**CSE FORM 2A**

**LISTING STATEMENT**

# LIBRA ENERGY MATERIALS INC.

(formerly PowerStone Metals Corp.)

(the "**Company**" or the "**Issuer**")

**June 25, 2025**
(except as otherwise indicated)

This Listing Statement is intended to provide full, true and plain disclosure about the Issuer. It is not, and is not to be construed as, a prospectus. It has not been reviewed by a securities regulatory authority and no securities are being sold or qualified for distribution by the filing of this Listing Statement.

An investment in the Company's Shares is speculative and will be subject to material risks; and investors should not invest in securities of the Company unless they can afford to lose their entire investment. See "*Risk Factors"*.

**TABLE OF CONCORDANCE**

This table provides the corresponding section to page numbers between the Canadian Securities Exchange Form 2A Listing Statement and the Company's Information Circular dated April 9, 2025 (the "**Circular**"), filed under the Company's profile on SEDAR+ at www.sedarplus.ca on April 23, 2025, a copy of which is attached hereto as Schedule "A".

Supplementary disclosure has been provided in this listing statement for certain matters discussed in the Circular. A "*" in the below table indicates that supplementary disclosure has been provided with respect to that matter in Schedule "B" attached hereto.

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## CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, PowerStone Metals Corp. hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Powerstone Metals Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated this 25th day of June, 2025.

*/s/ Zachary Goldenberg*
**Zachary Goldenberg**
Chief Executive Officer and Director

*/s/ Carlo Rigillo*
**Carlo Rigillo**
Chief Financial Officer and Director

*/s/ Fraser Hartley*
**Fraser Hartley**
Corporate Secretary and Director

## CERTIFICATE OF LIBRA LITHIUM CORP.

The foregoing contains full, true and plain disclosure of all material information relating to Libra Lithium Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated this 25th day of June, 2025.

*/s/ Koby Kushner*
**Koby Kushner**
Chief Executive Officer, Interim Chief Financial Officer and Director

*/s/ David Goodman*
**David Goodman**
Director

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**SCHEDULE "A"**
**INFORMATION CIRCULAR**

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**POWERSTONE METALS CORP.**

# NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR

including with respect to
a proposed acquisition of all of the shares of

**LIBRA LITHIUM CORP.**

by

**POWERSTONE METALS CORP.**

Dated: April 9, 2025

**POWERSTONE METALS CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares (the "**PowerStone Shares**") of PowerStone Metals Corp. ("**PowerStone**" or the "**Company**") will be held at 1900 – 1040 West Georgia Street, Vancouver, British Columbia on May 14, 2025 at 10:00 a.m. (Pacific time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal years ended October 31, 2024 and 2023 and the reports of the auditors thereon;

2. to fix the number of directors of the Corporation at three and elect directors for the ensuing year;

3. to appoint Crowe MacKay LLP as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;

4. to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**New Articles Resolution**") to approve the cancellation of the Company's existing form of Articles and adopt a new form of Articles as more particularly described in the accompanying Management Information Circular ("**Circular**"), the full text of the new form of Articles is set for in Schedule "B";

5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the "**Fundamental Change Resolution**"), the full text of which is set forth in Schedule "A" to the Circular, approving the acquisition (the "**Acquisition**") of Libra Lithium Corp. ("**Libra**") by way of an amalgamation with the Company's wholly-owned subsidiary, 1001099231 Ontario Corp. ("**SubCo**"), and the transactions contemplated in the Amalgamation Agreement dated December 31, 2024 (as amended from time to time), among the Company, SubCo and Libra, as more fully described in the Circular;

6. subject to the approval of the Fundamental Change Resolution by the Shareholders, to consider and, if deemed advisable, to pass, with or without variation, a special resolution of the Shareholders conditionally authorizing the Company, immediately prior to or concurrently with the completion of the Acquisition, to carry out a consolidation of the issued and outstanding common shares of PowerStone (the "**Consolidation**") on the basis of approximately one post-consolidation PowerStone Share for approximately 2.4966 pre-consolidation PowerStone Shares, such that there shall be approximately 11,475,802 PowerStone Shares issued and outstanding immediately after the Consolidation but prior to the closing of the Acquisition, as more fully described in the Circular;

7. subject to the approval of the Fundamental Change Resolution by the Shareholders, to consider and, if deemed appropriate, to pass, with or without variation, a special resolution approving the continuance of the Company out of the provincial jurisdiction of British Columbia under the BCBCA, which currently governs its affairs, into the provincial jurisdiction of Ontario under the *Business Corporations Act* (Ontario), as more fully described in the Circular;

8. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution of the Shareholders authorizing the Company's equity incentive plan attached to the Circular as Schedule "F", as more fully described in the Circular;

9. subject to the approval of the Fundamental Change Resolution by the Shareholders to consider and, if deemed advisable, to pass, with or without variation, a special resolution to approve the change of name of the Company to "Libra Energy Materials Inc." or such other name determined by Libra in its sole discretion and approved by the Canadian Securities Exchange, as more fully described in the Circular; and

10. to transact such other business, including amendments to the foregoing, as may properly come before the Meeting or any adjournment or adjournments thereof.

This Notice of Meeting is accompanied by the Circular and either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders (collectively, the "**Meeting Materials**"). The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Circular. The Circular is deemed to form part of this Notice of Meeting. Please read the Circular carefully before you vote on the matters to be presented at the Meeting.

Pursuant to the BCBCA, registered shareholders of the Company have the right to dissent to the Continuance pursuant to Section 309 of the BCBCA. Additional information about dissent rights is included in the Circular.

The directors of the Company have fixed the close of business on April 9, 2025 as the record date for determining Shareholders entitled to receive notice of and to vote at the Meeting. Only Shareholders whose names have been entered into the register of the holders of PowerStone Shares as at April 9, 2025, will be entitled to receive notice of and to vote at the Meeting in respect of such PowerStone Shares.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by using one of the following methods:

(a) To Vote Your Proxy Online please visit: https://vote.odysseytrust.com and click on LOGIN. You will require the CONTROL NUMBER printed with your address to the right on your proxy form. If you vote by Internet, do not mail the proxy.

(b) By mail or personal delivery to Odyssey Trust Company, Attn: Proxy Department, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8; or

(c) By fax to Odyssey Trust Company, to the attention of the Proxy Department at 1-800-517-4553 (toll-free within Canada and the U.S.) or 416-263-9524 (international);

and in all cases ensuring that the proxy is received before 10:00 a.m. (Pacific time) on May 12, 2025 or no less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. Notwithstanding the foregoing, the chair of the Meeting has the discretion to accept proxies received after such deadline.

All non-registered Shareholders who receive these materials through a broker or other intermediary should complete and return the materials in accordance with the instructions provided to them by such broker or intermediary.

DATED at Vancouver, British Columbia, as of April 9, 2025.

By order of the Board of Directors

*"Zachary Goldenberg"*

Zachary Goldenberg
Chief Executive Officer and Director

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# MANAGEMENT INFORMATION CIRCULAR

As at and dated April 9, 2025
(unless otherwise noted)

## GENERAL INFORMATION

### Introduction

This Management Information Circular ("**Circular**") accompanies the Notice of Annual General Meeting and Special Meeting ("**Notice of Meeting**") of holders ("**Shareholders**") of common shares of PowerStone Metals Corp. ("**PowerStone**" or the "**Company**") scheduled to be held on May 14, 2025 at 10:00 a.m. (Pacific time) (the "**Meeting**"), and is furnished in connection with a solicitation of proxies by management of the Company for use at that Meeting and at any adjournment or postponement thereof. No person has been authorized to give any information or make any representation in connection with the Transaction (as defined herein) or any other matters to be considered at the Meeting other than those contained in this Circular (or incorporated by reference herein) and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Transaction, including the acquisition of all of the issued and outstanding shares of Libra Lithium Corp. ("**Libra**") by way of the amalgamation of Libra and 1001099231 Ontario Corp. ("**SubCo**"), a wholly owned subsidiary of the Company, in this Circular are qualified in their entirety by reference to the complete text of the Amalgamation Agreement dated December 31, 2024 (as amended from time to time, the "**Amalgamation Agreement**") among the Company, Libra and SubCo which is available under the Company's profile on SEDAR+ at www.sedarplus.ca. **You are urged to carefully read the full text of the Amalgamation Agreement.**

### Information Contained in this Circular

The information contained in this Circular is given as at April 9, 2025, except where otherwise noted, and information contained in documents incorporated by reference herein is given as of the dates noted in those documents.

Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstance, provide any assurance or create any implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular. The information concerning Libra herein has been provided by Libra. Although PowerStone has no knowledge that would indicate that any of such information is untrue or incomplete, PowerStone assumes no responsibility for the accuracy or completeness of such information or the failure by Libra to disclose events that may have occurred or may affect the completeness or accuracy of such information.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

If you hold PowerStone Shares (defined herein) through a broker, investment dealer, bank, trust company, nominee or other intermediary (collectively, an "**Intermediary**"), you should contact your Intermediary for instructions and assistance in voting at the Meeting.

Capitalized terms not otherwise defined in this *"General Information"* section are defined below in the *"Glossary of Terms"* below.

**Cautionary Notice Regarding Forward-Looking Statements**

This Circular, including documents incorporated by reference herein, contains forward-looking statements and information (collectively referred to as "**forward-looking information**"). All statements other than statements of historical fact are forward-looking information. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "potential", and similar expressions are intended to identify forward-looking information. Forward-looking information presented in such statements or disclosures may, among other things, relate to: (a) the anticipated benefits from the Transaction and its individual parts; (b) the expected completion and implementation date of the Transaction and its individual parts; (c) the listing of the Resulting Issuer Shares issuable pursuant to the Transaction on the CSE and approval thereof; (d) certain combined operational and financial information; (e) the nature of the Resulting Issuer's operations following the Transaction; (f) forecasts of expenditures, including general and administrative expenses; (g) expectations regarding the ability to raise capital; (h) fluctuations in currency exchange rates; (i) the Resulting Issuer's business focus and outlook following the Transaction; (j) plans and objectives of management for future operations; (k) anticipated operational and financial performance; (l) the effect of the Consolidation and the Transaction on PowerStone's share capital; (m) the expected completion and implementation date of the proposed Consolidation; (n) the percentage of the Resulting Issuer Shares to be held by the Shareholders and the current Libra Shareholders, respectively, upon completion of the proposed Transaction, including the Consolidation; (o) the amendment of the Articles of PowerStone; (p) certain termination rights available to the parties under the Amalgamation Agreement; (q) other closing conditions, including compliance by PowerStone, SubCo and Libra of the covenants contained in the Amalgamation Agreement; and (r) statements and information concerning: the Transaction; the Amalgamation; covenants of SubCo and Libra; the timing for implementation of the Transaction; the potential benefits of the Transaction; the likelihood of the Transaction being completed; principal steps to the Transaction; statements relating to the business and future activities of, and developments related to, PowerStone and Libra after the date of this Circular; future growth in value of the Resulting Issuer; liquidity of the Resulting Issuer following the completion of the Transaction, and other events or conditions that may occur in the future.

Care should be taken when considering forward-looking information, which is inherently uncertain, is based on estimates and assumptions, and is subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking information will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking information is based will in fact be realized. Actual results may differ, and the difference may be material and adverse to the Resulting Issuer, PowerStone and/or Libra. Forward-looking information is provided for the purpose of providing information about PowerStone's and Libra's management's current expectations and plans relating to the future. Reliance on such information may not be appropriate for other purposes, such as making investment decisions.

Various assumptions or factors are typically applied in drawing conclusions or making forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to PowerStone and Libra and while consideration has been given to list what the companies think are the most important factors, the list should not be considered exhaustive. In some instances, material assumptions and factors are presented or discussed elsewhere in this Circular in connection with the statements or disclosure containing the forward-looking information. The factors and assumptions include, but are not limited to: (a) the approval of the Transaction by the regulatory authorities; (b) the approval of the Fundamental Change Resolution, Continuance Resolution, Consolidation Resolution, New Articles Resolution and Equity Incentive Plan Resolution the by the Shareholders; (c) the approval of the Amalgamation and related matters by the Libra Shareholders; (d) the satisfaction or waiver of all conditions to the completion of the Transaction in accordance with the terms of the Amalgamation Agreement; (e) no material changes in the legislative and operating framework for the businesses of PowerStone and Libra, as applicable; (f) stock market volatility and market valuations; (g) no material adverse changes in the business of either or both of PowerStone and Libra; (h) the ability of the Resulting Issuer to access capital subsequent to the Transaction; (i) no significant event occurring outside the ordinary course of business of PowerStone or Libra, as applicable, such as a natural disaster or other calamity; and (j) the approval of the listing of the Resulting Issuer Shares on the CSE, as of the date of this Information Circular, the Resulting Issuer Shares have not yet received final approval for listing on the CSE.

The forward-looking information in statements or disclosures in this Circular (including the documents incorporated by reference herein) is based (in whole or in part) upon factors which may cause actual results, performance or achievements of PowerStone or Libra, as applicable, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to PowerStone and Libra, as applicable, including information obtained from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While PowerStone and Libra do not know what impact any of those differences may have, their business, results of operations, and financial condition may be materially adversely affected.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change or may impact asset values and net earnings as further information becomes available, and as the economic environment changes.

Readers should also consider the risk factors described under "*Risk Factors*" and other risks described elsewhere in this Circular and in the documents incorporated by reference herein, including "*Forward-Looking Information*" in PowerStone and Libra Management's Discussion and Analyses. Additional information on these and other factors that could affect the operations or financial results of PowerStone are included in documents on file with applicable Canadian Securities Administrators and may be accessed on PowerStone's profile through SEDAR+ at www.sedarplus.ca. Such documents, unless expressly incorporated by reference herein, and websites, although referenced, do not form part of this Circular.

The forward-looking information contained in this Circular (including the documents incorporated by reference herein) is made as of the date hereof and thereof and PowerStone and Libra undertake no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable Canadian Securities Laws.

**Note to United States Shareholders**

THE AMALGAMATION, THE TRANSACTION AND THE SECURITIES TO BE ISSUED IN CONNECTION THEREWITH HAVE NOT BEEN REGISTERED WITH, RECOMMENDED BY, OR APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THE AMALGAMATION OR THE TRANSACTION OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Notice Required Pursuant to Rule 802 Under the U.S. Securities Act follows.

This business combination is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

**It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.**

The Resulting Issuer Shares to be issued in connection with the Transaction have not been registered under the U.S. Securities Act, and are being issued pursuant to an exemption from registration provided thereunder. The Resulting Issuer Shares will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act to the same extent and proportion that the PowerStone Shares exchanged by a U.S. Securityholder under the Transaction were also "restricted securities".

To the extent that the Resulting Issuer Shares are not restricted securities, as described above, they may be resold without restriction under the U.S. Securities Act, except in respect of resales by Persons who are "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of Resulting Issuer at the closing of the Amalgamation or who have been affiliates of Resulting Issuer within ninety days before such resale. Persons who may be deemed to be "affiliates" of an issuer pursuant to Rule 144 under the U.S. Securities Act generally include individuals or entities that directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such securities by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act and applicable state securities laws, absent an exemption therefrom. PowerStone Shareholders who are affiliates of Resulting Issuer solely by virtue of their status as an officer or director of Resulting Issuer may sell their Resulting Issuer Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S.

The solicitation of proxies is being made and the transactions contemplated herein are being undertaken by Canadian issuers in accordance with Canadian corporate and securities laws and are not subject to the requirements of Section 14(a) of the U.S. Exchange Act, by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" (as defined in Rule 3b-4 under the U.S. Exchange Act). PowerStone Shareholders should be aware that disclosure requirements under such Canadian laws are different from requirements under United States corporate and securities laws relating to U.S. domestic issuers, and this Circular has not been filed with or approved by the SEC or the securities regulatory authority of any state within the United States. Likewise, information concerning the operations of each of Resulting Issuer and the Company has been prepared in accordance with Canadian standards, and may not be comparable to similar information for U.S. domestic issuers.

The financial statements of the Company and certain other financial information, included in or incorporated by reference in this Circular have been prepared in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards, which differ from U.S. GAAP and United States auditing and auditor independence standards in certain material respects, and thus may not be comparable to financial statements and financial information prepared in accordance with United States generally accepted accounting principles and that are subject to United States auditing and auditor independence standards.

This Circular has been prepared in accordance with Canadian standards for the reporting of mineral resource and mineral reserve estimates, which differ from the previous and current standards of the United States securities laws. In particular, and without limiting the generality of the foregoing, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "inferred mineral resources,", "indicated mineral resources," "measured mineral resources" and "mineral resources" used or referenced herein and the documents incorporated by reference herein, as applicable, are Canadian mineral disclosure terms as defined in accordance with Canadian National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "**CIM**") — CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the "**CIM Definition Standards**"). For United States reporting purposes, the United States Securities and Exchange Commission (the "**SEC**") has adopted amendments to its disclosure rules (the "**SEC Modernization Rules**") to modernize the mining property disclosure requirements for issuers whose securities are registered with the SEC under the Exchange Act, which became effective February 25, 2019. The SEC Modernization Rules more closely align the SEC's disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards, including NI 43-101, and replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7. Issuers were required to comply with the SEC Modernization Rules in their first fiscal year beginning on or after January 1, 2021. As a foreign private issuer that is eligible to file reports with the SEC pursuant to the multi-jurisdictional disclosure system, the Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and will continue to provide disclosure under NI 43-101 and the CIM Definition Standards. Accordingly, mineral reserve and mineral resource information contained or incorporated by reference herein may not be comparable to similar information disclosed by United States companies subject to the United States federal securities laws and the rules and regulations thereunder. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding CIM Definition Standards that

are required under NI 43-101. While the SEC will now recognize "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", U.S. investors should not assume that all or any part of the mineralization in these categories will be converted into a higher category of mineral resources or into mineral reserves without further work and analysis. Mineralization described using these terms has a greater amount of uncertainty as to its existence and feasibility than mineralization that has been characterized as reserves. Accordingly, U.S. investors are cautioned not to assume that all or any measured mineral resources, indicated mineral resources, or inferred mineral resources that the Company reports are or will be economically or legally mineable without further work and analysis. Further, "inferred mineral resources" have a greater amount of uncertainty and as to whether they can be mined legally or economically. Therefore, U.S. investors are also cautioned not to assume that all or any part of inferred mineral resources will be upgraded to a higher category without further work and analysis. Under Canadian securities laws, estimates of "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies, except in rare cases.

While the above terms are "substantially similar" to CIM Definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven mineral reserves", "probable mineral reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules or under the prior standards of SEC Industry Guide 7.

