



## **HOMERUN RESOURCES INC.**

**Condensed Consolidated Interim Financial Statements**

**Three Months Ended March 31, 2025 and 2024**

**(unaudited – prepared by the management)**

**(Expressed in Canadian Dollars)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

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

# HOMERUN RESOURCES INC.

## Condensed Consolidated Interim Statements of Financial Position As at March 31, 2025 and December 31, 2024

	Notes	March 31, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$	1,639,703	\$ 1,707,900
Receivable		65,578	9,722
Prepaid expenses		63,291	160,784
		<b>1,768,572</b>	<b>1,878,406</b>
<b>Non-current Assets</b>			
Exploration and evaluation assets	7	1,055,440	906,510
Laboratory and office equipment	6	7,763	-
Long-term investment	5	523,172	-
Licensed patents	5	1,705,848	-
		<b>3,292,223</b>	<b>906,510</b>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>5,060,795</b>	<b>\$ 2,784,916</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	8,11	\$ 1,000,907	\$ 376,953
Other payables		39,269	-
Loan payable	13	87,711	87,711
Unearned revenue	12	677,175	-
		<b>1,805,062</b>	<b>464,664</b>
<b>Non-current liabilities</b>			
Unearned revenue – (non-current)	12	282,877	-
<b>TOTAL LIABILITIES</b>		<b>2,087,939</b>	<b>464,664</b>
<b>Shareholders' Equity</b>			
Share capital	5,9	32,763,999	31,319,274
Share subscription received	9	72,000	-
Accumulated other comprehensive loss		(99,994)	(143,550)
Contributed surplus	9	3,933,122	3,782,395
Deficit		(33,696,271)	(32,637,867)
		<b>2,972,856</b>	<b>2,320,252</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b>5,060,795</b>	<b>\$ 2,784,916</b>

Nature of operations and going concern (Note 1)  
Subsequent event (Note 14)

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

"Brian Leeners"

Director

"Stephen Burega"

Director

# HOMERUN RESOURCES INC.

## Condensed Consolidated Interim Statements of Comprehensive Loss For the Three Months Ended March 31, 2025 and 2024

		Three Months Ended March 31,	
		2025	2024
Sales		323	-
Grants		103,955	-
Cost of sales		(57,066)	-
Gross margin		47,212	-
Expenses			
Depreciation	\$	257	\$ -
Consulting and management fees	6,8	204,023	132,702
Exploration and evaluation expenditures	7,8	236,526	205,658
Foreign exchange loss		233	323
Investor relations		175,735	80,270
Office and miscellaneous	7,8	65,126	40,286
Professional fees	7,8	71,616	14,500
Research and development		135,750	-
Stock-based compensation	9e	162,727	458,602
Transfer agent and filing fees		50,617	16,884
		(1,102,610)	(949,225)
Other items			
Impairment – other receivables		(8,485)	-
Write-off of debts		-	326,211
Impairment of exploration and evaluation assets		-	(444,000)
Interest income		5,479	177
		(3,006)	(117,612)
<b>Net loss for the period</b>		<b>(1,058,404)</b>	<b>(1,066,837)</b>
<b>Other comprehensive loss</b>			
Foreign exchange differences on translation of foreign operation		43,556	(5,977)
<b>Net loss and comprehensive loss for the period</b>	\$	<b>(1,014,848)</b>	\$ (1,072,814)
Basic and diluted loss per share	\$	(0.02)	\$ (0.02)
Weighted average number of common shares outstanding		61,367,806	49,719,705

