

**HOMERUN RESOURCES INC.**  
**Management's Discussion & Analysis**  
For the Nine Months Ended September 30, 2025

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**MANAGEMENT DISCUSSION  
AND ANALYSIS**

**For the Nine Months Ended  
September 30, 2025**

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This Management Discussion and Analysis ("MD&A") of Homerun Resources Inc. (the "Company" or "Homerun") is prepared as of December 1, 2025. It should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2025 and 2024, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars unless otherwise stated.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally in the MD&A is complete and reliable. Readers of the MD&A should be cautioned that information and statements derived from the Company's financial statements do not necessarily reflect the future financial performance of the Company. Statements in the MD&A that are not historical based facts are forward-looking statements which are made subject to cautionary language on pages 19 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, 2025, the Company recorded a net loss of \$4,445,544 (September 30, 2024 – \$3,303,986), resulting in an accumulated deficit of \$37,083,411 (December 31, 2024 – \$32,637,867). Continued development activities are expected to result in further losses.
- **Going Concern:** At September 30, 2025, the Company had \$707,848 in cash and negative working capital of \$392,616, reflecting increased capital spending and operating losses. Ongoing operations depend on raising additional capital through equity or debt financing.

### **2.2 CORPORATE HIGHLIGHTS (JANUARY 1 – NOVEMBER 20, 2025)**

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

**Offtake agreements:**

- *February 10* – Entered a non-binding offtake agreement with Sengi Solar for supply of high-quality solar glass at an initial price of USD750 per tonne (FOB). The estimated cost of goods is USD400 per tonne for future production in Brazil.
- *February 26* – Entered a non-binding offtake agreement with Balfar Solar to supply a minimum volume of 100,000 tonnes of solar glass per year, at USD750 per tonne (FOB).
- *September 16* – Entered a non-binding offtake agreement with Brasil Fotovoltaico Ltda to supply a minimum volume of 180,000 tonnes of solar glass per year, at USD750 per tonne (FOB).

**Mineral rights acquisition:**

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- *February 12* – Executed a definitive agreement with Guidoni Brasil S.A. to acquire mineral rights in the Belmonte District (Bahia, Brazil) for R\$2.5 million.
- *September 10* – Executed a binding letter of intent (the “LOI”) with Pedreiras do Brasil SA, a Company controlled by Victoria Stone, to acquire rights to exploit Pedreiras mining tenements (246 hectares) at the Santa Maria Eterna Silica sand district, granted under a lease agreement with CBPM.

**Industry recognition:**

- *February 19* – Named to the **TSX Venture 50** ranking for top performance in 2025.

**Acquisition of Halocell Europe SRL:**

- *February 21* – Closed the acquisition of Halocell Europe SRL, a perovskite solar technology developer, from Halocell Energy Ltd. The Company issued 1.1 million shares and subscribed to 5 million Halocell Energy shares at AUD\$0.12 per share. Halocell Europe SRL (now Homerun Energy) holds seven licensed patent rights.

**Mineral resource estimate:**

- *February 24* – Released a preliminary Mineral Resource Estimate (MRE) for the Belmonte silica sand district: 25.56 Mt measured and 38.35 Mt inferred of high-purity silica sand (>99.6 % SiO<sub>2</sub>).

**Technical report:**

- *April 29* – Completed a NI 43-101 technical report for the Belmonte district, confirming measured and inferred resources of 25.56 million tonnes and 38.34 million tonnes, respectively, with an average SiO<sub>2</sub> grade of 99.67 %.

**Stock option grants:**

- *April 22* - Granted 2.1 million stock options to its director, officers, and consultants at an exercise price of \$1.50, expiring in 5 years.
- *May 23* – Granted 500,000 stock options to one director of the Company at an exercise price of \$1.50, expiring in 5 years.

**Research initiatives:**

- *May 6* – Sent 99.99 % pure SiO<sub>2</sub> samples to UC Davis for further purification using femtosecond lasers.
- *May 9* – Submitted a proposal to Brazil’s BNDES and FINEP to obtain strategic mineral transformation financing for solar glass production. The proposal progressed to the detailed work-plan phase, leading to a joint support plan (July 28, 2025) outlining long-term credit, equity investments, grants, and subsidies.
- *July 8* – Research partner UC Davis successfully synthesized Silicon Carbide (SiC) using Homerun’s raw Belmonte silica sand.
- *October 8* – Offer customers a portfolio of solar glass that is 100% free of added antimony compounds in future.
- *November 13* – Engaged DTEC PMP GmbH to deliver a feasibility study for antimony-free solar glass manufacturing project.
- *November 19* – Secured Minerali Industriali Engineering SRL to perform laboratory and pilot-scale testing of high-purity, low-iron silica sand, confirming its application for the manufacture of antimony-free solar glass.

