MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2024

This Management Discussion and Analysis ("MD&A") of Homerun Resources Inc. (the "Company" or "Homerun") is prepared as of April 1, 2025 and should be read in conjunction with the Company's audited condensed consolidated financial statements for the year ended December 31, 2024 and 2023, 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 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 21 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") under the ticker HMR-V. 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 December 31, 2024, the Company had no source of revenue and reported loss for the year of $3,896,676 (2023 - $1,575,182), and had an accumulated deficit of $32,637,867 (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 year ended December 31, 2024, and up to the date of this report.

Corporate Updates

On February 7, 2024, 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, for the Tatooine silica project in British Columbia.

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 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 June 19, 2024, the Company announced the collaboration with University of California at Davis to develop one-step laser process produces ultra-pure 99.999% silica from raw sand. On December 102024, the Company announced it will double its the research and development investment with the University.

On July 25, 2024, the Company entered a letter of intent with Guidoni Brasil S.A. (the "Guidoni") for acquiring Guidoni exploitation rights granted under a lease agreement with Companhia Bahiana de Pesquisa Mineral (the "CBPM") in the municipality of Belmonte, Bahia, Brazil. On February 6, 2025, the Company executed the definite agreement with Guidoni.

On October 3, 2024, the Company received a 173-page budgetary offer from Horn Glass Industries AG to build Latin America's first dedicated solar glass manufacturing facility with a production capacity of 1,000 tonnes per day of low-iron solar glass. The capital expenditure of Euro151.5 million for the solar glass manufacturing facility. Additionally, the land, building, equipment and assembly labour are to be added to the capital expenditure.

On November 4, 2024, the Company entered an executed non-binding memorandum of understanding with an experienced and reputable local partner in Belmonte Silica District, for processing of high purity silica sands originating from Belmonte Silica District. The partner and the Company intend to work together in two modalities.

On November 5, 2024, the Company entered a non-binding memorandum of understanding with Norsul to implement future maritime transport of high purify silica sands originating from the Belmonte Silica District. Norsul will serve as the Company's strategic partner in evaluating current and future development of maritime logistics solutions for silica sand transport.

On November 12, 2024, the Company entered a letter of intent with Veracle Celulose for development of logistic setup and community relations for the high purify silica sands originating from the Belmonte Silica District.

In September 2024, the Company has performed an exploratory auger drilling on its 100% owned silica sand tenements in Belmonte silica sand district, and on November 14, 3034, the Company announced that it was able to identify HPQ silica sand exploration target volumes in multiple areas the total of 7,930 hectares.

On October 8, 2024, the Company secured the services of a specialized consultant, Mr. Joel Rovaris Ferrari, to support the immediate development of feasibility study for implementation of the Company's planned solar glass plant in Camacari, Bahia, Brazil.

On November 26, 2024, the Company provided an update on Enduring Energy Storage research under a co-operative research and development agreement with the United States Department of Energy's National Renewable Energy Laboratory ("NREL").

On December 13, 2024, the Company announced it received environmental licence for the Company's silica sand project under lease agreement with CBPM, in Santa Maria Eterna district, Belmonte, Bahia, Brazil. The licence was issued on December 6, 2024, by the Secretaria Municipal de Meio Ambiente (municipality's environment office) and applies to the mineral tenements 871011/1989, 871375/2007, 873385/2007 and 870141/2014. The licence is valid for two years and was issued conditional to the fulfilment of the usual conditions and can be considered an installation licence for the purpose of filing for the final mining licence at the Mining National Agency (the "ANM").

On December 12, 2024, the Company announced it performed a successful exploratory surface mapping on possible quartz mineralization occurrences in the states of Ceará, Piauí and Pernambuco, in the Northeast region of Brazil, followed by the claiming of these areas at the ANM (Brazil's National Mining Agency) and after which these claims have now been granted.

On December 16, 2024, the Company entered a binding term sheet with Halocell Energy Ltd, and Halocell Europe SRL, in which, the Company acquired 100% issued and outstanding shares of Halocell Europe SRL from Halocell Energy Ltd. The TSXV accepted the filing documentation of binding term sheet in February 2025.

On February 10, 2025, the Company announced offtake agreement with Sengi solar for supply of high-quality solar glass. Under agreement, the initial price for the Company's solar glass is set at USD750 per tonne on the delivery term of FOB, while the estimated cost of goods is USD400 per tonne for solar glass produced by the Company in Brazil in future.

On February 12, 2025, the Company executed the definition agreement with Guidoni Brasil S.A., in which, the Company acquired mineral rights in Belmonte District Silica. The required full payment under agreement is R2,500,000.

On February 19, 2025, the Company was chosen by TSX Venture 50 Ranking for the best performance in year 2025.

