FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Libra Energy Materials Inc. (the "Issuer").

Trading Symbol: LIBR

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

The unaudited interim financial statements of the Issuer for the six-month period ended June 30, 2026, are attached to this Form 5 – Quarterly Listing Statement as Schedule "A".

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

Refer to Note 11 of the attached Schedule "A" for related party transaction disclosure.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Refer to Note 10 of the attached Schedule "A" for a summary of securities issued during the period.

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Refer to Note 10 of the attached Schedule "A" for a summary of options and RSUs granted during the period.

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

The Issuer is authorized to issue unlimited voting common shares without par value and unlimited preferred shares without par value, with rights and privileges to be set by the Board of Directors, upon issue.

(b) number and recorded value for shares issued and outstanding,

There were 67,703,127 common shares and no preferred shares issued and outstanding as of June 30, 2026.

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Refer to Note 10 of the attached Schedule "A" for a summary of stock options, RSUs and warrants outstanding.

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Refer to Note 10 of the attached Schedule "A" for a summary of shares held in escrow and subject to pooling agreements.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Individual	Position Held
Koby Kushner	Chief Executive Officer and Director
David Goodman	Director
Zachary Goldenberg	Director
Felipe Holzhacker Alves	Director
Tyler Minnick	Chief Financial Officer
Jérémie Pfister	Vice President, Exploration
Farid Mammadov	Vice President, Investor Relations

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

The Management Discussion & Analysis of the Issuer for the six-month period ended June 30, 2026, is attached to this Form 5 – Quarterly Listing Statement as Schedule "B".

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 24, 2026.

Tyler Minnick
Name of Director or Senior Officer

"Tyler Minnick"
Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Libra Energy Materials Inc.	For Quarter Ended June 30, 2026	Date of Report YY/MM/D 26/08/24
Issuer Address Suite 301, 15 Toronto St.		
City/Province/Postal Code Toronto, Ontario M5C 2E3	Issuer Fax No. N/A	Issuer Telephone No. (416) 846-6164
Contact Name Tyler Minnick	Contact Position Chief Financial Officer	Contact Telephone No. (970) 986-7621
Contact Email Address ty@nemoresourcegroup.com	Web Site Address https://libraenergymaterials.com	

SCHEDULE “A”
INTERIM FINANCIAL STATEMENTS FOR

PERIOD ENDED JUNE 30, 2026

LIBRA ENERGY MATERIALS INC.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited- in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of Libra Energy Materials Inc (the "Company") as at and for the six months ended June 30, 2026, have been prepared by the management of the Company and approved by the Company's Audit Committee.

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

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

Libra Energy Materials Inc.
Consolidated Interim Statements of Financial Position
At June 30, 2026 and 2025
(Expressed in Canadian Dollars)

As at	June 30, 2026 $	December 31, 2025 $
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	754,181	1,572,496
Accounts receivable	43,771	3,325
GST/HST receivable	27,822	24,320
Prepaid expenses	95,163	158,501
	920,937	1,758,642
Property and equipment (Note 5)	22,398	36,915
Investments (Note 8)	1,291,191	3,063,523
TOTAL ASSETS	**2,234,526**	**4,859,080**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 11)	372,907	350,091
Flow-through share liability (Note 10)	158,452	248,338
Current portion of loan payable (Note 9)	11,555	11,262
TOTAL CURRENT LIABILITIES	542,914	609,691
NON-CURRENT LIABILITIES		
Loan payable (Note 9)	24,231	30,081
TOTAL LIABILITIES	567,145	639,772
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	5,732,718	5,664,806
Obligation to issue shares (Notes 4 and 14)	17,500	67,500
Contributed surplus (Note 10)	540,915	341,123
Accumulated deficit	(4,606,188)	(1,848,022)
Accumulated other comprehensive loss	(17,564)	(6,099)
TOTAL SHAREHOLDERS' EQUITY	1,667,381	4,219,308
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,234,526**	**4,859,080**

Nature and continuance of operations (Note 1)
Commitments (Note 13)

Approved on behalf of the Board of Directors:

"Koby Kushner"
Director

"David Goodman"
Director

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

(Expressed in Canadian Dollars)

	Notes	Three months ended June 30, 2026 $	Three months ended June 30, 2025 $	Six months ended June 30, 2026 $	Six months ended June 30, 2025 $
EXPENSES					
Consulting fees	11	66,962	21,250	115,541	47,500
Depreciation	5	5,127	9,384	14,542	18,767
Marketing and promotion		42,595	4,000	71,821	6,533
Office administration and general		36,852	7,336	60,069	19,532
Professional fees	11	173,392	34,566	305,081	121,625
Rent		-	(3,000)	-	(750)
Share-based payments	10, 11	103,939	23,661	199,792	54,475
Travel and entertainment		11,072	3,723	12,579	11,783
Filing fees		18,062	-	26,020	-
Exploration and evaluation	4	202,493	29,060	284,867	73,320
LOSS BEFORE OTHER ITEMS		(660,494)	(129,980)	(1,090,312)	(352,785)
OTHER ITEMS					
Other income	4	3,536	105,363	3,690	212,604
Interest expense		(481)	(623)	(987)	(1,281)
Exchange gain/loss		(197)	-	(339)	-
Interest income		5,275	4,821	12,228	10,516
Change in fair value of investment	8	(908,320)	-	(1,772,332)	-
Flow-through premium recovery	10	564	-	89,886	3,354
NET LOSS		(1,560,117)	(20,419)	(2,758,166)	(127,592)
Cumulative translation adjustment		46,452	-	(11,465)	-
COMPREHENSIVE LOSS		(1,513,665)	(20,419)	(2,769,631)	(127,592)
BASIC AND DILUTED LOSS PER SHARE		(0.02)	(0.00)	(0.04)	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		67,608,135	45,982,558	67,573,105	45,950,833

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

Libra Energy Materials Inc.
Unaudited Consolidated Interim Statements of Changes in Shareholders' Equity
For the six months ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Obligation to Issue Shares $	Contributed Surplus $	Accumulated Other Comprehensive Income (Loss) $	Accumulated Deficit $	Total Shareholders' Equity $
Balance, December 31, 2024	**45,903,209**	**2,505,068**	**17,500**	**202,190**	**-**	**(2,019,834)**	**704,924**
Shares issued pursuant to debt settlement	87,679	10,522	-	-	-	-	10,522
Share-based payments	-	-	-	54,475	-	-	54,475
Net loss for the period	-	-	-	-	-	(127,592)	(127,592)
Balance, June 30, 2025	**45,990,888**	**2,515,590**	**17,500**	**256,665**	**-**	**(2,147,426)**	**642,329**
Balance, December 31, 2025	**67,273,788**	**5,664,806**	**67,500**	**341,123**	**(6,099)**	**(1,848,022)**	**4,219,308**
Shares issued to Stimson	305,810	50,000	(50,000)	-	-	-	-
Share-based payments	-	-	-	199,792	-	-	199,792
Shares issued pursuant to debt settlement	123,529	17,912	-	-	-	-	17,912
Currency translation adjustment	-	-	-	-	(11,465)	-	(11,465)
Net loss for the period	-	-	-	-	-	(2,758,166)	(2,758,166)
Balance, June 30, 2026	**67,703,127**	**5,732,718**	**17,500**	**540,915**	**(17,564)**	**(4,606,188)**	**1,667,381**

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

Libra Energy Materials Inc.
Unaudited Consolidated Interim Statements of Cash Flows
For the six months ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

	Six months ended June 30, 2026 $	Six months ended June 30, 2025 $
OPERATING ACTIVITIES		
Net loss	**(2,758,166)**	(127,592)
Add items not affecting cash:		
Share-based payments	**199,792**	54,475
Flow-through premium liability recovery	**(89,886)**	(3,354)
Depreciation	**14,542**	18,767
Interest	**-**	1,281
Gain on settlement of debt	**(3,088)**	-
Change in fair value of investment	**1,772,332**	-
Net changes in non-cash working capital:		
Accounts receivable	**(40,446)**	(27,248)
GST/HST receivable	**(3,502)**	34,148
Prepaid expenses	**63,338**	(6,936)
Accounts payable and accrued liabilities	**43,816**	(16,474)
Net cash used in operating activities	**(801,268)**	(72,933)
FINANCING ACTIVITIES		
Repayment of loan payable	**(5,557)**	(6,562)
Net cash used in financing activities	**(5,557)**	(6,562)
FOREIGN EXCHANGE IMPACTS ON CASH	**(11,490)**	**-**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(818,315)**	(79,495)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**1,572,496**	708,952
CASH AND CASH EQUIVALENTS, END OF PERIOD	**754,181**	629,457

Supplemental cash flow information (Note 14)

CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	312,850	579,457
Cashable GIC Investment	441,331	50,000
	754,181	629,457

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Libra Energy Materials Inc. (formerly PowerStone Metals Corp. ("PowerStone")) (the "Company") was incorporated on December 13, 2021, under the Business Corporations Act (British Columbia). On July 9, 2025, PowerStone completed its business combination transaction with Libra Lithium Corp ("Libra"). The transaction was affected pursuant to an amalgamation agreement dated December 31, 2024, as amended February 19, 2025 (the "Transaction"). The Company's shares commenced trading on July 10, 2025, on the Canadian Securities Exchange (the "CSE") under the symbol "LIBR".

On July 7, 2025, 1001099231 Ontario Corp., a wholly owned subsidiary of PowerStone ("Subco"), and Libra completed a statutory amalgamation under the provisions of the *Business Corporations Act (Ontario)* (the "Amalgamation") pursuant to which the former shareholders of Libra received shares of the Company on a 1:1 basis. In addition, the former option holders of Libra received options to purchase common shares of the Company on a 1:1 basis.

The Company changed its name from "PowerStone Metals Corp." to "Libra Energy Materials Inc." and will operate the current business of Libra going forward. The company resulting from the Amalgamation, named "Libra Lithium Inc." is now a wholly owned subsidiary of the Company.

As a result of the Transaction, the former shareholders of Libra acquired control of PowerStone, thereby constituting a reverse takeover of PowerStone. Although PowerStone is regarded as the legal parent and continuing company, Libra is the acquirer for accounting purposes. Consequently, Libra is deemed to be a continuation of the reporting entity, and control of the assets and operations of PowerStone is deemed to have been acquired by Libra in consideration for the issuance of the Company's shares to the former shareholders of Libra.

The Company is a junior mining company. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests.

The Company's registered office, records office is Suite 2505, 1177 West Hastings St., Vancouver, BC V6E 2L3 and head office is located Suite 301, 15 Toronto St, Toronto, ON, M5C 2E3.

As at June 30, 2026, the Company's principal mineral interests were located in Ontario and Quebec, Canada and Brazil, and it has not yet been determined whether these properties contain reserves that are economically recoverable.

These unaudited consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at June 30, 2026, the Company had not advanced its resource properties to commercial production or achieved profitable operations. The Company had a net loss for the six months ended June 30, 2026, of $2,758,166 (June 30, 2025 – $127,592) and an accumulated deficit of $4,606,188 (December 31, 2025 - $1,848,022) since inception and expects to incur further losses in the development of its business. Those factors create material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, tariffs, changes in laws, and national and international circumstances. These factors may create further uncertainty and risk with respect to the prospects of the Company's business.

These unaudited consolidated interim financial statements were approved and authorized by the Board of Directors on August 24, 2026.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited consolidated interim financial statements have been prepared in accordance with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. These unaudited consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS.