**Strategic partnerships:**

- *March 17* – Engaged Blossom Social and Evolux Capital for investor outreach and marketing.
- *May 7* – Signed a letter agreement with Land & Mineral Company to evaluate the Spruce Pine, North Carolina silica project, with an exclusive 90-day evaluation period.
- *May 13* – Signed an MOU for land donation and infrastructure support with CBPM, BahiaGas, SECTI, and the Municipality of Belmonte to develop a 120,000 tpa silica processing facility and a 365,000 tpa solar glass plant in Belmonte, Brazil.

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- *August 5* – Entered a collaboration agreement with Igraine PLC to jointly develop electric vehicle charging infrastructure integrated with battery storage in the UK.
- *October 29* – Executed a binding MOU with Magnum Mining & Exploration Ltd to jointly evaluate the application of the Company's ultrapure silica sand for the adsorption and chromatographic separation of rare-earth element samples supplied by Magnum.

**Other notable events:**

- *June 4* – Belmonte's municipal decree formalized the expropriation of 64.5 hectares of land to be donated for the Company's processing and manufacturing facilities.
- *July 9* – Received a budgetary offer of €150 million from GS Engineering GmbH to build Latin America's first solar glass manufacturing facility (1,000 t/day). This complements a €151.5 million offer received in October 2024 from Horn Glass Industries AG.
- *July 10* – Halocell Europe SRL (now Homerun Energy SRL) launched its website and AI-powered energy management platform. Homerun Energy SRL has a binding agreement with SeisSolar Fotovoltaica, to acquire 60% with a right to acquire remaining 40% of SeisSolar.
- *July 30* – Appointed Strand Hanson Limited as financial adviser for a potential dual listing on the London Stock Exchange (LSE).
- *November 26* – First commercial installation of "The Hub" AI Energy Management System on a risen battery storage asset.
- *November 28* – Common shares commenced trading on Tradegate Exchange in Germany (ISIN: CA43758P1080 | WKN: A3CYRW | Symbol: 5ZE).

### 2.3 FINANCING ACTIVITIES

- *July 29* – Completed a non-brokered private placement raising \$1.568 million by issuing 1.568 million units at \$1.00 per unit; each unit includes one share and one warrant exercisable at \$1.30 for two years. Finder's fees totaled \$25,665 in cash and 25,655 broker warrants.
- *August 13* – Executed a binding term sheet with Sorbie Bornholm LP, an institutional investor, for \$6 million in units at \$1.00 per unit. Proceeds will be released in 24 monthly tranches of \$250,000; each unit comprises one share and one warrant. Warrant exercise prices vary, with 1.5 million exercisable at \$1.18 and the remainder priced at a 20 % premium to the five-day VWAP at each release. Shares and warrants will be released concurrently with cash payments. This transaction is upon TSXV Exchange's approval.
- *November 25* – The Company received TSXV conditional approval for proposed financing for \$6 million in units at \$1.00 per unit.
- Warrant exercises: In the first three quarters of 2025, 1,035,000 warrants at \$0.20 and 58,300 warrants at \$0.75 were exercised, for a total of \$250,725 in cash.
- Option exercises: up to the date of this report, 100,000 stock options were exercised at \$0.20 for \$20,000 in cash.

### 2.4 HUMAN RESOURCES

- Appointments: *May 6* – Stephen Burega joined the board as a director. *May 28* – Tom Fontaine was appointed a director.
- Retirement: *May 23* – Greg Pearson retired from the board.

### 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:

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**3.1 PHASE I – HPQ SILICA SUPPLY**

1. High-Purity Silica Processing: Develop a 120,000 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<sub>2</sub> 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.

**4. MINERAL PROPERTIES AND RESOURCE PROJECTS**

**4.1 TATOOINE SILICA PROJECT (BRISCO, BRITISH COLUMBIA, CANADA)**

Homerun holds an option to acquire up to 100 % of the 3,019-hectare Tatoonie Silica Project through staged cash payments, work expenditures, and share issuances to Claimhunt Inc. (CHI). Notable developments include:

- Completion of all share issuance obligations (1.45 million shares) as of March 1, 2024, demonstrating commitment to full acquisition.
- Surface sampling results (July 2023) averaging 98.8 % SiO<sub>2</sub>, identifying new quartzite units up to 170 m thick.
- Ongoing research at UC Davis to purify quartz silica samples using femtosecond laser technology.