Completion of the transactions described herein may have tax consequences under the laws of both the United States and Canada, and any such tax consequences under the laws of the United States are not described in this Circular. U.S. Shareholders are advised to consult their own tax advisors to determine any particular U.S. tax consequences to them of the transactions to be effected in connection with the Amalgamation and the Transaction in light of their particular situation, as well as any tax consequences that may arise under the applicable laws of any other relevant foreign, state, local or other taxing jurisdiction. The enforcement by Shareholders of civil liabilities under securities laws of the United States may be affected adversely by the fact that the Company is incorporated outside the United States, that some or all of the Company's and Resulting Issuer's respective officers and directors and the experts named herein are residents of a foreign country and that some or all of the assets of the Company and Resulting Issuer and the aforementioned persons are located outside the United States. As a result, it may be difficult or impossible for Shareholders to effect service of process within the United States upon the Company, Libra, the Resulting Issuer, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, PowerStone Shareholders should not assume that the courts of Canada (a) would allow them to sue the Company, Libra, the Resulting Issuer, their respective officers or directors, or the experts named herein in the courts of Canada, (b) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States, or (c) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. See "*Particulars of Matters to be Acted Upon at the Special Meeting – The Fundamental Change – Securities Laws Considerations – U.S. Securities Laws*".

THE FOREGOING DISCUSSION IS ONLY A GENERAL OVERVIEW OF CERTAIN SECURITIES, TAX AND OTHER LEGAL ISSUES APPLICABLE TO THE ISSUANCE, EXCHANGE AND RESALE OF THE RESULTING ISSUER SECURITIES TO BE ISSUED AND EXCHANGED IN THE AMALGAMATION AND THE TRANSACTION. U.S. SECURITYHOLDERS SHOULD CONSULT THEIR OWN TAX, LEGAL AND FINANCIAL ADVISORS REGARDING THE PARTICULAR CONSEQUENCES TO THEM OF THE AMALGAMATION AND THE TRANSACTION.

**Conventions**

Words importing the singular include the plural and vice versa. In this Circular, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to "dollars" or "$" are to Canadian dollars and references to "US$" are to United States dollars. This Circular contains defined terms. For a list of certain defined terms used herein, see "*Glossary of Terms*".

## GLOSSARY OF TERMS

In this Circular, the following terms shall have the respective meanings set out below, unless otherwise defined herein or unless there is something in the subject matter inconsistent therewith.

"**AmalCo**" means the corporation resulting from the Amalgamation of SubCo and Libra.

"**Amalgamation**" means the three-cornered amalgamation involving PowerStone, SubCo and Libra pursuant to the Amalgamation Agreement whereby SubCo and Libra will amalgamate under the laws of the OBCA and PowerStone will acquire all of the issued and outstanding Libra Shares.

"**Amalgamation Agreement**" means the amalgamation agreement dated December 31, 2024 (as amended from time to time) made among PowerStone, Libra and SubCo, the full text of which is available on PowerStone's SEDAR+ profile at www.sedarplus.ca and which is incorporated by reference in this Circular.

"**Associate**" has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) as amended, including the regulations promulgated thereunder.

"**BCSC**" means the British Columbia Securities Commission.

"**Beneficial Shareholder**" has the meaning ascribed thereto in "*General Proxy Information – Beneficial Shareholders*".

"**Board**" or "**Board of Directors**" means the board of directors of PowerStone.

"**Business Day**" means any day, which is not a Saturday, a Sunday or a statutory holiday in the Province of Ontario or the Province of British Columbia.

"**Canadian Securities Laws**" means the *Securities Act* (British Columbia), as amended, and the equivalent legislation in the other provinces where PowerStone is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statutes and the published policies, and notices of the regulatory authorities administering such statutes.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Circular**" means this Circular of PowerStone, including all appendices and schedules hereto, and all amendments and supplements thereto.

"**Closing**" means the closing of the Amalgamation.

"**Closing Date**" means the date of closing of the Amalgamation.

"**Closing Time**" means earliest moment on the effective date set forth in the Certificate of Amalgamation issued pursuant to the OBCA in respect of the Amalgamation.

"**Concurrent Financing**" has the meaning ascribed thereto in "*Particulars of Matters to be Acted Upon at the Meeting – The Fundamental Change*".

"**Consolidation**" means the proposed consolidation of the issued and outstanding common shares of PowerStone to be completed immediately prior to the completion of the Amalgamation, on the basis of approximately one post-consolidation PowerStone Share for approximately 2.4966 pre-consolidation PowerStone Shares, such that there are approximately

11,475,802 PowerStone Shares issued and outstanding immediately after the consolidation but prior to the closing of the Amalgamation.

"**Consolidation Resolution**" means a special resolution of the PowerStone Shareholders to approve the Consolidation.

"**Continuance**" means the continuance of the Company, pursuant to the Continuance Resolution, out of the provincial jurisdiction of British Columbia under the BCBCA, which currently governs its affairs, into the provincial jurisdiction of Ontario under the OBCA.

"**Continuance Resolution**" means the special resolution approving the Continuance.

"**CSE**" means the Canadian Securities Exchange.

"**CSE Listing**" means the listing of the Resulting Issuer Shares on the CSE.

"**Equity Incentive Plan Resolution**" means the ordinary resolution of the Shareholders to approve the Resulting Issuer Equity Incentive Plan as the equity incentive plan of PowerStone, and, if the Transaction is consummated, the Resulting Issuer.

"**Fundamental Change Resolution**" means the ordinary resolution of Shareholders to be considered at the Meeting to approve the Fundamental Change and the Transaction, a copy of which is set out in Schedule "A" attached to this Circular.

"**Governmental Entity**" means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission, or stock exchange, including the CSE.

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Canadian Institute of Chartered Accountants.

"**Intermediary**" or "**Intermediaries**" has the meaning ascribed thereto under "*General Proxy Information – Non-Registered (Beneficial) Shareholders*".

"**Law**" means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements of any regulatory authority having the force of law.

"**Libra**" means Libra Lithium Corp., a corporation incorporated under the OBCA.

"**Libra Meeting**" means the special meeting of the Libra Shareholders to be held to approve the Amalgamation if the Written Libra Resolution cannot be obtained, and any and all adjournments of such meeting.

"**Libra Options**" means stock options to purchase Libra Shares.

"**Libra Option Plan**" means the stock option plan of Libra, as presently constituted. See "*Information Concerning Libra – Description of Stock Option Plan"*.

"**Libra Shareholders**" means holders of Libra Shares.

"**Libra Shares**" means the common shares in the authorized share structure of Libra, as constituted from time to time.

"**Listing Statement**" means the CSE-required listing statement of PowerStone in connection with the Transaction.

"**Management Appointees**" has the meaning ascribed thereto in "*General Proxy Information – Appointment of Proxyholder*".

"**Meeting**" has the meaning ascribed thereto in "*General Information*".

"**Name Change"** means the name change of PowerStone to "Libra Energy Materials Inc." or such other name determined by Libra in its sole discretion and approved by the CSE concurrent with the Closing.

"**Name Change Resolution**" means the special resolution of the Shareholders to approve the Name Change.

"**Named Executive Officer**" or "**NEO**" has the meaning ascribed to such term under "*Statement of Executive Compensation*".

"**New Articles Resolution**" means a special resolution of the PowerStone Shareholders to approve the cancellation of PowerStone's existing articles and the adoption of the New Articles.

"**OBCA**" means the *Business Corporation Act* (Ontario), as amended, including the regulations promulgated thereunder.

"**Odyssey**" means Odyssey Trust Company, PowerStone's registrar and transfer agent.

"**Parties**" means PowerStone, Libra and SubCo.

"**Person**" means an individual, general partnership, limited partnership, corporation, company, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative.

"**PowerStone Fundamental Change Shares**" means the PowerStone Shares, after giving effect to the Consolidation, issued to Libra Shareholders in connection with the Amalgamation.

"**PowerStone MD&A**" means the management's discussion and analysis for PowerStone in relation to the audited annual financial statements for the year ended October 31, 2024, a copy of which is available on PowerStone's SEDAR+ profile at www.sedarplus.ca and which is incorporated by reference in this Circular.

"**PowerStone Shares**" means the common shares in the authorized share structure of PowerStone, as constituted from time to time.

"**PowerStone**" or the "**Company**" means PowerStone Metals Corp.

"**proxy**" has the meaning ascribed thereto in "*General Proxy Information – Appointment of Proxyholder*".

"**Record Date**" means April 9, 2025, the date fixed for determining the Shareholders entitled to receive notice of, and to vote at, the Meeting.

"**Registered Shareholder**" means a Registered Shareholder of PowerStone Shares as recorded in the central securities register of PowerStone maintained by Odyssey.

"**Resulting Issuer**" means PowerStone after giving effect to the Transaction, at which time PowerStone is expected to be renamed "Libra Energy Materials Inc." or such other name acceptable to Libra and as approved by the CSE.

"**Resulting Issuer Equity Incentive Plan**" means the equity incentive plan of the Resulting Issuer substantially in the form of the Company's Equity Incentive Plan and a copy of which is attached to this Circular as Schedule "F", to be adopted pursuant to the Equity Incentive Plan Resolution.

"**Resulting Issuer Shares**" means PowerStone Shares after giving effect to the Transaction.

"**Securities Act**" means the *Securities Act* (British Columbia), as amended.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

"**Shareholders**" means holders of PowerStone Shares.

"**SubCo**" means 1001099231 Ontario Corp., a corporation incorporated pursuant to the laws of the Province of Ontario and a wholly-owned Subsidiary of PowerStone.

"**Subsidiary**" means, with respect to a person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class will or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such person and will include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary.

"**Termination Date**" means the date upon which the Amalgamation Agreement is terminated, if applicable, pursuant to section 9 of the Amalgamation Agreement.

"**Transaction**" means the (i) Consolidation; (ii) Amalgamation; (iii) Name Change; (iv) Continuance; and (v) CSE Listing.

"**United States**", "**U.S.**" **o**r "**USA**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**Written Libra Resolution**" means the written resolution in respect of the Amalgamation to be considered and if thought advisable, authorize, approve and adopt the special resolution of Libra Shareholders to approve the Amalgamation and related matters.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

Solicitations will be made by mail and possibly supplemented by telephone, electronic means or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company may reimburse shareholders' nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### Record Date

The directors of PowerStone have fixed April 9, 2025 as the Record Date for the determination of Shareholders entitled to receive notice of the Meeting. Shareholders of record on that date are entitled to vote at the Meeting.

### Appointment of Proxyholder

The individuals named in the accompanying form of proxy (the "**Proxy**") are officers and/or directors of the Company or representatives of the Company's legal counsel (the "**Management Appointees**"). **IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN EITHER OF THE PERSONS DESIGNATED IN THE PROXY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY STRIKING OUT THE NAMES OF MANAGEMENT'S NOMINEES AND INSERTING THE NAME OF THAT OTHER PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.**

If your PowerStone Shares are held in physical form (i.e., paper form) and are registered in your name, then you are a registered shareholder ("**Registered Shareholder**"). However, if, like most shareholders, you keep your PowerStone Shares in a brokerage account, then you are a Beneficial Shareholder. The manner for voting is different for Registered Shareholders and Beneficial Shareholders. The instructions below should be read carefully by all shareholders.

### Voting by Proxyholder

The Management Appointees named in the Proxy will vote or withhold from voting the PowerStone Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your PowerStone Shares will be voted accordingly. The Proxy confers discretionary authority on the Management Appointees named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;

(b) any amendment to or variation of any matter identified therein; and

(c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the Management Appointee acting as a proxyholder will vote the PowerStone Shares represented by the Proxy in favour of each matter identified on the Proxy.**

**Notice and Access**

The Company is not sending this Circular to registered or beneficial shareholders using "notice-and-access" as defined under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

**Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by using one of the following methods:

(a) To Vote Your Proxy Online please visit: https://vote.odysseytrust.com and click on LOGIN, you will require the CONTROL NUMBER printed with your address to the right on your proxy form, if you vote by Internet, do not mail the proxy;

(b) By mail or personal delivery to Odyssey Trust Company, Attn: Proxy Department, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8; or

(c) By fax to Odyssey Trust Company, to the attention of the Proxy Department at 1-800-517-4553 (toll-free within Canada and the U.S.) or 416-263-9524 (international);

and in all cases ensuring that the proxy is received before 10:00 a.m. (Pacific time) on May 12, 2025 or no less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. Notwithstanding the foregoing, the chair of the Meeting has the discretion to accept proxies received after such deadline.

Should you wish to contact Odyssey, please refer to the following:

General Shareholder Inquiries:

| | |
|---|---|
| By fax: | 1-800-517-4553 (toll-free within Canada and the U.S.) or 416-263-9524 (international) |
| By email: | shareholders@odysseytrust.com |
| By regular mail: | Odyssey Trust Company<br>Proxy Department, Suite 702, 67 Yonge St.<br>Toronto, ON M5E 1J8 |

**Beneficial Shareholders**

**The following information is of significant importance to shareholders who do not hold PowerStone Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the Registered Shareholders of PowerStone Shares).**

If PowerStone Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those PowerStone Shares will not be registered in the shareholder's name on the records of the Company. Such PowerStone Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such PowerStone Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for "**Objecting Beneficial Owners**") and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for "**Non-Objecting Beneficial Owners**").

Management of the Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. **Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their PowerStone Shares are voted at the Meeting.**

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form (the "**Broadridge VIF**") which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of PowerStone Shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote PowerStone Shares directly at the Meeting** – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the PowerStone Shares voted.

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting PowerStone Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your PowerStone Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your PowerStone Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your PowerStone Shares.

**Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

(a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Odyssey or at the address of the registered office of the Company at 1900 – 1040 West Georgia Street, Vancouver, BC, Canada, V6E 4H3, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

(b) personally attending the Meeting and voting the Registered Shareholder's PowerStone Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation. Only Registered Shareholders have the right to revoke a proxy. Beneficial Holders who wish to change their vote must arrange for their Intermediaries to revoke the proxy on their behalf.

**Interests of Certain Persons in Matters to be Acted Upon**

Other than as disclosed below in the section entitled *"Voting Securities and Principal Holders Thereof*" and in the PowerStone MD&A for the last financial year, there is no material interests, direct or indirect, of current directors, executive officers any persons nominated for election as directors, or any Shareholders who beneficially owns, directly or indirectly, more than 10% of the outstanding PowerStone Shares, or any known associates or affiliates of such persons, in any transaction within the last financial year or in any proposed transaction which has materially affected or would materially affect PowerStone.

Interests of Certain Persons in the Amalgamation

As of the date of this Circular, the directors and executive officers of PowerStone, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 7,193,000 PowerStone Shares, representing approximately 25.11% of the outstanding PowerStone Shares, and an aggregate of 725,000 stock options of PowerStone. All PowerStone Shares held by the directors, officers and other insiders of PowerStone will be treated identically and in the same manner under the Amalgamation as PowerStone Shares held by any other PowerStone Shareholder, except that Resulting Shares held by Zachary Goldenberg, a director and officer of PowerStone, will be subject the CSE Escrow Agreement and the Pooling Arrangement (each as defined below), and all stock options of PowerStone held by the directors, officers and other insiders of PowerStone will be treated identically and in the same manner under the Amalgamation as stock options of PowerStone held by any other option holder.

**Voting Securities and Principal Holders Thereof**

The Board of the Company has fixed April 9, 2025 as the Record Date for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their PowerStone Shares voted at the Meeting.

As at the Record Date, there were 28,650,833 PowerStone Shares issued and outstanding, each carrying the right to one vote.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each PowerStone Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Odyssey and will be available at the Meeting.

Other than as set out below, to the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, PowerStone Shares carrying 10% or more of the voting rights attached to all outstanding PowerStone Shares as at the Record Date.

As at the Record Date, on a pre-Consolidation basis, Zachary Goldenberg, a director and officer of PowerStone, beneficially owned, directly or indirectly, or exercised control or discretion over, 3,241,000 PowerStone Shares carrying approximately 11.31% of the voting rights attached to all outstanding PowerStone Shares (of these PowerStone Shares held by Mr. Goldenberg, 396,000 were held directly and 2,845,000 PowerStone Shares were held indirectly by Mr. Goldenberg through 2578218 Ontario Ltd., a corporation controlled by Mr. Goldenberg) and Night Owl SA (a corporation controlled by Raymond D. Harari) beneficially owned, directly or indirectly, or exercised control or discretion over, 3,241,000 PowerStone Shares carrying approximately 11.31% of the voting rights attached to all outstanding PowerStone Shares. In addition: (a) Mr. Goldenberg and 2578298 Ontario Ltd. beneficially owned, directly or indirectly, or exercised control or discretion over an aggregate of 1,233,334 Libra Shares carrying approximately 2.68% of the voting rights attached to all of the outstanding Libra Shares, and (b) Mr. Harari and Night Owl SA beneficially owned, directly or indirectly, or exercised control or discretion over an aggregate of 1,233,334 Libra Shares carrying approximately 2.68% of the voting rights attached to all of the outstanding Libra Shares (based on 45,969,832 Libra Shares issued and outstanding as of the date of this Circular).

Votes Necessary to Pass Resolutions

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein save and except for the Consolidation Resolution, Name Change Resolution, Continuance Resolution and New Articles Resolution, each of which require a special resolution to be approved. A special resolution must be approved by a majority of two-thirds (2/3) of the votes cast by shareholders present, in person or by proxy, and eligible to vote at the Meeting. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

**Interest of Informed Persons in Material Transactions**

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the PowerStone Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since October 31, 2024 (being the commencement of the Company's last completed financial year), or has any interest in any material transaction in the current year other than as set out herein.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### Financial Statements

The audited financial statements of the Company for the fiscal years October 31, 2024 and 2023 and the reports of the auditors thereon will be placed before you at the Meeting. They have been mailed to the shareholders who have requested they receive a copy of same together with the Notice of Meeting and this Information Circular. These audited financial statements are available through the Internet on SEDAR at www.sedarplus.ca. No approval or other action needs to be taken at the Meeting in respect of these documents.

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, both of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Financial Statement Request Form enclosed with this Information Circular and send it to the Company.

### Setting Number of Directors

The Board proposes that the number of directors be fixed at three. Shareholders will therefore be asked to approve an ordinary resolution that determines the number of directors to be elected be fixed at three.

Shareholders will consider an ordinary resolution to determine the number of directors to be elected be fixed at three. **The Board recommends that the Shareholders vote IN FAVOUR of such ordinary resolution. Unless you give instructions otherwise, the Management Appointees intend to vote any proxies received and unindicated FOR such ordinary resolution.**

### Election of Directors

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Upon completion of the Transaction, all of the directors of the Company, except Zachary Goldenberg, will resign and will be replaced with nominees of Libra. See "*Information Concerning PowerStone – Corporate* Governance", "*The Amalgamation Agreement - Covenants Relating to the Transaction*" and "*Information Concerning the Resulting Issuer – Corporate Governance and Management*".