On February 24, 2025, the Company released the preliminary Mineral Resource Estimate (the "MRE") from the Company's high purity silica sand located in Belmonte Silica Sand District in the State of Bahia, Brazil. MRE contains a preliminary resource of 25.56 Mt measured and 38.35 Mt Inferred of high-purity silica sand (>99.6% SiO_2).

On February 26, 2025, the Company signed a non-binding offtake agreement with Balfar Solar Industria Fotoeletrica S/A. The Company intends to supply a minimum of 100,000 tonnes of solar glass per year. The initial price for solar glass is set at USD750 per tonne, on the term of Free on Board (the "FOB").

On March 6, 2025, the Company closed the Halocell transactions by issuance of 1.1 million common shares to Halocell Energy; and subscribed 5 million shares of Halocell Energy, to exchange the ownership of Halocell Europe SRL.

On March 20, 2025, the Company announced that Halocell Europe SRL is undergoing a name change to "Homerun Energy SRL. Homerun Energy SRL has a binding agreement with SeisSolar Fotovoltaica (the "SeisSolar"), to acquire 60% with a right to acquire remaining 40% of SeisSolar.

On December 5, 2024, the Company secured the services of a highly experienced technical consultant, to support the development of the Company's solar glass plant in Camacari, Bahia, Brazil.

On March 17, 2025, the Company has engaged Blossom Social, to help the Company expanding its reach among retail investors. The Company initially a six-month term for $3,500 per month.

On March 17, 2025, the Company entered an agreement with Evolux Capital for its marketing services at an initial three-month term for $7,500 per month.

On March 24, 2025, the Company has secured the services of "Dorfner Anzaplan GmgH to perform final calcination and leaching test work, process design and CAPEX estimate for purification of the Company's flagship silica sand deposit in Belmonte Bahia Brazil with ultimate goals of a) providing an AACE class 5 CAPEX estimate for an initial 120,000 tonnes per annum processing plant to be erected in Belmonte, and b) producing 2kg of samples of the final product.

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.

On October 30, 2024, the Company completed a non-brokered private placement for gross process of $2,177,570 by issuing 1,675,054 units at a price of $1.30 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant being exercisable at $2 per common share for a period of 24 months from the date of issuance. In connection with the financing, the Company paid cash finder's fees of $38,834 and issued 29,872 broker warrants. Proceeds received from the issuance were intended to allocate to mineral property exploration and acquisitions, including final CBPM lease payment and Guidoni concession, general working, capital purposes and research and development.

For the year ended December 31, 2024, 5,313,000 warrants were exercised at a price of $0.20 exercised and 383,000 warrants exercised at a price of $0.75, for total proceeds of $1,329,850.

For the year ended December 31, 2024, 500,000 stock options exercised at a price of $0.10, 295,000 stock options exercised at a price of $0.20, and 34,000 stock options exercised at a price of $0.75, for total proceeds of $134,500.

From January 1, 2025 to the date of this report, 1,093,000 warrants were exercised at a price of $0.20, and 80,000 stock options were exercised at a price of $0.20, for total proceeds of $266,725.

Human Resources

On May 2, 2024, the Company appointed Mr. Armando Farhate as the Chief Operating Officer, and, on May 8, 2024, Nancy Zhao was appointed as the Chief Financial Officer, replacing Edward Low, the former CFO.

On August 2, 2024, the Company entered into a service agreement with TMM Capital Advisory to develop and execute on investor relations, marketing, and communications strategies, including managing shareholder communications, social media, website, news release, and updating corporate materials. TMM will be compensated with $15,000 per month.

HPQ Silica Strategy

Modern society relies heavily on HPQ Silica, an essential material for the energy and technology sectors. It is vital for production of polysilicon and glass for solar systems, as well as chips and screens for mobile devices. As the second-most utilized commodity after water, the rapid depletion of HPQ Silica's supply posts a significant challenge. Addressing this shortage is critical for investors, governments, and regulators globally. The Company is committed to exploring the industrial applications of silica, aiming to enhance its presence across the entire production chain, from raw materials to finished products. This strategy aligns with the U.S. Department of Energy's (DOE) 2023 Critical Materials Assessment, which highlights the vital role of silicon in energy solutions like solar and storage, highlighting the need for stable and reliable silicon supplies sourced from HPQ Silica.

Advanced Materials

- Operating through ownership and partnerships to control two of Brazil's premier Silica Districts with in-place logistics.
- Pioneering zero-waste thermoelectric purification and advanced materials processing technologies with University of California - Davis.
- Developing silicon carbide and thermoelectric materials for next-generation battery solutions.

