

MANAGEMENT DISCUSSION AND ANALYSIS

For the Nine Months Ended
September 30, 2026

This Management Discussion and Analysis ("MD&A") of Homerun Resources Inc. (the "Company" or "Homerun") is prepared as of November 17, 2026. It should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2026 and 2025, 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 page 25 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.

1. BUSINESS OVERVIEW

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 transitioning from a resource company, focused on mining silica, to a materials company that processes silica into industrial inputs - such as solar glass and high-purity silicon - to support the energy transition. The corporate head office of the Company is located at Suite 2110, 650 West Georgia Street, Vancouver, B.C., V6B 4N9.

2. OVERALL PERFORMANCE AND SIGNIFICANT DEVELOPMENTS

2.1 FINANCIAL POSITION

- Losses and Deficit: For the nine months ended September 30, 2026, the Company recorded a net loss of $5,937,174 (September 30, 2025 – $4,445,544), resulting in an accumulated deficit of $47,738,552 (December 31, 2025 – $41,801,378). Continued development activities are expected to result in further losses.
- Going Concern: At September 30, 2026, the Company had $968,388 (December 31, 2025 - $907,720) in cash and a working capital deficiency of $338,460 (December 31, 2025 – working capital of $795,183), reflecting operating losses, continued investment in exploration and evaluation assets and the current portion of the convertible security. The Company is also required to make monthly cash repayments of $111,111 under its convertible security commencing in March 2027. Ongoing operations depend on raising additional capital through equity or debt financing.

2.2 CORPORATE HIGHLIGHTS (JANUARY 1 – NOVEMBER 17, 2026)

Homerun advanced its business through multiple operational, strategic, and financing milestones:

- January 6, 2026 – the Company finalized its lease agreement with Companhia Baiana de Pesquisa Mineral ("CBPM"), adding the final silica lease covering its Santa Maria Eterna concessions in Brazil.
- January 8, 2026 – Brazil's National Mining Agency issued the mining permit No. 743 for area 870.011/1989, granted under the Company's lease agreement with CBPM.
- In December 2025, the Company executed a purchase agreement to acquire a rural property known as Fazenda Conjunto Sao Jose e Nova Esperanca, Bahia, Brazil, for a total value of USD1,100,000, and in January 2026 entered into an addendum to the agreement setting out the payment schedule. The property was originally described as 582 hectares; on completion of the acquisition on October 21, 2026, it was confirmed to comprise 442.7 hectares.
- February 2, 2026 – the Company issued 1,656,000 common shares and 276,000 warrants pursuant to the binding agreement with Pedreiras Do Brasil SA for exploitation rights at the Santa Maria Eterna silica sand district, Brazil.

- March 3, 2026 - Executed a non-binding commercial letter of intent with Jundu Ltda., a Brazilian industrial silica producer, to support the extraction, processing, and supply of high-purity silica sand from the Santa Maria Eterna district in Bahia, Brazil. The proposed arrangement is expected to provide an initial supply of at least 50,000 tonnes of silica sand annually and support the company's bankable feasibility study and development of its planned solar glass manufacturing operations.
- March 10, 2026 – researchers at UC Davis successfully produced fused silica glass from raw Santa Maria Eterna silica sand using a one-step thermoelectric Fast Joule Heating process, supporting the Company's advanced materials strategy.
- March 24, 2026 – the Company entered the binding sales distribution contract with Cristal Sand Group Ltda, for the sale of high-purity industrial silica sand extracted from the Santa Maria Eterna (SME) silica sand district in Belmonte, Bahia, Brazil, for delivery into the Brazilian luxury construction market.
- March 31, 2026 – the Company announced completion of the Bankable Feasibility Study for its proposed solar glass manufacturing plant, with detailed results announced on May 12, 2026.
- April 1, 2026 and May 5, 2026 – the Company announced and subsequently commenced trading of its Sponsored Brazilian Depositary Receipts on B3 S.A. – Brasil, Bolsa, Balcão under the ticker symbol HMRN31. Each BDR represents one common share of the Company, which continues to trade on the TSX Venture Exchange under the symbol HMR.
- May 1, 2026 - 693,333 warrants at an exercise price of $0.75 per share that expired without being exercised.
- May 12, 2026 – the Company announced the results of a Bankable Feasibility Study ("BFS") for its proposed solar glass manufacturing plant in Brazil. The BFS outlined positive long-term project economics and supported the Company's strategy to pursue a first-mover position in Brazil's solar glass manufacturing sector, subject to financing, permitting, detailed engineering and other development risks.
- May 13, 2026 – the Company granted 4,250,000 stock options to its directors, officers and consultants of the Company, at an exercise price of $1 per share, expiry in 5 years from the date of granting.
- May 14, 2026 – shareholders approved all resolutions put forward at the Company's annual general meeting.
- May 20, 2026 – the Company engaged Minerali Industriali Engineering Srl to develop process flow design, engineering and a capital cost estimate for a proposed primary silica sand processing plant at the Santa Maria Eterna silica deposit in Belmonte, Bahia, Brazil.
- June 4, 2026 – the Company delivered its first silica sand order from the Santa Maria Eterna district under its sales distribution contract with Cristal Sand Group Ltda.
- June 8, 2026 – the Company set a capital expenditure budget of approximately US$9.38 million for its proposed primary silica sand processing plant at Santa Maria Eterna.
- July 8, 2026 – the Company entered into a convertible security funding agreement for up to $15,000,000 with Lind Global Fund III, LP, managed by The Lind Partners, under engagements with The Benchmark Company and StoneX.
- July 9, 2026 – the Company confirmed an optimized +4N purification plant pathway and advanced capital expenditure configurations for its proposed high-purity silica processing plant at the Santa Maria Eterna deposit in Brazil.
- July 13, 2026 – the Company's Brazilian subsidiary was added to a Brazilian government tax incentive program supporting its silica operations in Bahia.
- July 28, 2026 – the Company obtained a non-binding letter of intent for financing of its proposed solar glass manufacturing project in Brazil.
- August 17, 2026 – the Company closed the initial tranche of the convertible security financing with Lind, for a funded amount of $2,000,000 and a face value of $2,200,000, and issued 1,850,000 share purchase warrants exercisable at $0.66 per share until August 17, 2028 (see section 2.3).
- August 19, 2026 – the Company executed a MOU with Cebrace Cristal Plano Ltda., the leading float glass manufacturer, to evaluate a strategic partnership supporting the solar glass facility in Brazil.
- August 27, 2026 – the Company reported that thermal pre-treatment followed by acid leaching by Dorfner Anzaplan GmbH produced bulk purified silica material of +99.99% SiO_2 (+4N), which was shipped to prospective customers for product qualification and to UC Davis for advanced materials development.

- September 1, 2026 – the Company provided an update on its pathway to supply high-purity feedstocks for fused silica, silicon and silicon carbide applications, including a patent-pending, chemical-free laser purification process developed by UC Davis that upgrades Santa Maria Eterna silica sand to +4N purity.
- September 4, 2026 – the Company extended the expiry date of 1,675,054 warrants exercisable at $2.00 per share from October 30, 2026 to October 30, 2027.
- September 17, 2026 – the Company executed a three-year memorandum of understanding with Centro Nacional de Tecnologia Eletrônica Avançada S.A. (CEITEC), a Brazilian state-owned semiconductor company, for cooperation on the development and qualification of silicon carbide substrates and wafers in Brazil.
- September 22, 2026 – the Company announced a patent application (PCT/BR2026/050512) for an antimony-free, high-purity soda-lime-silica glass composition for solar glass applications.
- October 21, 2026 – the Company completed the acquisition of the 442.7-hectare Fazenda Conjunto São José e Nova Esperança property following payment of the final cash instalment of US$100,000.
- October 27, 2026 – the Company received an AACE Class 5 capital cost estimate from Dorfner Anzaplan GmbH for a modular 4N silica purification plant with initial capacity of approximately 30,000 tonnes per year, of US$27.6 million with dedicated calcination or US$19.6 million when integrated with ENDURING thermal energy storage (excluding the owner-supplied storage system).
- November 4, 2026 – the Company appointed Leonardo Passos da Cunha to its Board of Directors and, on November 7, 2026, granted him 500,000 stock options exercisable at $0.75 per share for a period of five years.