The following table sets out the names of management's nominees for election as a director, the province and country in which he is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of PowerStone Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

| Name of Nominee, Positions Held with the Company, and Residence | Principal Occupation, Business or Employment[(1)] | Date of Appointment as Director or Officer | PowerStone Shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly[(1)] |
|---|---|---|---|
| **Zachary Goldenberg**[(2)]<br>Chief Executive Officer<br>Ontario, Canada | Principal, Liberty Venture Partners | June 9, 2022 (director)<br>August 1, 2023 (officer) | 3,241,000[(3)] |
| **Carlo Rigillo**[(2)]<br>Chief Financial Officer<br>Ontario, Canada | Chartered Accountant, Fractional CFO | October 1, 2022 (director and officer) | 150,000[(4)] |

| Name of Nominee, Positions Held with the Company, and Residence | Principal Occupation, Business or Employment[(1)] | Date of Appointment as Director or Officer | PowerStone Shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly[(1)] |
|---|---|---|---|
| **Fraser Hartley**[(2)]<br>Corporate Secretary<br>British Columbia, Canada | Lawyer, Edwards, Kenny & Bray LLP | December 19, 2022 (director)<br>October 1, 2022 (officer) | 561,000[(5)] |

Notes:

(1) The information as to principal occupation, business or employment and PowerStone Shares beneficially owned or controlled, or directed, directly or indirectly is not within the knowledge of the management of the Company and has been furnished by the respective nominees. The number of PowerStone Shares disclosed under this column are presented on a post-Consolidation basis; the actual post-Consolidation amounts may vary depending on the final Consolidation ratio used for the Consolidation.

(2) Denotes member of Audit Committee.

(3) Of these 3,241,000 PowerStone Shares, 396,000 PowerStone Shares were held directly and 2,845,000 PowerStone Shares were held indirectly by Mr. Goldenberg through 2578218 Ontario Ltd., a company controlled by Mr. Goldenberg. Mr. Goldenberg also holds 250,000 options to purchase PowerStone Shares for $0.05 per share until December 1, 2027.

(4) Mr. Rigillo also holds 100,000 options to purchase PowerStone Shares for $0.10 per share until December 15, 2027.

(5) Of these 561,000 PowerStone Shares, 300,000 PowerStone Shares were held Edwards, Kenny & Bray LLP, a limited liability partnership that Mr. Hartley is a partner of, and 261,000 PowerStone Shares were held indirectly by Mr. Hartley through Just Holdings Inc., a company controlled by Mr. Hartley. Mr. Hartley also holds 125,000 options to purchase PowerStone shares for $0.05 per share until December 1, 2027.

Except as disclosed in this Circular, none of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

Except as disclosed below, to the best of the Company's knowledge, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

(a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or

(b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Mr. Goldenberg was elected as a director of Star Navigation Systems Group Ltd. ("**SNSG**") at a shareholders' meeting held on December 11, 2019. At such time, SNSG was already the subject of a cease trade order (the "**CTO**") issued on November 1, 2019 by the Ontario Securities Commission as a result of SNSG's failure to meet its timely disclosure filing obligations. The CTO was partially revoked on March 6, 2020. Mr. Goldenberg resigned from the board of directors of SNSG effective April 30, 2020.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Management's three nominees for election as directors of the Company by Shareholders are Zachary Goldenberg, Carlo Rigillo and Fraser Hartley. **The Board plans to vote FOR and recommend that you vote FOR each of the aforementioned nominees for election as a director of the Company at the Meeting. Unless you give instructions otherwise, the Management Appointees intend to vote any proxies received and unindicated FOR the election of each such nominee as a director of the Company at the Meeting.**

Information in respect of the nominees for election as directors of the Company are set forth below, see "*Information Concerning PowerStone – Corporate Governance*".

**Appointment of Auditor**

Crowe MacKay LLP, Chartered Professional Accountants, of Vancouver, British Columbia, ("**Crow MacKay**") will be nominated at the Meeting for reappointment as auditor of the Company until the next annual meeting of Shareholders at a remuneration to be fixed by the directors. Crowe MacKay was first appointed as auditors for the Company in 2022.

Shareholders will consider an ordinary resolution to appoint the firm of Crowe MacKay LLP to serve as auditors of the Company until the next annual meeting of the Shareholders. **The Board plans to vote FOR and recommend that you vote FOR this ordinary resolution at the Meeting. Unless you give instructions otherwise, the Management Appointees intend to vote any proxies received and unindicated FOR such ordinary resolution.**

**The Adoption of New Articles**

The Articles of the Company, among other things, set out rules for the conduct of its business and affairs. The Company's current Articles (the "**Current Articles**") are available through the on the Company's SEDAR+ profile at www.sedarplus.ca. Management of the Company wishes to adopt new Articles (the "**New Articles**"), which will bring the Company up-to-date with current corporate practices under the *Business Corporations Act* (British Columbia) for companies that are reporting issuers and whose shares are listed on the Canadian Securities Exchange. A copy of the New Articles are attached hereto as Schedule "B" to the Circular and a comparison highlighting the changes from the Current Articles to the New Articles is attached hereto as Schedule "C". The New Articles are substantively similar to the Current Articles and the primary deletions and/or additions to the New Articles from that of the Current Articles are set out below.

Summary of New Articles

*Securities Transfer Act (British Columbia)*

The directors of the Company are proposing that the New Articles of the Company amend its provisions to clarify the Company's ability to comply with the *Securities Transfer Act* (British Columbia) (the "**Securities Transfer Act**") including the following additions: (a) the Company must register a transfer of shares if all of the preconditions for a transfer of a share under the Securities Transfer Act have been met and the Company is required under the Securities Transfer Act to register the transfer; (b) the form of instrument of transfer in respect of any share of the Company may also be in a form in accordance with the Securities Transfer Act; and (c) the rights of a legal personal representative to transfer shares in accordance with the New Articles is also subject to the documents required by the Securities Transfer Act being deposited with the Company.

*Provisions for the Transfer Agent or Registrar of the Company*

The directors of the Company are proposing that Current Articles be amended to add to the New Articles clarification that if the Company has a transfer agent or registrar, the Company may register a transfer of shares if the required documents are received by the Company's transfer agent or registrar. Furthermore, the New Articles propose to amend the Current Articles so that the form of instrument of transfer may be a form approved by the Company's transfer agent or registrar for the particular class or series of shares to be transferred.

*Alterations of Authorized Share Structure*

The New Articles also provide that the Company may by director's resolution or by ordinary resolution: create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares; increase, reduce or eliminate the maximum number of shares; that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares; that the Company is authorized to issue out of any class or series of shares for which no maximum is established; subdivide or consolidate all or any of its unissued, or fully paid issued, shares; if the Company is authorized to issue shares of a class of shares with par value: (a) decrease the par value of those shares; or (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; alter the identifying name of any of its shares; or otherwise alter its shares or authorized share structure when required or permitted to do so by the BCBCA. Under the Current Articles, the Company may only complete the above by special resolution. The New Articles also provide that the Company may by director's resolution or by ordinary resolution alter the Company's Notice of Articles and Articles, if required by the above alterations, which is not provided for in the Current Articles.

*Alterations of Authorized Share Structure*

The Current Articles provide that the Company may by special resolution, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued, or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued. The New Articles also provide that the Company may by special

resolution, alter its Notice of Articles accordingly to account for the above alterations, but no right or special right to any issued shares must be prejudiced or interfered with unless the shareholders holding shares of the class or series of shares whose right or special right is so prejudiced or interfered with consent by a special resolution of those shareholders.

*Alterations of Authorized Share Structure*

The Current Articles provide that the Company may by special resolution, authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name. The New Articles provide that the Company may by directors' resolution or ordinary resolution, authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

New Articles Resolution

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the following New Articles Resolution:

"**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The cancellation of the current Articles of the Company and the adoption of a new form of Articles for the Company in the form attached as Schedule "B" to the information circular of the Company dated April 9, 2025 be and are hereby approved;

2. The board of directors of the Company be and are hereby authorized to revoke this special resolution and abandon or terminate cancellation of the existing Articles and the adoption of a new form of Articles for the Company if the board of directors of the Company deems it appropriate and in the best interests of the Company to do so, without further confirmation, ratification or approval of the shareholders; and

3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolution."

**The Company's Board recommends that the Shareholders vote IN FAVOUR of the cancellation of the Current Articles of the Company and the adoption of a New Articles for the Company. Unless you give instructions otherwise, the Management Appointees intend to vote any proxies received and unindicated FOR the New Articles Resolution.**

Under the BCBCA and the Current Articles, the approval of the New Articles Resolution requires the approval of the Shareholders by way of a special resolution. The foregoing special resolution must be approved by a majority of two-thirds (2/3) of the votes cast by shareholders present, in person or by proxy, and eligible to vote at the Meeting.

**The Consolidation**

The Consolidation (as defined below) is proposed to be undertaken in order to align the value of the PowerStone Shares to the price per PowerStone Share at which the Transaction will be completed. At the Meeting, Shareholders will be asked to conditionally approve the proposed Consolidation of the issued and outstanding common shares of PowerStone to be completed immediately prior to the completion of the Amalgamation, on the basis of approximately one post-Consolidation PowerStone Share for approximately 2.4966 pre-Consolidation PowerStone Shares, such that there shall be approximately 11,475,802 PowerStone Shares issued and outstanding immediately after the Consolidation but prior to the closing of the Amalgamation. As of the date of this Circular, the Company has 28,650,833 common shares issued and outstanding.

If the Consolidation is approved by the Shareholders and implemented by the Board, the number of PowerStone Shares underlying the issued and outstanding stock options of PowerStone and the exercise price thereof will be adjusted in

accordance with the terms of the Company's equity incentive plan that such stock options were issued under and their respective stock option agreements based on the applicable consolidation ratio applied to the Consolidation.

Summary of the Consolidation

*Effective Date*

The effective date of the Consolidation shall be determined, at the sole discretion of the directors of the Company, to take place prior to the Amalgamation and after the receipt of the Shareholder approvals of the Fundamental Change Resolution and the Consolidation Resolution. If for any reason, the requisite shareholder approvals are not obtained for the Transaction, the directors of the Company, in their sole discretion, may suspend altogether or postpone the proposed Consolidation.

*Fractional Shares*

No fractional Shares will be issued to Shareholders as a result of the Consolidation. The number of Shares issued to Shareholders as a result of the Consolidation shall be rounded down to the nearest whole Share in the event that a Shareholder would otherwise be entitled to a fractional Share. No compensation will be issued to Shareholders as a result of rounding down.

If the Consolidation is approved by Shareholders and implemented by the Board, the registered Shareholders will be required to exchange their PowerStone Share certificates representing pre-Consolidation PowerStone Shares for new PowerStone Share certificates representing post-Consolidation PowerStone Shares. A letter of transmittal will be sent by the Company's Transfer Agent and Registrar, Odyssey, to each registered PowerStone Shareholder who holds their PowerStone Shares in certificated form. The letter of transmittal contains instructions on how to surrender PowerStone Share certificates representing pre-Consolidation PowerStone Shares to Odyssey should the Consolidation be approved at the Meeting. Odyssey will forward to each registered Shareholder who has sent the required documents, if any, a new PowerStone Share certificate representing the number of post-Consolidation PowerStone Shares to which the Shareholder is entitled. Until surrendered, each PowerStone Share certificate representing pre-Consolidation PowerStone Shares will be deemed for all purposes to represent the number of whole post-Consolidation PowerStone Shares to which the holder is entitled as a result of the Consolidation. Shareholders should not destroy any PowerStone Share certificates and should not submit any PowerStone Share certificates until requested to do so. Should the Consolidation not be approved at the Meeting, Odyssey will return the original PowerStone Share certificates to the respective holders.

Consolidation Resolution

Subject to the approval of the Fundamental Change Resolution by the Shareholders of PowerStone, Shareholders are asked to consider and approve a special resolution conditionally authorizing the Company, immediately prior to the completion of the Amalgamation, to carry out the Consolidation. At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the following Consolidation Resolution:

> "**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT**, subject to the requisite Shareholder approvals for the Fundamental Change Resolution as set out in Schedule "A" attached to the information circular of the Company dated April 9, 2025:
>
> 1. if and when the board of directors of the Company determine, in their sole and complete discretion, the issued and outstanding common shares without par value of the Company (the "**Common Shares**"), shall be consolidated on the basis of approximately one post-Consolidation Common Share for up to approximately 2.4966 pre-Consolidation Common Shares (the "**Consolidation**") such that there are approximately 11,475,802 Common Shares issued and outstanding post-Consolidation;
>
> 2. in the event that a Shareholder would otherwise be entitled to a fractional Common Share as a result of the Consolidation, the number of Common Shares issued to that Shareholder shall be

rounded down to the nearest whole Common Share, no compensation will be issued to Shareholders as a result of rounding down;

3. the board of directors of the Company, in their sole and complete discretion, are authorized and empowered to act upon this special resolution to effect the Consolidation and to determine the actual Consolidation ratio such that there shall be approximately 11,475,802 Common Shares issued and outstanding post-Consolidation;

4. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, without further notice to, or approval of, the Shareholders of the Company, to revoke this resolution at any time and to not proceed with the Consolidation; and

5. any one officer or director of the Company is hereby authorized and directed, for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, as such officer or director, may deem necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing."

**After careful consideration of all relevant factors relating to the Consolidation, the Board recommends that Shareholders vote IN FAVOUR of the Consolidation Resolution. Unless you give instructions otherwise, the Management Appointees intend to vote any proxies received and not indicated FOR the Consolidation Resolution.**

Under the BCBCA and the Current Articles, the approval of the Consolidation Resolution requires the approval of the Shareholders by way of a special resolution. A special resolution must be approved by a majority of two-thirds (2/3) of the votes cast by shareholders present, in person or by proxy, and eligible to vote at the Meeting.

**The Name Change**

In connection with the Transaction, pursuant to the Amalgamation Agreement and concurrently with the Closing, PowerStone proposes to change its corporate name "Libra Energy Materials Inc." or such other name determined by Libra and approved by the CSE.

Summary of Name Change

At the Meeting, the Shareholders of the Company will also be asked to consider and, if deemed advisable, to approve, with or without variation, a special resolution to change the name of the Company to "Libra Energy Materials Inc." or such other name determined by Libra and acceptable to the CSE, subject to the completion of the Amalgamation.

As outlined in the Name Change Resolution below, the Name Change is subject to the completion of the Amalgamation and the new name of the Company will ultimately be determined by Libra, as approved by the CSE, and may differ from the name proposed in this Circular. Even if approved by the Shareholders, the Board may also determine not to proceed with the Name Change at its discretion.

Name Change Resolution

The text of the Name Change Resolution, which the Board intends to place before the Meeting for the approval of the Name Change is as follows:

"**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT,** subject to the requisite Shareholder approvals for the Fundamental Change Resolution as set out in Schedule "A" attached to the information circular of the Company dated April 9, 2025:

1. The change of the name of the Company to "Libra Energy Materials Inc." or such other name acceptable to the Canadian Securities Exchange (or any other stock exchange on which the common shares of the Company are listed) and as Libra Lithium Corp. in its sole discretion determine is appropriate is authorized and approved;

2. Any officer or director of the Company be and is hereby authorized and directed for and on behalf of the Company (whether under its corporate seal or otherwise) to execute, deliver and file all such documents and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this special resolution and any matters contemplated thereby;

3. The directors of the Company are hereby authorized and granted with absolute discretion to abandon the change of name of the Company at any time without further approval, ratification or confirmation by the shareholders of the Company; and

4. Any director or officer of the Company is hereby authorized, empowered and instructed, acting for, in the name and on behalf of Company, to execute or cause to be executed, under the seal of Company or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing."

The requisite regulatory approvals for the Name Change, including the approvals of the CSE (or any other stock exchange on which the PowerStone Shares are listed), will not be sought by the Company until after the Board decides to implement the Name Change Resolution. There can be no assurance that the applicable approvals will be obtained.

**The Board recommends that the Shareholders vote IN FAVOUR of the special resolution approving the Name Change. Unless you give instructions otherwise, the Management Appointees intend to vote any proxies received and not indicated FOR the Name Change Resolution.**

Under the BCBCA and the Current Articles, the approval of the Name Change Resolution requires the approval of the Shareholders by way of a special resolution. In order to be effective, the foregoing special resolution must be approved by a majority of two-thirds (2/3) of the votes cast by shareholders present, in person or by proxy, and eligible to vote at the Meeting.

**Continuance to the Jurisdiction of Ontario**

Shareholders will be asked to consider and, if deemed advisable, approve a special resolution, being the Continuance Resolution authorizing the Board, in its sole discretion, to apply for the Continuance out of the Province of British Columbia under the provisions of the BCBCA into the Province of Ontario under the provisions of the OBCA, as set out further below.

Introduction

The Company is currently incorporated under the BCBCA. In connection with the Transaction, the Board is of the view that it may be appropriate to continue the Company as an Ontario company for corporate and administrative reasons. Following the Transaction, it is expected that the Company's head office will be located in Toronto, Ontario, and its chief officers will reside in Ontario.

The Continuance, if approved and implemented, will effect a change in the legal domicile of the Company as of the effective date and time thereof and will affect certain of the rights of Shareholders as they currently exist under the BCBCA. Management of the Company is of the view that the OBCA will provide to Shareholders substantively the same rights as are available to Shareholders under the BCBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions and that shareholders will not be adversely affected by the Continuance. **Shareholders should consult their legal advisors regarding implications of the Continuance which may be of particular importance to them.**

Upon the Continuance becoming effective, Shareholders will continue to hold one common share of the Company for each Common Share currently held. The principal attributes of the PowerStone Shares after Continuance will be identical to the corresponding shares of the Company prior to the Continuance other than differences in shareholders' rights under the OBCA and the BCBCA, a summary of which is provided below.

The directors and officers of the Company immediately following the Continuance will be identical to the directors and officers of the Company immediately prior to the Continuance. As of the effective date of the Continuance, the election, duties, resignations and removal of the Company's directors and officers shall be governed by the OBCA, proposed articles of continuance under the OBCA (the "**Articles of Continuance**"), and by-law no. 1, in the form attached to this Circular as Schedule "D". If adopted, by-law no. 1 and the Articles of Continuance will replace the current Notice of Articles and Articles of the Company.

Procedure

Under the BCBCA, in order to effect the Continuance of the Company from British Columbia into Ontario, the Company must obtain the approval of the Shareholders by way of special resolution under the BCBCA, being a resolution passed by not less than 66 $^{2}/_{3}$% of the votes cast in person or by proxy at the Meeting. The Company must also make a written application to the Registrar of Companies appointed under the BCBCA (the "**Registrar of Companies**") for consent to continue.