Energy Solutions

- Building Latin America's first dedicated high-efficiency solar glass manufacturing facility (365,000t/yr capacity).
- Commercializing the integration of Perovskite PV on solar glass technology (PSC is at +25% solar efficiency and now commercializing globally as Tandem Solar).
- Partnering with U.S. Dept. of Energy/NREL on the development of the Enduring long-duration energy storage system utilizing the Company's high-purity silica sand for industrial heat and electricity arbitrage and complementary silica purification.

Investment - Halocell Energy Ltd and Halocell Europe S.R.L.

On December 12, 2024, the Company (buyer) signed a binding term sheet with Halocell Energy Ltd (seller), and Halocell Europe S.R.L. The Company subscribed to 5 million Halocell Energy's common share at a price of Australian dollars (the "AUD") $0.12. The Company acquires 100% ownership of Halocell Europe S.R.L. from Halocell Energy Ltd. The Halocell

Europe S.R.L is focused on developing disruptive perovskite solar cell technology and has experience with materials and equipment for commercializing highly pure and specialized materials and equipment for the third party's research and development programs. The transaction was approved by TSXV. The acquisition term is set out as below:

- The Company will pay Halocell Energy with the issuance of 1.1 million common shares of the Company (subject to 4 month and 1 day holding period). - 1.1 million shares of the Company were issued.
- The Company commits to underwrite (subscribe) 5 million Halocell Energy's shares (subject to 4 month and 1 day entitlement offer, which will comprise the issue of up to 18,189,680 shares at Australian dollars (the "AUD") $0.12 share to raise up to AUD$2,182,762 – Completed.
- Halocell Energy Ltd agrees to pay 6% of the fee on actual proceeds raise by the Company. - Paid
- Halocell Energy Ltd grants to Halocell Europe SRL a non-exclusive, non-transferable, royalty-free, perpetual license to use and exploit the patent rights of Halocell Energy Ltd.

On March 6, 2025, the Company announced the closing of investment of Halocell Energy Ltd and Halocell Europe SRL.

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 needs to 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:

Date	Cash Payment	Common Shares	Work Commitment
	Paid	Issued	Unfinished
On signing	$7,500	250,000	-
September 8, 2023	-	300,000	-
September 8, 2024	-	300,000	$100,000
September 8, 2025	-	300,000	-
September 8, 2026	-	300,000	$100,000
	$7,500	1,450,000	$200,000

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.

On August 8, 2024, the Company delivered a sample of quartz silica, from the Tatooine in British Columbia, Canada, to University of California at Davis for testing. The UC-Davis research team will conduct thermal efforts to provide insights into purifying quartz silica toward the commercial goal of upgrading the raw quartz silica using the advanced femtosecond laser techniques.

CBPM Mineral Rights, Santa Maria Eterna, Brazil

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.

Mineral Resource Estimate (the "MRE") Auger Drill Program

From May 22 till September 16, 2024, the Company completed Mineral Resource Estimate (the "MRE") auger drill program Belmonte high-purity silica deposit in Belmonte, Bahia, Brazil. A total of 254 auger holes for a cumulative 2,565 metres have been completed, exceeding the initial forecast by 565 m while staying within the original budgetary allocation.

All samples have been sent to SGS for analysis. SGS uses the ICM42Q assay method, which is performed on pure SiO_2 (silicon dioxide) samples. The technique includes a multifaced (HCl, HNO_3, $HClO_4$ and HF) digestion with ICP-OES/ICP-MS (inductively coupled plasma/inductively coupled plasma mass spectrometry) finish. The company will publish a comprehensive summary, upon receipt of all assay results. Ultimately, the Homerun Resources geology team aims to use the information generated by this drilling program to issue a National Instrument 43-101-compliant mineral resource estimate.

Generally, once the drill gets through the first metre of silica sand from the surface, the purity typically improves and remains very consistent to total depth. Depth is limited by the physical limitations of the auger drill, meaning the silica sand generally continues beyond the depths drilled in this program. The silica sand samples processed to 99.999% by UC Davis were collected from the surface of our concessions.

This drilling program is part of the Company's commitment under its partnership with Companhia Baiana de Pesquisa Mineral (CBPM), within the scope of the 40-year lease agreement between the parties.

On February 24, 2025, the Company released the preliminary MRE from Belmonte silica sand district after auger drilling and sampling programs. The MRE highlights a preliminary resource of **25.56** Mt measured and **38.35** Mt Inferred of high-purity silica sand (>99.50% SiO_2). The next step is to deliver the 43-101 Technical Report.

Acquisition of Mining Right from Guidoni Brasil S.A.