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

# HOMERUN RESOURCES INC.

## Condensed Consolidated Interim Statements of Cash Flows For the Three Months Ended March 31, 2025 and 2024

	For the Three Months Ended March 31,	
	2025	2024
Cash provided by (used in):		
<b>Operating activities</b>		
Comprehensive loss for the period	\$ (1,058,404)	\$ (1,066,837)
Items not affecting cash:		
Depreciation	257	-
Write-off of debts	-	(326,211)
Impairment of exploration and evaluation assets	-	444,000
Stock-based compensation	162,727	458,602
Changes in non-cash working capital items:		
Receivable	102,981	6,518
Unearned revenue	(33,822)	-
Prepaid expenses	100,236	113,833
Accounts payable & accrued liabilities	73,482	166,841
Other payables	3,534	-
<b>Cash used in operating activities</b>	<b>(649,009)</b>	<b>(37,021)</b>
<b>Investing activities</b>		
Cash from Halocell Europe SRL at date of acquisition	870,906	-
Exploration and evaluation assets	(125,400)	-
Investment – Halocell Energy shares	(523,172)	-
<b>Cash provided by investing activities</b>	<b>222,334</b>	<b>-</b>
<b>Financing activities</b>		
Shares subscription received	72,000	170,000
Shares issued from stock options exercise	16,000	-
Shares issued from warrants exercise	250,725	91,000
<b>Cash provided by financing activities</b>	<b>338,725</b>	<b>261,000</b>
Effect of foreign exchange	19,753	(4,296)
Net increase (decrease) in cash	(68,197)	57,745
Cash, beginning of the period	1,707,900	18,630
Cash, end of the period	\$ 1,639,703	\$ 72,080
<b>Supplemental schedule of non-cash activities:</b>		
Shares issued 1,100,000 for acquisition of Halocell Europe SRL	\$ 1,166,000	\$ -
Shares issued for acquisition of exploration and evaluation assets	-	564,000

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

# HOMERUN RESOURCES INC.

## Condensed Consolidated Interim Statements of Changes in Shareholder's Equity For the Three Months Ended March 31, 2025 and 2024

	Number of Common Shares Outstanding	Share Capital (\$)	Share Subscription Received (\$)	Contributed Surplus (\$)	Accumulated Other Comprehensive Income (\$)	Deficit (\$)	Total Shareholders' Equity (deficiency) (\$)
Balance, December 31, 2023	48,830,639	26,080,781	20,000	2,327,197	(19,634)	(28,741,191)	(332,847)
Shares issued for acquisition of exploration and evaluation assets (Note 7, 9)	1,200,000	564,000	-	-	-	-	564,000
Shares issued - warrants exercise (Note 9b)	555,000	111,000	(20,000)	-	-	-	91,000
Share subscriptions – shares to be issued	-	-	170,000	-	-	-	170,000
Share-based compensation (Note 9e)	-	-	-	458,602	-	-	458,602
Net loss and comprehensive loss	-	-	-	-	(5,977)	(1,066,837)	(1,072,814)
Balance, March 31, 2024	50,585,639	27,755,781	170,000	2,785,799	(25,611)	(29,808,028)	(122,059)
Balance, December 31, 2024	60,231,993	31,319,274	-	3,782,395	(143,550)	(32,637,867)	2,320,252
Shares issued - warrants exercise (Note 9b)	1,093,300	250,725	-	-	-	-	250,725
Shares issued - options exercise (Note 9c)	80,000	28,000	-	(12,000)	-	-	16,000
Shares issued for acquisition (Note 9d)	1,100,000	1,166,000	-	-	-	-	1,166,000
Share subscriptions received (Note 9g)	-	-	72,000	-	-	-	72,000
Share-based compensation (Note 9e)	-	-	-	162,727	-	-	162,727
Net loss and comprehensive loss	-	-	-	-	43,556	(1,058,404)	(1,014,848)
Balance, March 31, 2025	60,505,293	32,763,999	72,000	3,933,122	(99,994)	(33,696,271)	2,972,856

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

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

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### 1. Nature of operations and going concern