If the Continuance Resolution is approved at the Meeting, it is proposed the Company may apply to and file all necessary documentation with the Registrar of Companies for authorization to continue into Ontario. Immediately following receipt of the authorization of the Registrar of Companies, it is proposed that the Company would apply for a Certificate of Continuance and file Articles of Continuance under the OBCA to continue the Company into Ontario.

Upon the issuance of a Certificate of Continuance by the Director appointed under the OBCA (the "**OBCA Director**"), the Continuance will become effective, whereupon the Company will become subject to the OBCA, as if it had been incorporated under the OBCA, and the Articles of Continuance will be deemed to be the articles of incorporation of the Company.

The Articles of Continuance will constitute the governing instrument of the continued Company under the OBCA and the Certificate of Continuance issued by the OBCA Director will be deemed to be the certificate of incorporation of the continued Company. Upon the Articles of Continuance becoming effective, the Company becomes a corporation to which the OBCA applies as if it had been incorporated under the OBCA.

Notwithstanding the Continuance of the Company from British Columbia into Ontario, the BCBCA and the OBCA provide that all the rights of creditors of the Company against the Company's property, rights and assets and all liens on the Company's property, rights and assets are unimpaired by the Continuance. All debts, contracts, liabilities and duties of the Company continue to attach to the Company upon being continued under the OBCA and continue to be enforceable against it as if the Company had remained incorporated under the BCBCA as well as any existing cause of action, claim or legal proceeding against the Company.

Notwithstanding the approval of the Continuance by special resolution of the Shareholders of the Company, the Board may, without further approval by the Company's Shareholders, abandon the application for the Continuance of the Company under the OBCA at any time prior to the issue of a Certificate of Continuance.

Corporate Governance Differences

In general terms, the OBCA provides to shareholders substantively the same rights as are available to shareholders under the BCBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences concerning the qualifications of directors, location of shareholder meetings and certain shareholder remedies. The following is a summary comparison of certain provisions and the highlights of the BCBCA and the OBCA which pertain to rights of Shareholders.

**This summary is not intended to be exhaustive and Shareholders should consult their legal advisers regarding all of the implications of the Continuance.**

*Charter Documents*

Under the OBCA, the charter documents will consist of a Certificate and Articles of Continuance, which set forth, among other things, the name of the corporation and the amount and type of authorized capital, and by-laws, which govern the management of the Company following the Continuance. The Articles and the by-laws are kept at the Company's registered office, or such other place in Ontario designated by the directors.

Under the BCBCA, the charter documents consist of a Certificate of Incorporation and Notice of Articles, which sets forth the name of the corporation, its directors and the amount and authorized share structure, and Articles, which govern the management of the Company. The Notice of Articles is filed with the Registrar of Companies while the Articles are kept at the Company's records office.

A Continuance to Ontario and the adoption of the Articles of Continuance and by-laws will not result in any substantive changes to the constitution, powers or management of the Company, except as otherwise described herein.

*Amendments to Charter Documents*

Under the OBCA, certain fundamental changes require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration at a special meeting of shareholders, and, in certain instances, where the rights of the holders of a class or series of shares are affected differently by the alteration than those of the holders of other classes or series of shares, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class or series so affected, whether or not they are otherwise entitled to vote. Authorization to amalgamate an OBCA corporation requires that a special resolution in respect of the amalgamation be passed by the holders of each class or series of shares entitled to vote thereon. The holders of a class or series of shares of an amalgamating corporation, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the Articles, would entitle such holders to vote separately as a class or series under Section 170 of the OBCA.

Any substantive change to the charter documents of a company under the BCBCA, such as an alteration of the restrictions, if any, on the business carried on by a company, a change in the name of a company, an increase, reduction or elimination of the maximum number of shares that the company is authorized to issue out of any class or series of shares, an alteration of the special rights and restrictions attached to issued shares or continuance of a company out of the jurisdiction requires a resolution of the type specified in its Articles. If the Articles do not specify the type of resolution, a special resolution passed by the majority of votes that the Articles of the company specify is required, if that specified majority is at least two thirds and not more than three quarters of the votes cast on the resolution or, if the Articles do not contain such a provision, a special resolution passed by at least two thirds of the votes cast on the resolution. Other fundamental changes such as a proposed amalgamation or arrangement require a similar special resolution passed by holders of shares of each class or series entitled to vote at a general meeting of the company and the holders of all classes or series of shares adversely affected by such changes. Certain actions, if permitted under the Articles, including approval of share consolidations, share splits and corporate name changes, may be effected by approval of the directors only.

*Sale of Undertaking*

The OBCA requires approval by not less than two-thirds of the votes cast upon a special resolution at a duly called special meeting for a sale, lease or exchange of all or substantially all of the property of the corporation other than in the ordinary course of business of the corporation. If a sale, lease or exchange of all or substantially all of the property of the corporation other than in the ordinary course of business of the corporation would affect a particular class or series of shares of the corporation in a manner different from the shares of another class or series of the corporation entitled to vote on the sale, lease or exchange at the meeting, the holders thereof are entitled to vote separately as a class or series in respect to such sale, lease or exchange.

Under the BCBCA, a company may sell, lease or otherwise dispose of all or substantially all of the undertaking (as opposed to 'property' under the OBCA) of the company if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the Articles of the company specify is required, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution or, if the Articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution.

*Rights of Dissent and Appraisal*

The OBCA provides a holder of shares of any class or series entitled to vote on a resolution may dissent to certain actions being taken by a company and require the company to purchase the shares held by such shareholder at the fair value of such shares, determined as of the close of business on the day before the resolution was adopted. The dissent right is applicable in respect of a resolution:

(a) to amend its Articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) to amend its Articles to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) to amalgamate with another corporation;

(d) to be continued under the laws of another jurisdiction; or

(e) to sell, lease or exchange all or substantially all the corporation's property.

Although the procedure under BCBCA for exercising rights of dissent differs from the procedure under the OBCA, the BCBCA also provides that shareholders of a company, whether or not such shareholder's shares carry the right to vote, are entitled to dissent to certain actions being taken by the company and require the company to purchase the shares held by such shareholder at the fair value of such shares, determined immediately before the passing of the resolution. A shareholder is entitled to dissent pursuant to the BCBCA in respect of:

(a) a resolution to alter the company's Articles to alter restrictions on the powers of the company or on the business that the company is permitted to carry on;

(b) a resolution to adopt an amalgamation agreement;

(c) a resolution to approve an amalgamation into a foreign jurisdiction;

(d) a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of a company's undertaking;

(f) a resolution to continue into a jurisdiction other than British Columbia;

(g) any other resolution, if dissent is authorized by the resolution; or

(h) any court order that permits dissent.

See "*The Continuance to Ontario – Shareholders' Rights of Dissent in Respect of the Continuance*".

*Oppression Remedies*

Under the OBCA, a registered security holder, former registered security holder, beneficial security holder, former beneficial security holder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy may apply to a court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates:

(a) any act or omission of the corporation or its affiliates effects, or threatens to effect, a result;

(b) the business or affairs of the corporation or its affiliates are, or have been or are threatened to be carried on or conducted in a manner; or

(c) the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner,

that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of, any security holder, creditor, director or officer of the corporation.

The OBCA contains rights that are substantially broader in that they are available to a larger class of complainants than the BCBCA. Under the BCBCA, a shareholder of a company has the right to apply to court on the ground that:

(a) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or

(b) some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make such order as it sees fit, including an order to prohibit any act proposed by the company.

*Shareholder Derivative Actions*

Under the BCBCA, a shareholder or director of a company may, with leave of the court, bring an action in the name and on behalf of the company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such a right, duty or obligation.

A broader right to bring a derivative action is contained in the OBCA, and this right extends also to registered security holders, former registered security holders, beneficial security holders, former beneficial security holders, directors, former directors, officers and former officers of a corporation or any of its affiliates, and any other person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the OBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries, or to intervene in an action to which any such body corporate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate.

*Shareholder Proposals*

Both the OBCA and the BCBCA contain provisions with respect to shareholder proposals.

Under the OBCA, a registered holder of shares entitled to vote or a beneficial owner of shares that are entitled to be voted at a meeting of shareholders may: (i) submit to the corporation notice of a proposal; and (ii) discuss at the meeting any matter in respect of which such shareholder would have been entitled to submit a proposal. A corporation that solicits proxies shall set out the proposal in the management information circular or attach the proposal to the circular. If requested by the shareholder, management must also include in the management information circular a statement by the shareholder in support of the proposal provided such statement meets certain criteria. A shareholder proposal may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate not less than 5% of the shares or 5% of the shares of a class or series of shares of the corporation entitled to vote at the meeting to which the proposal is to be presented.

A corporation is not required to set out the proposal or statement in support of the proposal in a management information circular where:

(a) notice of the proposal is submitted to the corporation less than 60 days before: (i) the anniversary date of the previous annual meeting, if the matter is proposed to be raised at an annual meeting; or (ii) the date of a meeting other than the annual meeting, if the matter is proposed to be raised at a meeting other than the annual meeting;

(b) it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers or security holders;

(c) it clearly appears that the proposal does not relate in a significant way to the business or affairs of the corporation;

(d) within two years before the receipt by the corporation of a person's notice of proposal, the person failed to present, in person or by proxy, at a meeting of the corporation's shareholders, a proposal which had been submitted by the person and had been included in a management information circular or a notice of meeting relating to that shareholders' meeting; or

(e) substantially the same proposal was submitted to shareholders in a management information circular, dissident's information circular, or notice of a meeting relating to a previous meeting of shareholders, such previous meeting was held within five years before the receipt by the corporation of the person's current notice of proposal, and at that previous meeting, the proposal did not receive the minimum amount of support.

Pursuant to the BCBCA, a proposal may only be submitted by qualified shareholders, which means a person who:

(a) is a registered owner or beneficial owner of one or more shares of the company that carry the right to vote at general meetings; and

(b) has been a registered owner or beneficial owner of one or more such shares for an uninterrupted period of at least two years before the date of the signing of the proposal;

provided that such shareholder has not, within two years before the date of the signing of the proposal, failed to present, in person or by proxy, at any annual general meeting, an earlier proposal submitted by such shareholder in respect of which the corporation complied with its obligations under the BCBCA.

A proposal pursuant to the BCBCA is valid if:

(a) the proposal is signed by a submitter who is a qualified shareholder;

(b) the proposal is signed by qualified shareholders who, together with the submitter, are, at the time of signing, registered owners or beneficial owners of shares that, in the aggregate: (i) constitute at least 1/100 of the issued shares of the company that carry the right to vote at general meetings, or (ii) have a fair market value in excess of $2,000;

(c) the proposal, and the declarations referred to in paragraph (d) below, are received at the registered office of the company at least three months before the anniversary of the previous year's annual reference date; and

(d) the proposal is accompanied by a declaration from the submitter and each supporter, signed by the submitter or supporter, as the case may be, or, in the case of a submitter or supporter that is a corporation, by a director or senior officer of the signatory: (i) providing the name of and a mailing address for that signatory; (ii) declaring the number and class or series of shares carrying the right to vote at general meetings that are owned by that signatory as a registered owner or beneficial owner; and (iii) unless the name of the registered owner has already been provided under subparagraph (i), providing the name of the registered owner of those shares.

A corporation that receives a valid proposal must send the text of the proposal, the names and mailing addresses of the submitter and supporting shareholders, and the text of any supporting statement accompanying the proposal to all persons who are entitled to notice of the annual general meeting in relation to which the proposal is made. Such information must be sent in, or within the time for sending of, the notice of the applicable annual general meeting, or in the corporation's information circular, if any, sent in respect of the applicable annual general meeting. If the submitter is a qualified shareholder at the time of the annual general meeting to which its proposal relates, the corporation must allow the submitter to present the proposal, in person or by proxy, at such meeting. If two or more proposals received by the corporation in relation to the same annual general meeting are substantially the same, the corporation needs to comply with such requirements only in relation to the first proposal received and not any others.

*Requisition of Meetings*

Both the BCBCA and the OBCA provide that shareholders of a company holding not less than 5% of the issued voting shares of a company may give notice to the directors requiring them to call and hold a meeting.

*Place of Meetings*

Subject to the Articles or any unanimous shareholder agreement, the OBCA permits meetings of shareholders to be held inside or outside Ontario as the directors determine, or in the absence of such a determination, at the place where the registered office of the corporation is located.

Under the BCBCA, meetings of shareholders are required to be held in British Columbia unless:

(a) a location outside of British Columbia is provided for in the Articles;

(b) the Articles do not restrict the company from approving a location outside of British Columbia, the location is approved by the resolution required by the Articles for that purpose (in the case of the Company, the location may be approved by directors' resolution), or if no resolution is specified then approved by ordinary resolution before the meeting is held; or

(c) the location for the meeting is approved in writing by the Registrar of Companies before the meeting is held.

*Directors*

The OBCA and BCBCA both provide that a public company must have a minimum of three directors. The OBCA does not have a provincial residency requirement for directors (although at least 25% must be resident Canadians) and the BCBCA has neither Canadian nor provincial residency requirements for directors.

Shareholders' Rights of Dissent in Respect of the Continuance

The following is a summary of the operation of the provisions of the BCBCA relating to a Registered Shareholder's dissent and appraisal rights in respect of the Continuance. Such summary is not a comprehensive statement of the procedures to be followed by a Shareholder who seeks such dissent and appraisal rights and is qualified in its entirety by reference to the full text of Part 8, Division 2 of the BCBCA which is attached to this Information Circular as Schedule "E".

Any Registered Shareholder considering the exercise of the right of dissent should seek legal advice, since failure to comply strictly with the provisions of the BCBCA may prejudice the Registered Shareholder's right of dissent. Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of such shares are entitled to dissent. Accordingly, a beneficial owner of Common Shares desiring to exercise the right of dissent must make arrangements for the Common Shares beneficially owned to be registered in their name prior to the time the written objection to the Continuance Resolution is required to be received by the Company or, alternatively, make arrangements for the registered holder of such shares to dissent on their behalf.

Pursuant to Section 238 of the BCBCA, any Shareholder who dissents to the Continuance Resolution (a "**Continuance Dissenting Shareholder**") in compliance with Sections 237 to 247 of the BCBCA will, if the Company proceeds with the Continuance, be entitled to be paid by the Company the fair value of the Common Shares held by such Continuance Dissenting Shareholder determined as at the point in time immediately before the passing of the Continuance Resolution. A Continuance Dissenting Shareholder must dissent with respect to all Common Shares in which the holder owns a beneficial interest.

The filing of a notice of dissent deprives a Continuance Dissenting Shareholder of the right to vote at the Meeting, except if such Continuance Dissenting Shareholder ceases to be a Continuance Dissenting Shareholder in accordance with the Continuance Dissent Rights. For greater certainty, a Shareholder who wishes to exercise the Continuance Dissent Rights may not vote in favour of the Continuance.

A Shareholder who wishes to dissent must deliver written notice of dissent to the Company at its registered office, which is 1900 – 1040 West Georgia Street, Vancouver, BC, Canada V6E 4H3, at least two days before the date on which the Continuance Resolution is to be voted upon and such notice of dissent must strictly comply with the requirements of Section 242 of the BCBCA.

In particular, the written notice of dissent must set out the number of Common Shares in respect of which the notice of dissent is to be sent and:

(a) if such Common Shares constitute all of the Common Shares of which the Shareholder is the registered and beneficial owner, a statement to that effect;

(b) if such Common Shares constitute all of the Common Shares of which the Shareholder is both the registered and beneficial owner but if the Shareholder owns additional Common Shares beneficially, a statement to that effect and the names of the Registered Shareholders, the number of Common Shares held by such registered owners and a statement that written notices of dissent have or will be sent with respect to such Common Shares; or

(c) if the dissent rights are being exercised by a registered owner who is not the beneficial owner of such Common Shares, a statement to that effect and the name of the beneficial owner and a statement that the registered owner is dissenting with respect to all Common Shares of the beneficial owner registered in such registered owner's name.

The Company is required promptly after the later of (i) the date on which the Company forms the intention to proceed with the Continuance; and (ii) the date on which the written notice of dissent was received, to notify each Continuance Dissenting Shareholder of its intention to act on the Continuance. Upon receipt of such notification, each Continuance Dissenting Shareholder is then required, if the Continuance Dissenting Shareholder wishes to proceed with the dissent, within one month

after the date of such notice to send to the Company (a) a written statement that the Continuance Dissenting Shareholder requires the Company to purchase all of its Common Shares; (b) the certificates representing such Common Shares; and (c) if the dissent right is being exercised by the Continuance Dissenting Shareholder on behalf of a beneficial owner who is not the Continuance Dissenting Shareholder, a statement signed by the beneficial owner which sets out whether the beneficial owner is the beneficial owner of other Common Shares, and if so, (i) the names of the registered owners of such Common Shares; (ii) the number of such Common Shares; and (iii) that dissent is being exercised in respect of such Common Shares. A Shareholder who fails to send the Company, within the required time frame, the written statements described above and the certificates representing the Common Shares in respect of which the Continuance Dissenting Shareholder dissents, forfeits the Shareholder's right to dissent.

On sending the required documentation to the Company, the fair value for a Continuance Dissenting Shareholder's Common Shares will be determined as follows:

(a) if the Company and a Continuance Dissenting Shareholder agree on the fair value of the Common Shares, then the Company must promptly pay that amount to the Continuance Dissenting Shareholder or promptly send notice to the Continuance Dissenting Shareholder that the Company is lawfully unable to pay the Continuance Dissenting Shareholders for their Common Shares; or

(b) if a Continuance Dissenting Shareholder and the Company are unable to agree on a fair value, the Continuance Dissenting Shareholder may apply to the Supreme Court of British Columbia to determine the fair value of the Common Shares, and the Company must pay to the Continuance Dissenting Shareholder the fair value determined by such Court or promptly send notice to the Continuance Dissenting Shareholder that the Company is lawfully unable to pay the Continuance Dissenting Shareholders for their Common Shares.

The Company will be lawfully unable to pay the Continuance Dissenting Shareholder the fair value of their Common Shares if the Company is insolvent or would be rendered insolvent by making the payment to the Continuance Dissenting Shareholder. In such event, Continuance Dissenting Shareholders will have 30 days to elect to either (a) withdraw their dissent or (b) retain their status as a claimant and be paid as soon as the Company is lawfully able to do so or, in a liquidation, be ranked subordinate to its creditors but in priority to its shareholders.

If the Continuance is not implemented for any reason, Continuance Dissenting Shareholders will not be entitled to be paid the fair value for their Common Shares and the Continuance Dissenting Shareholders will be entitled to the return of any Common Share certificates delivered to the Company in connection with the exercise of the Continuance Dissent Rights.