Basis of preparation

These unaudited consolidated interim financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional and presentation currency except for Brion Minerals Inc. which has USD as its functional currency and Brion Brazil Mineraco which has Brazilian Real as its functional currency. The consolidated financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value. In addition, these unaudited consolidated interim financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

Principles of Consolidation

The unaudited consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries as June 30, 2026. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The unaudited consolidated interim financial statements of the Company include the following significant subsidiaries:

Name of Subsidiary	Jurisdiction of Incorporation	Proportion of Ownership interest June 30, 2026	Proportion of Ownership interest June 30, 2025
Brion Brazil Mineraco & Participacoes Ltda.	Brazil	100%	-
Brion Minerals Inc.	Cayman Islands	100%	-
Libra Lithium Inc.	Canada	100%	-

3. MATERIAL ACCOUNTING POLICES

Foreign Currency Translation

i) **Functional and Presentation Currency**

Items included in the accounts of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars (the "presentation currency").

ii) **Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions as well as from the translation of monetary assets and liabilities not denominated in the functional currency are recognized in profit or loss except for monetary items that are designated as part of the Company's net investment of a foreign operation.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated to Canadian dollars at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in the other comprehensive income (loss) reserve in shareholders' equity.

3. MATERIAL ACCOUNTING POLICES (continued)

Additionally, foreign exchange gains and losses, related to certain intercompany loans that are permanent in nature, are included in accumulated other comprehensive income (loss) reserve.

The foreign exchange gains and losses from translating foreign operations are recognized in other comprehensive income or loss until the foreign subsidiary is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Cash and cash equivalents

Cash and cash equivalents include amounts on deposit with banks and other highly liquid deposits which can be readily converted into cash with minimum penalty.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options, restricted share units ("RSUs") and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred.

Resource property cost

Exploration and evaluation costs

All expenditures on exploration and evaluation ("E&E") activities, including costs incurred to acquire and secure exploration property licenses, are recorded as exploration expenses until it has been established that a mineral property is commercially viable and technically feasible. Mining exploration tax credits are accrued and recorded against exploration and evaluation expenditures when the related expenditures are incurred, and collectability can be reasonably assured.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, title to its properties is in good standing.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, RSU and flow-through shares are classified as equity instruments.

The Company follows the residual value method with respect to the measurement of shares and warrants issued as private placement units, if any. The residual value method first allocates value to the more easily measurable component. The fair value of the common shares issued in a private placement are determined to be the more easily measurable component and are valued at their fair value on the issue date and the balance, if any, is allocated to the attached warrants.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value of the shares.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred charges. Share issue costs related to uncompleted share subscriptions are charged to operations.

3. MATERIAL ACCOUNTING POLICES (continued)

Flow-Through Shares

Flow-through common shares may be issued from time to time to finance a portion of the Company's exploration activities and results in the tax deductibility of the qualifying resource expenditures funded from the proceeds of the sale of such shares being transferred to the purchasers of the shares. Under IFRS, on the issuance of such shares, the Company bifurcates the flow-through shares into a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a liability, and the remaining is allocated to share capital.

The Company estimates the portion of the proceeds attributable to the premium as being the excess of the subscription price over the fair value of the shares without the flow-through feature at the time of issuance. The premium is recorded as a deferred liability and is included in other income at the time the qualified Canadian exploration expenditures as defined in the Income Tax Act (Canada) are incurred.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Share-based payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the consolidated financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Company's estimate of options that will eventually vest. Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid. When stocks options expire unexercised, the amount previously recognized in the contributed surplus is retained within equity and is not transferred to retained earnings.

Forfeitures of equity instruments resulting from failure to satisfy a service condition or a non-market performance condition result in the reversal of any previously recognized share-based payments related to the unvested portion of the award. Cancellations of equity instruments by the Company, or by parties other than the counterparty, are accounted for as an acceleration of vesting. Accordingly, any remaining amount of share-based payments that would otherwise have been recognized over the remainder of the vesting period is recognized immediately in profit or loss at the cancellation date.

3. MATERIAL ACCOUNTING POLICES (continued)

Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the condition necessary for its intended use and eventual disposal.

Property and equipment are depreciated annually on a straight-line basis over the estimated useful life of the assets, as follows:

Asset Class	Useful life
Office equipment	3 years
Mining evaluation equipment	3 years
Vehicles	5 years

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized as a gain or loss in profit or loss.

Rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets and exploration and evaluation properties, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset (or expensed if they relate to exploration and evaluation properties) along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using pre-tax rates that reflect the time value of money are used to calculate the net present value. If capitalized, the rehabilitation asset is depreciated on the same basis as the related asset.

The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset (or expensed if they relate to exploration and evaluation properties) with a corresponding entry to the rehabilitation provision. Changes related to the unwinding of the discount rate are charged to finance expense.

The Company’s estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

As at June 30, 2026 and December 31, 2025, the Company is not aware of any reclamation costs and no amounts have been recorded.

Financial instruments

The Company classifies its financial instruments in the following measurement categories:

- Fair Value Through Profit or Loss (“FVTPL”), or
- At amortized cost.

The following table shows the classification categories of the Company’s instruments.

Financial assets/liabilities	**Classification**
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost

3. MATERIAL ACCOUNTING POLICES (continued)

The financial instruments classified as amortized cost are initially recognized at fair value and subsequently measured at amortized cost using the effective rate method.

Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Government grants relating to E&E activities are deducted from the corresponding E&E expenditure.

Investments in private companies

Private investments that do not have a quoted market price in an active market are evaluated and measured at fair value using various techniques including comparative recent financing and other market-based information. These are included in level 2 or 3 of the fair value hierarchy. The determinations of fair value of the Company's privately held investments are subject to certain limitations.

At the end of each financial reporting period, management evaluates the fair value and potential fair value change based on the criteria below and records such fair value change in the consolidated financial statements directly in profit or loss:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

The application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgement, and any fair value estimated from these techniques may not be realized.

The amount which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to the Company.

Current and Deferred Income Tax

Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred tax is recorded for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; (ii) at the time of the transaction, affects neither accounting profit nor taxable profit, and does not give rise to equal taxable and deductible temporary differences. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year-end date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. MATERIAL ACCOUNTING POLICES (continued)

Accounting standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be assessing the impact of adopting the above standard on the consolidated financial statements.

Use of estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes to the consolidated financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised.

Significant Estimates and Judgements

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and judgements concerning the future. The Company's management reviews these estimates and judgements on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant estimates and judgements about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates and judgements made, relate to, but are not limited to the following:

Ability to continue as a going-concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

Acquisition of Brion Minerals Inc.

The Company determined that the acquisition of Brion Minerals Inc. ("Brion") constitutes an asset acquisition as Brion does not meet the definition of a business under IFRS 3 Business Combinations. Management used its judgement and estimate to determine the fair value of the purchase consideration and has assessed the likelihood of the Milestone Payment as currently unlikely (Note 7).

Brion Claims

Management has assessed the likelihood of reaching Milestone 1 and Milestone 2 as remote (Note 4).

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES

	Canada Ontario $	Canada Quebec $	Brazil $	Total $
EXPLORATION COSTS				
Staking and filing fees	1,950	3,091	-	5,041
Consulting	2,125	-	-	2,125
Operators fee	60,000	-	-	60,000
Other expenditures	6,154	-	-	6,154
For the six months ended June 30, 2025	70,229	3,091	-	73,320
Staking and filing fees	5,800	-	-	5,800
Geotechnical, Indigenous relations and survey	18,722	-	22,460	41,182
Operators fee	107,000	-	-	107,000
Field work, mobilization and other	151,080	5,815	173,990	330,885
Ontario Junior Exploration Program Grant	(200,000)	-	-	(200,000)
For the six months ended June 30, 2026	**82,602**	**5,815**	**196,450**	**284,867**

(a) SOULES BAY, CARON, AND NEMISCAU LAKE PROJECTS

On June 2, 2023 (the “Acceptance Date”), the Company entered into an option agreement with Bounty Gold Corp. (“Bounty”) to acquire 100% interest in the mineral claims of the Soules Bay Project and the Caron Project in Ontario, and the Nemiscau Lake Project in Quebec. The mineral claims are subject to milestone payments and a 2% Net Smelter Return (“NSR”) royalty upon commencement of commercial production, and cash payments totaling $380,000 over three years as follows:

1) within five Business Days of the Acceptance Date paying $57,000 (paid);
2) on or before June 2, 2024 paying $95,000 (paid);
3) on or before June 2, 2025 paying $114,000 (paid by KoBold Exploration Canada Inc); and
4) on or before June 2, 2026 paying $114,000 (paid by KoBold Exploration Canada Inc).

On January 22, 2024 (the “Amendment Effective Date”), the agreement was amended where Bounty had staked additional unpatented mining claims as part of the Caron Project. The Company reimbursed Bounty for the amount of $17,050, within 10 calendar days of the Amendment Effective Date.

On September 23, 2024 (the “Second Amendment Date”), the agreement was amended where Bounty had staked additional claims which are to be added to the Caron Property (the “Second Amendment’). The Company reimbursed Bounty for the amount of $5,000, within 10 calendar days of the Second Amendment Date.

Immediately upon the Company satisfying all of the conditions set out in the agreement, the Company will be deemed to have exercised the Option and to have earned a 100% interest in the Soules Bay Project and Caron Project. The Company has earned 100% interest in the Nemiscau Lake Property upon making the initial $57,000 payment.

The mineral claims are subject to milestone payments and a 2% net smelter return (“NSR”) royalty upon commencement of commercial production. The milestone payment is defined as follows:
Filing of mineral resource estimates prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators, S-K 1300 of the Securities and Exchange Commission of the United States of America or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

(a) SOULES BAY, CARON, AND NEMISCAU LAKE PROJECTS (continued)

Reserves, that discloses any distinct deposit or orebody exceeding ten million (10,000,000) metric tonnes with an average grade equal to 1.0% Li_2O or greater, shall trigger a single, non-recurring cash payment of $1,000,000.

The 2% NSR royalty may be reduced to 1% by paying the Company $1,000,000 per specified project. Prior to the exercise of the option, the Company shall at any time have the right to terminate the agreement by providing 30 days' written notice to Bounty.

On May 29, 2025, the milestone payment of $114,000 was made by KoBold.

On June 8, 2026, following receipt of this final $114,000 milestone payment, the Company announced that all option payment obligations under this agreement had been satisfied, securing 100% ownership of the SBC Project claims, subject to the milestone payments and 2% NSR royalty described above. As at June 30, 2026, this agreement was in good standing.

(b) LAIRD LAKE AND ONEMAN LAKE PROJECT

On August 19, 2024 (the "Acceptance Date"), the Company entered into an option agreement with Bounty to acquire 100% interest in the mineral claims of the Laird Lake Project and the Oneman Lake Project, in Ontario, subject to milestone payments and a 2% NSR royalty upon commencement of commercial production. The Company will pay a separate 1% NSR royalty in respect to the entirety of the legacy claim KRL 4241641, by making cash payments totaling $1,251,000 and issuing 25,000 common shares, over five years as follows:

(i) Within fourteen Business Days of the Acceptance Date issuing 25,000 Consideration Shares (Issued);
(ii) Within fourteen Business Days of the Acceptance Date paying $51,500 (50% paid in cash, 214,583 shares issued at fair value of $0.12 per share);
(iii) On or before August 19, 2025 paying $50,000 (paid);
(iv) On or before August 19, 2026 paying $50,000 (paid);
(v) On or before August 19, 2027 paying $50,000;
(vi) On or before August 19, 2028 paying $50,000; and
(vii) On or before August 19, 2029 paying $1,000,000 in cash, or cash and Consideration Shares, as set out below:
  (a) Entirely in cash by paying $1,000,000;
  (b) Paying 75% of the payment in cash and 25% of the payment in Consideration Shares, for a total payment of $1,250,000;
  (c) Paying 50% of the payment in cash and 50% of the payment in Consideration Shares, for a total payment of $1,500,000; or
  (d) Paying 25% of the payment in cash and 75% of the payment in Consideration Shares, for a total payment of $1,750,000.