Homerun Resources Inc. ("the Company") was incorporated in British Columbia on October 21, 1980, and is a public company listed on the TSX Venture Exchange ("TSX-V") under the trading symbol HMR. The Company is an exploration stage company, focusing on silicon. The corporate head office and registered records office of the Company is located at Suite 2110, 650 West Georgia Street, Vancouver, B.C., V6B 4N9.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course of business as they come due for the foreseeable future. As at March 31, 2025, the Company had an accumulated deficit of \$33,696,271 (December 31, 2024 - \$32,637,867), a net loss for three months ended March 31, 2025 of \$1,058,404 (March 31, 2024 - \$1,066,837), and the Company expects to incur further losses in the development of its business. These factors indicate the existence of a material uncertainty exist that may cast significant doubt about the Company's ability to continue as a going concern. Management has estimated that the Company will require additional financing to meet its obligations for the fiscal year. Continued operations are dependent on the Company's ability to complete equity or debt financings. The condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations as a going concern. Such adjustments could be material.

### 2. Basis of preparation

#### Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2024. These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary AKA Ventures USA Inc, Homerun Brasil Mineracao Ltda and Halocell Europe SRL. All inter-company transactions have been eliminated upon consolidation. The Board of Directors approved these condensed consolidated interim financial statements on May 29, 2025.

#### Functional and presentation currency

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

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

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

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

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

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### 2. Basis of preparation (continued)

#### Critical accounting estimates and judgments

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

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

#### *Investment in Halocell Energy shares*

On February 21, 2025, the Company subscribed 5,000,000 common shares of Halocell Energy Limited ("Halocell Energy"), a private Australian perovskite solar technology developer, for a total cash consideration of AUD564,000 (CAD523,712), inclusive of a 6% discount on subscribed amount. This investment was classified as a financial asset under IFRS 9 and measured at fair value through other comprehensive income (FVOCI). The Company's 4.3% ownership in Halocell Energy does not have significant influence over Halocell Energy. This irrevocable designation applies to equity instruments not held for trading.

#### *Investment in Halocell Europe SRL and acquisition of patent rights*

On February 21, 2025, the Company acquired Halocell Europe SRL ("Halocell Europe"), a wholly-owned subsidiary of Halocell Energy, by issuing 1,100,000 common shares of the Company at fair value of \$1,166,000. As part of the transaction, Halocell Energy granted the Company a non-exclusive, non-transferable, royalty-free, perpetual license to use seven patent rights. Halocell Europe became a wholly-owned subsidiary of the Company.

The acquisition was classified as an asset acquisition (rather than a business combination) under IFRS 3 Business Combinations, as Halocell Europe and the licensed patent rights did not meet the definition of a "business." This conclusion was based on the absence of substantive processes and outputs required to constitute a business under IFRS 3. Halocell patent rights are in the development stage and were not yet commercially viable as of the acquisition date.

The Company plans to integrate licensed patents into its solar glass production in Brazil, which is currently in the feasibility study phase. The Halocell patent rights were recognized as in-process intangible assets under IAS 38. These assets will remain classified as "under development" until technological feasibility and commercial readiness are achieved.

#### *Government grants*

Halocell Europe, a newly acquired subsidiary of the Company, has received government grants from the European Union (EU) to fund solar related research and development (R&D) projects. These grants are tied to Halocell Europe's participation in EU-sponsored innovation programs aimed at advancing solar technologies. The grants are recognized as revenue under IAS 20, when there is a reasonable assurance that the Company will comply with the grant conditions and the funds will be received. Grants income is recognized systematically over the contractual period of the related projects to match timing of the eligible R&D expenditures.