2.3 FINANCING ACTIVITIES

- Proceeds received from Sorbie units: Received a total of $1,531,775 in nine monthly cash settlements during the nine months ended September 30, 2026, upon release of 2,422,503 escrowed shares (2,250,000 shares relating to the financing units and 172,503 shares relating to the fee units). Subsequent to September 30, 2026, the Company received the 11th and 12th monthly settlements of $100,063 and $90,959, each upon the release of 269,167 escrowed shares.
- Warrants issued to Sorbie: 1,680,003 warrants issued in nine monthly tranches of 186,667 warrants each, at exercise prices of $1.25, $1.11, $1.06, $1.02, $1.01, $1.01, $0.79, $0.64 and $0.65. Subsequent to September 30, 2026, the Company issued a further 186,667 warrants at $0.57 and 186,667 warrants at $0.51.
- Warrant exercises: 766,667 warrants at $0.75 were exercised, for a total of $575,000 in cash.
- Option exercises: 1,700,000 stock options were exercised at $0.10, 35,000 at $0.20, 250,000 at $0.50 and 240,000 at $0.75, for a total of $482,000 in cash. On October 2, 2026, a further 100,000 stock options were exercised at $0.20 for proceeds of $20,000.
- Convertible security: On August 17, 2026, the Company closed the initial tranche of its convertible security financing with Lind Global Fund III, LP under a Convertible Security Funding Agreement for up to $15,000,000 dated July 8, 2026, as amended on August 13, 2026, under engagements with The Benchmark Company and StoneX. The convertible security has a funded amount of $2,000,000 and a face value of $2,200,000, which includes $200,000 of pre-paid interest, matures on August 17, 2028 and is repayable in 18 monthly cash instalments of $111,111 commencing March 1, 2027. Lind may convert up to $1,920,000 of principal into common shares at $0.66 per share. The Company also issued 1,850,000 share purchase warrants exercisable at $0.66 per share until August 17, 2028, and 233,333 common shares with a fair value of $112,000 to the placement agent as a finder's fee. Net cash proceeds were $1,715,000 after the closing fee of $80,000 and Lind's legal fees of $65,000 and a cash finder's fee of $140,000 paid to The Benchmark Company.

3. BUSINESS STRATEGIES AND DEVELOPMENT PLAN

Homerun's strategic vision is to become a vertically integrated materials company supporting the energy transition. The strategy unfolds in three phases:

3.1 PHASE I – HPQ SILICA SUPPLY

1. High-Purity Silica Processing**:** Develop a 350,000 tpa processing plant to convert high-purity silica sand into feedstock for solar glass and advanced materials.
2. Zero-Waste Purification**:** Collaborate with UC Davis on thermoelectric purification and advanced materials technologies, including femtosecond laser processing to achieve 99.999 % SiO_2 purity.

3.2 PHASE II – INFRASTRUCTURE AND LOGISTICS

1. Solar Glass Manufacturing**:** Build Latin America's first dedicated solar glass facility (365,000 tpa) using state-of-the-art glass melting and annealing technology from European partners.
2. AI-Based Energy Solutions: Through Homerun Energy SRL, commercialize AI-driven energy management and control systems for renewable energy capture, storage, and utilization.
3. Long-Duration Energy Storage: Partner with the U.S. Department of Energy/NREL to integrate silica sand purification into ENDURING thermal energy storage systems, enabling arbitrage of electricity and heat.

3.3 PHASE III – REVENUE AND VERTICAL INTEGRATION

1. Sales and Distribution: Sell high-purity silica, solar glass, and perovskite photovoltaic technologies to domestic and international customers.
2. Vertically Integrated Solutions**:** Extend into energy infrastructure projects (e.g., EV charging with battery storage) through partnerships and potential acquisitions.

As of the date of this report, the Company advanced its three-phase silica purification platform. Dorfner Anzaplan GmbH ("Anzaplan") completed additional test work on silica sand samples from the Santa Maria Eterna deposit, concluding that a 2-hour thermal pre-treatment followed by acid leaching delivered the lowest overall impurities (81 ppm), and produced a bulk sample of purified silica (+99.99% SiO_2), which the Company shipped to prospective customers for product qualification and to UC Davis for advanced materials development. On October 27, 2026, the Company received Anzaplan's AACE Class 5 capital cost estimate for a modular 4N silica purification plant targeting initial production of approximately 30,000 tonnes per year: US$27.6 million for a configuration with dedicated calcination, or US$19.6 million for a configuration integrated with ENDURING thermal energy storage, excluding the owner-supplied storage system. The 4N module is designed as a scalable addition to the Company's planned 350,000 tonne per year 3N silica purification plant, for a combined estimated capital cost of approximately US$29.0 million to US$37.0 million. The estimates are based on laboratory-scale test work and remain subject to further engineering, permitting and financing. The Company continues to advance Phase 1, Phase 2 and Phase 3 of its integrated purification platform concurrently.

4. MINERAL PROPERTIES AND RESOURCE PROJECTS

4.1 CBPM MINERAL RIGHTS, SANTA MARIA ETERNA (BAHIA, 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 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 ($272,600) 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.

On November 7, 2025, Brazil's National Mining Agency issued the mining permit No. 743 for the area 870.011/1989, granted under the Company's lease agreement with CBPM in the municipality of Belmonte, Bahia, Brazil. On December 23, 2025, the

Company entered the official lease agreement with CBPM. The following major milestones must be achieved under the lease agreement:

- Mineral rights – R1,046,621 ($250,200) must be submitted within 10 days upon signing (paid in January 2026)
- Lease term: 20 years, with the possibility of renewal subject to availability of mineral reserves
- Royalty payment – R50/ton domestic, 5% export
- Mine & processing unit – start of construction - within three months after ANM registration
- Mine & processing unit – completion – within 12 months after ANM registration
- Industrial facility – within 24 months after signing of lease agreement
- Minimum annual production 12,000 tons – 6 months after signing of lease agreement
- ESG fund contribution – 10% of royalties and additional 10% of 10% contribution

As at September 30, 2026, the carrying value of the CBPM mineral rights was $560,452.

4.2 BELMONTE AUGER DRILL PROGRAM AND MRE

Between May 22 and September 16, 2024 the Company completed 254 auger holes totaling 2,565 m in the Belmonte district. Drill samples were assayed by SGS using ICP-OES/MS methods. Highlights include:

- Preliminary MRE: 25.56 Mt measured and 38.35 Mt inferred high-purity silica sand (>99.50 % SiO_2).
- Consistent Purity: Silica purity generally improves after the first metre of drilling and remains consistent to depth, limited only by the auger's physical reach.
- NI 43-101 Technical Report here: https://homerunresources.com/ni-43-101-belmonte/

4.3 GUIDONI MINING RIGHTS (BELMONTE, BRAZIL)

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 claims 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/$530,877 paid over 4 installments (USD100,347.20/$132,719 per installment), maturing, one by one, every 6 months, from the date of payment. a) 1st instalment (paid $139,338 in August 2025); b) 2nd installment (paid $140,183 in February 2026); c) 3rd installment (paid $143,808 in August 2026); and d) 4th and final installment (USD100,347.20) due in February 2027.

As at September 30, 2026, the carrying value of Guidoni's mineral rights was $575,298.

4.4 LUMP QUARTZ DISTRICT (CEARA, BRAZIL)

In December 2024 the Company acquired lump quartz rights (18 claims) from a related party for $72,300 (R$300,000).

During the nine months ended September 30, 2026, the Company recognized an impairment charge of $80,790 to write off the carrying value of the Lump Quartz District mineral rights, as the Company no longer intends to pursue exploration on this property. The carrying value of the mineral claims is $Nil.

4.5 PEDREIRAS RIGHTS (BAHIA, BRAZIL)

In September 2025, the Company signed a Letter of Intent with Pedreiras Do Brasil SA to acquire exploitation rights for one CBPM lease agreement belonging to CBPM. The seller will receive a) USD1.2 million by issuance of the Company's common shares at deemed price of $1.00 per share, and b) USD200,000 by issuance of the Company's warrants at the exercise price of $1.00 per share. The transaction will be subject to CBPM approval and the continuation of the royalty terms of that lease: BRL30.17 per extracted tonne from the mining tenements and 5% on export sale of an extracted tonne from the mining tenements.

On February 2, 2026, the Company issued 1,656,000 common shares of the Company at a fair value of $1,606,320, and 276,000 warrants with an exercise price of $1.00, expiring one year from issuance, with a fair value of $78,387, pursuant to the binding agreement with the vendor.

As at September 30, 2026, the carrying value of the Pedreiras mineral rights was $1,684,707.

4.6 FAZENDA CONJUNTO SAO JOSE E NOVA ESPERANCA RURAL PROPERTY (BAHIA, BRAZIL)

In December 2025, the Company executed a purchase agreement to acquire a rural property known as Fazenda Conjunto Sao Jose e Nova Esperanca, for a total value of USD1,100,000. Pursuant to the addendum dated January 28, 2026, the Company agreed to pay US$500,000 of the purchase price in five instalments of US$100,000 each, commencing June 25, 2026. The agreement was originally described as covering 582 hectares; following completion and final review of the registered land documentation, the property was confirmed to comprise 442.7 hectares.

In February 2026, the Company issued 864,055 common shares of the Company at a fair value of $769,009 to the vendor. During the nine months ended September 30, 2026, the Company made cash payments totaling $559,539 (US$400,000) to the vendor pursuant to the payment schedule under the addendum. On October 19, 2026, the Company paid the final cash instalment of US$100,000 and, on October 21, 2026, completed the acquisition of the property.