On July 25, 2024, the Company entered a Letter of Intent (the "LOI") with Guidoni Brasil S.A. (the "Guidoni") for acquiring Guidoni exploitation rights granted under a lease agreement with CBPM in the municipality of Belmonte, Bahia, Brazil. The purpose of the LOI, is the acquisition, by Homerun, of the rights to exploit the following mining tenements: 871.960/1992, 870.462/1999, 870.463/1999 and 873.387/2007, as well as the definitive transfer of all other rights and obligations arising from bidding notice No. 004/2020 and lease agreements No. 018/2022 and 026/2022, granted to Guidoni by CBPM. The parties will also require CBPM to consent to transfer the rights from Guidoni to the Company. On February 6,2025, the definitive agreement was executed based on the same terms and conditions in LOI.

The total required payments under the terms of the acquisition will be R2,500,000, as follows:

- R500,000 (paid) within 24 hours of execution of the definitive agreement.
- R2,000,000 (deemed USD401,388.80) paid over 4 installments (USD100,347.20 per installment), maturing, one by one, every 6 months, from the date of payment of the 1st instalment.

Belmonte Silica Concession, Bahia, Brazil

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 September 30, 2024, to evaluate the concession and that evaluation will consist of a 200-metre percussion drill program.

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.

For the year ended December 31, 2024, the Company no longer intends to pursue the interest of option agreement with ACS after the due diligence.

Research and Development Projects

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

On November 3, 2023, the Company entered 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 (the "NREL") 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. The Company, NREL, 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 the Company's HPQ Silica Strategy of refining its silica sand to serve various industrial sectors.

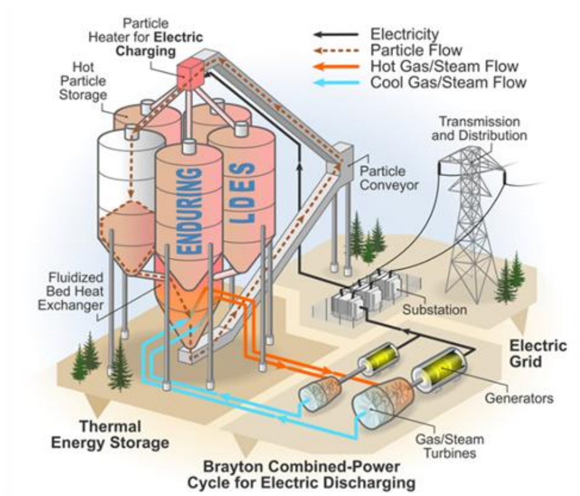
The project is designed to support an advanced energy solution in long duration energy storage using particle-based thermal energy storage and overcome market hurdles for using this technology in broad decarbonization applications. It will help define a technology commercialization pathway that currently 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 the Company's 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 the Company'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).

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.

Under the complementary research agreement, the Company must invest a minimum amount of USD325,000 in research work. For the year ended December 31, 2024, the Company has incurred USD265,000 towards this research program. As of March 31, 2025, the Company has incurred a total of USD305,000 on this research program.

<u>Collaboration with the University of California at Davis</u>

Since April 1, 2024, the Company has collaborated with the University of California at Davis (the "UC Davis") to develop a femtosecond thermal laser processing method to purify the Company's raw silica sand to a level of 99.999% purity. The single step thermal method uses a femtosecond laser that involves subtle structural and optical phenomena controlled by multiple process parameters. Skillful variation of these conditions produces various topographical features (such as cones and ripples) and microstructural changes (including recombination, oxidation, and amorphization) which depend on specific laser parameters like number and intensity of pulses. The thermal laser process used not only avoids the use of hazardous chemicals but also eliminates the need for energy-intensive machinery typically used in mechanical and chemical purification. This laser process is notable for its versatility as the production demands of new semiconductor chip substrates transition from conventional silicon to SiC and other wider bandgap materials. The prospect of further adaptation and development of the treatment variables is a vast area of research and major proprietary product development theme. From January 1, 2025, the Company doubled the investment on research and development project with UC Davis.

For the year ended December 31, 2024, the Company has incurred USD51,750 (2023 - $Nil) on this research program.

Supply Chain Logistical Plan for Silica

The company has spent the last nine months defining and executing on this logistics plan as the first initiative under phase 2 of the business plan road map, and in line with the commitment under its partnership with Companhia Baiana de Pesquisa Mineral (CBPM), within the scope of the 40-year lease agreement between the parties.

The Company has prioritized the establishment of partnerships, in line with its strategy of minimizing capex and timelines to cash flow. Service provider negotiations are at agreement stage with key partners already active in the Belmonte region, for the extraction and processing of HPQ silica sand in the Santa Maria Eterna district of Belmonte, road transportation to the existing Port of Ilheus, handling, cabotage navigation to the ports of Vitoria (ES) and Aratu (Salvador, BA), and the potential for development and utilization of a private sea terminal closer to the silica sand deposits in Belmonte, Bahia.