The discussion above is only a summary of the Continuance dissent rights which are technical and complex. A Shareholder who intends to exercise Continuance dissent rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA. Persons who are beneficial owners of Common Shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such shares is entitled to dissent. It is suggested that any Shareholder wishing to avail himself or herself of the Continuance dissent rights seek his or her own legal advice as failure to comply strictly with the applicable provisions of the BCBCA may prejudice the availability of such dissent rights. Continuance Dissenting Shareholders should note that the exercise of dissent rights can be a complex, time-consuming and expensive process.

Continuance Resolution

Shareholders will be asked at the Meeting to approve with or without variation the Continuance Resolution as follows:

> "**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT,** subject to the requisite Shareholder approvals for the Fundamental Change Resolution as set out in Schedule "A" attached to the information circular of the Company dated April 9, 2025 (the "**Circular**"):
>
> 1. the continuance of PowerStone Metals Corp. (the "**Company**") from the Province of British Columbia to the Province of Ontario, pursuant to the *Business Corporations Act* (British Columbia)

("**BCBCA**") and the *Business Corporations Act* (Ontario) (the "**OBCA**") is hereby authorized and approved;

2. the Company is hereby authorized to make an application to the Registrar of Companies appointed under the BCBCA, for authorization to continue out of British Columbia into Ontario;

3. the Company is hereby authorized to make an application to the Director appointed under the OBCA, pursuant to section 180 of the OBCA, for a Certificate of Continuance continuing the Company into Ontario under the OBCA;

4. subject to the issuance of such Certificate of Continuance and without affecting the validity of the Company and the existence of the Company by or under its Notice of Articles and Articles and any act done thereunder, effective upon issuance of the Certificate of Continuance, the Company adopt the Articles of Continuance forming part of the said application for continuance and by-law no. 1, being a general by-law in the form attached to the Circular as Schedule "D" in substitution for the existing Notice of Articles and Articles of the Company;

5. the directors of the Company are hereby authorized, without further approval of the shareholders of the Company, to abandon the application for continuance of the Company under the OBCA at any time prior to the issue of a certificate of continuance by the Director appointed under the OBCA; and

6. any director or officer of the Company be and is hereby authorized, for and on behalf of the Company to execute and deliver all documents and instruments and take such other actions, including making all necessary filings with applicable regulatory bodies and stock exchanges, as such director or officer may determine to be necessary or desirable to implement this special resolution and the matter authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument and the taking of any such action."

**The Board has determined that the Continuance is in the best interests of the Company and its Shareholders. Accordingly, the Board unanimously recommends that the Shareholders approve the Continuance Resolution, by voting FOR the Continuance Resolution at the Meeting. Unless you give instructions otherwise, the Management Appointees intend to vote any proxies received FOR the Continuance Resolution.**

Under the BCBCA and the Current Articles, the approval of the Consolidation Resolution requires the approval of the Shareholders by way of a special resolution. In order to be effective, the foregoing special resolution must be approved by a majority of two-thirds (2/3) of the votes cast by shareholders present, in person or by proxy, and eligible to vote at the Meeting.

**The Resulting Issuer Equity Incentive Plan**

In connection with the Transaction, the Company wishes to obtain Shareholder approval, and at the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the re-adoption of the equity incentive plan of the Company, substantially in the form attached hereto as Schedule "F", which will, effective upon the completion of the Transaction (the "**Resulting Issuer Equity Incentive Plan**"), become the equity incentive plan of the Resulting Issuer. The purpose of the Resulting Issuer Equity Incentive Plan is to promote the long-term success of the Resulting Issuer and the creation of Resulting Issuer shareholder value by: (i) encouraging the attraction and retention of eligible persons; (ii) encouraging such eligible persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such eligible persons with the interests of the Resulting Issuer. The Resulting Issuer Equity Incentive Plan provides for the grant of the following equity-based compensation awards: (i) stock options of the Company; (ii) restricted share units of the Company; (iii) deferred share units of the Company; (iv) performance share units of the Company; and (v) share appreciation rights (collectively, the "**Awards**").

Summary of Resulting Issuer Equity Incentive Plan

A summary of the material terms of the Resulting Issuer Equity Incentive Plan can be found in section titled "*Information Concerning PowerStone - Description of Equity Incentive* Plan" as this plan is expected to be adopted from PowerStone's current equity incentive plan, which summary is qualified in its entirety by the full text of the Resulting Issuer Equity Incentive Plan, included as Schedule "F" to this Circular. The Board encourages Shareholders to read the full text of the Resulting Issuer Equity Incentive Plan before voting on an ordinary resolution approving the Resulting Issuer Equity Incentive Plan (the "**Equity Incentive Plan Resolution**").

Approval of the Resulting Issuer Equity Incentive Plan

The Company is seeking Shareholder approval for the adoption of the Resulting Issuer Equity Incentive Plan. The Resulting Issuer Equity Incentive Plan will become the equity incentive plan of the Resulting Issuer upon the closing of the Transaction.

The Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Equity Incentive Plan Resolution. To be effective, the Equity Incentive Plan Resolution must be approved by the affirmative vote of not less than a majority of the votes cast by the holders of PowerStone Shares present in person or by proxy at the Meeting.

The text of the Equity Incentive Plan Resolution is as follows:

"**BE IT RESOLVED** as an ordinary resolution of the Shareholders that:

1. the equity incentive plan substantially in the form attached as Schedule "F" to information circular prepared for the annual general and special meeting of the Company held on May 14, 2025 (the "**Resulting Issuer Equity Incentive Plan**"), be and is hereby approved and adopted as the equity incentive plan of the Company;

2. any one director or officer may amend the form of the Resulting Issuer Equity Incentive Plan in order to satisfy the requirements or requests of any regulatory authorities, including the Canadian Securities Exchange, without requiring further approval of the shareholders of the Company; and

3. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this resolution."

The requisite regulatory approvals for the Resulting Issuer Equity Incentive Plan, including the approvals of the Exchange (or any other stock exchange on which the PowerStone Shares are listed), may not be sought by the Company until after the Meeting. There can be no assurance that the applicable regulatory approvals for the Resulting Issuer Equity Incentive Plan will be obtained.

**The Board recommends that the Shareholders vote IN FAVOUR of the Equity Incentive Plan Resolution. Unless you give instructions otherwise, the Management Appointees intend to vote any proxies received FOR the Equity Incentive Plan Resolution.**

The Equity Incentive Plan Resolution is an ordinary resolution which is required to be approved by greater than fifty percent (50%) of the votes cast by those Shareholders who (being entitled to do so) vote in person or by proxy at the Meeting.

**The Fundamental Change**

PowerStone, Libra and SubCo (a wholly-owned subsidiary of PowerStone) entered into the Amalgamation Agreement which provides for the Amalgamation and for PowerStone to thereby acquire all of the outstanding Libra securities, with Libra

Shareholders to receive one Resulting Issuer Share (post-Consolidation) for each Libra Share held before the Amalgamation and one Resulting Issuer Option (post-consolidation) for each Libra stock option for each before the Amalgamation. Upon completion of the Amalgamation, Amalco will be a wholly-owned subsidiary of PowerStone. Completion of the Transaction is subject to the satisfaction of certain closing conditions as set out in the Amalgamation Agreement.

The Amalgamation constitutes a "Fundamental Change" of PowerStone pursuant to the policies of the CSE.

It is anticipated that the Transaction will result in an aggregate of 57,445,634 Resulting Issuer Shares (post-Consolidation) being issued to the Libra Shareholders, nil Resulting Issuer Warrants and 4,485,926 Resulting Issuer Options, without giving effect to any additional Resulting Issuer Shares issuable as a result of any Concurrent Financing.

Prior to the completion of the Transaction, the Company or Libra may complete one or more prospectus exempt offerings of Powerstone Shares or Libra Shares, respectively, or securities convertible into Powerstone Share or Libra Shares (any such financing, a "**Concurrent Financing**"). Any Powerstone Shares or Libra Shares issued in a Concurrent Financing will be treated on an identical per share basis to the other Powerstone Shares or Libra Shares in connection with the Transaction and the other related transactions.

Certain of the Resulting Issuer Shares held by the current Libra Shareholders will be subject to escrow conditions and applicable resale restrictions as required by applicable securities laws and CSE requirements. Furthermore, in connection with the Transaction, all Resulting Issuer Shares issued and Resulting Issuer Options to current Libra Shareholders will be subject to a voluntary pooling arrangement restricting resale, administered by the Company. See *"Information Concerning the Resulting Issuer – Escrowed Securities"*.

The description of the Amalgamation Agreement in this Circular is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Amalgamation Agreement, which is available on PowerStone's SEDAR+ profile at www.sedarplus.ca and which is incorporated by reference herein. A physical copy may be obtained on request without charge, see "*Information Concerning PowerStone - Documents Incorporated by Reference*".

Reasons for the Transaction and Recommendations

In making its determination and unanimous recommendation to approve the Transaction, the Board consulted with Powerstone's management and advisers and reviewed a significant amount of information and considered a number of factors, including the following:

- The Transaction creates a larger-scale entity with significant mineral properties and increased access to capital;
- Powerstone's due diligence review and investigations of the business, operations, financial condition, strategy and future prospects of Libra (including review of technical disclosure);
- The impact of the Transaction on all stakeholders in Powerstone, including Powerstone Shareholders, employees and consultants, as well as the long term interests of Powerstone Shareholders;
- Libra's mineral properties are located in jurisdictions favorable to exploration and with stable geopolitical outlooks;
- The strength of Libra's management team;
- Libra's joint-venture partnerships;
- The near and longer term outlook for demand for critical minerals;
- The need for Powerstone to find additional exploration opportunities following the lapse of its Chilton Cobalt property option; and

- The Transaction must be approved by the CSE and by the Shareholders of Powerstone.

In making its determination and recommendations, the Board, in consultation with PowerStone's management and advisors, considered a number of potential issues regarding risks (as described in greater detail under the heading *Risk Factors*) relating to the Transaction, including:

- The challenges inherent in combining two businesses of the size, geographic diversity and complexity of Powerstone and Libra.

- The risk that expected benefits to the Resulting Issuer are not realized.

- The risk that changes in Law or regulation could adversely impact the expected benefits of the Transaction to Powerstone, Powerstone Shareholders and other stakeholders.

- The risk that the Resulting Issuer Shares to be issued as consideration are based on a fixed exchange ratio and will not be adjusted based on fluctuations in the market value of Powerstone Shares or Libra Shares.

- The potential risk of diverting management's attention and resources from the operation of Powerstone's business, including other strategic opportunities and operational matters, while working toward the completion of the Transaction.

- The potential negative effect of the pendency of the Transaction on Powerstone's business, including its relationships with employees, suppliers, customers and communities in which it operates.

- The potential adverse impact that business uncertainty pending the completion of the Transaction could have on Powerstone's ability to attract, retain and motivate key personnel until the completion of the Transaction.

- The risk that the Transaction may not be completed despite the Parties' efforts or that completion of the Transaction may be unduly delayed, and the potential resulting negative impact this could have upon Powerstone's business.

- The restrictions on the conduct of Powerstone's business prior to the completion of the Transaction, which could delay or prevent Powerstone from undertaking business opportunities that may arise pending completion of the Transaction.

- The fact that Powerstone has incurred and will continue to incur significant transaction costs and expenses in connection with the Transaction regardless of whether it is completed.

The Board's reasons for recommending the approval of the Fundamental Change Resolution, a copy of which is set out in Schedule "A" attached to this Circular, include certain assumptions relating to forward-looking information, and such information and assumptions, are subject to various risks. The Board believes that, overall, the anticipated benefits of the Transaction to PowerStone outweigh these risks and negative factors. See "*Cautionary Notice Regarding Forward-Looking Statements and Risk Factors*" in this Circular.

The foregoing summary of information and factors considered by the Board is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Transaction, the Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its determination and recommendation. The Board's recommendations were made after considering all of the above-noted factors and in light of its knowledge of the business, financial condition and prospects of PowerStone, and was also based on the advice of advisors. Individual directors may have assigned or given different weights to different factors.

**The Board was unanimous in its determination that the Transaction is in the best interests of PowerStone and the Shareholders and in its recommendation that Shareholders vote IN FAVOUR OF the Fundamental Change Resolution, a copy of which is set out in Schedule "A" attached to this Circular. Unless you give instructions otherwise, the Management Appointees intend to vote FOR the Fundamental Change Resolution.**

The Fundamental Change Resolution is an ordinary resolution which is required to be approved by greater than fifty percent (50%) of the votes cast by those Shareholders who (being entitled to do so) vote in person or by proxy at the Meeting.

Shareholder Approval

The policies of the CSE consider the Transaction to be a "fundamental change" as the Company intends to change its business. The policies of the CSE require that a "fundamental change" must be approved by the Shareholders prior to completion of the Transaction in order to qualify the Resulting Issuer Shares for Listing. Accordingly, at the Meeting, Shareholders will be asked to consider the Fundamental Change Resolution, which is an ordinary resolution, to approve the Amalgamation.

To be effective, the Fundamental Change Resolution must be approved by simple majority of affirmative votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat.

Subject to the terms and conditions of the Amalgamation Agreement, at the closing of the Amalgamation Libra and SubCo are to amalgamate and every Libra Share prior to the Amalgamation shall entitle the holder thereof to be issued and to receive one fully paid and non-assessable post-Consolidation PowerStone Share resulting in a pro-forma ownership of PowerStone Shares of approximately 45,969,832 (approximately 80%) PowerStone Shares held by pre-closing Libra Shareholders and approximately 11,475,802 (approximately 20%) PowerStone Shares held by pre-closing PowerStone Shareholders, without giving effect to any shares issued in a Concurrent Financing.

Effective Date

If the Fundamental Change Resolution is passed, and all other conditions under the Amalgamation Agreement, as summarized under "*The Amalgamation Agreement - Conditions to Closing the Transaction and Required Approvals"* herein, are satisfied or waived, the Transaction will become effective on a date determined by Libra and PowerStone. PowerStone and Libra currently expect that the Transaction will be completed during the second quarter of 2025 but there is no assurance of completion during this time period.

Transaction Risk Factors

In addition to the other information and risks factors set out elsewhere in the Circular, there are certain risk factors with respect to the Transaction, including those set out under "*Information Concerning PowerStone – Risk Factors*" "*Information Concerning Libra – Risk Factors*" and "*Information Concerning the Resulting Issuer – Risk Factors*" in this Circular, which should be given special consideration by PowerStone Shareholders when evaluating whether to approve the Fundamental Change Resolution and other matters contemplated in this Circular.

The Amalgamation Agreement

On December 31, 2024, PowerStone, Libra and SubCo entered into the Amalgamation Agreement, pursuant to which and subject to the terms and conditions therein, Libra and SubCo would amalgamate and PowerStone would thereby acquire all of the issued and outstanding securities of Libra. Pursuant to the Amalgamation, Libra Shareholders will receive one Resulting Issuer Share (post-Consolidation) for each Libra Share held prior to the Amalgamation and one Resulting Issuer Option for each Libra Option held prior to the Amalgamation. Upon completion of the transactions contemplated by the Amalgamation Agreement, Libra Shareholders will all become shareholders of PowerStone. The terms of the Amalgamation Agreement are the result of arm's-length negotiations between PowerStone and Libra with the assistance of their respective advisors.

The following is a summary of certain material terms of the Amalgamation Agreement. This summary does not contain all of the information about the Amalgamation Agreement. Therefore, Shareholders should read the Amalgamation Agreement

carefully and in its entirety, as the rights and obligations of PowerStone and Libra are governed by the express terms of the Amalgamation Agreement and not by this summary or any other information contained in this Circular.

Certain capitalized terms used in this summary that are not defined in the *Glossary of Terms* have the meanings ascribed to them in the Amalgamation Agreement.

*Amalgamation*

Subject to the terms and conditions of the Amalgamation Agreement, at the closing of the Amalgamation Libra and SubCo are to amalgamate and every Libra Share prior to the Amalgamation shall entitle the holder thereof to be issued and to receive one fully paid and non-assessable post-Consolidation PowerStone Share resulting in a pro-forma ownership of PowerStone Shares of approximately 45,969,832 (approximately 80%) PowerStone Shares held by pre-closing Libra Shareholders and approximately 11,475,802 (approximately 20%) PowerStone Shares held by pre-closing PowerStone Shareholders, without giving effect to any shares issued in a Concurrent Financing.

Each stock option of Libra outstanding immediately before the Closing Time shall be exchanged for stock options of PowerStone on the basis of one PowerStone stock option for each Libra stock option, and each PowerStone stock option so issued shall entitle the holder to receive, upon the subsequent exercise thereof, that number of PowerStone Shares equal to the number of Libra Shares issuable under the Libra stock option immediately prior to the Closing Time on the same terms and conditions as such Libra stock options, and all such Libra stock options shall be cancelled. At the Closing Time, the stock options of PowerStone outstanding immediately before the Closing Time shall continue in effect unamended, other than adjustments which may need to be made.

No fractional securities of PowerStone will be issued pursuant to the Amalgamation. In the event that a securityholder of Libra would otherwise be entitled to a fractional security, the number of securities of PowerStone issued to such securityholder shall be rounded up to the next greater whole number of such security. In calculating such fractional interests, all securities of PowerStone, as the case may be, registered in the name of or beneficially held by a PowerStone securityholder or their nominee shall be aggregated.

*Restrictions on Securities*

*CSE Escrow Restrictions*

The PowerStone Shares issued to Libra Shareholders pursuant to the Amalgamation, will be subject to compliance with applicable Canadian Securities Laws. In addition, the PowerStone Fundamental Change Shares to be issued to certain of the shareholders of Libra, as required by CSE, will be subject to a escrow agreement (the "**CSE Escrow Agreement**") to be entered into among PowerStone, Odyssey and certain shareholders of Libra in compliance with the requirements of the CSE, with the securities subject to such agreement to be released in accordance with the prescribed policies of CSE.

*U.S Holder Restrictions*

The issuance of the PowerStone Fundamental Change Shares to a U.S. Person in connection with the Amalgamation shall be conditional on the availability of applicable prospectus exemptions in Canada for PowerStone and an exemption from the registration requirements of the United States Securities Act of 1933, as amended, (the "**U.S. Securities Act**") and such PowerStone Fundamental Change Shares shall be "restricted securities" as such term is defined in Rule 144 under the U.S. Securities Act.

*Libra Shareholders Pooling Agreement*

In addition to any escrow imposed by the CSE Escrow Agreement on certain Libra Shareholders, the PowerStone Fundamental Change Shares issued to all Libra Shareholders will also be subject to a voluntary pooling arrangement (the "**Pooling Arrangement**") pursuant to which such PowerStone Fundamental Change Shares will be subject to resale restrictions as follows: (A) 25% each of the Libra Shareholders Libra Shares will be released on the date that the PowerStone Fundamental

Change Shares are listed for trading on the CSE; and (B) 25% will be released on each of the 6, 12 and 18 month anniversaries of the date that the PowerStone Fundamental Change Shares are listed for trading on the CSE and such securities of the Resulting Issuer shall bear legends to that effect.