As at September 30, 2026, the carrying value of the Fazenda Conjunto Sao Jose e Nova Esperanca rural property was $1,328,548.

5. STRATEGIC INVESTMENT – HALOCELL ENERGY LTD INTEREST AND HOMERUN ENERGY (FORMERLY HALOCELL EUROPE SRL)

On December 12, 2024, the Company entered into a binding term sheet with Halocell Energy Ltd ("Halocell Energy") and Halocell Europe SRL (subsequently rebranded as Homerun Energy). Under this agreement, the Company subscribed for 5 million common shares of Halocell Energy at a price of AUD $0.12 per share and acquired 100% of the issued and outstanding shares of Halocell Europe SRL from Halocell Energy.

Halocell Europe SRL specializes in developing disruptive perovskite solar cell technology and has significant expertise in producing highly pure materials and equipment both for commercialization and for use in third-party research and development programs. The transaction was approved by TSX-V. Key terms are summarized below:

- Share Consideration: The Company issued 1,100,000 common shares to Halocell Energy, subject to a four-month and one-day statutory hold period.
- Equity Subscription: The Company subscribed for 5,000,000 Halocell Energy shares as part of a financing of up to 18,189,680 shares at AUD $0.12 per share, raising up to AUD $2,182,762. The Company's subscription was fully completed.
- Fee Agreement: Halocell Energy agreed to pay the Company a fee equal to 6% of the actual proceeds raised, which has been paid in full.
- Patent License: Halocell Energy granted Halocell Europe SRL a non-exclusive, non-transferable, royalty-free, perpetual license to use and exploit the patent rights owned by Halocell Energy.

On February 21, 2025, the Company closed its investment in Halocell Energy Ltd, completed the acquisition of Halocell Europe SRL, and was granted the non-exclusive licensed patent rights.

6. RESEARCH & DEVELOPMENT PROGRAMS

6.1 NREL COOPERATIVE RESEARCH & DEVELOPMENT AGREEMENT (CRADA)

On November 3, 2023, Homerun entered into a multi-party CRADA with the U.S. Department of Energy's National Renewable Energy Laboratory (NREL) and The Babcock & Wilcox Company. The collaboration aims to integrate a silica-sand refinement process into NREL's ENDURING particle-based thermal energy storage system. By upgrading Homerun's silica sand through this technology, the partners hope to deliver clean, reliable energy and advance the Company's high-purity quartz (HPQ) silica strategy.

The project supports long-duration thermal energy storage (LDES) using low-cost silica particles. Key components, such as an electric-charging particle heater, a fluidized-bed heat exchanger, and a high-temperature particle storage system, are being designed and tested to meet techno-economic goals. In operation, solid silica particles are heated to over 1,000 °C when electricity prices are low, stored for several days, and then passed through a heat exchanger to drive a generator.

NREL will evaluate the composition and suitability of Homerun's silica sand for energy storage and other applications, including photovoltaic (PV) glass, PV-grade silicon, perovskite solar cell substrates and silicon anodes for Li-ion batteries. The study will also assess the economic benefits of using Homerun's material, such as grid service arbitrage, low-cost processing using off-peak electricity and potential revenue from high-purity by-products.

The Company had committed to investing a minimum of USD 325,000 in the program and has already invested that amount as of this report. By focusing on LDES technology, the CRADA seeks to improve grid resilience, enable greater renewable penetration and provide a low-cost, long-duration alternative to fossil-fuel generation.

6.2 COLLABORATION WITH UNIVERSITY OF CALIFORNIA AT DAVIS (UC DAVIS)

Since April 1, 2024, the Company has partnered with UC Davis to develop a femtosecond-laser purification method that can upgrade raw silica sand to 99.999 % purity. This single-step thermal process uses ultrafast laser pulses to induce micro- and nano-scale structural changes, avoiding hazardous chemicals and energy-intensive machinery typically used in mechanical or chemical purification. Fine-tuning of pulse duration and intensity can produce topographical features and crystal structures suitable for next-generation semiconductor substrates, including silicon carbide (SiC) and other wide-bandgap materials.

In March 2026, researchers at UC Davis have successfully produced fused silica glass from raw silica sand using a one-step thermoelectric Fast Joule Heating ("FJH") process. These tests demonstrate, at bench scale, that silica from Homerun's Santa Maria Eterna (SME) Silica Sand Project can be converted directly into fused silica glass without chemical reagents, supporting the Company's strategy to supply high-value advanced materials markets.

In September 2026, the Company reported that the UC Davis research group has developed a patent-pending, chemical-free laser processing method that purifies Santa Maria Eterna silica sand to +4N (+99.99%) purity. The silica sand is pre-treated to achieve particle uniformity and is then irradiated using a pulsed laser system, without chemical inputs, supporting the supply of high-purity feedstocks for fused silica, silicon and silicon carbide semiconductor and photonic applications.

The Company doubled its investment in this research in 2025, reflecting its strategic importance. As at September 30, 2026, the Company had incurred USD283,050 (CAD393,270) on this research program, of which CAD128,907 was incurred during the nine months ended September 30, 2026 and included in research and development expenses.

7. SUPPLY CHAIN AND LOGISTICS PLANNING

In line with Phase II of its business plan and its 40-year lease agreement with Companhia Baiana de Pesquisa Mineral (CBPM), Homerun has spent recent months developing a comprehensive logistics strategy to minimize capital expenditures and accelerate cash flow. Negotiations are advanced with service providers already active in the Belmonte region to oversee:

- extraction and processing of HPQ silica sand from the Santa Maria Eterna district;
- road transport to the Port of Ilhéus;
- maritime handling and cabotage shipping to the ports of Vitória (ES) and Aratu (Salvador, BA); and
- a potential private sea terminal near Belmonte for more efficient loading and reduced road distance.

Mining at Santa Maria Eterna will involve simple surface extraction using front-end loaders, as the resource is highly friable. Initial processing, primarily sieving and washing, will produce silica sand at purity levels exceeding domestic and international solar-glass requirements. The refined product will then be shipped in one-tonne bags or in bulk to Ilhéus for direct export or cabotage to Aratu or Vitória for further purification and glass manufacturing. Longer term, shared use of a private sea terminal is being explored to enable loading onto large ocean barges, substantially reducing transportation distances and operating costs.

8. SOLAR GLASS MANUFACTURING FACILITY

Brazil represents the largest solar market outside China, with roughly 1 GW of domestic production capacity versus annual demand of 15–20 GW. To address this supply gap, Homerun plans to build Latin America's first solar-glass plant with a capacity of 365,000 tonnes per year in Belmonte, Bahia. The facility will leverage the Company's nearby high-purity quartz silica deposits, minimizing logistics costs and ensuring consistent quality. By processing this material into solar-grade glass, Homerun aims to supply domestic and global manufacturers with high-performance components, supporting wider adoption of renewable energy. Recent policy changes - a 25 % tariff on Chinese-made solar components and enhanced tax incentives for domestic producers, make Brazil an especially attractive location for the venture.

Key developments include:

- Preliminary proposals:
  • October 3, 2024 – Horn Glass Industries AG submitted the first budgetary proposal for a 1,000-tonne-per-day low-iron solar-glass plant, estimating capital expenditures at €151.5 million (exclusive of land, buildings, equipment and assembly labour).
  • July 9, 2025 – GS Engineering GmbH, a consortium of Grenzebach (a leader in glass annealing and cutting lines) and Sorg (a provider of glass-melting technology), presented a second budgetary offer of about €150 million for a plant of the same capacity.
- Land allocation:
  June 4, 2025 – The municipality of Belmonte issued a decree expropriating 64.5 hectares of land (registration No. 3258) to be donated for the Company's silica processing and solar-glass manufacturing complex.

On May 12, 2026, the Company announced the results of a BFS for its proposed solar glass manufacturing plant in Belmonte, Bahia, Brazil, adjacent to the Company's low-iron silica sand resources. The proposed facility is designed as a 1,000 tonne-per-day soda-lime patterned solar glass plant, with four 250 tonne-per-day roll glass lines, producing ultra-clear patterned glass for photovoltaic modules. Under the BFS base-case assumptions, the project generated an estimated net present value of approximately US$670 million, an internal rate of return of 20.2%, and an estimated payback period of approximately 7.6 years.

The BFS also estimated initial capital expenditures of approximately US$396.5 million, net of VAT and other local taxes, with project start contemplated in November 2026, subject to financing, detailed engineering and approvals. The Company noted that the project remains subject to significant risks, including financing, permitting, detailed engineering, contracting, market conditions, construction and commissioning risks, and there can be no assurance that the project will be constructed or operated on the timeline contemplated in the BFS, or at all.