#### *Laboratory and office equipment*

Halocell Europe owns one humidity chamber, and a few notebooks for its research and development activities. That equipment was recorded at cost less accumulated depreciation and depreciated on a straight-line basis over their expected useful life to their estimated residual value. The annual depreciation rates are as follows:

Laboratory equipment 15% per annum

Office equipment 20% per annum



# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

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### 2. Basis of preparation (continued)

#### Critical accounting estimates and judgments

##### *Recent accounting pronouncements*

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

### 3. Capital management

The Company classifies its share capital and contributed surplus as capital. When managing capital, the Company's objective is to ensure the Company continues as a going concern as well as to maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide optimal returns to shareholders and benefits for other stakeholders. The Board of Directors does not establish qualitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent upon external financing to fund its activities. In order to carry out its business activity and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management for the three months ended March 31, 2025. The Company is not subject to any externally imposed capital requirements.

### 4. Financial instruments and financial risk management

#### Fair value

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

#### Fair value hierarchy

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

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

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

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

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

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

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

### 4. Financial instruments and financial risk management (continued)

#### Financial risks

##### (i) Interest rate risk

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

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. The Company does not use derivative instruments to reduce its exposure to foreign exchange risk.

As at March 31, 2025, the Company is exposed to foreign currency risk as it has current assets and liabilities denominated in Brazilian Real as follows:

		March 31, 2025		December 31, 2024
Cash	R\$	1,405,832	R\$	3,170,105
Receivables		25,503		10,088
Prepaid expenses		31,056		20,713
Accounts payable		(43,926)		(45,279)
Net exposure		1,418,465		3,155,627
Canadian dollar equivalent	\$	355,751	\$	737,314

As of March 31, 2025, a 5% change in the exchange rate between Brazilian Real ("R\$") and Canadian dollars would impact the Company's net assets by \$17,788 (2024 - \$36,700). The Company assessed its foreign currency risk as moderate as of March 31, 2025.

As at March 31, 2025, the Company is exposed to foreign currency risk as it has current assets and liabilities denominated in Euro as follows:

		March 31, 2025		December 31, 2024
Cash	€	626,209	€	-
Receivables		44,022		-
Prepaid expenses		1,916		-
Current liabilities		(281,691)		-
Unearned revenue		(617,794)		-
Net exposure		(227,339)		-
Canadian dollar equivalent	\$	(353,284)	\$	-

As of March 31, 2025, a 5% change in the exchange rate between Euro ("€") and Canadian dollars would impact the Company's net liabilities by \$17,664 (2024 - \$Nil). The Company assessed its foreign currency risk as moderate as of March 31, 2025.

##### (iii) Credit risk

Credit risk arises when a counterparty fails to discharge its obligation under a financial instrument. The Company's credit risk is assessed as low to moderate, primarily due to the conditional nature of EU grants receivables tied to Halocell Europe's compliance with contractual obligations during the grant period. As of March 31, 2025, there are no indicators that the EU grants are uncollectible. A potential increase in credit risk could arise if Halecell Europe fails to meet future grant conditions.

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

### 4. Financial instruments and financial risk management (continued)

#### (v) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining cash. The Company manages liquidity risk by maintaining cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short-term and long-term obligations. As at March 31, 2025, the Company did not have sufficient cash on hand to pay its short-term creditors and does not generate cash from its operations. Accordingly, liquidity risk is considered high.

### 5. Investment – Halocell Energy Limited, Halocell Europe SRL and licensed patent rights

On December 12, 2024, the Company signed a Binding Term Sheet (“Term Sheet”) with Halocell Energy Limited (“Halocell Energy”) and Halocell Europe SRL (“Halocell Europe”) whereby the Company will acquire all the outstanding common shares of Halocell Europe by issuing 1,100,000 common shares of the Company to Halocell Energy. Pursuant to the other terms and conditions of the Term Sheet, the Company will subscribe 5,000,000 common shares of Halocell Energy at their shares offering.

On February 21, 2025, the Company subscribed for 5,000,000 Class A shares of Halocell Energy subscription, for a total cash payment of AUD564,000 (CAD523,712), inclusive of a 6% discount on subscribed amount AUD600,000. At March 31, 2025, the Company recorded \$523,712 as a long-term investment (December 31, 2024 - \$Nil).