*PowerStone Founders Escrow Agreement*

Furthermore, all shares of the Resulting Issuer held directly or indirectly by Zachary Goldenberg, Raymond D. Harari and Marc Sontrop, shall be: (i) subject to the same terms and conditions set out in the CSE Escrow Agreement that are applicable to any PowerStone Fundamental Change Shares, if any; and (ii) pooled on the same terms and conditions as the Pooling Arrangement.

*Libra/PowerStone Founders Voluntary Escrow Agreement*

The following founding shareholders of Libra and PowerStone have entered into a voluntary escrow agreement whereby the securities below, held by these founding shareholders, will be held in contractual escrow and are restricted from trading until the date upon which (i) there is a change of control of the Resulting Issuer; or (ii) each and every one of these founding shareholders has unanimously agreed in writing to any such release.

| Founding Shareholder | Class and Number of Securities |
|---|---|
| Zachary Goldenberg or 2578218 Ontario Ltd., a company owned and controlled by Zachary Goldenberg | • 1,233,334 Common Shares of Libra<br>• 3,241,000 Common Shares of PowerStone (2.4966:1 Post Consolidation = 1,298,165[(1)])<br>• 250,000 stock options of PowerStone (2.4966:1 Post Consolidation = 100,136[(1)]) |
| Night Owl SA, a company owned or controlled by Raymond Harari | • 1,233,334 Common Shares of Libra<br>• 3,241,000 Common Shares of PowerStone (2.4966:1 Post Consolidation = 1,298,166[(1)])<br>• 250,000 stock options of PowerStone (2.4966:1 Post Consolidation = 100,136[(1)]) |
| Koby Kushner or Brie Inc., a company owned and controlled by Koby Kushner | • 6,861,134 Common Shares of Libra<br>• 425,000 stock options of Libra |
| David Goodman or The D2 Financial Corporation., a company owned and controlled by David Goodman | • 9,450,000 Common Shares of Libra<br>• 300,000 stock options of Libra |
| Mark Goodman or 2665839 Ontario Inc., a company owned and controlled by Mark Goodman | • 4,666,666 Common Shares of Libra<br>• 300,000 stock options of Libra |

Notes:

(1) The actual post-Consolidation amounts may vary depending on the final Consolidation ratio used in the Consolidation.

*Conditions to Closing the Transaction and Required Approvals*

The Transaction is subject to a number of approvals and conditions prior to its implementation, including, but not limited to the following:

(a) PowerStone shall be able to satisfy the minimum listing requirements of the CSE as of the completion of the Amalgamation such that upon completion, as evidenced before by a conditional listing letter issued by the CSE and, upon satisfying all conditions of the CSE, PowerStone will receive acceptance by the CSE of the Amalgamation and the approval by the CSE of the listing of the Resulting Issuer Shares on the CSE ("**Exchange Acceptance**").

(b) There will have been obtained, from all relevant authorities, such authorizations as are required to be obtained by Libra and PowerStone to consummate the Amalgamation, including the Exchange Acceptance.

(c) Libra shall have received a waiver from the CSE with respect to the sponsorship requirements set out in the policies of the CSE, and shall not be required to engage a sponsor; or, in the event that Libra is not able to obtain an exemption from the sponsorship requirements of the CSE, a sponsor shall have filed an acceptable sponsor's report with the CSE.

(d) No bona fide legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Amalgamation or any other of the transactions contemplated by the Amalgamation Agreement, or the right of PowerStone or Libra to conduce, expand, and develop their business.

(e) Holders of Libra Shares who validly exercise rights of dissent under section 185 of the OBCA with respect to the Amalgamation will not have been exercised in respect of a total number of Libra Shares which would, if such shares were converted into Resulting Issuer Shares pursuant to the Amalgamation, exceed 5% of the Resulting Issuer Shares outstanding upon completion of the Amalgamation.

(f) Libra shall have nominated the directors and officers of (and such officers, directors and board committee members shall have agreed in writing to act in the capacities set out therein), and such individuals shall have a mix of appropriate experience and skill sets compliant with CSE requirements and applicable corporate and securities legislation and be accepted by the CSE.

(g) There being no inquiry or investigation (whether formal or informal) in relation to the parties to the Amalgamation Agreement, their directors or officers or the proposed directors and officers of PowerStone, commenced or threatened by an officer or official of the CSE or any securities commission, or similar regulatory body having jurisdiction, such that the outcome of such inquiry or investigation could have a material adverse effect on PowerStone after giving effect to the Amalgamation.

(h) The distribution of the Resulting Issuer Shares pursuant to the Amalgamation shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under applicable Canadian Securities Laws (other than as applicable to control persons, pursuant to section 2.6 of National Instrument 45-102 – *Resale of Securities*, or pursuant to the policies of the CSE).

(i) There being no prohibition at law against completion of the Amalgamation.

(j) The Parties shall have executed and delivered a copy of a CSE Form 2A Listing Statement of PowerStone, prepared by PowerStone and Libra in accordance with the CSE Policies, to the CSE and such listing statement shall have been conditionally accepted by the CSE subject only to customary conditions of closing.

(k) The applicable Parties and Odyssey Trust Company shall have duly executed a copy of the depositary agreement to be entered into among the Odyssey Trust Company, PowerStone and Libra, whereby the Odyssey Trust Company shall receive original certificate(s) representing Libra Shares and, on and after, as applicable, the Closing Time, exchange such original certificate(s) representing Libra Shares for certificate(s) representing Resulting Issuer Shares distributed to Libra Shareholders, other than the applicable dissenting shareholders, in accordance with the terms of the Amalgamation and the applicable letter of transmittal.

(l) The representations and warranties of Libra and PowerStone contained in the Amalgamation Agreement will be true and correct in all material respects at the Closing Time, with the same force and effect as if such representations and warranties were made at and as of such date, except as specifically permitted or contemplated by Amalgamation Agreement.

(m) All of the terms, covenants and conditions of Amalgamation Agreement to be complied with or performed by Libra and PowerStone at or before the Closing Time will have been complied with or performed in all material aspects.

(n) Libra, PowerStone shall have obtained the approval of its board of directors and shareholders for the Amalgamation and, in the case of PowerStone to effect the Consolidation Resolution, Name Change Resolution, Equity Incentive Plan Resolution and Fundamental Change Resolution.

(o) Libra will have obtained the required consents and approvals referred in Section 3.25 of the Amalgamation Agreement, as applicable, in each case in form and substance satisfactory to PowerStone, acting reasonably.

(p) Between December 31, 2024 and the Closing Time, there shall not have occurred any Libra Material Adverse Change (as defined in the Amalgamation Agreement) or any PowerStone Material Adverse Change (as defined in the Amalgamation Agreement).

(q) Libra shall not have more than 47,000,000 Libra Shares outstanding.

(r) The exchange of Libra Shares for Resulting Issuer Shares pursuant to the Amalgamation and the certificates representing such securities will have been approved by all necessary corporate action to permit such securities to be issued as fully paid and non-assessable, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature, and will be freely tradeable pursuant to Canadian securities laws except those imposed pursuant to escrow restrictions of the CSE, those imposed pursuant to the Pooling Arrangement, those imposed on U.S. persons pursuant to restrictions under applicable U.S. securities laws, and those applicable to control persons. PowerStone shall not have more than 28,650,833 PowerStone Shares and 1,700,000 PowerStone stock options under the Plan, of which 775,000 options are exercisable at a price of $0.05 a common shares and 925,000 options are exercisable at a price of $0.10 a PowerStone Share, outstanding prior to completion of the Amalgamation.

(s) Libra shall not have undertaken any business inconsistent with its business, other than in connection with the completion of the Amalgamation, Permitted Business Opportunities (defined below) and the transactions contemplated in the Amalgamation Agreement.

(t) Neither PowerStone nor SubCo shall have undertaken any business, other than in connection with the completion of the Amalgamation and the transactions contemplated in the Amalgamation Agreement.

(u) Neither PowerStone nor SubCo will have any current liabilities or long-term debt as at the date of the Closing Time, other than as disclosed in the PowerStone financial statements and debts incurred in the ordinary course of business or for the purposes of the completion of the Amalgamation.

(v) Each of the applicable directors and officers of PowerStone will have executed and delivered resignations and releases in favour of PowerStone in form and substance satisfactory to Libra, acting reasonably.

(w) PowerStone's current auditors shall have delivered a resignation to be effective as at the date of the Closing Time.

(x) Each of the directors and officers as nominated by Libra as the directors and officers of PowerStone will have executed and delivered consents to act as a director or officer, as applicable, in form and substance satisfactory to PowerStone, acting reasonably.

*Representations and Warranties*

The Amalgamation Agreement contains representations and warranties made by and to PowerStone and Libra, respectively, for the purposes of the Transaction (and not to other parties such as the Shareholders) and are subject to qualifications and limitations agreed to by the parties in connection with negotiating and entering into the Amalgamation Agreement. In addition, these representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to Shareholders, or may have been used for the purpose of

allocating risk between the parties instead of establishing such matters as facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Amalgamation Agreement.

PowerStone, and in certain cases, SubCo, have provided to Libra representations and warranties that include the following: organization and incorporation, authority; board approval; execution and delivery; no violation or default; corporate records; no defaults under applicable law; bankruptcy; business; material contracts; compliance with applicable law; registrations; subsidiaries; capitalization; information provided; partnerships or joint ventures; financial statements; no judgements, lawsuits or claims; entitlements; tax matters; employee commitments; PowerStone required consents; change of control provisions; real property and leases; pre-emptive rights; insider debt; non-arm's length transactions; finder's fees; compliance with certain laws; reporting issue; share issuance; public disclosure documents; listing on the CSE; auditors; and PowerStone information.

Libra has provided to PowerStone representations and warranties that include the following: organization and incorporation; authority; board approval; execution and delivery; corporate records; no defaults under applicable law; bankruptcy; material contracts; compliance with applicable law; registrations; subsidiaries; capitalization; information provided; partnerships or joint ventures; financial statements; financial records and accounting; auditors; capital expenditures; no judgments, lawsuits or claims; environmental compliance; notice of environmental actions; tax matters; employment matters and employee plans; Libra required consents; change of control provisions; Libra assets; real property and leases; personal property; pre-emptive rights; insider debt; non-arm's length transactions; residency; finder's fees; insurance; title; fundamental change; compliance with certain laws; reporting issuer; and cease trade.

The representations and warranties of each party to the Amalgamation Agreement shall not survive the completion of the Amalgamation and shall expire and be terminated and extinguished upon the Amalgamation becoming effective.

*Covenants Relating to the Transaction*

Pursuant to the Amalgamation Agreement, PowerStone, SubCo and Libra have agreed to certain covenants as follows:

(a) Each party agrees to certain confidentiality obligations with respect to the other party's confidential information.

(b) PowerStone and Libra agrees to use all commercially reasonable efforts and do all things necessary or reasonably desirable on its part to facilitate the implementation of the Amalgamation and all related matters in connection with the Amalgamation, including, without limitation, applying for, obtaining and/or effecting as applicable: (i) the approval of the CSE for the listing thereon of the Resulting Shares; (ii) in the case of PowerStone, the name change of PowerStone prior to the date of the Closing Time; (iii) in the event that Libra is not able to obtain an exemption from the sponsorship requirements of the CSE, the appointment of a sponsor for the fundamental change; and (iv) obtain such other consents, orders or approvals as counsel to Libra, PowerStone and SubCo may advise are reasonably necessary or desirable to be obtained for the implementation of the Amalgamation.

(c) PowerStone and Libra shall use all commercially reasonable efforts to reconstitute the board of directors of PowerStone upon closing of the Amalgamation in a manner that complies with the regulations of the CSE and applicable Canadian securities laws and corporate laws.

(d) PowerStone and Libra shall prepare and file, or cause to be filed, any filings required under any applicable law, the rules and policies of the CSE or other authorized authorities relating to the Amalgamation.

(e) As soon as practicable following the execution of the Amalgamation Agreement, and in compliance with applicable laws (including Canadian securities laws) and the policies of the CSE, Libra and PowerStone shall cooperate in the preparation of the Listing Statement, in a form mutually acceptable to the parties, acting reasonably, among other covenants with respect to the Listing Statement.

(f) Upon the completion of the Amalgamation and subject to prior acceptance by the CSE:

(i) each member of the board of directors of PowerStone, other than Zachary Goldenberg, will resign and there will be appointed in their place as directors of PowerStone persons who will be individuals designated by Libra, by way of filling the vacancies created by such resignations or the appointment of directors in accordance with the articles of PowerStone, all without the necessity for obtaining PowerStone Shareholder approval for such purpose;

(ii) the officers of PowerStone will resign and there will be appointed in their place as officers of PowerStone the persons who will be individuals designated by Libra; and

(iii) PowerStone will change its name to "Libra Energy Materials Inc.", or such other name acceptable to Libra.

(g) PowerStone agrees not to exercise any dissent right, with respect to voting of SubCo shares approving the Amalgamation and shall vote for the Amalgamation.

*Conduct of Libra Prior to Closing*

During the period date of the Amalgamation Agreement, December 31, 2024, until the earlier of the Amalgamation Effective Date or the date the Amalgamation Agreement is terminated in accordance with its terms, Libra will use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable: (a) to consummate and make effective as promptly as practicable the transactions contemplated by the Amalgamation Agreement; (b) to comply with all provisions of the Amalgamation Agreement; and (c) to cooperate with PowerStone in connection with the foregoing, including, without limitation, the following actions:

(a) Libra will not, without the prior written consent of PowerStone, acting reasonably: (i) take any action, enter into any transaction that, if effected before the date of the Amalgamation Agreement, may interfere with or be inconsistent with the successful completion of the transactions contemplated by the Amalgamation Agreement; or (ii) take any action or fail to take any action which may result in a condition precedent to the transactions described in the Amalgamation Agreement not being satisfied.

(b) Libra shall notify PowerStone of: (i) any Libra material adverse change; (ii) any change, event, occurrence or state of facts that could reasonably be expected to become a Libra material adverse change or to have a Libra material adverse effect, in respect of the business or in the conduct of the Libra business and of any event occurring subsequent to the date of the Amalgamation Agreement that would render any representation or warranty of Libra contained in the Amalgamation Agreement, if made on or as of the date of such event or the Amalgamation Effective Date, to be untrue or inaccurate in any material respect; and (iii) any Permitted Business Opportunities (as defined in the Amalgamation Agreement).

(c) Other than as may be contemplated by the Amalgamation Agreement, Libra shall not directly or indirectly:

(i) amend its constating documents;

(ii) except for any existing stock options of Libra, issue, sell, pledge, hypothecate, lease, dispose of or encumber any Libra Shares or other securities, or any right, option or warrant with respect thereto;

(iii) split, combine, redeem, purchase, offer to purchase or reclassify any of its securities or declare, pay or make any dividend or other distribution on the Libra Shares or distribute any of its properties or assets to any person;

(iv) acquire or agree to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any person, partnership, joint venture or other business organization or division or

acquire or agree to acquire any assets, except for immaterial assets in the ordinary course of business or unless agreed to by PowerStone;

(v) create any stock option or bonus plan, pay any bonuses, deferred or otherwise;

(vi) make any material change in accounting procedures or practices;

(vii) adopt resolutions or enter into any agreement providing for the consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction in respect of itself, or adopt any plan of liquidation;

(viii) transfer any assets to any of its shareholders or any of their subsidiaries or affiliates or assume any indebtedness or liabilities from a shareholder or any of their Subsidiaries or affiliates or enter into any other related party transactions; or

(ix) enter into any agreement or understanding to do any of the foregoing.

(d) Libra will use its commercially reasonable efforts to take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution, delivery and performance of the Amalgamation Agreement and the other agreements and documents contemplated by the Amalgamation Agreement and to complete the Amalgamation and the transactions contemplated by the Amalgamation Agreement, and to cause all necessary meetings of directors and shareholders of Libra to be held for such purpose.

(e) Libra will use its commercially reasonable efforts to obtain, prior to the closing of the Amalgamation, from all appropriate authorized authorities, all authorizations required as a condition of the lawful consummation of the Amalgamation, the provision of reasonable assistance to PowerStone to obtain the acceptance of the CSE of the Transaction, and will effect all necessary registrations and other filings and submissions of information requested by authorized authorities in connection with the same.

(f) Libra will give all notices and use its commercially reasonable efforts to obtain all waivers, consents and approvals required under any contract to which Libra is a party or by which it is bound to consummate the transactions contemplated in the Amalgamation Agreement.

(g) In accordance with the terms of each agreement pursuant to which Libra is required to provide notice of the Amalgamation or the transactions contemplated by the Amalgamation Agreement, Libra shall provide such notice on or before the earlier of the date required in such agreement and, to the extent it is possible, the effective date of the Amalgamation.

(h) Libra will use its commercially reasonable efforts to defend all lawsuits or other legal proceedings challenging the Amalgamation Agreement or the consummation of the transactions contemplated by the Amalgamation Agreement, and to cause to be lifted or rescinded any injunction or restraining order or other remedy adversely affecting the ability of the parties to consummate the transactions contemplated by the Amalgamation Agreement.

(i) Libra will use its commercially reasonable efforts to obtain, prior to the closing date of the Amalgamation, approval of the Amalgamation from the directors of Libra and the shareholders of Libra.

Notwithstanding any of the foregoing, Libra shall be permitted to continue to pursue additional investments and financings in Libra as well as strategic asset and/or share purchase acquisitions which shall expand the business of Libra (the "**Permitted Business Opportunities**"), which such Permitted Business Opportunities shall not be accepted without the prior written consent of PowerStone, acting reasonably.

*Conduct of PowerStone Prior to Closing*

Without in any way limiting any other obligations of PowerStone under the Amalgamation Agreement and other than as anticipated in the Amalgamation Agreement, during the period from the date of the Amalgamation Agreement until the earlier of the Effective Date or the date the Amalgamation Agreement is terminated in accordance with its terms, PowerStone will use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable: (a) to consummate and make effective as promptly as practicable the transactions contemplated by the Amalgamation Agreement; (b) to comply with all provisions of the Amalgamation Agreement; and (c) to cooperate with Libra in connection with the foregoing, including, without limitation, the following actions:

(a) PowerStone will conduct its business and its operations and affairs only in the ordinary course, and PowerStone will not, without the prior written consent of Libra, acting reasonably: (i) take any action, enter into any transaction that, if effected before the date of the Amalgamation Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of PowerStone contained in the Amalgamation Agreement, or which may interfere with or be inconsistent with the successful completion of the transactions contemplated in the Amalgamation Agreement, or (ii) take any action or fail to take any action which may result in a condition precedent to the transactions described in the Amalgamation Agreement not being satisfied.

