Libra Energy Materials Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three-month periods ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)

This Management Discussion and Analysis ("MD&A") of Libra Energy Materials Inc. (the "Company") for the three-month periods ended March 31, 2026, has been prepared by management using information available as of May 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 three-month periods ended March 31, 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 May 29, 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 effected 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 and head office is located 2505 – 1177 West Hastings Street, Vancouver, BC, V6E 2L3.

As at March 31, 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.

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, 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.

Soules Bay Project, Caron 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.

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.

As at March 31, 2026, this agreement was in good standing.

Docker Project

On December 4, 2023, the Company entered into an option agreement with the beneficial owner of the mineral claims of the Docker Project to acquire 100% interest to the project, subject to certain milestone payments and a 2% NSR royalty upon commencement of commercial production, by making payments totaling $150,000 cash, issuing 1,500,000 common shares of the Company, and incurring at least $1,200,000 in expenditures over three years.

The Company paid $25,000 in cash and issued 333,333 common shares in December 2023.

On August 30, 2024, the Company terminated the Docker Project option agreement.

Laird Lake and Oneman Lake Project, Ontario

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;
- (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, 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.

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, with resumption to commence in 2026.

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 Soules Bay Project and the Caron Project.

During the three-months ended March 31, 2026, the Company recognized $154 (March 31, 2026 - $107,241) 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. Results will be announced following KoBold's review and analysis of the full assay suite. In accordance with the EIA, KoBold has temporarily paused Libra's role as exploration contractor, with activities expected to resume for the next field season.

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).

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 March 31, 2026, the Company kept the following projects in good standing: Flanders South, Flanders North, Toivo and the Wegucci project.

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.

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 March 31, 2026, of $1,198,049 or $0.02 per share as compared to net loss of $107,173 or ($0.00) per share for the three-months ended March 31, 2025.

The Company had an accumulated deficit of $3,046,071 as at March 31, 2026 and a deficit of $1,848,022 as at December 31, 2025.

Three-months ended March 31, 2026 Compared to the three-months ended March 31, 2025

The following table summarizes the Company's financial results for the three-months ended March 31, 2026 and 2025.

Three-months Ended	**March 31, 2026**	**March 31, 2025**	**Changes**	**Changes**
	$	**$**	**$**	**%**
Expenses				
Consulting fees	48,579	26,250	22,329	85
Depreciation	9,415	9,384	31	0
Marketing and advertising	29,226	2,532	26,694	1,054
Office administration and general	23,217	12,196	11,021	90
Professional fees	131,689	87,059	44,630	51
Rent	-	2,250	(2,250)	(100)
Share-based payments	95,853	30,814	65,039	211
Travel and entertainment	1,507	8,060	(6,553)	(81)
Filing fees	7,958	-	7,958	-
Exploration and evaluation	82,374	44,260	38,144	86
Total Operating Expenses	429,818	222,805	207,013	93

During the three months ended March 31, 2026, the Company incurred operating expenses of $429,818 compared to operating expenses of $222,805 during the three months ended March 31, 2025. The following are the significant changes:

- Professional fees increased by $44,630 to $131,689 for the three months ended March 31, 2026 (2025 –$85,059). The increase was mainly due to the fees incurred for legal and bookkeeping related services along with fees paid for services related to Brion.
- Exploration and evaluation expenses increased by $38,144 to $82,374 for the three months ended March 31, 2026 (2025 - $38,127). The increase was mainly due exploration work related to the Brion properties.

- Marketing and advertising increased by $26,694 to $29,226 for the three months ended March 31, 2026 (2025 - $2,523). The increase is related to investor relations and marketing awareness as the Company has begun trading on the Exchange.