During May 2026, the Company engaged Minerali Industriali Engineering Srl to develop process flow design, engineering and a capital cost estimate for a proposed primary silica sand processing plant at the Santa Maria Eterna silica deposit in Belmonte, Bahia, Brazil. The proposed plant is expected to have a minimum capacity of 350,000 tonnes per year and target 99.9%+ SiO_2 industrial-grade silica sand. The Company expects approximately 200,000 tonnes per year of production to supply its proposed solar glass manufacturing facility, with the remaining production available for industrial silica customers and potential feedstock for future higher-purity silica purification modules.

The proposed processing plant remains subject to completion of engineering work, capital cost estimates, financing, permitting, construction planning and other development risks. There can be no assurance that the plant will be financed, constructed or commissioned on the timeline currently contemplated, or at all.

On September 22, 2026, the Company announced a patent application (PCT/BR2026/050512) for an antimony-free, high-purity soda-lime-silica glass composition for photovoltaic solar glass. The formulation replaces antimony-based refining agents with controlled sulfur trioxide content and uses high-purity silica with iron oxide content below 0.020%, which is intended to achieve high light transmission without chemical bleaching agents while remaining compatible with existing commercial glass production lines.

9. SELECTED ANNUAL INFORMATION

The following financial data is derived from the Company's audited financial statements for the years ended December 31, 2025, 2024 and 2023:

	December 31, 2025	December 31, 2024	December 31, 2023
Net loss	(9,163,511)	(3,896,676)	(1,575,182)
Net comprehensive loss	(9,271,177)	(4,020,592)	(1,594,816)
Total assets	7,174,831	2,784,916	587,059
Total liabilities	4,507,838	464,664	919,906

The Company's increasing losses reflect greater activity from exploration and evaluation in Brazil, marketing and fund raising. Assets have increased due to the investment in Halocell Energy Limited shares pursuant to the acquisition of Homerun Energy SRL and the financial asset related to the Sorbie financing arrangement.

10. FINANCIAL PERFORMANCE

- Q3 2026 (Three Months Ended September 30, 2026) vs. Q3 2025 (Three Months Ended September 30, 2025)

Financial Performance Overview

In Q3 2026, the Company reported a net loss of $2,032,185, compared to a net loss of $1,559,429 in Q3 2025, representing an increase in loss of $472,756. The higher loss was mainly due to higher stock-based compensation and professional fees, an unrealized loss on the fair value of the financial asset and derivative liability associated with the Sorbie arrangement, and accretion and interest on the convertible security, partially offset by higher grant income and lower consulting and management fees and exploration and evaluation expenditures.

Revenue Analysis

Total revenue, comprising grant income and miscellaneous sales, was $380,785 in Q3 2026, compared to $285,258 in Q3 2025, an increase of $95,527 (33%):

Three months ended September 30	2026 ($)	2025 ($)	Change ($)
Grant income – Homerun Energy SRL (Italy)	374,031	284,498	89,533
Miscellaneous sales – Homerun Energy SRL (Italy)	35	760	(725)
Silica sand sales – Brazil, net	6,719	-	6,719
Total revenue	**380,785**	**285,258**	**95,527**

Grant income is earned by Homerun Energy SRL, formerly Halocell Europe SRL, the Company's perovskite solar subsidiary in Italy, under European Union funding programs for solar-related research and development projects. The Company applies the deferred income approach under IAS 20: grant income is recognized as the related eligible project expenditures are incurred and the project activities required under the grant agreements are completed, and funding received in advance is recorded as unearned revenue. Grant income increased by $89,533 (31%) to $374,031 in Q3 2026.

Miscellaneous sales were $6,754 in Q3 2026 (Q3 2025 – $760), comprising silica sand sales in Brazil of $6,719, net of sales discounts and Brazilian sales taxes, under the Company's sales distribution contract with Cristal Sand Group Ltda., and sales by Homerun Energy SRL of $35 (Q3 2025 – $760). The Company delivered its first silica sand order from the Santa Maria Eterna district in June 2026.

Operating Expenses Analysis

Operating expenses increased to $2,019,078 in Q3 2026, up $183,272 (10%) from $1,835,806 in Q3 2025. Significant changes in operating expenses and other items include:

1. Stock-based Compensation ($875,636; +47% YoY)
Increased by $281,833 due to compensation expense recognized on the 4,250,000 stock options granted in May 2026, which continue to vest over their remaining vesting periods, partially offset by the reversal of previously recognized expense on unvested options forfeited by a former director.

2. Professional Fees ($147,558; +190% YoY)
Increased by $96,673, mainly due to higher accounting and legal fees incurred during the quarter for Sorbie transaction and advisory services related to the London Stock Exchange listing.

3. Supplies ($61,301; +122% YoY)
Increased by $33,733, mainly due to higher laboratory supplies purchased by Homerun Energy SRL for its research and development activities.

4. Consulting and Management Fees ($93,960; -63% YoY)
Decreased by $158,096 due to lower consulting fees during the quarter. In previous quarter in 2025, the Company incurred the higher consulting fee related to the London Stock Exchange listing.

5. Exploration and Evaluation Expenditures ($321,104; -22% YoY)
Decreased by $90,546, mainly due to lower geological consulting and laboratory testing costs, as the work supporting the Mineral Resource Estimate and NI 43-101 technical report was completed in 2025, partially offset by the repayment of prior years' mining exploration tax credits of $57,634 recognized in the quarter.

6. Unrealized Loss on Fair Value of Financial Asset and Derivative Liability ($327,161)
Unrealized loss on fair value change of the financial asset and derivative liability was $327,161 in Q3 2026, compared to nil in Q3 2025, as the Sorbie financing arrangement was entered into in December 2025. The loss resulted from the decline in the Company's share price from $0.61 at June 30, 2026 to $0.38 at September 30, 2026 and its impact on the valuation of the Sorbie settlement proceeds receivable and derivative liability.

7. Accretion and Interest – Convertible Security ($72,222)
Accretion and interest of $72,222 (Q3 2025 – nil) was recognized on the liability component of the convertible security issued to Lind on August 17, 2026, using an effective interest rate of 51.9%, and includes contractual pre-paid interest of $24,110.

Conclusion

The increase in net loss for Q3 2026 was primarily due to higher stock-based compensation and professional fees, the unrealized loss on the fair value of the Sorbie financial asset and derivative liability of $327,161 and accretion and interest on the

convertible security of $72,222, partially offset by higher grant income and lower consulting and management fees and exploration and evaluation expenditures.

- Nine Months Ended September 30, 2026 vs. Nine Months Ended September 30, 2025

Financial Performance Overview

For the nine months ended September 30, 2026, the Company reported a net loss of $5,937,174, compared to a net loss of $4,445,544 for the nine months ended September 30, 2025, representing an increase in loss of $1,491,630. The higher loss was mainly due to increased stock-based compensation, research and development, marketing and investor relations, payroll and professional fees, a foreign exchange loss, an unrealized loss on the fair value of the financial asset and derivative liability associated with the Sorbie arrangement, an impairment of exploration and evaluation assets and accretion and interest on the convertible security, partially offset by higher revenue, lower consulting and management fees, a gain on settlement of debt and a realized gain on settlement of the Sorbie financial asset.

Revenue Analysis

For the nine months ended September 30, 2026, total revenue was $843,574, compared to $726,930 for the nine months ended September 30, 2025, an increase of $116,644 (16%):

Nine months ended September 30	2026 ($)	2025 ($)	Change ($)
Grant income – Homerun Energy SRL (Italy)	772,432	689,254	83,178
Miscellaneous sales – Homerun Energy SRL (Italy)	61,241	37,676	23,565
Silica sand sales – Brazil, net	9,901	-	9,901
Total revenue	**843,574**	**726,930**	**116,644**

Grant income increased by $83,178 (12%) to $772,432. The comparative period included grant income only from February 21, 2025, the date the Company acquired Homerun Energy SRL. During the nine months ended September 30, 2026, Homerun Energy SRL received additional grant funding of $627,245 and recognized grant income of $772,432; after a foreign exchange effect of $1,868, unearned revenue decreased from $582,886 at December 31, 2025 to $435,831 (€270,972) at September 30, 2026, all of which is classified as current.

Miscellaneous sales were $71,142 (2025 – $37,676), comprising sales by Homerun Energy SRL of $61,241 (2025 – $37,676) and silica sand sales in Brazil of $9,901 (2025 – $nil). Sales in Brazil represent gross sales of R$52,680, less sales discounts and rebates and Brazilian sales taxes (ICMS, PIS and COFINS), under the Company's sales distribution contract with Cristal Sand Group Ltda.

Operating Expenses Analysis

Operating expenses increased to $6,204,013 for the nine months ended September 30, 2026, up $1,039,727 (20%) from $5,164,286 for the nine months ended September 30, 2025. Significant changes in operating expenses and other items include:

1. Stock-based Compensation ($2,297,571; +29% YoY)
Increased by $520,226 due to compensation expense of $2,116,006 recognized on the 4,250,000 stock options granted in May 2026, partially offset by lower expense on options granted in 2025 as they approach full vesting and the reversal of previously recognized expense on unvested options forfeited by a former director.

