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	1^{st} Year	$0.75M			$0.75M	0%
	3^{rd} Year	$4M	$3M	$4M	$11M	51%
Stage 2	6^{th} 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% Li_2O 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.

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, 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 judgment and estimate to determine the fair value of the purchase consideration and has assessed the likelihood of the Milestone Payment as currently unlikely.

Brion Claims

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.