The Company has earned 100% interest in the Oneman Lake Property upon the initial issuance of 25,000 shares.

The 2% NSR royalty may be reduced to 1% by paying $1,000,000 per specified project. Prior to the exercise of the option, the Company shall at any time have the right to terminate the agreement by providing 30 days' written notice to Bounty.

On September 30, 2024, the Company entered into an agreement with Athena Gold Corp. ("Athena Gold") to sell, transfer, assign and convey to Athena Gold all of the right, title, interest and option in and to the mineral claims of Laird Lake Project and Oneman Lake Project. Athena Gold paid to the Company an aggregate of 43,865,217 shares of Nova Athena Gold Corp. ("Athena BC"), a wholly owned subsidiary of Athena Gold, which then represented 19.9% of the total issued and outstanding shares of Athena BC (Note 8).

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

(c) KOBOLD EXPLORATION EARN-IN AGREEMENT

On November 13, 2024 (the “Effective Date”), the Company entered into an Earn In Agreement (“EIA”) with KoBold Exploration Canada Inc. (“KoBold”), to jointly explore the Company’s Flanders South, Flanders North and Soules Bay-Caron (“SBC”) lithium projects in Ontario, Canada (collectively, the “Earn-In Properties”). Pursuant to the EIA, KoBold will have the option to earn a 75% interest in the Earn-In Properties by incurring up to $33,000,000 in cumulative exploration expenditures over six years.

During the earn-in period, KoBold shall be responsible for expenses and maintenance of the claims subject to the terms of the EIA. Further, KoBold shall form a technical committee, with two members from each party, to regularly review progress and findings of exploration programs and determine next steps, with KoBold reserving final discretion over the exploration programs.

Payment and Expenditure Schedule

To meet the initial 51%, earn-in thresholds for the Earn-In Properties, KoBold must complete the following:

- Initial Cash Payment to the Company – $445,000 (received) within 14 days of the effective date of the EIA as reimbursement of exploration expenditures for work completed before the EIA was finalized;
- Year 1 Anniversary – completion of cumulative exploration expenditures of $750,000 (completed), which is a firm commitment and may be allocated across any of the Earn-In Properties; and
- Year 3 Anniversary – completion of cumulative exploration expenditures of up to $11,000,000 to earn a 51% interest on a project-by-project basis (“Stage 1”).

Stage	**Anniversary Date**	**Cumulative Earn-In Threshold for each Earn-In Property**			**Cumulative Expenditures**	**KoBold Interest in Property-Specific JV**
		Flanders South	**Flanders North**	**SBC**		
Stage 1	1st Year	$0.75M			$0.75M	0%
	3rd Year	$4M	$3M	$4M	$11M	51%
Stage 2	6th Year	$12M	$9M	$12M	$33M	75%

Upon completion of the Stage 1 earn-in, KoBold has an option to earn an additional 24% interest for a total of 75% interest by completing cumulative exploration expenditures of up to $33,000,000 on a project-by-project basis by Year 6 Anniversary (“Stage 2”).

On August 19, 2025, KoBold formally notified the Company of meeting the initial $750,000 minimum expenditure commitment.

Furthermore, KoBold has retained the Company as an exploration contractor for a period ending on the earlier of two years from the effective date of the EIA, or the date on which the EIA is terminated with respect to the SBC project. On October 16, 2025, the Company’s role as temporary contractor was paused, with resumption to commence in 2027.

KoBold shall also pay to Libra the following milestone payments with respect to each of the Flanders South and Flanders North projects:

Milestone	**Milestone Payment**
Inferred Resource of at least 100,000 tons of lithium oxide	$250,000
Pre-Feasibility Study	$500,000
Feasibility Study	$750,000
First Ore Production	$1,000,000

Formation of Joint Venture Company

Upon KoBold achieving a Stage 1 cumulative earn-in threshold, the parties shall form a joint venture for the applicable project pursuant to which KoBold shall initially own 51% and the Company 49% (the "Kobra JV"). Upon KoBold achieving

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

(c) KOBOLD EXPLORATION EARN-IN AGREEMENT (continued)

the Stage 2 cumulative earn-in threshold, KoBold's ownership interest in the Kobra JV shall increase to 75%. After the earn-in period, each party will be responsible for funding its pro-rata share of project costs or will be diluted. A party that gets diluted below 10% shall have its interest converted to a 1% net smelter return ("NSR") royalty. The Kobra JV shall be governed by a board of directors ("Board"), initially composed of two members appointed by KoBold and two members appointed by Libra. The Board shall appoint a manager of the daily affairs of Kobra JV, with KoBold as the initial manager.

On February 12, 2025, the Company entered into an amending agreement with KoBold to include additional claims recently staked by the Company at the Soules Bay Project and the Caron Project.

During the six months ended June 30, 2026, the Company recognized $602 (June 30, 2025 - $212,604) of the reimbursement of expenses in other income relating to this agreement.

On July 21, 2025, the Company announced the commencement of the 2025 field program across the Earn-In Properties. As announced on October 16, 2025, Libra and KoBold collected a total of 413 samples from several previously known and newly discovered lithium-bearing pegmatites across the three projects. In accordance with the EIA, KoBold temporarily paused Libra's role as exploration contractor, with activities expected to resume in 2027.

(d) STIMSON PROJECT

On August 21, 2025, the Company completed the acquisition of 100% undivided interest in the Stimson Project, located within the Case Lake lithium-cesium district in Ontario, pursuant to an asset purchase agreement (the "Agreement"). Under the terms of the agreement, the Company will acquire 100% undivided interest in the project from Last Resort Resources Ltd. and Bounty Gold Corp. (collectively, the "Vendors") for a total purchase price of $50,000, payable through the issuance of the Company's common shares based on the 5-day volume weighted average price prior to issuance. The Vendors elected to defer the receipt of the payment of the shares for one year from the date of the agreement. On January 13, 2026, the Company issued 305,810 common shares valued at $50,000 to the Vendors. Additional consideration to the Vendors includes:

- Bonus Shares: The Company will issue additional shares to the Vendors based on drilling results within three years from the commencement of initial drilling, as follows:
  - $100,000 payable in shares if drill results yield at least 20 metres grading greater than one percent (1%) Lithium Oxide; (not yet occurred)
  - $250,000 payable in shares if drill results yield at least 5 metres grading greater than three percent (3%) of Cesium Oxide; (not yet occurred) and
  - NSR Royalty: Upon commencement of commercial production, Libra will pay a two percent (2%) NSR royalty to the Vendors, with an option to repurchase half of the royalty for $250,000. (not yet occurred)

On May 13, 2026, the Company announced results from its maiden drill hole at the Stimson Project, which unexpectedly intersected graphite rather than the anticipated lithium-cesium pegmatite mineralization, returning 4.7% graphitic carbon over 14.7 metres, including a higher-grade interval of 10.45% graphitic carbon, together with coincident zinc mineralization of 0.52% Zn over 18 metres. No further drilling is planned at the Stimson Project at this time; the Company is evaluating surface prospecting, re-logging of historical drill core, and a potential partnership for the graphite occurrence, while maintaining its focus on the project's lithium-cesium potential.

(e) BRION CLAIMS

On December 22, 2022, Brion entered into a purchase and sale agreement relating to the sale of the Mineral Right, National Mining Agency ("ANM") process number 864.231/2015, with an area of 777.53 hectares, in the phase of exploration authorization in Brazil. Under the terms of the agreement the first installment amount of USD$15,000, the second installment amount of USD$15,000 and the third installment amount of USD$30,000 have all been paid to the seller. On August 22, 2025, Brion and the seller amended the remaining consideration as follows:

- On or before September 15, 2025 paying USD $5,000 (paid);
- On or before March 30, 2026 paying USD $10,000 (paid subsequently);
- USD$660,000 in cash, payable three months after defining a JORC/NI43-101 mineral resource of at least 10Mt at 1.0% Li2O in the Mineral Right ("Milestone 1"), and
- USD$300,000 payable in cash and USD $660,000 payable in common shares, three months after lithium production in the Mineral Right ("Milestone 2").

The Company has determined that the likelihood of reaching Milestone 1 and Milestone 2 is remote, accordingly, those contingent considerations have not been recognized by the Company.

(f) CLAIMS HELD DIRECTLY

The Company staked 100% interest in several projects in the Northwest regions of Ontario and Quebec. As of June 30, 2026, the Company kept the following projects in good standing: Flanders South, Flanders North, Toivo and the Wegucci project.

On April 2, 2026, the Company reported results from its 2025 field program at the Nemiscau and Wegucci projects in the James Bay region of Quebec, including surface rock sampling values of up to 86 ppm niobium and 16 ppm tantalum at Nemiscau, and identification of a highly fractionated pegmatite target at Wegucci. On April 7, 2026, the Company was awarded a $200,000 non-dilutive grant from the Ontario government under the Ontario Junior Exploration Program to help fund its 2026 field season.

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

Cost	Mining Evaluation Equipment $	Office Equipment $	Vehicle $	Total $
December 31, 2024	70,301	5,985	60,533	136,819
Additions (net of adjustment)	-	300	-	300
December 31, 2025	70,301	6,285	60,533	137,119
Adjustment	-	25	-	25
June 30, 2026	**70,301**	**6,310**	**60,533**	**137,144**
Accumulated Depreciation				
December 31, 2024	39,252	2,366	21,020	62,638
Depreciation	23,434	2,025	12,107	37,566
December 31, 2025	62,686	4,391	33,127	100,204
Depreciation	7,615	874	6,053	14,542
June 30, 2026	**70,301**	**5,265**	**39,180**	**114,746**
Net book value				
December 31, 2025	7,615	1,894	27,406	36,915
June 30, 2026	**-**	**1,045**	**21,353**	**22,398**

6. REVERSE TAKEOVER

On December 31, 2024, PowerStone executed an amalgamation agreement with Libra whereby PowerStone's wholly owned Ontario subsidiary will amalgamate with Libra pursuant to a three-cornered amalgamation that would result in the reverse takeover of PowerStone by Libra.

On July 7, 2025, 1001099231 Ontario Corp., a wholly owned subsidiary of PowerStone, and Libra completed a statutory amalgamation under the provisions of the *Business Corporations Act* (Ontario) pursuant to which the former shareholders of Libra received Shares of the Company on 1:1 basis. In addition, the former option holders of Libra Lithium received options to purchase common shares of the Company on a 1:1 basis. The Company changed its name from "PowerStone Metals Corp." to "Libra Energy Materials Inc." and will operate the current business of Libra going forward. The company resulting from the Amalgamation, named "Libra Lithium Inc." is now a wholly owned subsidiary of the Company.

Prior to the Closing, PowerStone completed a consolidation of its outstanding Shares on the basis of 2.4966 pre-consolidation Shares for every 1 post-consolidation Share.