2. Research and Development ($775,196; +90% YoY)
Increased by $366,444 due to costs of the Bankable Feasibility Study for the proposed solar glass plant, continued investment in the UC Davis purification research program ($128,907) and expanded technical and engineering work supporting the solar glass, silica purification and energy storage platforms.

3. Marketing and Investor Relations ($548,422; +21% YoY)
Increased by $95,410 due to increased investor relations and marketing activities, including those following the announcement of the Bankable Feasibility Study results and the Brazilian Depositary Receipt listing.

4. Payroll ($390,211; +30% YoY)
Increased by $89,498, mainly because the comparative period included payroll costs of Homerun Energy SRL only from its acquisition on February 21, 2025.

5. Professional Fees ($353,398; +28% YoY)
Increased by $77,153, mainly due to higher accounting and legal fees incurred in Q3 2026 for Sorbie transaction and advisory services related to the London Stock Exchange listing.

6. Consulting and Management Fees ($435,635; -33% YoY)
Decreased by $212,333, mainly due to lower consulting fees and the absence of fees to former directors and their companies, which totalled $87,500 in the comparative period. In previous quarters in 2025, the Company incurred the higher consulting fee related to the London Stock Exchange listing.

7. Foreign Exchange Loss ($107,480)
The Company recorded a foreign exchange loss of $107,480 for the nine months ended September 30, 2026, compared to $1,656 for the nine months ended September 30, 2025, reflecting movements in the Brazilian real and the euro relative to the Canadian dollar.

8. Impairment of Exploration and Evaluation Assets ($80,790)
The Company recognized an impairment charge of $80,790 to write off the carrying value of the Lump Quartz District mineral rights in Ceara, Brazil, as the Company no longer intends to pursue exploration on this property.

9. Unrealized Loss on Fair Value of Financial Asset and Derivative Liability ($526,275)
The Company's share price decreased from $0.96 at December 31, 2025 to $0.38 at September 30, 2026, reducing the fair values of both the Sorbie settlement proceeds receivable and the derivative liability. The resulting net unrealized loss of $526,275 (2025 – nil) comprises a $2,047,223 decrease in the fair value of the receivable, partly offset by a $1,520,948 gain on the derivative liability.

10. Accretion and Interest – Convertible Security ($72,222)
Represents accretion and interest on the convertible security issued to Lind on August 17, 2026, as discussed under Q3 2026 above.

Conclusion

The increase in net loss for the nine months ended September 30, 2026 was primarily due to higher stock-based compensation, research and development, marketing and investor relations, payroll and professional fees, a foreign exchange loss of $107,480, the unrealized loss on the fair value of the Sorbie financial asset and derivative liability of $526,275, the impairment of the Lump Quartz District mineral rights of $80,790 and accretion and interest on the convertible security of $72,222, partially offset by higher revenue, lower consulting and management fees, a gain on settlement of debt of $78,628 and a realized gain on settlement of the Sorbie financial asset of $22,122.

11. SUMMARY OF QUARTERLY RESULTS

Results for the eight most recent quarters are as follows:

	Sep. 30, 2026 ($)	Jun. 30, 2026 ($)	Mar. 31, 2026 ($)	Dec. 31, 2025 ($)
Grants (income)	(374,031)	(181,837)	(216,564)	(5,574)
Expenses	2,019,078	2,567,419	1,617,516	1,777,900
Other (income) loss	387,138	327,755	(209,300)	2,945,641
Net loss	2,032,185	2,713,337	1,191,652	4,717,967
Comprehensive loss	2,038,354	2,617,504	1,052,229	4,875,229
Basic and diluted loss per share	(0.03)	(0.03)	(0.02)	(0.07)
Total current assets	2,161,629	2,271,434	3,234,031	3,792,166
Total assets	7,074,807	7,030,087	8,705,927	7,174,831
Total current liabilities	2,500,089	2,466,733	3,008,350	2,996,983
Total liabilities	3,326,435	2,788,156	3,851,103	4,507,838

	Sep. 30, 2025 ($)	Jun. 30, 2025 ($)	Mar. 31, 2025 ($)	Dec. 31, 2024 ($)
Grants (income)	(284,498)	(300,801)	(103,955)	-
Expenses	1,835,806	2,168,804	1,159,676	1,047,069
Other (income) loss	8,121	(40,292)	2,683	(454,379)
Net loss	1,559,429	1,827,711	1,058,404	592,690
Comprehensive loss	1,544,453	1,836,647	1,014,848	679,900
Basic and diluted loss per share	(0.02)	(0.03)	(0.02)	(0.01)
Total current assets	1,210,316	1,380,975	1,768,572	1,878,406
Total assets	4,663,743	4,671,744	5,060,795	2,784,916
Total current liabilities	1,602,932	1,690,189	1,805,062	464,664
Total liabilities	1,702,024	1,884,720	2,087,939	464,664

Quarterly losses fluctuated between $592,690 (Q4 2024) and $4,717,967 (Q4 2025). Since Q1 2025, quarterly losses have remained above the $1 million mark, largely driven by stock-based compensation, research and development, marketing and investor relations, and exploration and evaluation expenses, as well as non-cash fair value changes related to the Sorbie financing arrangement. Stock option-related costs have generally increased in line with the timing and size of option grants and movements in the Company's share price. The net loss of $2,032,185 in Q3 2026 reflected continued stock-based compensation on the options granted in May 2026, an unrealized loss of $327,161 on the fair value of the Sorbie financial asset and derivative liability and accretion and interest of $72,222 on the convertible security, partially offset by grant income of $374,031. The significant increase in net loss in Q4 2025 was primarily attributable to the impairment of exploration and evaluation assets, Halocell and Sorbie transaction fees, an unrealized loss on the remeasurement of the Sorbie settlement receivable, increased research and development related to the solar glass project and energy solutions, additional costs associated with the newly acquired subsidiary in Italy, and expenses incurred in connection with pursuing a London Stock Exchange listing.

Quarterly expenses have fluctuated between $1,047,069 (Q4 2024) and $2,567,419 (Q2 2026). Since Q1 2025, expenses have remained above the $1 million mark, reaching $2,567,419 in Q2 2026, the highest of the eight quarters presented, primarily due to stock-based compensation on the options granted in May 2026 and continued advancement of the Company's research and development and solar glass initiatives. Expenses decreased to $2,019,078 in Q3 2026, mainly due to lower stock-based compensation and research and development expenses compared with Q2 2026.

The Company's total assets have fluctuated quarterly from $2,784,916 in Q4 2024, the lowest, to $8,705,927 in Q1 2026, the highest, and were $7,074,807 at September 30, 2026. The increase in 2025 and into 2026 was primarily driven by the recognition of a financial asset related to the Sorbie institutional financing arrangement, representing future cash settlements tied to the Company's share price performance, which has since decreased as monthly cash settlements were received and the Company's share price declined. In addition, the Company expanded its strategic focus from silica resource development to the broader solar glass value chain through the acquisition of Homerun Energy SRL, formerly Halocell Europe SRL, and related solar

technology initiatives. During 2025 and the nine months ended September 30, 2026, the Company also continued to invest in securing silica resources and land at Santa Maria Eterna, Brazil through cash payments and the issuance of common shares and warrants, increasing exploration and evaluation assets to $4,149,005 at September 30, 2026. These activities support the Company's long-term strategy of integrating its silica resource base in Brazil with solar technology and planned solar glass manufacturing operations.

The Company's liabilities fluctuated from $464,664 as at Q4 2024 to $4,507,838 as at Q4 2025, and were $3,326,435 at September 30, 2026. The changes primarily reflect the recognition, and subsequent reduction, of the Sorbie derivative warrant liability, unearned revenue related to grant funding received by Homerun Energy SRL in Italy, and the convertible security of $1,469,095 issued to Lind in August 2026.

12. LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2026	December 31, 2025
Cash	$ 968,388	$ 907,720
Current assets	2,161,629	3,792,166
Other long-term assets	764,173	2,795,540
Exploration and evaluation assets	4,149,005	587,125
Total assets	7,074,807	7,174,831
Current liabilities	2,500,089	2,996,983
Non-current liabilities	826,346	1,510,855
Shareholders' equity	3,748,372	2,666,993
Working capital	(338,460)	795,183

Total assets are comprised primarily of cash, receivables, prepaid expenses, financial assets, investment, equipment, and exploration and evaluation assets. As at September 30, 2026, the Company's cash balance increased slightly compared with December 31, 2025, as proceeds from the convertible security, monthly cash settlements under the Sorbie financing arrangement and warrant and stock option exercises were largely offset by cash used in operating activities and continued investment in exploration and evaluation assets in Brazil. The Sorbie financial asset decreased as settlements were received and the Company's share price declined.

Total liabilities as at September 30, 2026 decreased compared with December 31, 2025, primarily due to a reduction in the Sorbie derivative liability, as a portion of the derivative liability was reclassified to warrant reserve upon the issuance of Sorbie warrants and the remaining liability was remeasured to fair value following the decline in the Company's share price, partially offset by the recognition of the convertible security of $1,469,095.