(b) PowerStone shall notify Libra of: (i) any PowerStone material adverse change; (ii) any change, event, occurrence or state of facts that could reasonably be expected to become a PowerStone material adverse change or to have a PowerStone material adverse effect, in respect of the business or in the conduct of its business and of any event occurring subsequent to the date of the Amalgamation Agreement that would render any representation or warranty of PowerStone contained in the Amalgamation Agreement, if made on or as of the date of such event or the effective date of the Amalgamation, to be untrue or inaccurate in any material respect.

(c) Other than as may be contemplated by the Amalgamation Agreement, PowerStone shall not, directly or indirectly:

(i) with the exception of the Name Change Resolution and the New Articles Resolution, amend its constating documents;

(ii) issue, sell, pledge, hypothecate, lease, dispose of or encumber any of its shares or other securities, or any right, option or warrant with respect thereto, except for the issuance of PowerStone Shares pursuant to the transactions contemplated in the Amalgamation Agreement;

(iii) split, combine, redeem, purchase, offer to purchase or reclassify any of its securities or declare, pay or make any dividend or other distribution on its shares, distribute any of its properties or assets to any Person, or enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments;

(iv) enter into or amend any employment contracts with any director, officer or employee or create or amend any Employee Plan (as defined in the Amalgamation Agreement);

(v) hire any employee;

(vi) acquire or agree to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, partnership, joint venture or other business organization or division or acquire or agree to acquire any assets except with respect to the Amalgamation;

(vii) with the exception of the Equity Incentive Plan Resolution, create any stock option or bonus plan, pay any bonuses, deferred or otherwise, or defer any compensation to any of its directors, officers or employees;

(viii) make any change in accounting procedures or practices;

(ix) enter into any contract;

(x) sell, lease, sublease, assign or transfer (by tender offer, exchange offer, merger, amalgamation, sale of shares or assets or otherwise) any of its assets;

(xi) settle any outstanding claim, dispute, litigation matter, or tax dispute or relinquish any contractual rights;

(xii) with the exception of the Consolidation Resolution and the Consolidation, adopt resolutions or enter into any agreement providing for the consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction in respect of itself, or adopt any plan of liquidation;

(xiii) transfer any assets to any of its shareholders or any of their Subsidiaries or affiliates or assume any indebtedness or liabilities from a shareholder or any of their Subsidiaries or affiliates or enter into any other related party transactions;

(xiv) fail to pay or satisfy when due any liability; or

(xv) enter into any agreement or understanding to do any of the foregoing.

(d) PowerStone will use commercially reasonable efforts to take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution, delivery and performance of the Amalgamation Agreement and the other agreements and documents contemplated by the Amalgamation Agreement and to complete the Amalgamation and to cause all necessary meetings of directors and shareholders of PowerStone and SubCo to be held for such purpose.

(e) PowerStone will use its commercially reasonable efforts to obtain, prior to the closing date of the Amalgamation, from all appropriate authorized authorities, the authorizations required as a condition of the lawful consummation of the transactions contemplated by the Amalgamation Agreement including the approval of the CSE, and specifically, the acceptance of the CSE of the public distribution polies, and will effect all necessary registrations and other filings and submissions of information requested by authorized authorities in connection with the same.

(f) PowerStone will give any notices and use its commercially reasonable efforts to obtain any consents and approvals required under any contract to which PowerStone is a party or by which it is bound to consummate the transactions contemplated by the Amalgamation Agreement.

(g) In accordance with the terms of each agreement pursuant to which PowerStone is required to provide notice of the Amalgamation or the transactions contemplated by the Amalgamation Agreement, PowerStone shall provide such notice on or before the earlier of the date required in such agreement and, to the extent it is possible, the effective date of the Amalgamation.

(h) PowerStone will use its commercially reasonable efforts to defend all lawsuits or other legal proceedings challenging the Amalgamation Agreement or the consummation of the transactions contemplated by the Amalgamation Agreement, and to cause to be lifted or rescinded any injunction or restraining order or other remedy adversely affecting the ability of the Parties to consummate the transactions contemplated by the Amalgamation Agreement.

(i) PowerStone will not, without the prior written consent of Libra, acting reasonably, enter into any new contract or amend the terms of any existing contract to which it is a party except for the contracts necessary to carry out the transactions contemplated in the Amalgamation Agreement.

(j) PowerStone will use its commercially reasonable efforts to obtain, prior to the closing date of the Amalgamation, approval of the PowerStone Resolutions (as defined in the Amalgamation Agreement).

*Conduct of SubCo Prior to Closing*

Without in any way limiting any other obligations of SubCo hereunder, during the period from the date of the Amalgamation Agreement until the earlier of the effective date of the Amalgamation or the date of the Amalgamation Agreement is terminated, SubCo will use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable: (a) to consummate and make effective as promptly as practicable the transactions contemplated by the Amalgamation Agreement; (b) to comply with all provisions of the Amalgamation Agreement; and (c) to cooperate with Libra in connection with the foregoing, including, without limitation, the following actions:

(a) SubCo will conduct its business and its operations and affairs only in the ordinary course, and SubCo will not, without the prior written consent of Libra, acting reasonably: (i) take any action, enter into any transaction that, if effected before the date of the Amalgamation Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of SubCo contained in the Amalgamation Agreement, or which may interfere with or be inconsistent with the successful completion of the transactions contemplated in the Amalgamation Agreement, or (ii) take any action or fail to take any action which may result in a condition precedent to the transactions described in the Amalgamation Agreement not being satisfied.

(b) SubCo shall not, directly or indirectly:

(i) amend its constating documents;

(ii) issue, sell, pledge, hypothecate, lease, dispose of or encumber any of its shares or other securities, or any right, option or warrant with respect thereto;

(iii) split, combine, redeem, purchase, offer to purchase or reclassify any of its securities or declare, pay or make any dividend or other distribution on its shares, distribute any of its properties or assets to any Person, or enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments;

(iv) create any stock option or bonus plan, pay any bonuses, deferred or otherwise, or defer any compensation to any of its directors, officers or employees;

(v) enter into any contract;

(vi) adopt resolutions or enter into any agreement providing for the consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction in respect of itself, or adopt any plan of liquidation; or

(vii) enter into any agreement or understanding to do any of the foregoing.

(c) SubCo will use commercially reasonable efforts to take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution, delivery and performance of the Amalgamation Agreement and the other agreements and documents contemplated by the Amalgamation Agreement and to complete the Amalgamation and to cause all necessary meetings of directors and shareholders of SubCo to be held for such purpose.

(d) SubCo will use its commercially reasonable efforts to obtain, prior to the Closing Date, from all appropriate authorized authorities, the authorizations required as a condition of the lawful consummation of the transactions contemplated by the Amalgamation Agreement including the CSE acceptance of the Transaction, and will effect all necessary registrations and other filings and submissions of information requested by Authorized Authorities in connection with the same.

(e) SubCo will not, without the prior written consent of Libra, acting reasonably, enter into any new Contract or amend the terms of any existing contract to which it is a party except for the Contracts necessary to carry out the transactions contemplated in the Amalgamation Agreement.

*Termination*

The Amalgamation Agreement may be terminated at any time before the Closing Time:

(a) by the mutual agreement of PowerStone and Libra;

(b) by PowerStone upon written notice to Libra (or vice versa) if Libra (or PowerStone, as applicable) has committed any material misrepresentation or material breach of warranty, or the failure to perform or observe in any material respect any of the respective party's covenants or agreements to be performed by such party under the Amalgamation Agreement or any agreement or other certificate or instrument delivered in connection with the Amalgamation Agreement; provided that, if any such default is curable, it has not been cured by the earlier of the closing of the Amalgamation or within ten business days after written notice of such default has been received by the defaulting party;

(c) by PowerStone upon written notice to Libra if any of the mutual conditions or conditions in favour of Libra, set forth in the Amalgamation Agreement, have not been satisfied or waived by PowerStone at closing of the Amalgamation;

(d) by Libra upon written notice to PowerStone if any of the mutual conditions or conditions in favour of PowerStone, set forth in the Amalgamation Agreement, have not been satisfied or waived by Libra at closing of the Amalgamation;

(e) any applicable authorized authority, including the CSE, having notified in writing either Libra or PowerStone that it will not approve the transactions contemplated in the Amalgamation Agreement (or any related matter that is required to complete such transactions) or permit such transactions (or any related matter that is required to complete such transactions) to proceed; or

(f) by any party upon written notice to the other parties if the closing of the Amalgamation has not occurred by the June 30, 2025, provided that, notwithstanding anything to the contrary express or implied in the Amalgamation Agreement, a party shall not be allowed to exercise any right of termination pursuant to Section 9.1 of the Amalgamation Agreement if the event giving rise to such right is due to an agreement default by such party.

*Expenses; Break Fee*

If the Amalgamation Agreement is terminated for any reason other than default of a party, the terminating party shall pay the other party a fee of $50,000 (the "**Break Fee**"). Notwithstanding anything to the contrary in the Amalgamation Agreement, the right to receive payment of the Break Fee, if any, shall be the sole and exclusive remedy of the non-terminating party for any and all losses that may be suffered based upon, resulting from or arising out of the circumstances giving rise to such termination, and upon payment of the Break Fee, if any, the terminating party will not have any further liability or obligation relating to or arising out of the Amalgamation Agreement or any of the transactions contemplated by the Amalgamation Agreement.

Except as specifically provided in the Amalgamation Agreement, Libra will bear the reasonable fees and disbursements incurred by the parties in connection with the transactions contemplated by the Amalgamation Agreement, including the reasonable fees and disbursements of PowerStone's advisors (including tax advisors, accountants and consultants) engaged in connection with the transactions contemplated by Amalgamation Agreement and the filing fees required by the CSE in connection with the Amalgamation.

Securities Laws Considerations

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or business advice to any particular Shareholder. This summary does not include any information regarding securities law considerations for jurisdictions other than Canada. Shareholders are urged to obtain independent advice in respect of the consequences to them of the Transaction having regard to their particular circumstances.

The following is a brief summary of the Canadian Securities Laws considerations applicable to the Transaction and the transactions contemplated thereby.

*Canadian Securities Laws*

PowerStone is a reporting issuer in British Columbia, Alberta and Ontario. PowerStone Shares currently trade on the CSE.

The PowerStone Fundamental Change Shares to be issued in exchange for Libra Shares pursuant to the Transaction will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of shares that constitute "control distributions", Resulting Issuer Shares issued pursuant to the Transaction will be freely tradeable and may be resold in each province and territory in Canada, subject to voluntary and required escrow that applies and is described in this Circular.

*Multilateral Instrument 61-101*

The securities regulatory authorities in the Province of British Columbia have adopted MI 61-101 which regulates transactions which raise the potential for conflicts of interest, including issuer bids, insider bids, related party transactions and business combinations. The Amalgamation does not constitute an issuer bid, an insider bid or a related party transaction as between PowerStone and Libra.

MI 61-101 regulates certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding "interested parties" or "related parties", independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to "business combinations" (as defined in MI 61- 101) that terminate the interests of securityholders without their consent. MI 61-101 provides that, in certain circumstances, where a "related party" of an issuer (as defined in MI 61-101 and including directors, executive officers and shareholders holding over 10% of issued and outstanding shares of the issuer) is entitled to receive a "collateral benefit" (as defined in MI 61-101) in connection with an amalgamation (such as the Amalgamation), such transaction may be considered a "business combination" for the purposes of MI 61-101 and subject to minority approval requirements and such "related party" is an "interested party" (as defined in MI 61-101).

A "collateral benefit" (as defined in MI 61-101) includes any benefit that a "related party" of PowerStone is entitled to receive as a consequence of the Amalgamation, including without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities or other enhancement in benefits related to services as an employee, director or consultant of PowerStone. MI 61-101 excludes from the meaning of collateral benefit a payment per security that is identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class, as well as certain benefits to a related party received solely in connection with the related party's services as an employee or director of an issuer, of an affiliated entity of such issuer or of a successor to the business of such issuer where (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction; (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; (c) full particulars of the benefit are disclosed in the disclosure document for the transaction; and (d) either (i) at the time of the transaction the related party and their associated entities beneficially own, or exercise control or direction over, less than 1% of the outstanding securities of each class of equity securities of the issuer; or (ii) the related party discloses to an independent committee of the issuer the amount of consideration that they expect to be beneficially entitled to receive, under the terms of the transaction, in exchange for the equity securities they beneficially own and the

independent committee acting in good faith determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value of the consideration the related party will receive pursuant to the terms of the transaction for the equity securities it beneficially owns, and the independent committee's determination is disclosed in the disclosure document for the transaction.

In assessing whether the Amalgamation could be considered to be a "business combination" for the purposes of MI 61-101, the Board reviewed all benefits or payments which related parties of PowerStone are entitled to receive, directly or indirectly, as a consequence of the Amalgamation to determine whether any constituted a "collateral benefit". For these purposes, PowerStone does not have in place or in effect any employment agreements, consulting agreements or other change of control agreements which provide for a payment accruing as a result of the Amalgamation or other change of control of PowerStone that would be triggered in connection with the Amalgamation. Accordingly, the Amalgamation does not constitute a "business combination" for the purposes of MI 61-101 and the minority approval requirements of MI 61-101 will not apply in connection with the Amalgamation.

*U.S. Securities Laws*

The Resulting Issuer Shares to be issued to Libra Shareholders pursuant to the Amalgamation have not been registered under the U.S. Securities Act and are being distributed pursuant to an exemption from registration provided thereunder. The Resulting Issuer Shares will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act to the same extent and proportion that the Libra Shares exchanged by a Libra Shareholder under the Amalgamation were also "restricted securities". Accordingly, any Resulting Issuer Shares issued under the Amalgamation in exchange for Libra Shares that bear a U.S. Securities Act restrictive legend shall also bear a U.S. Securities Act restrictive legend. In addition, Resulting Issuer Shares issued to U.S. Securityholders may be resold only outside the United States pursuant to Regulation S under the U.S. Securities Act, in the United States pursuant to a subsequent registration statement under the U.S. Securities Act or in accordance with the requirements of Rule 144 under the U.S. Securities Act, if available, or another applicable exemption from the registration requirements of the U.S. Securities Act. See also, "*Note to United States Shareholders*".

**Other Business**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the PowerStone Shares represented by the proxies solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

## INFORMATION CONCERNING POWERSTONE

The following information is provided by PowerStone and is presented on a pre-Amalgamation basis and is reflective of the current business, financial and share capital position of PowerStone. See "*Information Concerning the Resulting Issuer*" for pro forma business, financial and share capital information relating to the Resulting Issuer.

### Documents Incorporated by Reference

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Zachary Goldenberg, Chief Executive Officer, at 1900 – 1040 West Georgia Street, Vancouver, BC, Canada V6E 4H3, telephone: (647) 987-5083; fax (604) 689-5177. Alternatively, these documents may be obtained electronically under PowerStone's issuer profile on SEDAR+ at www.sedarplus.ca. The PowerStone Form 2A Listing Statement dated March 17, 2023, the Audit Committee Charter, the annual financial statements for PowerStone for the year ended October 31, 2024 and the related PowerStone MD&A, the Amalgamation Agreement and all news releases filed by PowerStone since March 17, 2023 ("documents incorporated by reference" or "documents incorporated herein by reference") are specifically incorporated by reference herein and form an integral part of the Circular.

### Corporate Structure

Name, Address and Incorporation

PowerStone Metals Corp. was incorporated on December 13, 2021, pursuant to the BCBCA under the name "Desk Holdings Ltd." On June 10, 2022, the Company changed its name to " PowerStone Metals Corp." The Company's head office is located at Suite 1900 – 1040 West Georgia Street, Vancouver, British Columbia, Canada V6E 4H3 The Company's registered office is located at Suite 1900 - 1040 West Georgia Street, Vancouver, British Columbia, Canada V6E 4H3.

Intercorporate Relationships

The Company has no subsidiaries.

### Summary Description of the Business

General

PowerStone is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta, Canada and its common shares are currently listed for trading on the Canadian Securities Exchange.

PowerStone is a mineral exploration company focused on the identification and exploration of high-quality critical and precious metals assets, in favorable mining jurisdictions. If the Transaction is completed, the Company will carry on the business of Libra. As of the date of this Circular, the Company does not have any reportable segments pertaining to its operations.

Three Year History

The Company was incorporated on December 13, 2021, pursuant to the BCBCA under the name "Desk Holdings Ltd." On June 10, 2022, the Company changed its name to " PowerStone Metals Corp." Following incorporation, the Company was capitalized by completing an initial financing for 4,999,999 Common Shares at $0.005 per Common Share, resulting in aggregate proceeds of $25,000, and by completing a subsequent financing for 2,500,000 Common Shares at $0.02 per Common Share, resulting in aggregate proceeds of $50,000 (collectively, the "**Initial Financings**").

Subsequently, the Company raised additional aggregate gross proceeds of $1,395,666.65 through the issuance of 19,750,833 Special Warrants in a private placement. To date, funds raised by the Company have been used to identify and enter into an

agreement to acquire a mineral project, specifically, the Option Agreement (defined below), for filing fees, professional expenses, regulatory expenses, and for general working capital.

On June 10, 2022, the Company entered into an option agreement (the "**Option Agreement**") between CBLT Inc. ("**CBLT**") and the Company, pursuant to which the Company was granted the sole and exclusive option to earn and acquire a 100% legal and beneficial interest in the Chilton Cobalt property located in the Grenville Province in Quebec, Canada 40 kilometres east of Saint Jovite and consists of 9 mineral claims covering 497 hectares (the "**Property**"), free and clear of all encumbrances, by completing the option exercise in accordance with the terms and conditions set out in the Option Agreement (the "**Option**"). The Option Agreement provided that in order to maintain the Option in good standing and to exercise the Option to acquire a 100% interest in the Property, the Company must complete the following:

- The Company must spend a total of $250,000 in exploration on the Property as follows: (a) $100,000 by September 30, 2023; and (b) $150,000 by December 31, 2024 (collectively, the "**Exploration Expenditures**" and each, an "**Exploration Expenditure**").

- The Company must, within 30 days after the execution of the Option Agreement issue 1,000,000 common shares (or, at the option of the Company, other securities of the Company convertible into common shares of the Company without payment upon the listing of the Company's shares on a recognized Canadian stock exchange) to the CBLT at a deemed price of two cents ($0.02) per share.

- The Company must complete an equity financing of not less $250,000 at a price of not less than ten cents ($0.10) per Common Share as a condition to the vesting of the options set forth in the Option Agreement. In addition, the Company shall use its best efforts to complete aggregate equity raises of approximately $1,000,000 between the date of the Option Agreement and the Company's listing on a recognized Canadian stock Exchange. The Company's issuance of the Special Warrants in the private placement has satisfied these conditions.