As a result of the Transaction, the former shareholders of Libra acquired control of PowerStone, thereby constituting a reverse takeover of PowerStone. Although PowerStone is regarded as the legal parent and continuing company, Libra is the acquirer for accounting purposes. Consequently, Libra is deemed to be a continuation of the reporting entity, and control of the assets and operations of PowerStone is deemed to have been acquired by Libra in consideration for the issuance of the Company's shares to the former shareholders of Libra. At the time of the Transaction, PowerStone did not constitute a business as defined under IFRS 3 Business Combinations as its main attribute is its public listing; therefore, the Transaction was accounted for under IFRS 2 Share-based Payment, where the difference between the consideration given to acquire PowerStone is record as listing expense.

(Expressed in Canadian Dollars)

6. REVERSE TAKEOVER (continued)

Total Purchase Price Consideration

Number of PowerStone shares outstanding	11,475,800
Price per share based on Libra financing	$ 0.12
Fair value of shares	$ 1,377,096
Fair value of PowerStone options	44,000
Total Purchase Consideration	**$ 1,421,096**

Allocation of Purchase Consideration	
Cash	$ 457,675
HST receivable	1,466
Prepaid expenses	20,000
Accounts payable and accrued liabilities	(86,732)
Net asset acquired	**392,409**
Listing expense	1,028,687
Total	**$ 1,421,096**

7. ACQUISITION OF BRION MINERALS INC.

On September 30, 2025, the Company completed the acquisition (the “Acquisition”) of Brion, a Cayman Islands domiciled company from the former shareholders of Brion (the “Brion shareholders”). The Acquisition provides the Company with a 100% interest in a diverse portfolio of critical minerals projects in Brazil, including twenty-one hard-rock lithium projects, eight graphite projects, and one cobalt-nickel project.

The Company acquired all of the issued and outstanding shares of Brion, resulting in Brion becoming a wholly owned subsidiary of the Company. In consideration for the Acquisition, the Company issued an aggregate of 4,000,000 common shares to Brion’s shareholders at a fair value of $0.20 per share. Additionally, the Brion shareholders shall be entitled to a milestone payment of US$1,500,000 (the “Milestone Payment”), payable in cash or the Company’s common shares at the Company’s discretion, should the Company announce a preliminary economic assessment by December 31, 2030, demonstrating a project net present value exceeding US$100 million on any mineral project located in Brazil controlled by the Company. Management has assessed the likelihood of this payment and has determined that it is currently unlikely; accordingly, the Milestone Payment has not been recognized.

The Company’s Brazilian claims, held through Brion and marketed as the Penelope Project, are located in the Minas Gerais district and were originally explored for lithium potential. During the six months ended June 30, 2026, based on assay and mapping results, the Company shifted its exploration focus at Penelope toward rare earth elements ("REEs"), niobium, tantalum and gallium, consistent with NYF-type pegmatite characteristics rather than the LCT-type lithium-bearing systems originally targeted. In March 2026, the Company commenced a maiden auger drilling program at the Elena and Gaia targets, and on June 11, 2026, announced results including intercepts of up to 2,033 ppm total rare earth oxides ("TREO") and up to 45 g/t gallium, all within 20 metres of surface. The Company is evaluating opportunities to monetize or option the Penelope Project to a partner focused on rare earth elements, while maintaining its principal focus on lithium exploration.

The common shares issued to Brion shareholders are subject to a statutory hold period and may not be traded until January 31, 2026. In addition, the table below identifies the contractual restrictions on transfers.

Date of release	**Number of Shares**
January 30, 2026	1,075,000
September 30, 2026	537,500
March 30, 2027	537,500
Subject to lock-up until certain criteria are met	1,850,000
Total	4,000,000

Brion previously entered into a purchase and sale agreement relating to the Brion Claims (Note 4 (f)). As a result of the Acquisition, the Company acquired the Brion Claims pursuant to the terms of the amended purchase and sale agreement.

(Expressed in Canadian Dollars)

7. ACQUISITION OF BRION MINERALS INC. (continued)

The Company acquired Brion for the sole purpose of acquiring Brion Claims as described in Note 4. Based on the number of shares acquired and the Company's decision-making power, the Company was determined to be the acquirer. The acquisition was determined to be an asset acquisition because Brion did not meet the definition of a business. The Company allocated the fair value of consideration paid to the acquired assets and liabilities based on their relative fair values as at the Closing Date.

The total consideration has been allocated to the assets and liabilities acquired based on their estimated fair value on the Closing Date as follows:

	Total
	$
Consideration:	
Fair value of 4,000,000 shares issued	800,000
Total consideration	**800,000**
Allocated as follows:	
Cash	32,988
Prepaid expenses	11,083
Equipment	314
Accounts payable	(43,106)
Loans payable	(55,684)
Net liabilities assumed	(54,405)
Exploration and evaluation expenditures	**854,405**

8. INVESTMENTS

Investment in Althea Copper Corp.

On September 26, 2023, the Company purchased 1,000,000 units (each Unit consisting of one common share and one common share purchase warrant) of Blue Ridge Lithium Corp, ("Blue Ridge") a private entity. On March 26, 2025, Blue Ridge entered into an Amalgamation agreement (the "Agreement") with Althea Copper Corp. ("Althea"), a private entity. The units of Blue Ridge were exchanged into shares of Althea at an exchange ratio of 0.02509.

	Number of Units/Shares		Amount
December 31, 2023	1,000,000	$	25,000
Disposals	(750,000)		(18,750)
December 31, 2024	**250,000**		**6,250**
Share exchange ratio	0.02509		-
December 31, 2025 and June 30, 2026	**6,273**	**$**	**6,250**

During the six months ended June 30, 2026, the Company sold nil units (December 31, 2025 – nil) for proceeds of $nil (December 31, 2025 - $nil), resulting in no gain or loss. The fair value at June 30, 2026, and 2025 was measured at FVTPL based on Level 3 of the fair value hierarchy.

(Expressed in Canadian Dollars)

8. INVESTMENTS (continued)

Investment in Athena Gold Corp./Nova Athena Gold Corp.

On September 30, 2024, Libra acquired 43,865,217 shares of Nova Athena Gold Corp. ("Athena BC") by selling the mineral claims of Laird Lake Project and Oneman Lake Project (Note 4). At the time, Libra had a 19.9% interest in Athena BC which was incorporated for the purpose of completing a re-domestication from the State of Delaware to British Columbia pursuant to an amalgamation of Athena Gold Corporation ("Athena Gold") with and into Athena BC, with Athena BC being the surviving entity. Athena BC was not listed on any public stock exchange. These shares were valued at $Nil on December 31, 2024.

On April 25, 2025, Athena Gold completed the amalgamation with Athena BC. Athena BC's shares were exchanged for Athena Gold's shares on a 1:1 basis. Athena Gold is listed on the CSE. As of the effective date of the amalgamation, Libra beneficially owned and controlled 43,865,217 shares of Athena Gold, representing approximately 17% of Athena Gold's issued and outstanding shares. Athena Gold's shares consolidated on a 9.9 to 1 basis subsequently. The Company holds 4,430,830 post consolidation shares of Athena Gold at June 30, 2026, representing 14% of Athena Gold's issued and outstanding shares. For the six months ended June 30, 2026, the Company recorded $1,772,332 as a change in the fair value of the shares held.

	Number of Shares		Amount
September 30, 2024, Athena BC shares	43,865,217	$	-
December 31, 2024	43,865,217		**-**
Exchanged for Athena Gold shares (post consolidation)	4,430,830		
Change in fair value	-		3,057,273
December 31, 2025, Athena Gold shares	**4,430,830**	**$**	**3,057,273**
Change in fair value	**-**		**(1,772,332)**
June 30, 2026, Athena Gold shares	**4,430,830**	**$**	**1,284,941**

9. LOAN PAYABLE

During the year ended December 31, 2023, the Company received a $67,936 vehicle financing loan. During the six months ended June 30, 2026, the Company repaid $6,562 (December 31, 2025 - $13,126) of this loan. The loan is financed through Royal Bank of Canada for a fixed term of 6 years, a fixed interest rate of 4.99% per annum and is secured by the vehicle. The proceeds of the loan were used to acquire a corporate vehicle to be used for field work.

Balance, December 31, 2024	**$**	**52,044**
Interest		2,425
Repayments		(13,126)
Balance, December 31, 2025		**41,343**
Interest		1,005
Repayments		(6,562)
Balance, June 30, 2026	**$**	**35,786**

Loan payable is allocated as:	**June 30, 2026**	December 31, 2025
	$	$
Current	**11,555**	11,262
Non-current	**24,231**	30,081
Balance	**35,786**	41,343

Undiscounted remaining cash flows	**June 30, 2026**	December 31, 2025
	$	$
Less than one year	**13,125**	13,125
Between one and 5 years	**25,156**	31,718
Total undiscounted loan payable	**38,281**	44,843
Amount representing implicit interest	**(2,495)**	(3,500)
Loan payable	**35,786**	41,343

(Expressed in Canadian Dollars)

10. SHARE CAPITAL

Authorized: Unlimited voting common shares without par value. Unlimited preferred shares without par value, with rights and privileges to be set by the Board of Directors, upon issue.

Issued:

During the six months ended June 30, 2026, the Company completed the following share capital issuances:

- On January 13, 2026, pursuant to the asset purchase agreement entered into on August 21, 2025, between the Company, Last Resort Resources Ltd. and Bounty Gold Corp. as vendors, the Company issued 305,810 commons shares, valued at $50,000 to the vendors of the Stimson lithium-cesium project in Ontario.
- On May 21, 2026, the Company entered into a debt settlement agreement with a supplier to settle a $21,000 payable through the issuance of 123,529 common shares. As the liability was not discharged until the shares were issued on June 9, 2026, the settlement shares were measured at their fair value on June 9, 2026, resulting in a gain of settlement of $3,088.

During the six months ended June 30, 2025, the Company completed the following share capital issuances:

- On March 11, 2025, the Company issued 66,623 common shares for debt settlement at a fair value of $0.12 per share.
- On May 7, 2025, the Company issued 21,056 commons shares for debt settlement at a fair value of $0.12 per share.

Flow-Through Premium

Balance as at December 31, 2024	$	3,354
Flow through premium liability recognized		**248,000**
Recognized in profit or loss upon incurring qualifying expenditures		(3,016)
Balance as at December 31, 2025		**248,338**
Flow through premium liability recognized		**-**
Recognized in profit or loss upon incurring qualifying expenditures		(89,886)
Balance as at June 30, 2026	**$**	**158,452**

Stock Options

The Company has an equity incentive plan whereby the Company may grant equity-based incentive awards in the form of Options and RSUs to directors, officers, employees and consultants to purchase or receive common shares. The terms and conditions of each equity-based incentive award granted under the Incentive Plan are determined by the Board. The number of common shares reserved for issuance upon the exercise of Options cannot exceed 10% of the Company’s issued and outstanding common shares at any time. The number of common shares reserved for issuance upon the vesting and settlement of RSUs cannot exceed 10% of the Company’s issued and outstanding common shares at any time. The exercise price of each Option shall not be less than the market price of the Company’s stock on the day of grant and the maximum term is ten years.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

Stock Options (continued).