As at September 30, 2025, the carrying value of the Tatoonie Silica Project was \$604,000.

Date	Cash Payment	Common Shares	Work Commitment
	Paid	Issued	Required
On signing	\$7,500	250,000	-
September 8, 2023	-	300,000	-
September 8, 2024	-	300,000	\$100,000 (incurred)
September 8, 2025	-	300,000	-
September 8, 2026	-	300,000	\$100,000 (Incurred)
	<b>\$7,500</b>	<b>1,450,000</b>	<b>\$200,000</b>

**4.2 CBPM MINERAL RIGHTS, SANTA MARIA ETERNA (BAHIA, BRAZIL)**

Under a lease agreement signed October 25, 2023 with Companhia Baiana de Pesquisa Mineral (CBPM), the Company holds rights to extract high-purity silica in Santa Maria Eterna. Key terms include:

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- An initial payment of R\$1 million, with another R\$1 million due upon regulatory approvals.
- Royalty of R\$50 per tonne on extracted sand and an additional 5 % gross sales royalty for exports.
- Minimum annual royalty payments based on 12,000 t of processed sand, over a 20-year term (renewable for another 20 years).

In August 2025, Brazil's National Mining Agency formally approved the final exploration report, including National Instrument 43-101 compliant mineral resource estimate for the Company's high-purity silica sand in the Santa Maria Eterna district.

As at September 30, 2025, the carrying value of the CBPM mineral rights was \$261,600.

#### **4.3 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<sub>2</sub>).
- 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/>

#### **4.4 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 as well as the definitive transfer of all other rights and obligations arising from bidding notice No. 004/2020 and lease agreements No. 018/2022 and 026/2022, granted to Guidoni by CBPM. The parties will also require CBPM to consent to transfer the rights from Guidoni to the Company.

On February 6, 2025, the definitive agreement was executed based on the same terms and conditions in LOI.

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

- R500,000 (paid \$123,800 February 2025) within 24 hours of execution of the definitive agreement.
- R2,000,000 (deemed USD401,388.80) paid over 4 installments (USD100,347.20 per installment), maturing, one by one, every 6 months, from the date of payment of the 1<sup>st</sup> instalment (paid \$139,388 August 2025).

At September 30, 2025, the carrying value of Guidoni's mineral claims is \$273,796 (December 31, 2024 - \$Nil).

#### **4.5 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).

At September 30, 2025, the carrying value of the mineral claims is \$78,480.

#### **4.6 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:

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BRL30.17 per extracted tonne from the mining tenements and 5% on export sale of an extracted tonne from the mining tenements.

The issuance of the Company's common shares and warrants will be subject to four months and one-day hold period, and the approval from TSX Venture Exchange.

**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 the 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 seven 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 seven 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.

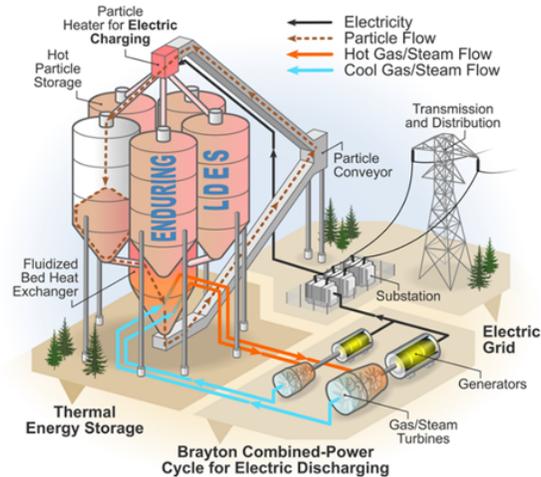
NREL will evaluate the composition and suitability of Homerun's silica sand for energy storage and other applications, including photovoltaic (PV) glass, PV-grade silicon, perovskite solar cell substrates and silicon anodes for Li-ion batteries. The study will also assess the economic benefits of using 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 is committed to investing a minimum of USD 325,000 in the program and has already invested that amount

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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.