On February 21, 2025, the Company issued 1,100,000 common shares, subject to the four month plus one day holding period, to Halocell Energy by acquiring its 100% ownership of Halocell Europe. As part of the transaction, Halocell Energy granted the Company a non-exclusive, non-transferable, royalty-free, perpetual license to use seven patent rights. Halocell Europe became a wholly-owned subsidiary of the Company. The purchase price was allocated to the acquired licensed patent rights on fair values, consistent with the accounting for asset acquisitions. The total consideration included issuance of 1,100,000 common shares of the Company at fair value of \$1,166,000. The purchase price allocations are summarized as follows:

1,100,000 common shares of the Company at a price of \$1.06	\$	1,166,000
Assumed liabilities of Halocell Europe		1,580,078
<b>Total consideration</b>	<b>\$</b>	<b>2,746,078</b>
Cash and cash equivalent of Halocell Europe	\$	870,906
Receivables and prepaids		161,579
Laboratory and office equipment		7,745
Licensed patent rights – granted by Halocell Energy		1,705,848
<b>Total acquired</b>	<b>\$</b>	<b>2,746,078</b>

### 6. Laboratory and office equipment

The Company has one humidity chamber, a few notebooks for its research and development activities in Italy. That equipment was recorded at cost less accumulated depreciation and depreciated on a straight-line basis over their expected useful life to their estimated residual value.

	Lab equipment (\$)	Office equipment (\$)	Total (\$)
Cost:			
Balance, at December 31, 2024	-	-	-
Additions during the year (Note 5)	4,502	3,243	7,745
Foreign exchange effect	160	116	276
Balance, at March 31, 2025	4,662	3,359	8,021

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

### 6. Laboratory and office equipment (continued)

Accumulated Depreciation			
Balance, at December 31, 2024	-	-	-
Additions during the year (Note 5)			(257)
	(154)	(103)	)
Balance, at March 31, 2025	(154)	(103)	(257)
Carrying Amount			
Balance, at December 31, 2024	-	-	-
Balance, at March 31, 2025	4,508	3,256	7,764

### 7. Exploration and evaluation assets

#### Tatooine Silica Project, Brisco, British Columbia Canada

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

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

Date	Cash Payment	Common Shares	Work Commitment
	Paid	Issued	Required
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

The Company issued 250,000 common shares with a fair value of \$32,500 during the year ended December 31, 2022, and issued 1,200,000 common shares with a fair value of \$564,000 during the year ended December 31, 2024.

As at March 31, 2025, the Company has no share issuance obligations.

#### CBPM Mineral Rights, Santa Maria Eterna, Brazil

During the year ended December 31, 2023, the Company entered into a complementary research contract and mineral rights lease agreement with Companhia Baiana de Pesquisa Mineral (“CBPM”) to extract high-purity silica sourced from CBPM’s concessions in Santa Maria Eterna, Brazil. For the mineral rights, the Company will pay R\$1,000,000 Brazilian reais (paid and equivalent to Canadian \$272,600) and an additional R\$1,000,000 is due upon receipt of Brazilian regulatory approvals of the Company’s extraction plans. Pursuant to the terms of the agreement, the Company will pay an extraction royalty of R\$50 per tonne of extracted silica sand. Any of the extracted silica sand sold outside of Brazil will be subject to a further 5% gross sales royalty in addition to R\$50 per tonne royalty, adjusted annually by the IGP-M index. Furthermore, the Company must invest a minimum amount of R\$2,500,000 in research work.

The Company will make minimum annual royalty payments corresponding to the sale of a minimum annual production of 12,000 tones of processed sand. The term of the agreement is for an initial 20-year term with an additional 10-year term if the agreement is in good standing at the end of the initial term. As at March 31, 2025, the carrying value of the mineral rights was \$250,800 (2024 - \$232,700).