A summary of the status of the stock options as of June 30, 2026 and December 31, 2025 is presented below:

	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, December 31, 2024	**3,555,000**	**0.15**
Forfeited	(1,000,000)	(0.15)
Assumed on RTO	680,924	0.19
Granted	1,966,593	0.18
Cancelled	(290,394)	(0.25)
Expired	(200,000)	(0.15)
Balance, December 31, 2025	**4,712,123**	**0.16**
Granted	450,000	0.17
Balance, June 30, 2026	**5,162,123**	**0.16**
Weighted-average remaining life, in year		3.42

As at June 30, 2026, the Company has 5,162,123 (December 31, 2025 – 4,712,123) share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of Options Outstanding	Exercise Price	Expiry Date	Number of Options Exercisable
200,000	$0.15	December 10, 2026	200,000
310,422	$0.12	December 1, 2027	310,422
80,108	$0.25	December 15, 2027	80,108
2,100,000	$0.15	November 14, 2028	1,400,000
300,000	$0.15	November 4, 2029	200,000
155,000	$0.15	February 8, 2029	103,334
250,000	$0.15	January 23, 2030	166,667
250,000	$0.30	July 10, 2030	250,000
1,266,593	$0.17	December 29, 2030	633,296
250,000	$0.18	January 30, 2031	-
5,162,123			3,343,827

On January 30, 2026, the Company granted 250,000 common share purchase options exercisable at $0.18 per share, expiring on January 30, 2031. These options vest 50% on the date that is six months from the date of grant and the remaining 50% will vest twelve months from the date of the grant. The fair value of the options on the grant date was estimated to be $39,827 based on the Black-Scholes Option Pricing Model.

On June 10, 2026, the Company granted 200,000 common share purchase options exercisable at $0.15 per share and 100% vested, expiring on December 10, 2026. The fair value of the options on the grant date was estimated to be $8,752 based on the Black-Scholes Option Pricing Model.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

Stock Options (continued).

On January 23, 2025, the Company granted 250,000 common share purchase options exercisable at $0.15 per share, expiring on January 23, 2030. These options vest as follows: 1/3 vested immediately, with 1/3 vesting each year on the anniversary date of the date of grant. The fair value of the options on the grant date was estimated to be $9,592 based on the Black-Scholes Option Pricing Model.

Grant date:	**January 30, 2026**	**June 10, 2026**	**January 23, 2025**
Risk free rate of interest	2.93%	2.35%	2.95%
Expected life of options	5.0 years	0.5 years	5.0 years
Exercise price of options	$0.18	$0.15	$0.15
Expected annualized volatility*	138%	121%	105%
Expected dividend rate	Nil	Nil	Nil

**The Company estimated its expected share price volatility based on a weighted average volatility of similar companies whose shares are publicly traded.*

During the six months ended June 30, 2026, the Company incurred $187,897 of share-based payments (June 30, 2025 - $54,475).

RSUs

On July 10, 2025, the Company issued 1,000,000 RSUs with a fair value of $5,914. Share-based payments relating to RSU's vesting during the period were determined using fair value of the common shares of the Company on the date of grant. The RSUs vest over a five-year period from the date of grant. During the six months ended June 30, 2026, the Company incurred $11,895 of share-based payments (June 30, 2025 - $nil).

Warrants

At June 30, 2026, there are no warrants outstanding.

Escrowed Shares

In connection with the Company's July 2025 RTO, the Company's directors and officers deposited 18,902,700 common shares into escrow. At June 30, 2026, 14,177,027 shares were in escrow (2025 – 17,339,871), subject to release over a period of time until July 10, 2028.

Pooled Shares – Former Shareholders

In connection with the RTO, former shareholders voluntarily agreed to pool common shares received as consideration. At June 30, 2026, an estimated 20,316,141 shares remained subject to pooling (2025 – est. 34,493,166), subject to release over a period of time until January 10, 2027.

Pooled Shares – Founders and Principals

Certain founding shareholders and principals of the Company voluntarily agreed to pool common shares and options held by them. At June 30, 2026 and 2025, 26,040,799 shares and 1,225,272 options remained subject to pooling, to be released only upon a change of control of the Company or the unanimous written consent of the founding shareholders.

Locked-Up Shares – Frontera

In connection with the Company's acquisition of Brion Minerals Inc., 1,850,000 common shares issued to Frontera Minerals Inc. are locked up. At June 30, 2026 and 2025, all 1,850,000 shares remained locked up, to be released only upon a change of control of the Company, unanimous consent of the founding shareholders, or the departure of a named director from the Company's board other than for cause.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

The Company incurred the following charges with directors and officers of the Company and companies controlled by the directors:

	Six months ended June 30,	
	2026	2025
Key management compensation:	$	$
Consulting and professional fees	95,240	50,000
Share-based payments	36,356	16,554
	131,596	66,554

(i) During the six months ended June 30, 2026, the Company incurred $47,500 (June 30, 2025 - $47,500) in consulting fees with a company controlled by the Chief Executive Officer ("CEO") of the Company.

(ii) During the six months ended June 30, 2026, the Company incurred $21,000 (June 30, 2025 - $2,500) in consulting fees with companies controlled by the former Chief Financial Officer ("CFO") and a Director of the Company.

(iii) During the six months ended June 30, 2026, the Company incurred $28,871 (June 30, 2025 - $nil) in professional fees with a company controlled by a director of the Company.

(iv) On July 6, 2026, the Company announced Carlo Rigillo resigned as Chief Financial Officer of the Company and Ty Minnick was appointed Chief Financial Officer. During the six months ended June 30, 2026, Mr. Minnick was paid $889 for consulting services.

Included in June 30, 2026 accounts payable and accrued liabilities is $32,095 (December 31, 2025 - $7,917) owing to a company controlled by the CEO, $nil (December 31, 2025 - $nil) owing to a company controlled by the former CFO and a Director, and $361 (December 31, 2025 - $nil) owing to a Director of the Company. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. Management defines capital to include shareholders' equity and loan payable.

There were no changes in the Company's approach to capital management and there were no external restrictions during the six months ended June 30, 2026.

13. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments. The fair value of loan payable approximates its carrying value as it carries a fixed rate similar to what the market would charge on a similar termed loan.

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS (continued)

The fair value of the Company's investment in Althea was measured based on Level 3 of the fair value hierarchy and the investment in Athena Gold was measured based on Level 1 of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. The Company reduces its credit risk on cash and cash equivalents by placing it with institutions of high credit worthiness. As at June 30, 2026, the Company is not exposed to any significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At June 30, 2026, the Company had cash and cash equivalents of $754,181 (December 31, 2025 - $1,572,496) and current liabilities of $542,914 (December 31, 2025 - $609,691). The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at June 30, 2026:

	Within one year	**Between one and 5 years**	**More than 5 years**
	$	**$**	**$**
Accounts payable and accrued liabilities	372,907	-	-
Loan payable	11,555	24,231	-
	384,462	**24,231**	**-**

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. When excess cash exists, the Company's current policy is to invest the excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the financial institutions with which they are held. The Company is not subject to interest rate price risk as its loan payable has a fixed interest rate.

d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of industrial minerals, precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS (continued)

e) Foreign currency risk

Foreign currency exchange rate risk is the risk that fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and Brazil and the Company currently has material balances and transactions denominated in foreign currencies. The Company currently does not plan to enter foreign currency future contracts to mitigate this risk.

13. COMMITMENTS

During 2025, the Company issued flow-through common shares for total proceeds of $775,000. As at June 30, 2026, the Company has spent $279,839 of eligible expenses, with the remaining $495,161 to be incurred in 2026.

Pursuant to the consulting agreement with a company controlled by the CEO, in the event there is a Change of Control, as defined in the agreement, the CEO may, within thirty (30) days thereafter, give notice to terminate their agreement, and as a result the CEO shall be entitled to a payment of a minimum of $200,000.

On November 4, 2024, the Company conditionally allotted 150,000 common shares ("Bonus Shares") to a consultant of the Company, of which 50,000 were issued immediately. 100,000 of the Bonus Shares will be issued if certain conditions are met.

As at June 30, 2026, the Company has an obligation to issue 112,500 common shares for total fair value of $17,500 to companies controlled by the former CFO and a Director of the Company, pursuant to consulting services incurred during the year ended December 31, 2024.

14. SUPPLEMENTAL CASH FLOW INFORMATION

For the six months ended	**June 30, 2026** **$**	**June 30, 2025** **$**
Cash received for interest	12,228	10,516
Cash paid for interest	987	1,281
Non-cash investing and financing activities:		
Fair value of shares issued pursuant to settlement of debt	17,912	10,522
Shares issued under Stimson agreement, reallocated from obligation to issue shares	50,000	-

15. SEGMENTED INFORMATION

The Company's operations are mainly conducted in Canada and Brazil. The net loss from different regions are shown as follows:

Net loss and comprehensive loss	**June 30, 2026** **$**	June 30, 2025 $
Canada	(2,458,614)	(127,592)
Cayman and Brazil	(311,017)	-
Total	**(2,769,631)**	(127,592)

16. SUBSEQUENT EVENTS

On July 6, 2026, the Company announced Carlo Rigillo resigned as Chief Financial Officer and Ty Minnick was appointed Chief Financial Officer.

On August 6, 2026, the Company announced the appointment of Farid Mammadov as Vice President, Investor Relations.

On August 11, 2026, the Company entered into option agreements to acquire a 100% interest in the Cisco West (19,788 hectares) and Obamska (9,779 hectares) lithium properties located in the Eeyou Istchee James Bay region of Quebec. Consideration payable over three years includes cash payments totaling $300,000 and the issuance of up to 8,823,529 common shares, with the optionors retaining a 2% net smelter return royalty on each property (reducible to 1% for $2,000,000 per property) and eligible for a milestone payment of up to $2,000,000 per property upon the filing of a mineral resource estimate of at least 50 million tonnes averaging 1.0% Li_2O or greater. The transaction remains subject to Canadian Securities Exchange approval.

On August 12, 2026, pursuant to the Cisco West and Obamska option agreement described above, the Company issued the initial tranche of 1,764,706 common shares to the optionors, Last Resort Resources Ltd. and Bounty Gold Corp. (882,353 shares each), at a deemed price of $0.13 per share, for total consideration of $229,412. Of the shares issued, 176,471 (20%) are subject to a statutory hold period expiring December 13, 2026; 264,706 (30%) remain restricted from trading until the option is exercised or terminated; and 441,176 (50%) remain restricted from trading until a change of control of the Company or the unanimous written consent of the founding shareholders party to the December 31, 2024 voluntary pooling agreement.

SCHEDULE “B”
MANAGEMENT DISCUSSION & ANALYSIS

PERIOD ENDED JUNE 30, 2026

LIBRA ENERGY MATERIALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited- in Canadian Dollars)

This Management Discussion and Analysis ("MD&A") of Libra Energy Materials Inc. (the "Company") for the three and six-month periods ended June 30, 2026, has been prepared by management using information available as of August 29, 2026. Management has prepared this MD&A in compliance with the requirements of National Instrument 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators. This MD&A should be read in conjunction with the Company's unaudited consolidated interim financial statements for the three and six-month periods ended June 30, 2026 and 2025, and the related notes thereto. These are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All financial results presented in this MD&A are expressed in Canadian dollars, unless otherwise indicated.

This MD&A was approved by the Directors on August 24, 2026.

Cautionary Note Regarding Forward-looking Information

Certain statements contained in this document constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", and "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Company's performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events, or developments.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the Risk and Uncertainties does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company is a junior mining company. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests.

The Company has yet to receive any revenue from its natural resource exploration operations. Accordingly, the Company has no operating income or cash flows. Its continued existence has relied almost exclusively upon equity financing activities, which is not expected to significantly change in the immediate future.