The Company doubled its investment in this research in 2025, reflecting its strategic importance. As of the date of this report, the Company has incurred USD155,250 on this research program.

## 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

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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.

## 9. SELECTED ANNUAL INFORMATION

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

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

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

## 10. FINANCIAL PERFORMANCE

### 10.1 RESULTS OF OPERATIONS

- Q3 2025 (Three Months Ended September 30, 2025) vs. Q3 2024 (Three Months Ended September 30, 2024)

#### Financial Performance Overview

In Q3 2025, the Company reported a net loss of \$1,559,429, a \$485,975 increase over the \$1,073,454 loss recorded in Q3 2024. This larger loss mainly reflects higher share-based compensation, exploration and evaluation expenditures and consulting and management fees.

#### Revenue and Grants

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Q3 2025 revenue consisted of nominal sales of \$760 and grants of \$284,498, all generated by Homerun Energy (formerly Halocell Europe SRL), the Company's new perovskite-solar subsidiary in Italy. Homerun Energy secured EU government grants to fund solar-related R&D projects, underscoring the Company's alignment with renewable energy path. Cost of sales totaled \$158,886. No comparable revenue was recorded in Q3 2024.

#### Operating Expenses Analysis

Operating expenses rose to \$1,676,920 in Q3 2025, up \$601,095 from \$1,075,825 in Q3 2024. Key changes include:

1. Stock-based Compensation (\$593,803; +56% QoQ)

Increased by \$213,808 due to higher recognized compensation expense for vested options. In the second quarter of 2025, the Company granted 2,600,000 stock options at an exercise price of \$1.50, resulting in higher stock-based compensation recognized in Q3 2025. In comparison, during Q3 2024, the Company granted 500,000 stock options at an exercise price of \$0.75 and recognized \$379,995 compensation for vested options.

2. Exploration and Evaluation Expenses (\$411,650; +59% QoQ)

Increased by \$152,440 due to the work on silica projects in Brazil, including a Mineral Resource Estimate (MRE) program, a 43-101 technical study, and feasibility work for silica processing plant; additional mining professional were hired to support these initiatives.

3. Marketing and Investor Relations (\$154,387; +51% QoQ)

Increased by \$52,434 to enhance brand visibility and attract capital. In this quarter, the Company engaged Dig Media Inc and Rockstone Research for marketing research for their market awareness and marketing services.

4. Research and Development (\$136,350; -5% QoQ)

Decreased by \$7,467 as no payment were made for National Renewable Energy Laboratory partnership in Q3 2025. The final payment for this program was made in Q1 2025. Both the NREL and UC Davis Programs focus on silica sand purification and energy storage solutions, with activities commencing in Q2 2024.

5. Consulting and Management Fees (\$252,056; +143% QoQ)

Increased by \$148,1351 to support expanded corporate activities in UK, London Stock Exchange listing, mining exploration and integration of material-to-energy solutions.

6. Professional Fees (\$50,885; +197% QoQ)

Rose by \$7,785 due to expanded legal and advisory services related to the London Stock Exchange listing.

7. Office and general (\$62,036; +74% QoQ)

Increased by \$26,456 largely reflecting operational costs of newly acquired Homerun Energy.

## **10.2 RESULTS OF OPERATIONS**

### **– Q3 2025 (Nine Months Ended September 30, 2025) vs. Q3 2024 (Nine Months Ended September 30, 2024)**

#### Financial Performance Overview

The Company reported a net loss of \$4,445,544 for Q3 2025, a significant increase of \$1,141,558 compared to the net loss of \$3,303,986 in Q3 2024. This higher loss was primarily driven by higher share-based compensation exploration and increased evaluation expenditures.

#### Revenue and Grants

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Q3 2025 revenue comprised nominal sales of \$37,676 and grants of \$689,254, all from Homerun Energy (formerly Halocell Europe SRL), the Company’s new perovskite-solar subsidiary in Italy. Homerun Energy secured EU government grants to fund solar-related R&D projects, underscoring the Company’s alignment with renewable energy path. Cost of sales for the first three quarters 2025 totaled \$384,989. No comparable revenue was recorded in Q3 2024.