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

### 7. Exploration and evaluation assets (continued)

#### Mineral Rights, Lump Quartz District, Ceara, Brazil

During the year ended December 31, 2024, the Company acquired lump quartz from a related party of the Company by making a cash payment of \$72,300 (R\$300,000). The mineral right consists of a total of 18 claims, in the State of Ceara, in the North region of Brazil. At March 31, 2025, the carrying value of the mineral claims is \$75,240 (December 31, 2024 - \$69,810).

#### Mineral Rights, 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 LOI grants the Company the rights to exploit the four mining 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 \$123,800 February 2025) 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 1<sup>st</sup> instalment.

At March 31, 2025, the carrying value of Guidoni's mineral claims is \$125,400 (December 31, 2024 - \$Nil).

The continuity of the Company's acquisition costs at period ended March 31, 2025, and December 31, 2024 are as follows:

March 31, 2025					
Acquisition Costs	Tatooine, Canada (\$)	Guidoni right Brazil (\$)	CPBM right, Brazil (\$)	Lump Quartz, Brazil (\$)	Total (\$)
Balance, opening	604,000	-	232,700	69,810	906,500
Payments	-	123,800	-	-	123,800
Foreign exchange effect	-	1,600	18,100	5,430	25,130
Balance, ending	604,000	125,400	250,800	75,240	1,055,440

  

December 31, 2024					
Acquisition Costs	Tatooine, Canada (\$)	Belmonte, Brazil (\$)	CPBM right, Brazil (\$)	Lump Quartz, Brazil (\$)	Total (\$)
Balance, opening	40,000	13,796	272,600	-	326,396
Payments	564,000	-	-	72,300	636,300
Write-down to fair value	-	(12,813)	-	-	(12,813)
Foreign exchange effect	-	(983)	(39,900)	(2,490)	(43,373)
Balance, ending	604,000	-	232,700	69,810	906,510

For three months ended March 31, 2025 and 2024, the Company's exploration and evaluation expenditures recognized on the statements of comprehensive loss are as follows:

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

### 7. Exploration and evaluation assets (continued)

		March 31, 2025	March 31, 2024
<b>Exploration and evaluation expenditures</b>			
Administration	\$	12,130	\$ -
Field expenses		45,315	-
Geologist consulting		41,480	80,813
Lab testing		15,266	-
Mining tax		11,607	-
Project management fee		110,728	124,845
<b>Total</b>	<b>\$</b>	<b>236,526</b>	<b>\$ 205,658</b>

### 8. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Management fees were incurred from a director and a company owned by a director of the Company. Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

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

At the three months ended March 31, 2025, the Company was indebted an officer \$49,820 (December 31, 2024 - \$55,186).

During the three months ended March 31, 2025 and 2024, the Company entered into transactions with the related parties as below:

Name	Relationship	Nature of Transaction	Stock-based compensation for Mar 31, 2025 (\$)	Stock-based compensation for Mar 31, 2024 (\$)	Fees for period ended March 31, 2025 (\$)	Fees for period ended March 31, 2024 (\$)
Brian Leeners	Chief Executive Officer and a Director	Management services	40,326	133,859	91,988	81,702
Nexvu Services Inc.	Owned by Nexvu Capital Corporation, of which Brian Leeners, Gregory Pearson and Gordon Fretwell are shareholders	Rent and corporate services	-	-	30,000	30,000
Global Link Capital	Owned by Greg Pearson, former director	Management services	-	-	30,000	36,000
Gordon J. Fretwell, Law Corporation	Owned by Gordon Fretwell, Corporate Secretary	Legal services	-	-	16,822	2,000
Antonio Victor	VP, Homerun Brasil Mineracao Ltda	Mining project management	31,159	100,395	44,154	49,021
Armando Farhate	Chief Operating Officer	Mining project management	14,368	-	18,398	12,255
Mauro Cesar Terence	Chief Technology Officer	Mining project management	20,163	66,930	11,039	-
NZ Consulting Services Inc.	Owned by Nancy Zhao, Chief Financial Officer	Accounting services	14,368	-	30,000	-
AE Financial Management Ltd.	Edward Low, former Chief Financial Officer	Accounting services	-	-	-	10,500
			120,384	301,184	272,401	221,478

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

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### 9. Share capital

Authorized: Unlimited common voting shares, without par value.