Libra Energy Materials Inc. (the "Company") was incorporated on December 13, 2021, under the Business Corporations Act (British Columbia). On July 9, 2025, the Company completed its business combination transaction with Libra Lithium Corp ("Libra"). The transaction was affected pursuant to an amalgamation agreement dated December 31, 2024, as amended February 19, 2025 (the "Transaction"). The Company's shares commenced trading on July 10, 2025, on the Canadian Securities Exchange (the "CSE") under the symbol "LIBR".

The Company changed its name from "PowerStone Metals Corp." to "Libra Energy Materials Inc." and will operate the current business of Libra going forward. The amalgamation was governed by the terms of the business combination transaction between the Company, Subco and Libra. The company resulting from the Amalgamation, named "Libra Lithium Inc." is now a wholly owned subsidiary of the Company.

The Company's registered office, records office is Suite 2505, 1177 West Hastings St., Vancouver, BC V6E 2L3 and head office is located Suite 301, 15 Toronto St, Toronto, ON, M5C 2E3.

As at June 30, 2026, the Company's principal mineral interests were located in Ontario and Quebec, Canada and Brazil, and it has not yet been determined whether these properties contain reserves that are economically recoverable.

On June 17, 2026, the Company announced the appointment of Dr. Jérémie Pfister as Vice President of Exploration.

SIGNIFICANT ACQUISITION AND DISPOSITIONS

Acquisitions

Brion Minerals Inc.

On September 30, 2025, the Company completed the acquisition (the "Acquisition") of Brion, a Cayman Islands domiciled company from the former shareholders of Brion (the "Brion shareholders"). The Acquisition provides the Company with a 100% interest in a diverse portfolio of critical minerals projects in Brazil.

The Company acquired all of the issued and outstanding shares of Brion, resulting in Brion becoming a wholly owned subsidiary of the Company. In consideration for the Acquisition, the Company issued an aggregate of 4,000,000 common shares to Brion's shareholders at a fair value of $0.20 per share. Additionally, the Brion shareholders shall be entitled to a milestone payment of US$1,500,000 (the "Milestone Payment"), payable in cash or the Company's common shares at the Company's discretion, should the Company announce a preliminary economic assessment by December 31, 2030, demonstrating a project net present value exceeding US$100 million on any mineral project located in Brazil controlled by the Company.

The Company's Brazilian claims, held through Brion and marketed as the Penelope Project, are located in the Minas Gerais district and were originally explored for lithium potential. During the six months ended June 30, 2026, based on assay and mapping results, the Company shifted its exploration focus at Penelope toward rare earth elements ("REEs"), niobium, tantalum and gallium, consistent with NYF-type pegmatite characteristics rather than the LCT-type lithium-bearing systems originally targeted. In March 2026, the Company commenced a maiden auger drilling program at the Elena and Gaia targets, and on June 11, 2026, announced results including intercepts of up to 2,033 ppm total rare earth oxides ("TREO") and up to 45 g/t gallium, all within 20 metres of surface. The Company is evaluating opportunities to monetize or option the Penelope Project to a partner focused on rare earth elements, while maintaining its principal focus on lithium exploration.

SBC Project in Ontario and the Nemiscau Lake Project in Quebec

On June 2, 2023 (the "Acceptance Date"), the Company entered into an option agreement with Bounty Gold Corp. ("Bounty") to acquire 100% interest in the mineral claims of the Soules Bay Project and the Caron Project in Ontario, and the Nemiscau Lake Project in Quebec for cash payments to Bounty totaling $380,000 over three years as follows:

1) within five Business Days of the Acceptance Date paying $57,000 (paid);
2) on or before June 2, 2024 paying $95,000 (paid);
3) on or before June 2, 2025 paying $114,000 (paid by KoBold Exploration Canada Inc.); and
4) on or before June 2, 2026 paying $114,000 (paid by KoBold Exploration Canada Inc. on the Company's behalf).

On January 22, 2024 (the "Amendment Effective Date"), the agreement was amended where Bounty had staked additional unpatented mining claims as part of the Caron Project. The Company reimbursed Bounty for the amount of $17,050 within 10 calendar days of the Amendment Effective Date.

On September 23, 2024 (the "Second Amendment Date"), the agreement was amended where Bounty had staked additional claims which are to be added to the Caron Property. The Company reimbursed Bounty for $5,000 within 10 calendar days of the Second Amendment Date.

Immediately upon the Optionee satisfying all of the conditions set out in the agreement, the Company will be deemed to have exercised the Option and to have earned a 100% interest in the Soules Bay Project and Caron Project. The Company has earned 100% interest in the Nemiscau Lake Property upon making the initial $57,000 payment.

The mineral claims are subject to milestone payments and a 2% net smelter return ("NSR") royalty upon commencement of commercial production. The milestone payment is defined as follows:

Filing of mineral resource estimates prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators, S-K 1300 of the Securities and Exchange Commission of the United States of America or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, that discloses any distinct deposit or orebody exceeding ten million (10,000,000) metric tonnes with an average grade equal to 1.0% Li2O or greater, shall trigger a single, non-recurring cash payment of $1,000,000.

The 2% NSR royalty may be reduced to 1% by paying $1,000,000 per specified project. Prior to the exercise of the option, the Company shall at any time have the right to terminate the agreement by providing 30 days' written notice to Bounty.

On May 29, 2025, the milestone payment of $114,000 was made by KoBold.

On June 8, 2026, following receipt of this final $114,000 milestone payment, the Company announced that all option payment obligations under this agreement had been satisfied, securing 100% ownership of the SBC Project claims, subject to the milestone payments and 2% NSR royalty described above. As at June 30, 2026, this agreement was in good standing.

Laird Lake and Oneman Lake Project, Ontario

On August 19, 2024 (the "Acceptance Date"), Libra Lithium entered into an option agreement with Bounty to acquire 100% interest in the mineral claims of the Laird Lake Project and the Oneman Lake Project, in Ontario, subject to milestone payments and a 2% NSR royalty upon commencement of commercial production. The Company will pay a separate 1% NSR royalty in respect to the entirety of the legacy claim KRL 4241641, by making cash payments totaling $1,251,000 and issuing 25,000 common shares over five years as follows:

(i) Within fourteen Business Days of the Acceptance Date issuing 25,000 Consideration Shares (Issued);
(ii) Within fourteen Business Days of the Acceptance Date paying $51,500 (50% paid in cash, 214,583 shares issued at fair value of $0.12 per share);
(iii) On or before August 19, 2025 paying $50,000 (paid);
(iv) On or before August 19, 2026 paying $50,000 (paid);
(v) On or before August 19, 2027 paying $50,000;
(vi) On or before August 19, 2028 paying $50,000;
(vii) On or before August 19, 2029 paying $1,000,000 in cash, or cash and Consideration Shares, as set out below:
  (a) Entirely in cash by paying $1,000,000;
  (b) Paying 75% of the payment in cash and 25% of the payment in Consideration Shares, for a total payment of $1,250,000;
  (c) Paying 50% of the payment in cash and 50% of the payment in Consideration Shares, for a total payment of $1,500,000; or
  (d) Paying 25% of the payment in cash and 75% of the payment in Consideration Shares, for a total payment of $1,750,000.

The Company has earned 100% interest in the Oneman Lake Property upon the initial issuance of 25,000 shares.

The 2% NSR royalty may be reduced to 1% by paying $1,000,000 per specified project. Prior to the exercise of the option, the Company shall at any time have the right to terminate the agreement by providing 30 days' written notice to Bounty.

On September 30, 2024, Libra Lithium entered into an agreement with Athena Gold Corporation ("Athena Gold") to sell, transfer, assign and convey to Athena Gold all the right, title, interest and option in and to the mineral claims of Laird Lake Project and Oneman Lake Project. Athena Gold paid to the Company an aggregate of 19.9% of the total issued and outstanding shares of Athena at that time. The issued shares remain in the name of Libra Lithium.

KoBold Exploration Earn-In Agreement

On November 13, 2024 (the "Effective Date"), the Company entered into an earn-in agreement ("EIA") with KoBold Exploration Canada Inc. ("KoBold"), to jointly explore the Company's Flanders South, Flanders North and Soules Bay-Caron ("SBC") lithium projects in Ontario, Canada (collectively, the "Earn-In Properties"). Pursuant to the EIA, KoBold will have the option to earn a 75% interest in the Earn-In Properties by incurring up to $33,000,000 in cumulative exploration expenditures over six years.

During the earn-in period, KoBold shall be responsible for expenses and maintenance of the claims subject to the terms of the EIA. Further, KoBold and Libra shall form a technical committee, with two members from each party, to regularly review progress and findings of exploration programs and determine next steps, with KoBold reserving final discretion over the exploration programs.

Payment and Expenditure Schedule

To meet the 75%, earn-in thresholds for the Earn-In Properties, KoBold must complete the following:

- Initial Cash Payment to the Company (received) – $445,000 within 14 days of the effective date of the EIA as reimbursement of exploration expenditures for work completed before the EIA was finalized;
- Year 1 Anniversary – completion of cumulative exploration expenditures of $750,000 (completed), which is a firm commitment and may be allocated across any of the Earn-In Properties;
- Year 3 Anniversary – completion of cumulative exploration expenditures of up to $11,000,000 to earn a 51% interest on a project-by-project basis ("Stage 1"); and
- Year 6 Anniversary – completion of cumulative exploration expenditures of up to $33,000,000 to earn a 75% interest on a project-by-project basis ("Stage 2").

The Stage 1 and Stage 2 earn-in thresholds vary by project, as shown in the table below:

Stage	**Anniversary Date**	**Cumulative Earn-In Threshold for each Earn-In Property**			**Cumulative Expenditures**	**KoBold Interest in Property-Specific JV**
		Flanders South	**Flanders North**	**SBC**		
Stage 1	1st Year	$0.75M			$0.75M	0%
	3rd Year	$4M	$3M	$4M	$11M	51%
Stage 2	6th Year	$12M	$9M	$12M	$33M	75%

Upon completion of the Stage 1 earn-in, KoBold has an option to earn an additional 24% interest for a total of 75% interest by completing cumulative exploration expenditures of up to $33,000,000 on a project-by-project basis by Year 6 Anniversary ("Stage 2").

On August 19, 2025, KoBold formally notified the Company of meeting the initial $750,000 minimum expenditure commitment.

Furthermore, KoBold has retained Libra as an exploration contractor for a period ending on the earlier of two years from the effective date of the EIA, or the date on which the EIA is terminated with respect to the SBC project. On October 16, 2025, the Company's role as temporary contractor was paused.

KoBold shall also pay to Libra the following milestone payments with respect to each of the Flanders South and Flanders North projects:

Milestone	**Milestone Payment ($)**
Inferred Resource of at least 100,000 tons of lithium oxide	250,000
Pre-Feasibility Study	500,000
Feasibility Study	750,000
First Ore Production	1,000,000

Formation of Joint Venture Company

Upon KoBold achieving a Stage 1 cumulative earn-in threshold, the parties shall form a joint venture for the applicable project pursuant to which KoBold shall initially own 51% and Libra 49% (the "Kobra JV"). Upon KoBold achieving the Stage 2 cumulative earn-in threshold, KoBold's ownership interest in the Kobra JV shall increase to 75%. After the earn-in period, each party will be responsible for funding its pro-rata share of project costs or will be diluted; a party that gets diluted below 10% shall have its interest converted to a 1% net smelter return ("NSR") royalty. The Kobra JV shall be governed by a board of directors ("Board"), initially composed of two members appointed by KoBold and two members appointed by Libra. The Board shall appoint a manager of the daily affairs of Kobra JV, with KoBold as the initial manager.

On February 12, 2025, the Company entered into an amending agreement with KoBold to include additional claims recently staked by the Company at the SBC Project.