Mining of the Santa Maria Eterna deposits will be straightforward surface extraction with a front-end loader, given the simple nature of the totally friable resources. Processing will consist, at an initial stage, of sieving and washing, which brings the HPQ silica sand to a purity that will be well above the standard required for the domestic and international solar glass industry. The HPQ silica sand will then be transported in one-tonne bags or in bulk transport to the Port of Ilheus, from where it will be either shipped directly to overseas customers; or shipped by cabotage to the Port of Aratu for use in the production of solar glass and for further purification and processing in Camacari, Bahia; or to the Port of Vitoria for larger scale international shipping.

For the future, the Company is working on a potential plan for shared use of private sea terminal assets in the Belmonte district, where the company's silica sand could be loaded onto large ocean barges for cabotage to the ports of Vitoria and Aratu, shortening the road transportation distances and thus significantly reducing overall operating costs.

Executed Non-binding Memorandum Of Understanding (the "MOU") and Letter of Intents (the "LOI")

a) *Quartz Silica Sand Supply, Brazil*

On July 12, 2023, the Company 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.

b) Minerals Development Oman SAOC ("MDO")

On January 29, 2024, the Company executed a non-binding MOU with Minerals Development Oman SAOC ("MDO"), to enhance the quality of quartzite in MDO's Qurayat region concessions through specialized processing techniques. The Company will contribute its silica processing expertise while MDO provides financial support to execute the studies for improving the quality of the quartzite.

The MOU also outlines a joint initiative to conduct a scoping study for a solar glass manufacturing plant in Oman, with costs equally shared. This study will assess market dynamics, technical requirements, and preliminary economics. Depending on the results, the parties might progress to prefeasibility or definitive feasibility studies, potentially leading to the creation of a special purpose vehicle (SPV) for constructing and managing the facility, with details on shareholdings to be negotiated.

c) A Seasoned Local Partner in the Belmonte Silica District

On November 4, 2024, the Company received an executed non-binding MOU with a seasoned local partner in the Belmonte silica district, where both parties hold assets. The partner operates a dry processing silica sand facility and can rapidly invest in enhancing its processing capabilities.

The partner will operate under two frameworks:

(i) Services-based cooperation for handling the Company's silica:

- Extraction of Homerun silica sand;
- Processing and sizing;
- Delivery either in dry bulk or in one-ton bags, with the partner charging a service fee.

(ii) Product sales with processing performed by the partner:

- Extraction of silica sand from either partner's or the Company's assets;
- Processing and sizing;
- Delivery in formats as mentioned, with the partner either selling the sand to the Company at a cumulative price or directly to the Company's end customers, compensating the Company accordingly.

This MOU is crucial for phase 2 of the Company's business plan, aligning with its 40-year lease agreement commitments with Companhia Baiana de Presquisa Minerals and essential for implementing the Company's logistics strategy to generate cash flow.

d) Norsul, A Prominent Maritime Shipping Company

On November 5, 2024, the Company executed a non-binding MOU with Norsul for maritime transport of high volume and tonnage products in the regions. The goal is to leverage existing Norsul infrastructure and optimize processes to maximize operational efficiency and explore potential logistics synergies to achieve economies of scale for silica sand transport.

Norsul will provide:

- Transporting the silica cargoes between the ports of Ilheus (BA) and Vitoria (ES),
- The planning and coordination necessary to ensure smooth operations, including facilitating the acquisition of authorizations, as applicable, for operations at the specified ports;
- Identification of opportunities to enhance logistical efficiency.

This MOU is a key component of Phase 2 of the Company's Business Plan Roadmap and aligns with the existing partnership with Companhia Baiana de Pesquisa Mineral (CBPM) under the scope of a 40-year lease agreement to bolster the Belmont Silica project.

e) Veracel Celulose SA

On November 12, 2024, the Company executed a non-binding LOI with Veracel Cellulose SA for road and maritime transportation infrastructure for the transportation of planted eucalyptus wood from farmlands to its processing plant in Eunapolis and for the transportation of cellulose bales from its processing plant to the port of Aracruz through the maritime terminal of Belmonte (the "TMB").

Veracel will provide:
- Assist the Company in connecting with existing Veracel partners in transportation and engineering.
- Grant the Company exclusive use of the Belmonte maritime terminal for silica sand operations.
- Work with the Company on regional social initiatives and corporate governance enhancements.