Operating Expenses Analysis

Operating expenses rose to \$4,779,297 in Q3 2025, up \$1,598,498 from \$3,180,799 in Q3 2024. Key changes include:

1. Stock-based Compensation (\$1,777,345; +36% YoY)

Increase of \$468,596 was primarily due to the higher share price of approximately \$1.00 at the grant date, compared to approximately \$0.52 for options granted in comparable quarters of 2024. In Q3 2025, the Company granted 2,600,000 stock options at an exercise price of \$1.50. By comparison, during Q3 2024, the Company granted 3,800,000 stock options at an exercise price of \$0.75 and recognized \$1,308,749 in compensation expense for vested options.

2. Exploration and Evaluation Expenses (\$906,042; +39% YoY)

Increased by \$254,627 as the Company advanced its silica projects in Brazil, including a Mineral Resource Estimate (MRE) program, a 43-101 technical study, and feasibility work for a silica processing plant. Additional mining professionals were hired to support these initiatives.

3. Marketing and Investor Relations (\$453,012; +52% YoY)

Increased by \$154,248 to amplify brand visibility and investor engagement, reflecting heightened efforts to attract capital and market participation.

4. Research and Development (\$408,752; +27% YoY)

Increased by \$86,082 to funding National Renewable Energy Laboratory (NREL) partnership, UC Davis Programs and software developer for energy sector based in US. Those programs focus on silica sand purification and energy storage solutions.

5. Consulting and Management Fees (\$570,824; +73% YoY)

Increased by \$240,448 to support expanded corporate activities, including staffing for corporation functions, London Stock Exchange listing matters, EU market expansion, mining exploration and integration of material-to-energy solutions.

6. Professional Fees (\$276,245; +164% YoY)

Rose by \$171,727 due to ongoing legal and advisory services related to the London Stock Exchange listing and EU market expansion.

7. Office and general (\$218,337; +98% YoY)

Increased by \$108,269 primarily due to operational expenses from Homerun Energy, a newly acquired subsidiary in Italy.

Conclusion

The increased operating expenses in Q3 2025 reflects the Company’s ongoing geographic expansion, stock-based incentives, R&D activities, pursuit of a London Stock Exchange listing, and continued silica project advancement. These expenditures support the Company’s long-term growth objectives in renewable energy (energy storage and solar glass) and mineral resources. Management remains focused on balancing between strategic spending and cost discipline.

**11. SUMMARY OF QUARTERLY RESULTS**

Results for the eight most recent quarters are as follows:

Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024
(\$)	(\$)	(\$)	(\$)

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Revenue/grants	(285,258)	(337,394)	(104,278)	-
Cost of sales	158,886	169,037	57,066	-
Expenses	1,676,920	1,999,767	1,102,610	1,047,069
Other (income) loss	(8,881)	(3,699)	3,006	(454,379)
Net loss	1,559,429	1,827,711	1,058,404	592,690
Comprehensive loss	1,554,453	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	376,953
Total liabilities	1,702,024	1,884,720	2,087,939	464,664

	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023
	(\$)	(\$)	(\$)	(\$)
Expenses	1,075,825	1,155,749	949,225	626,329
Other (income) loss	(2,371)	7,946	117,612	(2,719)
Net loss	1,073,454	1,163,695	1,066,837	623,610
Comprehensive loss	1,074,526	1,193,352	1,072,814	643,244
Basic and diluted loss per share	(0.02)	(0.02)	(0.02)	(0.01)
Total current assets	541,147	476,878	193,762	260,663
Total assets	961,908	895,328	638,477	587,059
Total current liabilities	496,659	474,048	665,795	919,906
Total liabilities	591,400	568,789	760,536	919,906

Quarterly losses have fluctuated between \$592,690 to \$1,827,711. Since Q1 2024, the losses have remained above \$1 million mark, largely driven by higher marketing expenditure, exploration and evaluation expenses and stock-based compensation, except in Q4 2024. Stock option-related costs have generally increased in the line with the share price movements. These expenses contributed to the elevated overall losses recorded in 2024, and 2025. The significant increase in net loss in the most recent two quarters was primarily due to the higher mining related expenses, research and development in purification on silica sand expenses, increased stock-based compensation, 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 \$626,329 to \$1,999,767. Beginning in the Q1 2024, expenses have remained at \$1 million mark, primarily due to higher consulting and management fee, stock-based compensation and exploration and evaluation expenditures related to Brazil projects. In Q2 2025 and Q3 2025, expenses reached to \$1,999,767 and \$1,676,902, respectively, mainly as a result of increased stock-based compensation, research and development, consulting fees associated with the pursuit of a London Stock Exchange listing and expenditures from the newly acquired subsidiary in Italy.