Review of Cash Flows

As at September 30, 2026, the Company had a cash balance of $968,388, compared to $907,720 on December 31, 2025.

Operating Activities: Cash used in operating activities totalled $3,121,178 for the nine months ended September 30, 2026, compared to $3,280,635 for the nine months ended September 30, 2025. The decrease was mainly due to favourable changes in non-cash working capital, including a reduction in prepaid expenses and a smaller decrease in unearned revenue, partially offset by higher cash spending on research and development, marketing and investor relations, and payroll.

Financing Activities: Financing activities generated total cash inflows of $4,303,775 for the nine months ended September 30, 2026, compared to $2,094,070 for the nine months ended September 30, 2025. The increase was primarily due to net proceeds from the convertible security of $1,715,000 and cash received from monthly settlements under the Sorbie financing arrangement of $1,531,775, as well as proceeds from warrant exercises of $575,000 and stock option exercises of $482,000. In 2025, financing inflows mainly comprised net proceeds from a private placement of $1,542,345 and share subscriptions received of $285,000.

Investing Activities: Investing activities used cash of $1,122,636 for the nine months ended September 30, 2026, compared to cash provided by investing activities of $84,546 for the nine months ended September 30, 2025. The 2026 cash outflow primarily reflected payments for exploration and evaluation assets of $1,117,845, comprising the Fazenda property ($559,539), the Guidoni mineral rights ($283,991) and the CBPM mineral rights ($274,315). In the nine months ended September 30, 2025, investing activities generated a net cash inflow mainly because the Company acquired cash held in Homerun Energy SRL's bank account upon acquisition, partially offset by cash used for exploration and evaluation assets and the investment in Halocell Energy shares.

Liquidity Outlook

At September 30, 2026, the Company had a working capital deficiency of $338,460, compared to working capital of $795,183 at December 31, 2025, a decrease of $1,133,643, reflecting a decrease of $1,477,078 in the current portion of the Sorbie financial asset and the recognition of the current portion of the convertible security of $758,043, partially offset by a decrease of $1,067,294 in the current portion of the derivative liability and lower accounts payable and accrued liabilities. In addition, the Company is required to make monthly cash repayments of $111,111 under the convertible security commencing March 1, 2027. Given the working capital deficiency, the Company's liquidity risk is considered high, and the Company will need to raise additional capital in the near term to fund its ongoing operations and development plans.

Working Capital Components: Significant working capital components include cash, grants receivable, and financial asset in current accounts, financial asset, accounts payable, accrued liabilities, derivative liability, the current portion of the convertible security, and unearned revenue. 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, R&D initiative, and solar glass project. It expects to source this capital from the exercise of stock options and warrants, private placements, and debt or convertible security financings. Additionally, the Company may consider short-term loans from its directors to meet immediate financial needs.

Commitments: As at September 30, 2026, the Company's contractual commitments include the convertible security, with undiscounted cash flows, if not converted, of $777,778 within one year and $1,488,554 between one and two years; the final Guidoni instalment of USD100,347.20 due in February 2027; and the final Fazenda instalment of US$100,000, which was paid on October 19, 2026.

13. 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.

At September 30, 2026, the Company was indebted to related parties $12,390 (December 31, 2025 - $67,130).

During the nine months ended September 30, 2026, the Company granted a total of 4,250,000 stock options, of which 2,150,000 were granted to related parties. On November 7, 2026, the Company granted 500,000 stock options to Leonardo Passos da Cunha, a director of the Company, exercisable at $0.75 per share for a period of five years.

On July 29, 2025, the Company completed a non-brokered private placement for gross proceeds of $1,568,000 by issuing 1,568,000 units at a price of $1.00 per unit. Certain related parties subscribed to 100,000 units for proceeds of $100,000.

In August 2025, the Company paid R300,000 to a private entity controlled by Antonio Vitor for due diligence services in the hard quartz asset owned by CBPM.

During the nine months ended September 30, 2026 and 2025, the Company entered into transactions with the related parties

as below:

Name	Relationship	Nature of Transaction	Stock-based compensation for September 30, 2026	Stock-based compensation for September 30, 2025	Fees for period ended September 30, 2026	Fees for period ended September 30, 2025
			($)	($)	($)	($)
Brian Leeners	Chief Executive Officer and a Director	Management services	497,884	74,137	370,961	300,094
Nexvu Services Inc.	Owned by Nexvu Capital Corporation, of which Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Rent and corporate services	-	-	90,000	90,000
Global Link Capital	Owned by Greg Pearson, former director	Management services	-	-	-	50,000
Gordon J. Fretwell, Law Corporation	Owned by Gordon Fretwell, Corporate Secretary	Legal services	74,683	-	42,391	13,828
Tom Fontaine	Director	Management services	168,747	143,807	25,020	24,325
Stephen Burega	Former Director	Management services	(116,448)	264,440	-	37,500
Antonio Vitor	VP, Homerun Brasil Mineracao Ltda	Mining project management	248,942	56,518	206,015	146,025
Armando Farhate	Chief Operating Officer	Mining project management	44,276	159,118	130,555	80,438
Mauro Cesar Terence	Chief Technology Officer	Mining project management	-	37,069	35,009	33,413
NZ Consulting Services Inc.	Owned by Nancy Zhao, Chief Financial Officer	Accounting services	-	-	90,000	90,000
Nancy Zhao	Chief Financial Officer	Accounting services	168,747	159,118	-	-
			1,086,831	894,207	989,951	865,623

The negative stock-based compensation for a former director reflects the reversal of previously recognized expense on unvested options that were forfeited upon resignation.

14. 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:

- 78,878,732 common shares issued and outstanding;
- 11,149,442 warrants issued and outstanding;
- 56,805 broker's warrants issued and outstanding;
- 11,126,000 stock options granted, of which, 8,667,650 of these stock options are exercisable; and
- a convertible security under which up to $1,920,000 of principal may be converted into up to 2,909,090 common shares at $0.66 per share.

15. 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.

Sorbie settlement proceeds receivable and derivative liability

The settlement proceeds receivable is measured at fair value using the remaining notional amount, the contractual benchmark price of $1.178 per share and the Company's quoted share price (Level 2). The derivative liability for warrants to be issued under the Sorbie arrangement is valued using the Black-Scholes option pricing model, which requires estimates of expected volatility, expected term and the exercise prices of future warrant tranches (Level 3). Changes in the Company's share price and in these inputs can materially affect the amounts recognized in profit or loss.

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.

Convertible Security

Management applied judgment in concluding that the conversion feature of the convertible security and the related warrants issued to Lind meet the definition of equity under IAS 32, Financial Instruments: Presentation, and in estimating the market interest rate of 25% for similar debt without a conversion feature that was used to measure the liability component on initial recognition. The liability component is subsequently measured at amortized cost using an effective interest rate of 51.9%.

16. 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 year ended December 31, 2025. During the nine months ended September 30, 2026, the Company adopted an accounting policy for compound financial instruments in connection with the convertible security, as described in Note 2 of the condensed consolidated interim financial statements.

17. 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 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, receivables, the Sorbie settlement proceeds receivable, the investment in Halocell Energy shares, accounts payable and accrued liabilities, the derivative liability, the convertible security and loans payable.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits. The Company 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 measured at fair value include the investment in equity instruments, the Sorbie settlement proceeds receivable, and the derivative liability related to the Sorbie variable-priced warrants. Cash is classified within Level 1 of the fair value hierarchy. The investment in equity instruments is classified within Level 3, as its fair value is determined using valuation techniques that incorporate significant unobservable inputs, including the entity's underlying financial information, recent financing transactions, and other relevant market and company-specific factors. The fair value of the Sorbie settlement proceeds receivable is classified as Level 2 in the fair value hierarchy, while the derivative liability related to the variable-priced warrants is classified as Level 3. The Level 2 settlement receivable is valued using a market approach based on the contractual settlement formula and the observable market price of the Company's shares. Conversely, the Level 3 derivative liability is valued using the Black-Scholes option pricing model, which incorporates inputs including expected volatility, risk-free interest rates, the expected term and timing of warrant issuances, and dividend yields. The liability component of the convertible security is measured at amortized cost; as at September 30, 2026, its fair value was approximately $1,790,341 (Level 3), estimated by discounting the expected payments at a market rate of 25%. There were no transfers between Levels 1, 2 and 3 during the period.

The fair value of the Settlement proceeds receivable is classified within Level 2 of the fair value hierarchy, as it is determined using the contractual settlement mechanics and the observable market price of the Company's shares. The derivative liability is classified within Level 3 because its valuation incorporates significant judgment and unobservable inputs, including expected volatility, expected term, and future warrant issuance assumptions.