#### a. Share issuance - private placement

##### Three Months Ended March 31, 2025 and 2024

No common shares were issued from private placement.

#### b. Share issuance – warrants exercised

##### Three Months Ended March 31, 2025

For the three months ended March 31, 2025, the Company issued 1,035,000 common shares, pursuant to warrants exercised at a price of \$0.20, for total proceeds of \$207,000, and issued 58,300 common shares, pursuant to warrants exercised at a price of \$0.75, for total proceeds of \$43,725.

##### Three Months Ended March 31, 2024

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

#### c. Share issuance – Options exercised

For the three months ended March 31, 2025, the Company issued 80,000 common shares, pursuant to stock options exercised at a price of \$0.20, for total proceeds of \$16,000.

#### d. Share issuance – Acquisitions

##### Three Months Ended March 31, 2025

For the three Months ended March 31, 2025, the Company issued 1,100,000 commons shares, with a fair value of \$1,166,000 for Halocell Europe acquisition (Note 5).

##### Three Months Ended March 31, 2024

For the three Months ended March 31, 2024, the Company issued 1,200,000 commons shares, with a fair value of \$564,000 for an option payment on Tatooine Project (Note 7).

#### e. Stock options

Pursuant to policies of TSX-V, the Board of the Company has established an incentive Stock Option Plan (the “Plan”) for directors, officers, employees, and consultants of the Company and its subsidiary, or any affiliate of the Company. This Plan reserves for issuance up to 12,486,376 of common shares, including any common shares issuable on any outstanding stock options previously granted individually. The number of common shares issued maybe increased or changed subject to shareholder and regulatory approval. The number of common shares reserved for issuance to insiders shall not exceed 10% of the outstanding issue at any point in the time unless disinterested shareholder approval is obtained. No more than 5% of the outstanding issue may be granted to any one individual in any 12-month period. Options granted under the Plan exercisable over a period not exceeding 5 years. Termination of options shall not exceed 90 days after the termination date of optionees’ employment status with the Company. Any options granted shall vest in the optionee and be exercisable as follows: 25% vest on the date of grant; 25% vest 6 months from the date of grant; 25% vest 12 months from the date of grant; and 25% vest 18 months from the date of grant.

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

### 9. Share capital (continued)

#### e. Stock options (continued)

##### Three Months Ended March 31, 2025

No stock options were granted.

##### Three Months Ended March 31, 2024

On March 12, 2024, the Company granted 3,300,000 stock options to its director, officers and consultants, of which, 25% vested upon grant date, and thereafter vest 25% every 6 months. These options are exercisable for up to five years at a price of \$0.75 per share. Of the total 3,300,000 options, 2,250,000 were granted to related parties. The Company estimated the total fair value of the stock-based compensation is \$1,485,000 and recognized \$458,602 during the three months ended March 31, 2024.

For the three months ended March 31, 2025, the Company recorded a total stock-based compensation of \$162,727 for options vested.

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

	Number of Options Outstanding	Weighted Average Exercise Price
Balance, December 31, 2023	5,900,000	\$0.16
Granted	3,800,000	\$0.67
Exercised	(829,000)	\$0.16
Balance, December 31, 2024	8,871,000	\$0.41
Exercised	(80,000)	\$0.20
Balance, March 31, 2025	8,791,000	\$0.41

At March 31, 2025, the following stock options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Years
September 14, 2026	\$0.10	2,700,000	2,700,000	1.46
June 15, 2027	\$0.20	1,575,000	1,575,000	2.21
March 13, 2028	\$0.20	500,000	500,000	2.95
July 7, 2028	\$0.50	250,000	250,000	3.27
March 12, 2029	\$0.75	3,300,000	2,475,000	3.95
May 8, 2029	\$0.75	466,000	216,000	4.11
		8,791,000	7,716,000	2.81

#### f. Warrants

##### Three Months Ended March 31, 2025 and 2024

No warrants were issued from private placement.