During the six months ended June 30, 2026, the Company recognized $602 (June 30, 2025 - $212,604) of the reimbursement of expenses in other income relating to this agreement.

On July 21, 2025, the Company announced the commencement of the 2025 field program across the Earn-In Properties. As announced on October 16, 2025, Libra and KoBold collected a total of 413 samples from several previously known and newly discovered lithium-bearing pegmatites across the three projects. In accordance with the EIA, KoBold temporarily paused Libra's role as exploration contractor, with activities expected to resume in 2027.

Stimson Project

On August 21, 2025, the Company completed the acquisition of 100% undivided interest in the Stimson Project, located within the Case Lake lithium-cesium district in Ontario, pursuant to an asset purchase agreement (the "Agreement"). Under the terms of the agreement, Libra will acquire 100% undivided interest in the project from Last Resort Resources Ltd. and Bounty Gold Corp. (collectively, the "Vendors") for a total purchase price of $50,000, payable through the issuance of Libra common shares based on the 5-day volume weighted average price prior to issuance. The Vendors have elected to defer the receipt of the payment of the shares for one year from the date of the agreement. On January 13, 2026, the Company issued 305,810 common shares valued at $50,000 to the Vendors. Additional consideration to the vendors includes:

- Bonus Shares: The Company will issue additional shares to the vendors based on drilling results within three years from the commencement of initial drilling, as follows:
    - $100,000 payable in shares if drill results yield at least 20 metres grading greater than one percent (1%) Lithium Oxide; (not yet occurred)
    - $250,000 payable in shares if drill results yield at least 5 metres grading greater than three percent (3%) of Cesium Oxide; (not yet occurred) and
    - NSR Royalty: Upon commencement of commercial production, Libra will pay a two percent (2%) NSR royalty to the Vendors, with an option to repurchase half of the royalty (for $250,000 (not yet occurred).

On May 13, 2026, the Company announced results from its maiden drill hole at the Stimson Project, which unexpectedly intersected graphite rather than the anticipated lithium-cesium pegmatite mineralization, returning 4.7% graphitic carbon over 14.7 metres, including a higher-grade interval of 10.45% graphitic carbon, together with coincident zinc mineralization of 0.52% Zn over 18 metres. No further drilling is planned at the Stimson Project at this time; the Company is evaluating surface prospecting, re-logging of historical drill core, and a potential partnership for the graphite occurrence, while maintaining its focus on the project's lithium-cesium potential.

Brion Mineral Claims

On December 22, 2022, Brion entered into a purchase and sale agreement relating to the sale of the Mineral Right, National Mining Agency ("ANM") process number 864.231/2015, with an area of 777.53 hectares, in phase of exploration authorization in Brazil. Under the terms of the agreement the first installment amount of USD$15,000 and the second installment amount of USD$15,000 and the third installment amount of USD$30,000 have all been paid to the seller. On August 22, 2025, Brion and the seller amended the remaining consideration as followed:

- On or before September 15, 2025 paying USD $5,000 (paid);
- On or before March 30, 2026 paying USD $10,000 (paid subsequently);
- USD$660,000 payable in cash, payable three months after defining a JORC/NI43-101 mineral resource of at least 10Mt at 1.0% Li2O in the Mineral Right ("Milestone 1"), and
- USD$300,000 in cash and USD $660,000 payable in common shares, three months after lithium production in the Mineral Right ("Milestone 2").

The Company has determined that the likelihood of reaching Milestone 1 and Milestone 2 is remote, accordingly, those contingent considerations have not been recognized by the Company.

Claims Held Directly

The Company staked 100% interest in several projects in the Northwest regions of Ontario and Quebec. As of June 30, 2026, the Company kept the following projects in good standing: Flanders South, Flanders North, Toivo and the Wegucci project.

On April 2, 2026, the Company reported results from its 2025 field program at the Nemiscau and Wegucci projects in the James Bay region of Quebec, including surface rock sampling values of up to 86 ppm niobium and 16 ppm tantalum at Nemiscau, and identification of a highly fractionated pegmatite target at Wegucci. On April 7, 2026, the Company was awarded a $200,000 non-dilutive grant from the Ontario government under the Ontario Junior Exploration Program to help fund its 2026 field season.

RISK FACTORS

Operating Hazards and Risks: Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Company has or will obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Title to Assets**:** Although the Company has or will receive title options for any concessions in which it has or will acquire a material interest, there is no guarantee that title to such concessions will not be challenged or impugned. In some countries, the system for recording title to the rights to explore, develop and mine natural resources is such that a title opinion provides only minimal comfort that the holder has title. Also, in many countries, claims have been made, and new claims are being made by Aboriginal peoples that call into question the rights granted by the governments of those countries.

Management**:** The Company is dependent on a relatively small number of key consultants, the loss of any of whom could have an adverse effect on the Company.

Requirement of New Capital**:** As an exploration company without revenues, the Company typically needs more capital than it has available to it or can expect to generate through the sale of its products. In the past, the Company has had to raise, primarily by way of equity financing, considerable funds to meet its capital needs. There is no guarantee that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Company's growth.

Value of Company: The Company's mineral property assets are of indeterminate value.

Diversification of Commodity Focus: While the Company's principal focus remains lithium exploration and development, drill results at the Stimson and Penelope Projects during the period identified graphite and rare earth element/gallium mineralization, respectively. Evaluating and potentially pursuing partnership, option or disposition alternatives for these discoveries could divert management attention and Company resources, and there is no assurance that such discoveries will be advanced or monetized on terms favourable to the Company, or at all.

SELECTED ANNUAL FINANCIAL INFORMATION

		Year ended December 31, 2025		Year ended December 31, 2024		Year ended December 31, 2023
Total revenues	$	-	$	-	$	-
Operating expenses	$	(3,227,165)	$	(1,003,129)	$	(1,543,225)
Net income (loss)	$	171,812	$	(461,579)	$	(1,515,395)
Gain (Loss) per share basic and diluted	$	0.00	$	(0.01)	$	(0.05)
Total assets	$	4,859,080	$	875,271	$	573,355
Total non-current liabilities	$	30,081	$	41,345	$	52,313

RESULTS OF OPERATIONS AND SELECTED QUARTERLY FINANCIAL DATA

These unaudited consolidated interim financial statements including comparatives have been prepared in accordance with IFRS.

Currently the Company has no producing properties and consequently, no sales and earns no revenue. To date the Company has been entirely dependent on equity markets to finance all of its activities and it is anticipated that it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements.

The Company recorded a net loss for the three months ended June 30, 2026, of $1,560,117 or $0.02 per share, as compared to a net loss of $20,419 or $0.00 per share for the three months ended June 30, 2025. For the six months ended June 30, 2026, the Company recorded a net loss of $2,758,166 or $0.04 per share, as compared to a net loss of $127,592 or $0.00 per share for the six months ended June 30, 2025.

The Company had an accumulated deficit of $4,606,188 as at June 30, 2026 and a deficit of $1,848,022 as at December 31, 2025.

Three and Six Months Ended June 30, 2026 Compared to the Three and Six Months Ended June 30, 2025

The following table summarizes the Company's financial results for the three and six months ended June 30, 2026 and 2025.

Three-months Ended	June 30, 2026 $	June 30, 2025 $	Changes $	Changes %
Expenses				
Consulting fees	66,962	21,250	45,712	215
Depreciation	5,127	9,384	(4,257)	(45)
Marketing and promotion	42,595	4,000	38,595	965
Office administration and general	36,852	7,336	29,516	402
Professional fees	173,392	34,566	138,826	402
Rent	-	(3,000)	3,000	(100)
Share-based payments	103,939	23,661	80,278	339
Travel and entertainment	11,072	3,723	7,349	197
Filing fees	18,062	-	18,062	-
Exploration and evaluation	202,493	29,060	173,433	597
Total Operating Expenses	660,494	129,980	530,514	408

During the three months ended June 30, 2026, the Company incurred operating expenses of $660,494 compared to operating expenses of $129,980 during the three months ended June 30, 2025. For the six months ended June 30, 2026, the Company incurred operating expenses of $1,090,312 compared to $352,785 for the six months ended June 30, 2025. The following are the significant changes for the quarter:

- Professional fees increased by $138,826 to $173,392 for the three months ended June 30, 2026 (2025 – $34,566). The increase was mainly due to increased legal, audit and corporate secretarial fees associated with the Company's Chief Financial Officer transition, continuous disclosure obligations, and the growth of the Company's operations in Brazil.
- Exploration and evaluation expenses increased by $173,433 to $202,493 for the three months ended June 30, 2026 (2025 - $29,060). The increase was mainly due to the maiden drill program at the Stimson Project, continued auger drilling at the Penelope Project in Brazil, and field programs at the Nemiscau and Wegucci projects, partially offset by a $200,000 non-dilutive grant received under the Ontario Junior Exploration Program.
- Marketing and promotion increased by $38,595 to $42,595 for the three months ended June 30, 2026 (2025 - $4,000). The increase is related to investor relations activities, including the Company's participation at conferences, and continued investor awareness following the Company's exploration news flow during the quarter.

SUMMARY OF QUARTERLY RESULTS

	June 30, 2026	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**	**March 31, 2025**	**December 31, 2024**	**September 30, 2024**
Total Assets	$2,235,390	$3,486,838	$4,859,080	$1,204,485	$777,045	$858,661	$875,271	$222,663
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expenses	$660,494	$429,818	$689,166	$2,185,214	$129,980	$222,805	$223,495	$509,922
Net income (loss)	($1,560,117)	($1,198,049)	$2,336,708	($2,037,304)	($20,419)	($107,173)	$290,138	($499,544)
Basic and diluted net income (loss) per share	($0.02)	($0.02)	$0.04	($0.01)	($0.07)	$(0.00)	($0.01)	($0.01)

OUTSTANDING SHARE DATA

As at the MD&A date, the Company had the following:

- 69,467,833 common shares issued and outstanding, reflecting the 1,764,706 shares issued August 12, 2026 under the Cisco West/Obamska option agreement described under "Subsequent Events" below.
- 5,162,123 common shares stock options.
- 1,000,000 RSU

During the six months ended June 30, 2026, the following share capital transactions occurred:

On January 13, 2026, pursuant to the asset purchase agreement entered into on August 21, 2025, between the Company, Last Resort Resources Ltd. and Bounty Gold Corp. as vendors, the Company issued 305,810 common shares, valued at $50,000, to the vendors of the Stimson lithium-cesium project in Ontario.

On May 21, 2026, the Company entered into a debt settlement agreement with a supplier to settle a $21,000 payable through the issuance of 123,529 common shares, which were issued on June 9, 2026, resulting in a gain on settlement of $3,088.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2026, the Company had cash of $754,181 (December 31, 2025 - $1,572,496) and a working capital of $378,023 (December 31, 2025 - $1,148,951). The Company had not yet achieved profitable operations and had accumulated losses of $4,606,188 (December 31, 2025 - $1,848,022) since its inception and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern.

Cash Flow from Operations

During the six months ended June 30, 2026, the Company had cash used in operations of $801,268 compared to cash used in operations of $72,933 in the comparative period. The increase was driven by the higher net loss for the period, reflecting increased professional fees, consulting fees, and exploration and evaluation expenditures, and share-based payments, partially offset by non-cash items including a $1,772,332 change in the fair value of the Company's investment in Athena Gold Corp. and an $89,886 flow-through premium recovery.

During the six months ended June 30, 2026, accounts receivable increased by $40,446, GST/HST receivable increased by $3,502, prepaid expenses decreased by $63,338, and accounts payable and accrued liabilities increased by $43,816.