The asset value has varied quarterly from \$587,059 in Q4 2024, the lowest, to \$5,060,795 in Q1 2025, the highest. Starting in the Q1 2025, the Company expanded the silica HPQ stretching to solar glass business by acquiring Halocell Energy and its advanced solar glass technology. In 2024, the Company invested substantially in its silica extraction rights in British Columbia, Canada and in Santa Maria Eterna, Brazil through cash payments and issuance of Company shares, to lock up massive silica materials. The Company plans to integrate Halocell Europe's solar R&D into the Company's Solar Glass Manufacturing facility in Brazil in a near future.

The Company's liabilities have fluctuated quarter by quarter, ranging from \$568,789 to \$2,087,939. In the most recent quarter Q3 2025, the Company recorded an unearned revenue of \$587,888 tied to EU grants obligations, contributing a large portion of liabilities,

## 12. LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2025	December 31, 2024
Cash	\$ 707,848	\$ 1,707,900

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Current assets	1,210,316	1,878,406
Other long-term assets	2,235,551	-
Exploration and evaluation assets	1,217,876	906,510
<b>Total assets</b>	<b>4,663,743</b>	<b>2,784,916</b>
Current liabilities	1,602,932	376,953
Non-current liabilities	99,092	87,711
Shareholders' equity	2,961,737	2,320,252
<b>Working capital (deficiency)</b>	<b>(392,616)</b>	<b>1,413,742</b>

Total assets are comprised of cash, receivables, prepaids expenses, investment, equipment, licensed patent rights, exploration and evaluation assets. As of September 30, 2025, the cash balance declined due to general working capital needs and investing in Guidoni mineral claims in 2025.

Total liabilities at September 30, 2025 were higher than at December 31, 2024, primarily because the Company recorded in accounts payables, accrued liabilities, and unearned revenue of \$587,888 in 2025.

#### Review of Cash Flows

As at September 30, 2025, the Company had cash balance of \$707,848, compared to \$1,707,900 on December 31, 2024.

Operating Activities: Cash used in operating activities totalled \$3,280,635 for the first three quarters of 2025, compared to \$1,764,773 on September 30, 2024. The increase was largely due to the Company increased its exploration and evaluation activities, consulting and management fee, professional fee, investor relations, and research and development.

Financing Activities: Total cash inflows from financing activities were \$2,094,070 for the first three quarters of 2025, compared to \$2,171,298 for September 30, 2024. The Company received the cash from private placement, warrants and stock options exercised.

Investing Activities: The cash inflows from investing activities were \$84,546 for the first three quarters of 2025, compared to \$Nil on September 30, 2024. In 2025, the Company combined the cash that in Homerun Energy's bank account.

#### Liquidity Outlook

On September 30, 2025, the Company has a working capital deficit of \$392,616, a significant reduction of \$1,806,358 from \$1,413,742 working capital on December 31, 2024.

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

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

### **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 owing are unsecured, non-interest bearing and have no specified terms of repayment.

At the nine months ended September 30, 2025, the Company was indebted related parties \$4,000 (December 31, 2024 -

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\$55,186).

During the nine months ended September 30, 2025 and 2024, the Company entered into transactions with the related parties as below:

Name	Relationship	Nature of Transaction	Stock-based compensation for Sept. 30, 2025 (\$)	Stock-based compensation for Sept. 30, 2024 (\$)	Fees for period ended Sept. 30, 2025 (\$)	Fees for period ended Sept. 30, 2024 (\$)
Brian Leeners	Chief Executive Officer and a Director	Management services	74,137	328,654	300,094	234,376
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	96,000
Tom Fontaine	Director	Management services	143,807	-	24,325	-
Stephen Burega	Director	Management services	264,440	-	37,500	-
Gordon J. Fretwell, Law Corporation	Owned by Gordon Fretwell, Corporate Secretary	Legal services	-	-	13,828	22,400
Antonio Victor	VP, Homerun Brasil Mineracao Ltda	Mining project management	56,518	272,375	146,025	140,625
Armando Farhate	Chief Operating Officer	Mining project management	159,118	85,730	80,438	32,552
Mauro Cesar Terence	Chief Technology Officer	Mining project management	37,069	164,326	33,413	28,646
NZ Consulting Services Inc.	Owned by Nancy Zhao, Chief Financial Officer	Accounting services	159,118	85,730	90,000	35,119
AE Financial Management Ltd.	Edward Low, former Chief Financial Officer	Accounting services	-	-	-	17,500
			894,207	936,815	865,623	697,818

April 24, 2025 - Granted 2,100,000 stock options to its director, officers and consultants at a price of \$1.50 for expiry of 5 years. Of 2,100,000 stock options granted, 1,250,000 were granted to related parties.