SUMMARY OF QUARTERLY RESULTS

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Total Assets	$3,486,838	$4,859,080	$1,204,485	$777,045	$858,661	$875,271	$222,663	$536,484
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expenses	$429,818	$689,166	$2,185,214	$129,980	$222,805	$223,495	$509,922	$270,303
Net income (loss)	($1,198,049)	$2,336,708	($2,037,304)	($20,419)	($107,173)	$290,138	($499,544)	($263,283)
Basic and diluted net income (loss) per share	($0.02)	$0.04	($0.01)	($0.07)	$(0.00)	($0.01)	($0.01)	($0.01)

OUTSTANDING SHARE DATA

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

- 67,579,628 common shares issued and outstanding.
- 4,962,123 common shares stock options.
- 1,000,000 RSU

During the three-months ended March 31, 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 commons shares, valued at $50,000 to the vendors of the Stimson lithium-cesium project in Ontario.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2026, the Company had cash of $1,087,873 (December 31, 2025 - $1,572,496) and a working capital of $859,343 (December 31, 2025 - $1,148,951). The Company had not yet achieved profitable operations and had accumulated losses of $3,046,071 (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 three months ended March 31, 2026, the Company had cash used in operations of $423,659 from operations compared to cash used in operations of $4,562 in the previous period. The increase is driven by increased net loss year over year as the Company incurs additional costs as a listed issuer on the Exchange.

During the three months ended March 31, 2026, accounts receivables decreased by $1,322, GST/HST receivables increased by $23,823, prepaid expenses decreased by $36,886, and accounts payable and accrued liabilities decreased by $119,953.

Investing Activities

During the three months ended March 31, 2026, the net cash inflow from in investing activities was $nil (2025 - $nil).

Financing Activities

During the three months ended March 31, 2026, the net cash used in financing activities was $2,759 compared to cash used in financing activities of $2,623. The increase in cash inflows used in financing activities was primarily due to loan repayments.

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 March 31, 2026, the Company has spent $277,910 of eligible expenses, with the remaining $497,090 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 March 31, 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:

	Three months ended March 31,	
	2026	2025
Key management compensation:	$	$
Consulting fees	48,652	26,250
Share-based payments	18,126	8,231
	89,409	34,481

(i) During the three months ended March 31, 2026, the Company incurred $23,750 (March 31, 2025 - $23,750) in consulting fees with a company controlled by the Chief Executive Officer ("CEO") of the Company.

(ii) During the three months ended March 31, 2026, the Company incurred $10,500 (March 31, 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 three months ended March 31, 2026, the Company incurred $14,402 (March 31, 2025 - $nil) in professional fees with a company controlled by a director of the Company.

Included in March 31, 2026 accounts payable and accrued liabilities is $nil (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.

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	**392,420**
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 three months ended March 31, 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 period.

OTHER MD&A REQUIREMENTS

Financial and Disclosure Controls and Procedures

During the three months ended March 31, 2026, there has been no significant change in the Company's internal control over financial reporting since last year. 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 months ended March 31, 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:	**March 31, 2026**	March 31, 2025
Expenses	**$**	$
Consulting fees	**48,579**	26,250
Deprecation	**9,415**	9,384
Marketing and advertising	**29,226**	2,532
Office administration and general	**23,217**	12,196
Professional fees	**131,689**	87,059
Rent	**-**	2,250
Share-based payments	**95,853**	30,814
Travel and entertainment	**1,507**	8,060
Filing fees	**7,958**	-
Exploration expenses and evaluation	**82,374**	44,260
Loss Before Other Items	**(429,818)**	(222,805)
Other Items		
Other income	**154**	107,241
Interest expense	**(508)**	(658)
Exchange gain/loss	**(142)**	-
Interest income	**6,953**	5,695
Change in fair value of investment	**(864,010)**	-
Flow-through premium recovery	**89,322**	3,534
Net loss	**(1,198,049)**	(107,173)
Cumulative translation adjustment	**(57,917)**	**-**
Comprehensive Loss	**$ (1,255,966)**	$ (107,173)

APPROVAL

The Company's Board of Directors has approved the unaudited consolidated interim financial statements for the three months ended March 31, 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.