The Company will provide:
- Align logistics partners for silica sand transport, leveraging Veracel's existing relationships to reduce costs and increase efficiency.
- Share the costs of maintaining routes used jointly with Veracel.
- Finance and manage modifications at the TMB to accommodate silica sand handling without affecting Veracel's operations.
- Engage in joint social and institutional activities with Veracel.
- Fund all feasibility studies and related expenses under this LOI.

Two Non-binding Offtake Agreements

On February 10, 2025, the Company entered into a non-binding agreement with Sengi Solar Importacao e Exportacao Industria e Comercio. Sengi is an established manufacturer of solar panels, with operations in the city of Cascavel, Parana, Brazil, and currently sources its solar glass needs through imports. Under the terms of the agreement, Homerun would supply, and Sengi would purchase, a minimum of 20,000 tonnes of solar glass per year, initiating on the start of production from the Company's future solar glass plant. Under the agreement, the initial price for the Company's solar glass is set at USD750 (per tonne, free on board, which is in line with current market pricing for imported solar glass in Brazil.) Detailed economic models, produced in partnership with industry consultants and covering all inputs, have determined an all-in cost of goods of plus or minus USD400 per tonne for solar glass produced by the Company in Brazil.

On February 26, 2025, the Company entered into a non-binding agreement with Balfar Solar Industria Fotoeletrica SA. Balfar is an established top three manufacturer of solar panels in Brazil, with operations in the city of Parnavai, Parana, and currently sources its solar glass needs through imports. Balfar is interested in purchasing a minimum of 100,000 tonnes of solar glass per year, starting with the start-up of production of the Company's future solar glass plant. The initial price for the solar glass is set at USD750 per tonne, free on board.

SELECTED ANNUAL INFORMATION

The following financial data is derived from the Company's audited financial statements for the years ended December 31, 2024, 2023 and 2022:

	December 31, 2024	December 31, 2023	December 31, 2022
Net loss	(3,896,676)	(1,575,182)	(1,236,591)
Net comprehensive loss	(4,020,592)	(1,594,816)	(1,236,591)
Total assets	2,784,916	587,059	158,016
Total liabilities	464,664	919,906	1,121,668

The Company's increasing losses reflect greater activity from exploration and evaluation in Brazil, marketing and fund raising. Assets have increased due to the acquisition of the silica extraction rights in Tatooine, BC Canada, and Santa Maria Eterna, Brazil. The Company has two sources of silica material to draw upon for future cash flow.

RESULTS OF OPERATIONS

For the Three Months Ended December 31, 2024 and 2023

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

- Consulting and management fees $199,475 (2023 - $96,000);
- Exploration and evaluation expenses $220,337 (2023 - $135,491);
- Marketing and investor relations $195,384 (2023 – $123,277);
- Office and miscellaneous $40,341 (2023 - $11,953);
- Professional fees $77,339 (2023 - $106,427);
- Transfer and filing fees $19,004 (2023 - $9,897 recovery);
- Stock-based compensation $203,658 (2023 - $139,655);
- Research and development $107,072 (2023 - $Nil)

For the three months ended December 31, 2024, the Company reported a net loss of $592,690, a slightly decrease from the net loss of $626,329 recorded for the same period in 2023. Operating expenses surged to $1,047,069 from $626,329 in the previous year's quarter, an increase of $420,740. The significant increase is due to the following:

• Stock-Based Compensation
Stock-based compensation accounted for $64,003 of the $420,740 increase in operating expenses. The Company recognized a higher valuation for vested options in Q4 2024 compared to 2023, driven by a significant rise in share price that inflated compensation evaluations.

• Exploration and Evaluation Expenditures
Exploration and evaluation expenditures contributed $84,846 to increase in operating expenses. The Company hired additional staff and mining professionals to advance silica projects, an MRE (Mineral Resource Estimate) program, and feasibility studies for a solar glass plant in Brazil.

• Marketing and Investor Relations
Marketing and investor relations accounted for $72,107 to increase in the operating expenses. The Company intensified marketing and investor awareness initiatives during the quarter.

• Research and Development (R&D)
R&D accounted for $107,072 to increase in operating expenses. The Company launched R&D programs focused on purifying silica sand and developing energy storage applications.

• Consulting and Management Fees
Consulting and management fees accounted for $103,475 in increase in operating expenses. The Company expanded corporate activities by hiring additional staff to support mining exploration growth and integrate material-to-energy solutions.