May 23, 2025 - Granted 500,000 stock options to a director at a price of \$1.50 for expiry of 5 years.

#### 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:

- 64,093,293 common shares issued and outstanding;
- 4,803,054 warrants issued and outstanding;
- 55,527 broker's warrants issued and outstanding;
- 11,371,000 stock options granted, of which, 9,946,000 of these stock options are exercisable

#### 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

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The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of stock options granted and warrants issued. Under this model, the Company must estimate the term, volatility and if applicable, the forfeiture rate of options granted and warrants issued.

**Critical Accounting Judgments**

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

**Exploration and Evaluation Assets**

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

**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 years ended December 31, 2024.

**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 period or during the period. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

Details of the Company's financial instruments, management's assessment of their related risks and details of management of those risks are as follows:

**Financial risk management**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts payable, and loans payable.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits. The Company has not experienced any losses and believes it is not exposed to any significant credit risk from cash.

**Financial instrument risk exposure**

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

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

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

## **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.

### **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.

### **Industry and Economic Factors**

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 requirement. In addition, shifts in trade policy, including new or higher tariffs on solar and critical mineral products could impact the economics of the Company's downstream markets, potentially affecting demand for high-purity silica products.

### **Market and Demand Fluctuations of High-Purity Quartz Silica**

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 could significantly influence demand. 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**

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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.

**Financing Strategy Risks**

The Company will require additional funding for its exploration, corporate activities, projects development and general overhead in the near term. Funding may be obtained through either equity or debt financing; however, the ability to raise capital depends on market conditions, investor sentiment, and the Company's performance record. There is no guarantee that financing will be available on favorable terms, or at all.

The Company has initiated multiple financing and advisory engagements to support its strategy, including a \$3 million private placement, a \$6 million institutional financing, and exploration of a dual listing on the London Stock Exchange via Strand Hanson. These initiatives are vital for funding vertical integration, R&D, infrastructure build-out, and platform development. If these efforts fail to close on favourable terms, the Company may lack the capital needed to execute its business plan as envisioned.

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.

**Vertical Integration and Execution Risk**

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 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.

**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 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 a 120,000 tpa high-purity silica processing plant and advancing zero-waste purification technologies, including collaborative R&D with UC Davis to achieve 99.999% SiO<sub>2</sub> 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,

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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.

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.

**Partner and Offtake Dependency**

The Company’s business model relies heavily on strategic partnerships. These include non-binding offtake agreements with major solar glass 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 if any partner withdraws could reduce projected production throughput or market access.

**Strategic and Human Resource Dependencies**

The Company’s strategy relies on forming partnerships with government bodies and key industry players, including solar glass manufacturers. Failure to secure such partnerships could 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.

**Dependence on EU Grant Funding and Limited Commercial Revenue at Homerun Energy**

Homerun Energy, the Company’s rebranded solar development subsidiary (formerly Halocell Europe SRL), currently generates minimal commercial revenue and is heavily reliant on EU government grant to fund 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, or integration into SeisSolar distribution networks, the Company may face challenges meeting its growth targets, profitability goals, and return-on-investment expectations.

**Geographic Expansion and Regulatory Complexity in New Markets**

Homerun Energy has launched an AI-powered energy management platform, The HUB, targeting customers across the EU, UK, North America, and South America. While this expansion offers diversification and revenue potential, it also 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.

**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 this quarter covered by this MD&A, management has

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determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financing reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in the Company's internal controls over financial reporting that occurred during the period that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

However, even those systems determine to be effective can provide only reasonable assurance with respect to financial statement and preparation. A control system, no matter how well conceived or operated can provide only reasonable, not absolute, assurance and are not expected to prevent all errors and fraud.

## **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](http://www.homerunresources.com), and on SEDARPLUS at [www.sedarplus.ca](http://www.sedarplus.ca) or by contacting the Company at 2110 - 650 West Georgia St., Vancouver BC or email to: [info@homerunresources.com](mailto: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.

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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

Stephen Burega - Director

Hugh Callaghan - Director

Lew Dillman – Director

Tom Fontaine - Director

Nancy Zhao - Chief Financial Officer