Management considers the Company's interest rate risk to be minimal, its foreign currency risk and credit risk to be moderate, and its liquidity risk to be high. As at September 30, 2026, a 5% change in the exchange rate of the Brazilian real and the euro against the Canadian dollar would impact the Company's net assets by $6,597 and net liabilities by $31,219, respectively. Credit risk relates mainly to the Sorbie settlement proceeds receivable, which is supported by UK Government Bonds held in a custodial account. The contractual undiscounted cash flows of the convertible security, if not converted, are $777,778 within one year and $1,488,554 between one and two years.

18. RISK FACTORS

The Company's success depends on a variety of factors, many of which are beyond its control. Typical risk factors and uncertainties include current global economic conditions, geopolitical conflicts, the impact of tariffs, supply chain disruptions, inflationary pressures, interest rate fluctuations, natural disasters, and other events that may affect the ability to raise financing or execute operations. Additional risks include mineral title matters, fluctuations in metal and silica prices, currency exchange rate volatility, operating hazards associated with the mining industry, and changes in legislation, regulations, or their enforcement. These risk factors could materially impact the Company's future operations and cause actual results to differ significantly from forward-looking statements.

Going Concern and Need for Substantial Additional Capital

The Company does not generate significant revenue from operations and will require additional funding in the near term for exploration, project development, research and development and general corporate purposes. As at September 30, 2026, the Company had cash of $968,388 and a working capital deficiency of $338,460. Its condensed consolidated interim financial statements disclose a material uncertainty that may cast significant doubt about its ability to continue as a going concern. In addition, Homerun Energy SRL has a legacy account payable of €299,496 relating to obligations that arose before the Company acquired Homerun Energy SRL; the counterparty is subject to liquidation proceedings, and if payment is demanded, the Company would need to fund it from its limited cash resources. Funding may be obtained through equity or debt financing. However, the ability to raise capital depends on market conditions, investor sentiment and the Company's performance record, and the Company's financing alternatives are currently constrained by the terms of the Lind convertible security described below. There is no guarantee that financing will be available on favourable terms, or at all.

The Company's vertically integrated business plan depends on several capital-intensive projects, each of which will require substantial capital well beyond the Company's current resources. Current estimates indicate a combined capital cost of approximately US$29.0 million to US$37.0 million for the Company's planned 3N silica purification plant and modular 4N silica purification plant, and the BFS estimated initial capital expenditures of approximately US$396.5 million, net of VAT and other local taxes, for the proposed solar glass manufacturing plant. In aggregate, these amounts exceed US$425 million, many times the Company's current cash resources and market capitalization. The lower end of the 4N estimate excludes the cost of the thermal energy storage system that the Company would supply, and the Company has not yet estimated the capital required for its semiconductor initiatives, including the development of silicon carbide substrates and wafers contemplated with CEITEC. The estimates for the 3N and 4N plants are preliminary, and actual costs for all of these projects may be significantly higher.

The Company has not secured financing for any of these projects. Financing on this scale is likely to require a combination of project debt, strategic or joint venture partners, government-supported financing and equity issuances. These could result in significant dilution to shareholders or a reduction in the Company's interest in its projects, and project debt would require Lind's consent or repayment of the convertible security, as described below. If the Company is unable to obtain this capital, it may have to delay, scale back or abandon one or more of its projects and may be unable to complete its vertically integrated business plan.

Lind Convertible Security – Restrictions on Other Financing, Security over Assets and Repayment Obligations

On August 17, 2026, the Company issued a senior secured convertible security to Lind Global Fund III, LP ("Lind") with a funded amount of $2,000,000 and a face value of $2,200,000. The agreement runs to at least August 17, 2028, unless the Company buys back the convertible security and terminates the agreement earlier. During its term, the agreement significantly limits the Company's financing flexibility and gives Lind security over substantially all of the Company's assets:

- Debt financing: the Company and its subsidiaries may not obtain any debt financing, including convertible debt or preferred shares, or other financial accommodation without Lind's prior written consent. The exceptions are ordinary-course equipment leases, project-level financings of less than $500,000 in aggregate, and streaming or royalty financings for specific project capital expenditures that are subordinated to Lind's security. Lind may also require the proceeds of any debt or preferred share financing to be used to repay the convertible security, except for a financing directly related to a listing on the TSX, NASDAQ, NYSE or NYSE American. Project debt financing for the Company's

planned silica processing and solar glass facilities would therefore require Lind's consent or repayment of the convertible security.

- Variable-priced financings: the Company may not complete financings in which shares are issued at prices based on, or reset by reference to, the future market price of its shares, unless the proceeds are used to repay the convertible security in full. These include at-the-market distributions, equity lines of credit and convertible securities with floating conversion prices. Fixed-price equity financings, such as private placements and rights offerings, are not restricted.
- Security over the Company's assets: the convertible security ranks senior to the Company's other debt. It is secured by a first-ranking general security agreement over all of the Company's present and future assets, including a pledge of all of the shares (quotas) of its subsidiaries Homerun Brasil Mineracao Ltda. and Homerun Energy SRL. As a result, the Company's Brazilian mineral rights, including the CBPM, Guidoni and Pedreiras rights, and its Italian subsidiary are directly or indirectly subject to Lind's security. The Company cannot grant security over these assets to other lenders without Lind's consent.
- Other covenants and events of default: the agreement also restricts, among other things, the disposition of all or substantially all of the Company's assets, share consolidations not required by the stock exchange, reductions of capital and loans to related parties, and requires the Company's shares to remain listed. Events of default include, among others, any event that has or could have a material adverse effect; a cease trade order, or a trading halt of more than five consecutive trading days; a default judgment, or a default under other financing, of $250,000 or more; and liabilities of more than $250,000 (other than those disclosed to Lind at signing) that are not paid on time or within five days of a first written request. Cure periods are short, three to five business days. A change of control entitles Lind to terminate the agreement and require repayment of the amount outstanding within five business days. A change of control includes the Chief Executive Officer or Chief Financial Officer in office when the agreement was signed ceasing to hold office.
- Consequences of default: upon an event of default, Lind may declare the full amount outstanding immediately due and charge default interest of 15% per annum, compounded monthly. It may also convert the outstanding amount into shares without limit and enforce its security, including by appointing a receiver or selling the pledged subsidiary shares. Enforcement could result in the loss of the Company's Brazilian mineral rights or its interest in Homerun Energy SRL.
- Cash repayment and limited further funding: because the conversion price of $0.66 per share is above the current share price, the Company expects to repay the convertible security in cash. Monthly repayments of $111,111 begin on March 1, 2027, and additional interest of 10% per annum accrues on principal outstanding after August 17, 2027. The contractual undiscounted cash flows are $777,778 within one year and $1,488,554 between one and two years from September 30, 2026. Further funding under the $15,000,000 agreement is not committed. A second tranche of $1,000,000 is at Lind's sole discretion and available only while the Company's market capitalization exceeds $32,000,000 (approximately $0.41 per share at the current number of shares outstanding). Additional tranches of up to $12,000,000 require the agreement of both parties and TSX Venture Exchange approval. Existing shareholders would be diluted by conversion of the convertible security, by interest paid in common shares (which Lind may elect every 90 days), and by exercise of the 1,850,000 warrants issued to Lind.

Sorbie Financing – Proceeds Depend on the Company's Share Price

Under the Sorbie sharing arrangement, the Company receives 24 monthly settlements on a notional amount of $6,000,000. Each settlement equals $250,000 multiplied by the ratio of the Company's 20-day volume-weighted average share price ("VWAP") to the benchmark price of $1.178 per share. The Company therefore receives the scheduled $250,000 only when the VWAP equals the benchmark price, and proportionately less when it is lower. The Company's share price was $1.01 when the arrangement closed in December 2025 and declined to $0.38 at September 30, 2026. As a result, the nine monthly settlements received in the nine months ended September 30, 2026 totalled $1,531,775, compared to $2,250,000 at the benchmark price, a shortfall of $718,225, or 32%. The shortfall widened as the share price fell. Settlements averaged $124,786 per month in Q3 2026, and the October and November 2026 settlements were $100,063 and $90,959, approximately 40% and 36% of the scheduled amount.

After the November 2026 settlement, 12 monthly settlements with a remaining notional amount of $3,000,000 remain. At the share price reflected in the November 2026 settlement, they would provide approximately $1.1 million, and any further decline

in the share price would reduce this amount. The fair value of the settlement proceeds receivable was $1,129,032 at September 30, 2026, against a remaining notional amount of $3,500,000 at that date. The Company therefore cannot rely on the scheduled settlement amounts for its cash flow planning.

The escrowed shares are released to Sorbie at a fixed 269,167 shares per month regardless of the amount the Company receives. A lower share price therefore reduces the effective price at which these shares were issued (approximately $0.37 per share for the October 2026 settlement). The release of these shares, together with the monthly issuance of 186,667 warrants at exercise prices based on the recent VWAP, may add selling pressure on the share price and further reduce future settlements.

