing fees $16,884 (2023 - $2,000);
- Stock-based compensation $458,602 (2023 - $54,957);
- Write-down of debt $326,211 (2023 - $Nil)
- Impairment of exploration and evaluation asset $444,000 (2023 – $Nil)

For the three-month period ended March 31, 2024, the Company reported a net loss of $1,066,837, a substantial increase from the net loss of $329,041 recorded for the same period in 2023. Operating expenses surged to $949,225 from $329,041 in the previous year's quarter, an increase of $620,184.

- Stock-based Compensation: Of the total increased operating expense of $620,184, stock-based compensation accounts for $403,645. The Company granted 3.3 million stock options, compared to 500,000 stock options granted in the comparable period. Compensation was valued using Black-Scholes Pricing Model, which is sensitive to the changes in the Company's share price. During this quarter, the average share price was $0.54, compared to $0.14 in the same quarter of 2023. The increase in share price led to substantially higher evaluations of stock-based compensation.

- Exploration and Evaluation Expenditures: Exploration and evaluation expenditures has contributed $162,663 in the increased operating expense. In the current quarter, additional staff and mining professionals were hired for silica projects Brazil; plus, an initiation of silica sand evaluation for energy storage, which began in the last quarter of 2023.

- Consulting, Management fees: Of the total increased operating expense of $620,184, consulting and management fees and filing fees accounted for $62,202. The Company has increased exploration activities in Brazil for its silica projects since the 4th quarter of last fiscal year.

- Transfer agent and filing fees: Increased filing fees of $14,884 was due to a private placement, which closed in the 2nd quarter of this fiscal year.

The management determined that expenditures incurred during the quarter align with the Company's three-phase strategic plan. The increased expenses reflect intensified corporate development activities that commenced in the first quarter of this fiscal year.

During the three months ended March 31, 2024, the Company also recorded the write-down of aging debt totalling of $326,211, and impairment of exploration and evaluation asset totalling $444,000. The Company issued 1.2 million of the Company's common shares at a market price of $0.47 per share to CHI for acquisition of Tatooine project. However, the fair value of the acquisition was determined to be $0.10 per share per agreement. The Company wrote down of $444,000 to reflect its fair value of the acquisition.

SUMMARY OF QUARTERLY RESULTS

Results for the eight most recent quarters are as follows:

	Mar. 31, 2024 ($)	Dec. 31, 2023 ($)	Sep. 30, 2023 ($)	Jun. 30, 2023 ($)
Expenses	949,225	626,329	301,968	320,563
Other (income) loss	326,388	(2,719)	-	-
Net loss	1,066,837	623,610	301,968	320,563
Comprehensive loss	1,072,814	643,244	301,968	320,563

Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.01)
Total current assets	193,762	260,663	715,526	921,752
Total assets	638,477	587,059	1,007,526	961,752
Total current liabilities	665,795	919,906	1,045,984	797,049
Total liabilities	760,536	919,906	1,045,984	797,049

	Mar. 31, 2023 ($)	Dec. 31, 2022 ($)	Sep. 30, 2022 ($)	Jun. 30, 2022 ($)
Expenses	329,041	226,606	238,348	525,380
Other (income) loss	-	(63,026)	145,398	-
Net loss	329,041	163,580	383,746	525,380
Comprehensive loss	329,041	163,580	383,746	525,380
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.02)
Total current assets	482,849	118,016	242,934	515,609
Total assets	422,849	158,016	263,992	661,007
Total current liabilities	909,185	1,121,668	1,014,277	1,028,046
Total liabilities	909,185	1,121,668	1,014,277	1,028,046

Quarterly losses have fluctuated between $163,580 to $1,066,837. Starting in the 4th quarter of 2022, the Company's losses have increased progressively, due to higher stock-based compensation and exploration and evaluation expenses. The rise in stock-based compensation is closely correlated with the hike in share price of the Company. In the most recent quarter, the Company recorded $444,000 impairment of exploration and evaluation asset, and $458,602 of stock-based compensation, contributing to a sharp rise in overall loss.

Quarterly expenses have fluctuated between $226,606 to $949,225. Starting in the 4th quarter of 2022, the Company's expenses increased progressively due to the higher stock-based compensation and increased exploration and evaluation expenditures.

The Company's asset value has fluctuated quarterly from $158,016 to $1,007,526. Starting in the 4th quarter of 2022, the Company increased its acquisitions of silica extraction rights in BC, Canada and in Santa Maria Eterna, Brazil through cash payments and issuance of the shares of the Company.

The Company's liabilities have remained relatively consistent quarter by quarter, ranging from $760,535 to $1,128,668. The reduction in the most recent quarter is due to the write-down of aging debt.

LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2024	December 31, 2023
Cash	$ 72,080	$ 18,630
Current assets	193,762	260,663
Exploration and evaluation assets	444,715	326,396
Total assets	638,477	587,059
Current liabilities	665,795	919,906
Non-current liabilities	94,741	-
Shareholders' deficiency	(122,059)	(332,847)
Working capital deficiency	(472,033)	(659,243)

Total assets are comprised of cash, tax receivable, prepaids expenses, exploration and evaluation assets, as at the date of this report. Further, exploration and evaluation asset have increased due to 1,200,000 share issuances for acquisition of Tatooine project.

Total liabilities are comparable between March 31, 2024 and December 31, 2023, as each component thereof remained relatively consistent. The Company reclassifies $94,741 of loan from current liabilities to long-term liabilities due to no payment will be made within one year.

Review of Cash Flows

As at March 31, 2024, the Company had cash of $72,080, an increase from $18,630 on December 31, 2023.

Operating Activities: Cash used in operating activities totalled $203,255 for the current quarter, down from $443,998 in the March 31, 2023. The reduction was largely due to the Company reserve its cash for future needs this quarter.

Financing Activities: Total cash inflows from financing activities were $261,000, compared to $751,400 for three months ended March 31, 2023. The current quarter, the Company received $170,000 from private placement that closed on May 1, 2024, and $91,000 from the exercise of warrants. For comparable quarter in 2023, the Company closed a private placement for net proceeds of $751,400.

Liquidity Outlook

On March 31, 2024, the Company faces a working capital deficit of $472,032, which, marks a significant reduction from $919,906 on December 31, 2023.

Working Capital Components: Significant working capital components include cash in current accounts, accounts payable, and accrued liabilities. Historically, the Company has relied upon equity financings to meet its capital requirements and expects to continue relying heavily on the capital markets for future financing. There is no guarantee that the necessary financing will be available in the future on terms favorable to the Company.

Future Capital Needs: The Company anticipates needing additional capital to continue financing its silica properties. It expects to source this capital from the exercise of stock options and warrants, and private placements. Additionally, the Company may consider short-term loans from its directors to meet immediate financial needs.

RELATED PARTIES AND KEY MANAGEMENT COMPENSATION

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	81,702	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

* On March 12, 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.

On May 8, 2024, the Company granted 250,000 stock options each to Nancy Zhao, and Armando Farhate, who were newly appointed CFO and COO, respectively.

OUTSTANDING SHARE DATA

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

As at the date of the MD&A, there are:

- 52,774,939 common shares issued and outstanding;
- 7,756,300 warrants issued and outstanding;
- 9,550,000 stock options granted, of which, 6,600,000 of these stock options are exercisable

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 Option 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 assumptions 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 becomes available.

NEW ACCOUNTING STANDARDS

For information on the Company's accounting policies and new accounting pronouncements, please refer to our disclosure in our audited consolidated annual financial statements for the years ended December 31, 2023.

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

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

The Company's financial instruments include cash, GST receivables, and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair value due to their short-term maturity. The fair value of cash are measured based on level 1 input of the fair value hierarchy.

Management believes that the Company is not exposed to significant interest rate risk, currency risk and credit risk.

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 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.

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.

Market and demand fluctuations of high-purity quartz silica

The demand for high-purity quartz silica is linked to industries like solar energy and high-tech electronics, which can be volatile. Changes in technology or energy policies could influence and demand for the products. The principal activity of the Company is the exploration of resource metal properties. The feasible development of such properties is highly dependent upon silica prices. A sustained and substantial decline in silica 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 silica prices in order to assess the feasibility of its resource properties.

Future financing risks

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.

Operational execution risks

The three-phase strategic plan is for expanding their business in high-purity quartz silica (HPQ) sectors. Each phase of this strategy involves significant geological, logistical coordination and infrastructure development. Strategic plan not only requires substantial financial outlay but also needs precise coordination of multiple processes and compliance with regulatory standards. Misestimations or external disruptions in any of these areas can lead to project delays or increased costs, thereby impacting the overall strategic goals of the company.

Strategic and human resource dependencies

The strategic approach involves forming partnerships with various levels of government and key industry players, including solar glass plants. Failure to establish these partnerships as anticipated could significantly impact the Company's planned market penetration efforts. Furthermore, the Company's success heavily relies on the expertise and dedication of our team across different geographic regions. The loss of key personnel, the challenges in managing growth effectively, and the integration of new activities or technologies are critical risks that could affect our operational continuity.

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 this quarter 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.

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.

NATURE OF THE SECURITIES

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

PROPOSED TRANSACTIONS

At the present time, there are no other proposed transactions that require to be disclosed.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website www.homerunresources.com, and on SEDARPLUS at www.sedarplus.ca or by contacting the Company at 2110 - 650 West Georgia St., Vancouver BC or email to: info@homerunresources.com.

FORWARD LOOKING INFORMATION

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 its silica projects, such as the uncertainty of exploration results, the volatility of silica/silicon 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.

APPROVAL

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

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