At March 31, 2025, the following warrants were outstanding:

Expiry Date	Number of Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Years
May 1, 2026	1,560,000	\$0.75	1.08
October 30, 2026	1,675,054	\$2.00	1.58
	3,235,054	\$1.40	1.34



# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

### 9. Share capital (continued)

#### f. Warrants (continued)

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

	Number of Warrants Outstanding	Weighted Average Price
Balance, December 31, 2023	6,348,000	\$0.23
Issued	7,514,000	\$0.20
Exercised	(5,251,406)	\$0.22
Balance, December 31, 2024	4,328,354	\$1.10
Exercised	(1,093,300)	\$0.23
Balance, March 31, 2025	3,235,054	1.40

#### g. Broker warrants

##### Three Months Ended March 31, 2025 and 2024

No broker's warrants were issued from private placement.

At March 31, 2025, the following warrants were outstanding:

Expiry Date	Number of Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Years
October 30, 2026	29,872	\$2.00	1.58

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

	Number	Weighted Average Price
Balance, December 31, 2023	-	-
Issued	29,872	\$2.00
Balance, December 31, 2024	29,872	\$2.00
Balance, at March 31, 2025	29,872	\$2.00

#### h. Share subscription received

At March 31, 2025, the Company has received \$72,000 for a private placement announced on March 21, 2025. The financing offers up to 2,500,000 units priced at \$1.20 per unit. Each unit will consist of one common share and one common share purchase warrant, exercisable at \$2.00 for a term of 24 months from the date of issuance.

### 10. Segmented information

The Company is organized into business units based on exploration and evaluation assets and has three reportable operating segments, being that its corporate headquarters located in Canada, a mining operation in Brazil, and a solar R&D operator in Italy. The Company's in exploration stage and has small reportable segment revenues or operating results.

		Assets		Expenditures (revenue)	
		March 31, 2025	December 31, 2024	March 31, 2025	March 31, 2024
Canada	\$	3,209,292	\$ 1,737,556	\$ 778,070	\$ 882,967
Brazil		818,208	1,046,360	303,475	183,870
Italy		1,033,295	-	(23,141)	-
	\$	5,060,795	\$ 2,784,916	\$ 1,058,404	\$ 1,066,837

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2025 and 2024

### 11. Accounts payable and accrued liabilities

	March 31, 2025	December 31, 2024
Trade payables	\$ 648,419	\$ 199,454
Accrued liabilities	352,488	177,499
<b>Total</b>	<b>\$ 1,000,907</b>	<b>\$ 376,953</b>

### 12. Unearned revenue

At March 31, 2025, the Company had a total \$960,052 (€617,794) (December 31, 2024 - \$Nil) from EU grants representing related performance obligations have not yet been satisfied.

Balance, at December 31, 2024	\$ -
Addition	960,052
Balance, at March 31, 2025	\$ 960,052
Current	677,175
Non-current	282,877
	\$ 960,052

### 13. Loan payable - subscriptions received

The Company recorded loans payable that were initially recognized as share subscriptions based on the terms of share subscription agreements set out in 2016. As at March 31, 2025, the shares have not been issued to the subscribers and the balance of the loans is \$87,711 (December 31, 2024 – \$87,711).

### 14. Subsequent event

On April 22, 2025, the Company granted 2,100,000 at an exercise price of \$1.50 to its director, officers and consultants of the Company for expiry of 5 years.

On May 24, 2025, the Company granted 500,000 at an exercise price of \$1.50 to a director of the Company for expiry of 5 years.