Limited Revenue and Dependence on a Narrow Range of Financing Sources

As of the date of this MD&A, the Company has not secured binding sales or offtake contracts for significant volumes of silica sand or other products. Silica sand sales under the distribution contract have been small to date, with gross sales of R$52,680 in the nine months ended September 30, 2026. The Company's other commercial arrangements are non-binding, including the letter of intent with Jundu Ltda. and its offtake arrangements and memoranda of understanding with solar glass and semiconductor companies.

Homerun Energy SRL, the Company's perovskite solar subsidiary in Italy (formerly Halocell Europe SRL), currently generates minimal commercial revenue. Its revenue consists mainly of EU grant funding, on which it relies to fund its operations. Any delay, reduction, or withdrawal of grant funding could significantly hinder ongoing research, development, and commercialization efforts. If Homerun Energy cannot transition from grant dependency to sustainable revenue generation, through sales of perovskite photovoltaic systems, AI-based energy management solutions, including The HUB platform, or integration into SeisSolar distribution networks, the Company may face challenges meeting its growth targets, profitability goals, and return-on-investment expectations. The HUB targets customers across the EU, UK, North America, and South America, which exposes the Company to regulatory, commercial and compliance complexity in multiple jurisdictions. Each market may require specific certifications, data privacy compliance, and operational adaptation, which could delay rollout or increase costs.

Until the Company secures contracted sales at scale, it will not generate meaningful operating cash flow and is unlikely to obtain project or other debt financing on acceptable terms, as lenders generally require contracted revenue. Together with the reduced Sorbie settlements and the restrictions under the Lind agreement, this means the Company currently depends largely on Lind and on fixed-price equity financings to fund its operations and development plans. Lind may not provide further funding, and the Company may be unable to complete equity financings on acceptable terms. In that case, the Company may have to delay or reduce its exploration, research and development and project development activities, or seek alternative arrangements that may require Lind's consent and may be dilutive to shareholders, and its ability to continue as a going concern could be affected.

The Company has also obtained a non-binding letter of intent for financing of its proposed solar glass manufacturing project, and continues its advisory engagements. These initiatives are important for funding vertical integration, R&D, infrastructure build-out and platform development. However, there is no assurance that they will result in financing on favourable terms, or at all, and any debt-based project financing arising from them would be subject to the restrictions in the Lind agreement.

The Company's business strategy is significantly supported by its selection under Brazil's strategic mineral transformation call and the receipt of a joint support plan from BNDES and FINEP. These instruments are intended to accelerate project financing and infrastructure development. However, these public-sector contributions depend on regulatory approvals, milestone fulfillment, and inter-agency coordination. Delays or changes in the funding terms could hinder timely execution of the strategy.

Multi-Phase Business Plan Execution Risk

The Company's strategic growth plan consists of three interdependent phases. Each phase relies on the successful completion of the preceding phase, the availability of sufficient funding, the performance of key partners, and the management of technical, regulatory, and market risks. Delays, cost overruns, or setbacks in any phase could materially affect the timing, scope, and viability of subsequent phases, as well as the overall return on investment.

Phase I – HPQ Silica Supply – This phase involves constructing and commissioning the planned 3N and 4N silica purification plants and advancing zero-waste purification technologies, including collaborative R&D with UC Davis to achieve 99.999% SiO_2 purity. Risks in this phase include permitting delays, capital cost escalation due to inflation or supply chain disruptions, technological underperformance of purification methods, and the inability to meet product quality specifications required by downstream customers. Failure to deliver a reliable, high-purity feedstock on schedule could compromise the feasibility of Phase II.

Phase II – Infrastructure and Logistics – This phase targets the establishment of Latin America's first dedicated 365,000 tpa solar glass manufacturing facility, deployment of AI-driven energy management systems, and integration of long-duration energy storage solutions in partnership with the U.S. Department of Energy/NREL. This phase entails significant engineering, procurement, and construction challenges, as well as dependency on international technology providers. Additional risks include potential cost overruns, logistical bottlenecks in Brazil, delays in obtaining regulatory approvals, and changes in renewable energy policy or tariffs that could affect market demand for solar glass and storage systems.

Although the BFS indicates positive long-term project economics, the proposed solar glass manufacturing project remains at an early development stage and is subject to significant risks, including financing, construction, permitting, market pricing, customer offtake, technical execution and ramp-up risks, and there can be no assurance that the project will be developed on the timelines or achieve the economic assumptions presented in the BFS.

Phase III – Revenue and Vertical Integration – This phase aims to generate sales from high-purity silica, solar glass, and perovskite photovoltaic technologies, while pursuing vertical integration into energy infrastructure projects such as EV charging with battery storage. Risks in this phase include market acceptance and pricing volatility, competition from established suppliers, failure to secure long-term offtake agreements, and challenges in managing a diversified portfolio of products and services. Unfavourable market conditions or execution missteps could limit the Company's ability to achieve anticipated revenue growth and economies of scale.

The Company's strategy spans extraction of high-purity quartz silica through to advanced materials and AI-driven energy management systems. Achieving vertical integration, from mining to solar glass production, energy storage, and "The HUB" AI platform, requires substantial capital for each project, as described above, and successful execution across diverse and complex domains. If any aspect of this multi-phase plan (mining infrastructure, processing, offtake agreements, technology deployment, or platform commercialization) faces delays, cost overruns, or technological failures, it may impair expected synergies, margins, or timelines.

Environmental and Regulatory Requirements

Mineral exploration and development activities require permits from multiple governmental authorities and are subject to extensive laws and regulations covering prospecting, development, mining, production, exports, taxation, labour standards, occupational health and safety, waste disposal, toxic substances, land use, environmental protection, and other matters. Compliance with these requirements can increase costs and cause delays. Failure to comply may result in enforcement actions, including operational shutdowns, corrective measures requiring significant capital expenditures, or remedial actions. Companies may also be liable for compensating affected parties, and violations, particularly of environmental laws, can result in substantial civil or criminal penalties.

In Brazil, where the Company's primary projects are located, recent changes in environmental licensing laws, political influence, and updates from the National Mining Agency (ANM) have introduced uncertainty regarding the timing, cost, and process for obtaining or amending permits. While the Company believes it currently complies with all applicable laws and regulations, there can be no assurance that all permits required for future exploration and development will be obtained or maintained on reasonable terms, or that changes in laws and regulations will not adversely affect operations. Amendments to existing regulations or stricter enforcement could materially impact the Company, potentially increasing costs, reducing production levels, or delaying or abandoning projects.

Market, Industry and Economic Conditions

As a mineral exploration and development company, the Company's performance is influenced by numerous industry and economic factors, including commodity prices, competition for attractive mineral properties, investor appetite for high-risk equity investments, and availability of qualified personnel and specialized equipment. Inflationary pressures and high interest rates, both globally and in Brazil, may increase project development costs, financing costs, and working capital requirements.

Demand for high-purity quartz silica is closely tied to the solar energy and high-tech electronics industries, both of which are subject to market volatility. Technological advances, policy shifts, energy priorities, or tariffs, including new or higher tariffs on solar and critical mineral products, could significantly influence demand and the economics of the Company's downstream markets. The Company's ability to develop its resource properties depends heavily on silica prices; a sustained decline could result in asset write-downs, reduced development activity, or the loss of project interests. While silica prices cannot be predicted with certainty, the Company actively monitors market conditions to assess project feasibility.

R&D Investment and Technological Viability

The Company is investing in proprietary purification methods, including a novel femtosecond laser process with UC Davis to elevate silica purity to 99.999% without hazardous chemicals. While promising, these techniques remain experimental and may not scale economically or deliver the expected purity or performance in commercial settings. Should these technologies underperform or fail to become commercially viable, the Company's competitive advantage and differentiation in high-purity silica supply may be diminished.

Dependence on Strategic Partners and Key Personnel

The Company's business model relies heavily on strategic partnerships with government bodies and key industry players. These include non-binding offtake agreements with major solar module manufacturers (e.g., Balfar Solar and Sengi Solar) and collaboration agreements for infrastructure support with local Brazilian authorities (e.g., CBPM and Bahia state entities). Failure to convert these partnerships into binding contracts or to secure new partnerships, or the withdrawal of any partner, could reduce projected production throughput or market access and hinder market penetration efforts.

The Company's success also depends on the expertise and commitment of its personnel across multiple geographic regions. The loss of key team members, difficulties in managing growth, or challenges in integrating new activities and technologies could disrupt operations and impede strategic initiatives. In addition, under the Lind agreement, the departure of the Chief Executive Officer or Chief Financial Officer in office when the agreement was signed would constitute a change of control, entitling Lind to require repayment of the amount outstanding within five business days.

19. INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

Based on a review of its internal control procedures at the end of the three and nine month period 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 financial 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.

20. 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.

21. 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.

22. PROPOSED TRANSACTIONS

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

23. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

24. 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.

25. 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.

26. 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
Tom Fontaine - Director
Leonardo Passos da Cunha - Director
Nancy Zhao - Chief Financial Officer