For the Year Ended December 31, 2024 and 2023

Significant items that contributed to the net loss for the year ended December 31, 2024 and December 31, 2023 were as below:

- Consulting and management fees $529,851 (2023 - $368,570);
- Exploration and evaluation expenses $871,752 (2023 - $201,385);
- Marketing and investor relations $494,148 (2023 – $357,401);
- Office and miscellaneous $150,409 (2023 - $144,619);

- Professional fees $181,857 (2023 - $165,926);
- Transfer and filing fees $69,006 (2023 - $48,018);
- Stock-based compensation $1,512,407 (2023 - $270,940);
- Research and development $429,742 (2023 - $Nil)
- Write-down of debt $330,396 (2023 - $Nil)

For the year ended December 31, 2024, the Company reported a net loss of $3,896,676, a substantial increase from the net loss of $1,575,182 recorded for the same period in 2023. Operating expenses surged to $4,227,868 from $1,577,901 in the previous year, an increase of $2,649,967.

• Stock-Based Compensation
Stock-based compensation accounted for $1,241,467 of the $2,649,967 increase in operating expenses. The Company granted 3,800,000 stock options (vs. 500,000 in the prior year). Valued using the Black-Scholes Pricing Model, which is sensitive to share price fluctuations, compensation costs rose due to a 158% increase in the average share price ($1.16 in 2024 vs. $0.45 in 2023) and a higher volume of options granted.

• Exploration and Evaluation Expenditures
Exploration and evaluation expenditures contributed $670,367 to the operating expense increase. The Company hired additional staff and mining professionals to advance silica projects, conduct auger drilling in Q2/Q3 2024, and perform feasibility studies for a solar glass plant in Brazil.

• Consulting and Management Fees
Consulting, management, and filing fees accounted for $161,281 to the operating expense increase. The Company expanded corporate activities in Brazil for its silica projects beginning in Q4 of the prior fiscal year.

• Research and Development (R&D)
R&D accounted for $429,742 to the operating expense increase. The Company launched programs to purify silica sand and develop energy storage applications, in collaboration with NREL and UC Davis.

• Marketing and Investor Relations
Marketing and investor relations accounted for $136,747 to the operating expense increase. This expenditure supports expanded marketing campaigns and frequent news releases to enhance investor awareness and ensure the market recognizes the Company's fair value.

The management determined that 2024 expenditures align with the Company's long-term HPQ Silica Strategy, and Three-Phase Strategic Plan. Increased expenses reflect accelerated corporate development activities for this fiscal year.

SUMMARY OF QUARTERLY RESULTS

Results for the eight most recent quarters are as follows:

	Dec. 31, 2024 ($)	Sep. 30, 2024 ($)	Jun. 30, 2024 ($)	Mar. 31, 2024 ($)
Expenses	1,047,069	1,075,825	1,155,749	949,225
Other (income) loss	(454,379)	(2,371)	7,946	117,612
Net loss	592,690	1,073,454	1,163,695	1,066,837
Comprehensive loss	679,900	1,074,526	1,193,352	1,072,814
Basic and diluted loss per share	(0.01)	(0.02)	(0.02)	(0.02)
Total current assets	1,878,406	541,147	476,878	193,762
Total assets	2,784,916	961,908	895,328	638,477
Total current liabilities	376,953	496,659	474,048	665,795
Total liabilities	464,664	591,400	568,789	760,536

	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023

	($)	($)	($)	($)
Expenses	626,329	301,968	320,563	329,041
Other (income) loss	(2,719)	-	-	-
Net loss	623,610	301,968	320,563	329,041
Comprehensive loss	643,244	301,968	320,563	329,041
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.00)
Total current assets	260,663	715,526	921,752	482,849
Total assets	587,059	1,007,526	961,752	422,849
Total current liabilities	919,906	1,045,984	797,049	909,185
Total liabilities	919,906	1,045,984	797,049	909,185

Quarterly losses have fluctuated between $301,968 to $1,163,695. Starting in the Q1 2023, the Company's losses have increased progressively, primarily due to higher exploration and evaluation expenses and stock-based compensation. The rise in stock-based compensation is closely correlated with the hike in share price of the Company. The Company recorded $458,602 (Q1 2024), $470,152 (Q2 2024), $379,995 (Q3 2024) and $203,658 (Q4 2024) of stock-based compensation, contributing to a sharp rise in overall loss in 2024.

Quarterly expenses have fluctuated between $301,968 to $1,155,749. Starting in the Q1 2023, the Company's expenses increased progressively due to the higher value of stock-based compensation and increased exploration and evaluation expenditures for its Brazil projects.

The Company's asset value has fluctuated quarterly from $422,849 to $2,784,916. Starting in the Q1 2023, the Company expanded its silica extraction rights in British Columbia, Canada and in Santa Maria Eterna, Brazil through cash payments and issuance of Company shares. In Q4 2024, the Company completed a private placement, resulting a substantial cash balance.

The Company's liabilities have remained relatively consistent quarter by quarter, ranging from $464,664 to $1,045,984. The reduction in the recent quarters is due to the write-down of aging debt.