Financing Activities

During the six months ended June 30, 2026, the net cash used in financing activities was $5,557 (2025 - $6,562), relating to loan repayments. The Company also recorded a foreign exchange impact of $11,490 on cash held in foreign currencies during the period (2025 - $nil).

Since incorporation, the Company's capital resources have been limited. The Company has to rely primarily upon the sale of equity securities for cash required for administration, acquisitions and exploration programs, among other things. While there are presently no known specific trends, events or uncertainties that are likely to result in the Company's liquidity decreasing in any material way over the next year, it is unlikely that significant cash will be generated from operations over this period. Since the Company is unlikely to have significant cash flow, the Company will have to continue to rely upon equity financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

The main business risks facing the Company over the next several years relate to the availability of equity capital to finance the acquisition, exploration and development of existing and future exploration and development projects. The availability of equity capital to junior resource companies is affected by commodity prices, global economic conditions, and economic conditions and government policies in the countries of operation, among other things. These conditions are beyond the control of the management of the Company and have a direct effect on the Company's ability to raise equity capital.

The Company's working capital and liquidity fluctuate in proportion to its ongoing equity financing activities. The Company requires a certain amount of liquid capital in order to sustain its operations and in order to meet various obligations as specified under the Company's resource property acquisition agreements. Should the Company fail to obtain future equity financing due to reasons as described above, it will not be able to meet these obligations and may lose its interests in the properties covered by the agreements. Further, should the Company be unable to obtain sufficient equity financing for working capital, it may be unable to meet its ongoing operational commitments.

Exploration of natural resources involve substantial expenditures and a high degree of risk. Few properties which are explored are ultimately developed into producing properties. Accordingly, the Company has no material revenue and operates at a loss. Continued operations are dependent upon ongoing equity financing activities.

COMMITMENTS

The Company does not have any additional commitments other than those disclosed under "SIGNIFICANT ACQUISITION AND DISPOSITIONS" section.

During 2025, the Company issued flow-through common shares for total proceeds of $775,000. As at June 30, 2026, the Company has spent $279,839 of eligible expenses, with the remaining $495,161 to be incurred in 2026.

Pursuant to the consulting agreement with a company controlled by the CEO, in the event there is a Change of Control, as defined in the agreement, the CEO may, within thirty (30) days thereafter, give notice to terminate their agreement, and as a result the CEO shall be entitled to a payment of a minimum of $200,000.

On November 4, 2024, the Company conditionally allotted 150,000 common shares ("Bonus Shares") to a consultant of the

Company, of which 50,000 were issued immediately. 100,000 of the Bonus Shares will be issued if certain conditions are met.

As at June 30, 2026, the Company has an obligation to issue 112,500 common shares for total fair value of $17,500 to companies controlled by the former CFO and a Director of the Company, pursuant to consulting services incurred during the year ended December 31, 2024.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members. The aggregate values of transactions relating to key management personnel were as follows:

	Six months ended June 30, 2026	Six months ended June 30, 2025
Key management compensation:	$	$
Consulting and professional fees	95,240	50,000
Share-based payments	36,356	16,554
	131,596	66,554

(i) During the six months ended June 30, 2026, the Company incurred $47,500 (June 30, 2025 - $47,500) in consulting fees with a company controlled by the Chief Executive Officer ("CEO") of the Company.
(ii) During the six months ended June 30, 2026, the Company incurred $21,000 (June 30, 2025 - $2,500) in consulting fees with companies controlled by the former Chief Financial Officer ("CFO") and a Director of the Company.
(iii) During the six months ended June 30, 2026, the Company incurred $28,871 (June 30, 2025 - $nil) in professional fees with a company controlled by a director of the Company.

On June 17, 2026 the Company announced the appointment of Dr. Jérémie Pfister, PhD, P.Geo., as Vice President of Exploration.

Included in June 30, 2026 accounts payable and accrued liabilities is $32,095 (December 31, 2025 - $7,917) owing to a company controlled by the CEO, $nil (December 31, 2025 - $nil) owing to a company controlled by the former CFO and a Director, and $361 (December 31, 2025 - $nil) owing to a Director of the Company. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

On July 6, 2026, the Company announced Carlo Rigillo resigned as Chief Financial Officer of the Company and Ty Minnick was appointed Chief Financial Officer. During the six months ended June 30, 2026, Mr. Minnick was paid $889 for consulting services provided prior to his appointment as Chief Financial Officer (see "Subsequent Events" below).

REVERSE TAKEOVER

On December 31, 2024, PowerStone executed an amalgamation agreement with Libra whereby PowerStone's wholly owned Ontario subsidiary will amalgamate with the Libra pursuant to a three-cornered amalgamation that would result in the reverse takeover of the PowerStone by Libra.

On July 7, 2025, 1001099231 Ontario Corp., a wholly owned subsidiary of PowerStone, and Libra completed a statutory amalgamation under the provisions of the *Business Corporations Act* (Ontario) pursuant to which the former shareholders of Libra received Shares of the Company on 1:1 basis. In addition, the former option holders of Libra Lithium received options to purchase common shares of the Company on a 1:1 basis. The Company changed its name from "PowerStone Metals Corp." to "Libra Energy Materials Inc." and will operate the current business of Libra going forward. The company resulting from the Amalgamation, named "Libra Lithium Inc." is now a wholly owned subsidiary of the Company.

Prior to the Closing, PowerStone completed a consolidation of its outstanding Shares on the basis of 2.4966 pre-consolidation Shares for every 1 post-consolidation Share.

As a result of the Transaction, the former shareholders of Libra acquired control of PowerStone, thereby constituting a reverse takeover of PowerStone. Although PowerStone is regarded as the legal parent and continuing company, Libra is the acquirer for accounting purposes. Consequently, Libra is deemed to be a continuation of the reporting entity, and control of the assets and operations of PowerStone is deemed to have been acquired by Libra in consideration for the issuance of the Company's shares to the former shareholders of Libra. At the time of the Transaction, PowerStone did not constitute a business as defined under IFRS 3 Business Combinations as its main attribute is its public listing; therefore, the Transaction was accounted for under IFRS 2 Share-based Payment, where the difference between the consideration given to acquire PowerStone is record as listing expense.

Total Purchase price consideration		
Number of PowerStone shares outstanding		11,475,800
Price per share based on Libra financing	$	0.12
Fair value of shares	$	1,377,096
Fair value of PowerStone options		44,000
Total Purchase Consideration	**$**	**1,421,096**
Allocation of Purchase Consideration		
Cash	$	457,675
HST receivable		1,466
Prepaids		20,000
Accounts payable and accrued liabilities		(86,732)
Net asset acquired		**392,409**
Listing expense		1,028,687
Total	**$**	**1,421,096**

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Critical Accounting estimates represent estimates that are highly uncertain, and for which changes in those estimates could materially impact on the Company's financial statements. The accompanying financial statements have been prepared using the judgments, estimates and assumptions summarized below.

<u>Ability to continue as a going-concern</u>

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events, whose subsequent changes could materially impact the validity of such an assessment.

<u>Acquisition of Brion Minerals Inc.</u>

The Company determined that the acquisition of Brion Minerals Inc. ("Brion") constitutes an asset acquisition as Brion does not meet the definition of a business under IFRS 3 Business Combinations. Management used its judgment and estimate to determine the fair value of the purchase consideration and has assessed the likelihood of the Milestone Payment as currently unlikely.

<u>Brion Claims</u>

Management has assessed the likelihood of reaching Milestone 1 and Milestone 2 as remote.

MATERIAL ACCOUNTING POLICIES

Material accounting policies, including any new IFRS pronouncements that are not yet effective, are set out in Note 3 to the unaudited consolidated interim financial statements for the six months ended June 30, 2026.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in Note 13 to the consolidated financial statements.

It is management's opinion that the fair value of the Company's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments. The fair value of loan payable approximates its carrying value as it carries a fixed rate similar to what the market would charge on a similar termed loan. The fair value of the Company's investment in Althea was measured based on Level 3 of the fair value hierarchy and the investment in Athena Gold was measured based on Level 1 of the fair value hierarchy.

CAPITAL MANAGEMENT

The Company considers its capital structure to include working capital and shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable. The Company's share capital is not subject to any external restriction, and the Company did not change its approach to capital management during the six months ended June 30, 2026.

SUBSEQUENT EVENTS

On July 6, 2026, the Company announced Carlo Rigillo resigned as Chief Financial Officer and Ty Minnick was appointed Chief Financial Officer.

On August 6, 2026, the Company announced the appointment of Farid Mammadov as Vice President, Investor Relations.

On August 11, 2026, the Company entered into option agreements to acquire a 100% interest in the Cisco West (19,788 hectares) and Obamska (9,779 hectares) lithium properties located in the Eeyou Istchee James Bay region of Quebec. Consideration payable over three years includes cash payments totaling $300,000 and the issuance of up to 8,823,529 common shares, with the optionors retaining a 2% net smelter return royalty on each property (reducible to 1% for $2,000,000 per property) and eligible for a milestone payment of up to $2,000,000 per property upon the filing of a mineral resource estimate of at least 50 million tonnes averaging 1.0% Li_2O or greater. The transaction remains subject to Canadian Securities Exchange approval.

On August 12, 2026, pursuant to the Cisco West and Obamska option agreement described above, the Company issued the initial tranche of 1,764,706 common shares to the optionors, Last Resort Resources Ltd. and Bounty Gold Corp. (882,353 shares each), at a deemed price of $0.13 per share, for total consideration of $229,412. Of the shares issued, 176,471 (20%) are subject to a statutory hold period expiring December 13, 2026; 264,706 (30%) remain restricted from trading until the option is exercised or terminated; and 441,176 (50%) remain restricted from trading until a change of control of the Company or the unanimous written consent of the founding shareholders party to the December 31, 2024 voluntary pooling agreement.

OTHER MD&A REQUIREMENTS

Financial and Disclosure Controls and Procedures

During the six months ended June 30, 2026, there has been no significant change in the Company's internal control over financial reporting, notwithstanding the change in Chief Financial Officer announced July 6, 2026 described under "Subsequent Events" below. The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's unaudited consolidated interim financial statements for the three and six months ended June 30, 2026 and 2025.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Disclosure for Venture Issuers without Significant Revenue

Schedule of General and Administrative Costs:	**June 30, 2026**	June 30, 2025
Expenses	**$**	$
Consulting fees	**66,962**	21,250
Deprecation	**5,127**	9,384
Marketing and promotion	**42,595**	4,000
Office administration and general	**36,852**	7,336
Professional fees	**173,392**	34,566
Rent	**-**	(3,000)
Share-based payments	**103,939**	23,661
Travel and entertainment	**11,072**	3,723
Filing fees	**18,062**	-
Exploration expenses and evaluation	**202,493**	29,060
Loss Before Other Items	**(660,494)**	(129,980)
Other Items		
Other income	**3,536**	105,363
Interest expense	**(481)**	(623)
Exchange gain/loss	**(197)**	-
Interest income	**5,275**	4,821
Change in fair value of investment	**(908,320)**	-
Flow-through premium recovery	**564**	-
Net loss	**(1,560,117)**	(20,419)
Cumulative translation adjustment	**46,452**	**-**
Comprehensive Loss	**(1,513,665)**	(20,419)

APPROVAL

The Company's Board of Directors has approved the unaudited consolidated interim financial statements for the three and six months ended June 30, 2026. The Company's Board of Directors has also approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.