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2024	December 31, 2023
Cash	$ 1,707,900	$ 18,630
Current assets	1,878,406	260,663
Exploration and evaluation assets	906,510	326,396
Total assets	2,784,916	587,059
Current liabilities	376,953	919,906
Non-current liabilities	87,711	-
Shareholders' equity (deficiency)	2,320,252	(332,847)
Working capital (deficiency)	2784,916	(659,243)

Total assets are comprised of cash, tax receivable, prepaids expenses, exploration and evaluation assets, as at the date of this report. As of December 31, 2024, the cash have increased due to a private placement closed in the Q4 2024. Additionally, exploration and evaluation asset have increased due to 1,200,000 share issuances for acquisition of Tatooine project.

Total liabilities are comparable at December 31, 2024 lower than that in December 31, 2023, as the Company wrote off aging accounts payables in this fiscal year.

Review of Cash Flows

As at December 31, 2024, the Company had cash of $1,707,900, compared to $18,630 on December 31, 2023.

Operating Activities: Cash used in operating activities totalled $2,755,171 for the current year, compared to $1,630,510 on December 31, 2023. The increase was largely due to the Company increased its exploration and evaluation activities, and research and development.

Financing Activities: Total cash inflows from financing activities were $4,597,284 for the current year, compared to $1,954,681 on December 31, 2023. The current year, the Company received $3,178,220 from two private and $1,329,850 from the exercise of warrants. For 2023 fiscal year, the Company closed one private placement for net proceeds of $751,400, and $1,173,281 from exercise of warrants.

Liquidity Outlook

On December 31, 2024, the Company has a working capital of $1,501,453, which, marks a significant increase from $659,243 working capital deficiency 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 year ended December 31, 2024 and 2023, the Company entered into transactions with the related parties as below:

Name	Relationship	Nature of Transaction	Stock-based compensation for Dec 31, 2024	Stock-based compensation for Dec 31, 2024	Fees for year ended December 31, 2024	Fees for year ended December 31, 2023
			($)	($)	($)	($)
Brian Leeners	Chief Executive Officer and a Director	Management services	375,863	20,280	325,508	207,030
Nexvu Services Inc.	Owned by Nexvu Capital Corporation, of which Brian Leeners, Gregory Pearson and Gordon Fretwell are shareholders	Rent and corporate services	-	-	120,000	120,000
Gregory Pearson	Director of the Company	Management services	-	10,140	-	-
Global Link Capital	Owned by Gregory Pearson	Management services	-	-	126,000	144,000
Lewis Dillman	Director of the Company	Management services	-	8,112	-	-
Hugh Callaghan	Director of the Company	Management services	-	8,112	-	-
Gordon J. Fretwell, Law Corporation	Owned by Gordon Fretwell, Corporate Secretary	Legal services	-	4,056	38,000	20,000
Antonio Victor	VP, Homerun Brasil Mineracao Ltda	Mining project management	311,440	-	183,816	-
Armando Farhate	Chief Operating Officer	Mining project management	107,835	-	51,060	-
Mauro Cesar Terence	Chief Technology Officer	Mining project management	187,931	-	42,125	8,147
Nancy Zhao	Chief Financial Officer		107,835	-	-	-
NZ Consulting Services Inc.	Owned by Nancy Zhao, Chief Financial Officer	Accounting services	-	-	59,119	-

AE Financial Management Ltd.	Edward Low, former Chief Financial Officer	Accounting services	-	2,028	17,500	42,000
			1,090,904	52,728	963,128	541,177

As at December 31, 2024 and 2023, the following are due to related parties:

Name	Relationship	Nature of Transaction	Balance payable at December 31, 2024	Balance payable at December 31, 2023
			($)	($)
Brian Leeners	Chief Executive Officer and a Director	Management services	-	54,795
Nexve Capital Corporation	Brian Leeners, Gregory Pearson and Gordon Fretwell are shareholders	Loan	-	2,000
Nexvu Services Inc.	Owned by Nexvu Capital Corporation, of which Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders.	Rent and corporate services	-	39,040
Global Link Capital Ltd.	Owned by Gregory Pearson, a Director of the Company, is a shareholder	Management services	-	11,980
Gordon J. Fretwell, Law Corporation	Owned by Gordon Fretwell, Corporate Secretary	Legal services	61,847	100,906
AE Financial Management Ltd.	Edward Low, former Chief Financial Officer	Accounting services	-	40,250
			61,847	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:

- 62,505,179 common shares issued and outstanding;
- 3,235,054 warrants issued and outstanding;
- 29,872 broker's warrants issued and outstanding;
- 8,791,000 stock options granted, of which, 7,849,000 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, 2024.

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