A copy of the Option Agreement is available on the PowerStone's SEDAR+ profile at www.sedarplus.ca.

On January 3, 2023, the Company announced that it had filed a preliminary non-offering long form prospectus with the BCSC and the Alberta Securities Commission and applied to the CSE for listing of the PowerStone Shares on the CSE. The Company also prepared and filed on its SEDAR+ profile at www.sedarplus.ca, a technical report dated December 28, 2022 in respect of the Property.

On March 6, 2023, the Company announced that it had filed and received receipt for its final prospectus from the BCSC. The Prospectus was filed under Multilateral Instrument 11-202 - *Passport System* in Alberta, and therefore a receipt for the Prospectus was deemed to also be issued by the regulator in that jurisdiction. As a result, the Company became a reporting issuer in British Columbia and Alberta.

The Prospectus was filed for the purpose of the Company becoming a reporting issuer in British Columbia and Alberta and to qualify the distribution of the common shares of the Company issuable upon the conversion of 20,750,833 special warrants previously issued by the Company. No securities were sold and no proceeds were raised pursuant to the Prospectus.

On March 21, 2023, the Company announced that it raised a total of $1,470,667 since inception from the issuance of PowerStone Shares and special warrants, which were converted into PowerStone Shares upon issuance by the BCSC of the receipt of the Company's final long form prospectus dated March 2, 2023.

The Company began trading its shares on the CSE under the trading symbol "PS" on March 22, 2023.

On April 26, 2023, the PowerStone appointed Red Cloud Securities Inc. as its financial advisor to provide the PowerStone with a range of capital markets and M&A advisory services. Red Cloud Securities Inc. is not a related person of the PowerStone. On April 26, 2023, the PowerStone also issued 400,000 PowerStone shares to Red Cloud Securities Inc. to engage Red Cloud Securities Inc. as its financial advisor.

On May 19, 2023, the PowerStone appointed Garrick Mendham as its lead technical advisor and Emerging Markets Capital, a mining focused investment firm based in Hong Kong led by Jorge Ramiro Monroy, as the PowerStone's strategic advisor, and in connection with the appointment, the PowerStone issued 300,000 options to purchase PowerStone Shares for $0.10 per share until May 19, 2028. Mr. Mendham and Emerging Markets Capital are not related persons of the PowerStone.

The PowerStone's common shares commenced trading on the OTCQB Venture Market at the market open on June 20, 2023 under the symbol "PWMCF".

The PowerStone's common shares became eligible for electronic clearing and settlement through the Depository Trust Company in the United States on July 14, 2023.

On August 1, 2023, Zachary Goldenberg, was appointed as the PowerStone's Chief Executive Officer. Concurrent with Mr. Goldenberg's appointment, Raymond D. Harari resigned from his executive officer and board director roles with the Company and transitioned to the role of capital markets advisor to the PowerStone.

The PowerStone disclosed in its press release dated January 2, 2024 and its audited financial statements and associated MD&A for the period ending October 31, 2023 filed on January 17, 2024 that six of the nine claims (the "**Claims**") which formed the Property, which was subject to the Option were designated as part of a restricted area by the Ministry of Natural Resources and Forests (Quebec) (the "**MNRF**") on November 17, 2023 (the "**Moratorium**"). As a result of the lapsed Claims not being renewed prior to the implementation of the Moratorium, the MNRF advised that the lapsed Claims could not be restaked until at least May 17, 2024.

On December 2, 2024, the PowerStone disseminated a news release announcing that it entered into a entered into a non-binding letter of intent in respect of a proposed business combination that would result in the reverse takeover of the PowerStone by Libra. See news release dated December 2, 2024 filed on the PowerStone's SEDAR profile at www.sedarplus.ca for further details.

On December 31, 2024, the PowerStone entered into the Amalgamation Agreement with Libra, as announced by a news release dated January 2, 2025, whereby the PowerStone will acquire all of the issued and outstanding shares of Libra pursuant to a three-cornered amalgamation in accordance with the OBCA as further detailed below. The Transaction will constitute a "Fundamental Change" of the PowerStone as defined by CSE policies. As part of the Transaction and pursuant to the terms of the Definitive Agreement, the PowerStone will complete the Consolidation of its issued and outstanding PowerStone Shares on the basis of approximately one post-Consolidation PowerStone Share for approximately 2.4966 outstanding common shares in the capital of the PowerStone. Following completion of the Consolidation and as part of the Transaction, each of the Libra Shareholders will receive one PowerStone Share in exchange for each common share held in the capital of Libra.

On December 31, 2024, the option agreement in respect of the Chilton Cobalt property lapsed resulting in PowerStone having no carried interest in the project.

On completion of or concurrently with the Transaction, the PowerStone will change its name to "Libra Energy Materials Inc." or such other similar name as the parties may agree to and the PowerStone anticipates applying for and changing its trading symbol on the CSE to "LIBR".

Concurrently with the Transaction, the PowerStone also proposes to make certain amendments to its articles to allow for the PowerStone's board of directors to implement certain structural changes to its capitalization structure in the future, which are permissible in accordance with the *Business Corporations Act* (British Columbia) and such amendments shall be put before the shareholders of the PowerStone to seek approval.

Following completion of the Transaction, the PowerStone will be carrying on the business of Libra, a Canadian mineral exploration PowerStone focused on the discovery and development of the critical minerals necessary for the green energy transition.

The Transaction will be structured as a three-cornered amalgamation in accordance with Section 285 of the OBCA in which Libra will amalgamate with SubCo, a newly incorporated, wholly-owned subsidiary of the PowerStone, formed solely for the purpose of facilitating the Transaction. Following the Transaction, the amalgamated company will be a wholly-owned subsidiary of the PowerStone.

See *"Particulars of Matters to be Acted Upon at the Special Meeting – The Consolidation – The Name Change – The Fundamental Change – The Adoption of New Articles"*.

**Dividends and Distributions**

PowerStone has never declared any cash dividends or distributions on the PowerStone Shares and currently intends to retain future earnings, if any, to finance further business development. The payment of any cash dividend or distributions to shareholders in the future will be at the discretion of the directors of the Resulting Issuer and will depend on, among other things, the financial condition, capital requirements and earnings of the Resulting Issuer, and any other factors that the directors may consider relevant.

The BCBCA provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that PowerStone is, or would be after the payment of the dividend, unable to pay its liabilities as they become due or the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares of its capital.

**Management's Discussion and Analysis and Financial Statements**

Financial information in this Circular related to PowerStone, unless otherwise indicated, is presented in Canadian dollars and derived from information contained in the financial statements of PowerStone and related notes thereto, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board and IFRS Interpretations Committee.

The annual financial statements for PowerStone for the year ended October 31, 2024 and the related PowerStone MD&A are incorporated by reference into this Circular and can be obtained electronically under PowerStone's issuer profile on SEDAR+ at www.sedarplus.ca. Physical copies may be obtained on request without charge, see "*Information Concerning PowerStone - Documents Incorporated by Reference*".

The PowerStone MD&A is management's assessment of the results and financial condition of PowerStone, and includes financial information from, and should be read in conjunction with, the financial statements of PowerStone and the notes thereto, as well as the disclosure contained throughout such PowerStone MD&A. The MD&A of PowerStone may contain forward-looking information that involves numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on PowerStone's current plans, objectives, goals, strategies, estimates, assumptions and projections about its industry, business and future financial results. Actual results could differ materially from those discussed in such forward-looking information. See "*Cautionary Statements Regarding Forward-Looking Information*" in this Circular.

**Consolidated Capitalization**

The following table sets forth the capitalization of PowerStone as at October 31, 2024 and as at the date of this Circular on a pre-Consolidation basis.

| Description | Authorized | Outstanding as at October 31, 2024 (audited) | Outstanding as at the date of this Circular (unaudited) |
|---|---|---|---|
| PowerStone Shares | Unlimited | 28,650,833 | 28,650,833 |
| PowerStone Options | 10% rolling | 1,700,000 | 1,700,000 |

Notes:

(1) Of the 1,700,000 PowerStone Options, 775,000 options are exercisable at a price of $0.05 per share until December 1, 2027, 300,000 options are exercisable at $0.10 per share until December 15, 2027, 150,000 options are exercisable at a price of $0.10 per share until March 22, 2028, 300,000 options are exercisable at a price of $0.10 per share until May 19, 2028, and 175,000 options are exercisable at a price of $0.10 per share until January 20, 2028.

**Market for Securities**

The PowerStone Shares trade on the CSE under the symbol "PS". The high and low prices of the PowerStone Shares as well as the monthly trading volume on the TSXV for each of the last 12 months is shown below:

| Date | High ($) | Low ($) | Volume (#) |
|---|---|---|---|
| April 2024 | $0.08 | $0.03 | 1,107,120 |
| May 2024 | $0.05 | $0.04 | 245,340 |
| June 2024 | $0.06 | $0.04 | 266,420 |
| July 2024 | $0.06 | $0.05 | 86,330 |
| August 2024 | $0.06 | $0.03 | 600,600 |
| September 2024 | $0.05 | $0.03 | 184,050 |
| October 2024 | $0.05 | $0.03 | 211,850 |
| November 2024 | $0.06 | $0.06 | 91,330 |
| December 2024* | $0.09 | $0.02 | 1,467,790 |
| January 2025* | -- | -- | -- |
| February 2025* | -- | -- | -- |
| March 2025* | -- | -- | -- |
| April 2025* | -- | -- | -- |

*On January 2, 2024, before the market opened, the trading of PowerStone Shares was halted at the request of the Issuer concurrent with the announcement of the Amalgamation Agreement. The closing price of the PowerStone Shares on the CSE on December 31, 2024, the last trading day prior to the halt, was $0.04. The halt is still in effect as of the date of this Circular.

**Prior Sales**

The following table sets out the number of PowerStone Shares, and securities that are convertible into PowerStone Shares, issued by PowerStone during the 12-month period preceding the date of the Circular.

| Date of Issuance | Number of Securities Issued | Type of Security | Price Per Security | Reason for Issuance |
|---|---|---|---|---|
| Nil | Nil | Nil | Nil | Nil |

**Principal Securityholders**

Other than as set out below, to the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, PowerStone Shares carrying 10% or more of the voting rights attached to all outstanding PowerStone Shares as at the Record Date.

As at the Record Date, on a pre-Consolidation basis, Zachary Goldenberg beneficially owned, directly or indirectly, or exercised control or discretion over, 3,241,000 PowerStone Shares carrying approximately 11.31% of the voting rights attached to all outstanding PowerStone Shares (of these PowerStone Shares held by Mr. Goldenberg, 396,000 were held directly and 2,845,000 PowerStone Shares were held indirectly by Mr. Goldenberg through 2578218 Ontario Ltd., a corporation controlled by Mr. Goldenberg) and Night Owl S.A., an entity controlled by Raymond D. Harari, beneficially owned, directly or indirectly, or exercised control or discretion over, 3,241,000 PowerStone Shares carrying approximately 11.31% of the voting rights attached to all outstanding PowerStone Shares.

**Bankruptcy and Similar Procedures**

There is no bankruptcy, receivership, or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by the Company within the three most recently completed financial years or completed or currently proposed for the current financial year.

**Statement of Executive Compensation**

The following information of the Company is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*:

"**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, during any part of the Company's financial year ended October 31, 2024, served as the chief executive officer ("**CEO**") of the Company, including an individual performing functions similar to a CEO;

(b) each individual who, during any part of the Company's financial year ended October 31, 2024, served as chief financial officer ("**CFO**") of the Company, including an individual performing functions similar to a CFO;

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended October 31, 2024 whose total compensation was more than $150,000, as determined in accordance with subsection 1.2(5) of Form 51-102F6V, for the financial year ended October 31, 2024; and

(d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, as at October 31, 2024.

Based on the foregoing definition, the Company has two Named Executive Officers: Zachary Goldenberg, the current Chief Executive Officer and Carlo Rigillo, the current Chief Financial Officer.

Director and Named Executive Officer Compensation

*Director and Named Executive Officer Compensation, Excluding Compensation Securities*

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the Company's Named Executive Officers and directors for each of the Company's two most recent completed financial years:

| Name and Position | Year Ended October 31 | Salary, consulting fee, retainer or commission ($) | Bonus ($) | Committee or meeting fees ($) | Value of perquisites ($) | Value of all other compensation ($) | Total compensation ($) |
|---|---|---|---|---|---|---|---|
| **Zachary Goldenberg** Director and | 2024<br>2023 | 60,000<br>60,000 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | 60,000<br>60,000 |

| Name and Position | Year Ended October 31 | Salary, consulting fee, retainer or commission ($) | Bonus ($) | Committee or meeting fees ($) | Value of perquisites ($) | Value of all other compensation ($) | Total compensation ($) |
|---|---|---|---|---|---|---|---|
| Chief Executive Officer | | | | | | | |
| **Carlo Rigillo**<br>Director and Chief Financial Officer | 2024<br>2023 | $9,000<br>$17,585 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | $9,000<br>$17,585 |
| **Fraser Hartley**<br>Director and Corporate Secretary | 2024<br>2023 | Nil[(1)]<br>Nil[(1)] | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil[(1)]<br>Nil[(1)] |
| **Raymond D. Harari**<br>Former Director and CEO[(2)] | 2023 | 45,000 | Nil | Nil | Nil | Nil | 45,000 |

Notes:

(1) Legal fees in the amount of $60,402 and $84,442 were paid to Edwards Kenny Bray LLP, a law firm which Mr. Hartley is a partner of, in 2024 and 2023 respectively.

(2) Mr. Harari ceased to be a director and the Chief Executive Officer of the Company on August 1, 2023.

External Management Companies

Neither Zachary Goldenberg nor Carlo Rigillo, the NEOs of the Company, are employees of the Company. See *"Employment, Consulting and Management Agreements"* for further information about consulting agreements in respect of the NEOs.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to all NEOs and directors by the Company during the most recently completed financial fiscal year ended October 31, 2024 for services provided or to be provided, directly or indirectly, to the Company:

| Name and Position | Type of Compensation Security | Number of compensation securities, number of underlying securities, and percentage class | Date of issue of grant | Issue, conversion or exercise price ($) | Closing price of security on date of grant ($) | Closing price of security at year end ($) | Expiry date |
|---|---|---|---|---|---|---|---|
| **Zachary Goldenberg**<br>Director and Chief Executive Officer | Options | 250,000 | December 1, 2022 | $0.05 | Not applicable. | $0.05 | December 1, 2027 |
| **Carlo Rigillo**<br>Director and | Options | 100,000 | December 15, 2022 | $0.10 | Not applicable. | $0.05 | December 15, 2027 |

| Name and Position | Type of Compensation Security | Number of compensation securities, number of underlying securities, and percentage class | Date of issue of grant | Issue, conversion or exercise price ($) | Closing price of security on date of grant ($) | Closing price of security at year end ($) | Expiry date |
|---|---|---|---|---|---|---|---|
| Chief Financial Officer | | | | | | | |
| **Fraser Hartley** Director and Corporate Secretary | Options | 125,000 | December 1, 2022 | $0.05 | Not applicable. | $0.05 | December 1, 2027 |
| **Raymond D. Harari** Former Director and CEO[(1)] | Options | 250,000[(2)] | December 1, 2022 | $0.05 | Not applicable. | $0.05 | December 1, 2027 |

Notes:

(2) Mr. Harari ceased to be a director and the Chief Executive Officer of the Company on August 1, 2023.

(3) Held by Night Owl S.A., an entity controlled by Raymond D. Harari.

Exercise of Compensation Securities by Directors and NEOs

The following table sets out all exercise of Compensation Securities by directors and NEOs of the Company during the most recently completed financial fiscal year ended October 31, 2024.

| Name and Position | Type of Compensation Security | Number of underlying securities exercised | Exercise price of security ($) | Date of exercise | Closing price of security on date of exercise ($) | Difference between exercise price and closing price on date of exercise ($) | Total value on exercise date ($) |
|---|---|---|---|---|---|---|---|
| **Zachary Goldenberg** Director and Chief Executive Officer | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Carlo Rigillo** Director and Chief Financial Officer | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Fraser Hartley** Director and Corporate Secretary | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Raymond D. Harari** Former | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| Name and Position | Type of Compensation Security | Number of underlying securities exercised | Exercise price of security ($) | Date of exercise | Closing price of security on date of exercise ($) | Difference between exercise price and closing price on date of exercise ($) | Total value on exercise date ($) |
|---|---|---|---|---|---|---|---|
| Director and CEO[(1)] | | | | | | | |

Notes:

(1) Mr. Harari ceased to be a director and the Chief Executive Officer of the Company on August 1, 2023.

Employment, Consulting and Management Agreements

Pursuant to a consulting agreement (the "**257Co Agreement**") made as of April 1, 2023, between the Company and 2578218 Ontario Ltd. ("**257Co**"), a company controlled by Zachary Goldenberg, the Chief Executive Officer of the Company, the Company agreed to pay Mr. Goldenberg a monthly fee of $5,000, plus HST, paid quarterly, exclusive of bonuses, benefits and other compensation, for services rendered by 257Co through Mr. Goldenberg to the Company. The 257Co Agreement had an initial term of 30 days beginning on April 1, 2023 and automatically renews on a month-to-month basis until terminated. Either party to the 257Co Agreement may terminate the agreement with 30 days prior written notice to the other party. Upon termination of the 257Co Agreement, 257Co shall only be entitled to receive: (a) in the case of termination by PowerStone without cause, full payment of the current month and 30 days owing; and (b) in the case of termination by 257Co, such remuneration as is owing up to the date of termination. During the financial year ended October 31, 2024, Mr. Goldenberg received or accrued fees in the amount of $60,000. The 257Co Agreement was terminated effective December 31, 2024.

Pursuant to a consulting agreement (the "**Rigillo Agreement**") made as of May 15, 2023, between the Company and Carlo Rigillo, the Chief Financial Officer of the Company, the Company agreed to pay Mr. Rigillo a monthly fee of: (a) $1,500, plus HST, paid monthly, until June 30, 2023; (b) beginning on July 1, 2023, $2,000, plus HST, paid monthly, until December 31, 2023; and (c) beginning on January 1, 2024, $750 , plus HST, paid monthly, for services rendered by Mr. Rigillo to the Company. In performing the services under the Rigillo Agreement for the Company, Mr. Rigillo is not an employee of the Company and is acting as an independent contractor. The Rigillo Agreement had an initial term of 30 days beginning on October 1, 2022 and automatically renews on a month-to-month basis until terminated. Either party to the Rigillo Agreement may terminate the agreement with 30 days prior written notice to the other party. Upon termination of the Rigillo Agreement, Mr. Rigillo shall only be entitled to receive: (a) in the case of termination by PowerStone without cause, full payment of the current month and 30 days owing; and (b) in the case of termination by Mr. Rigillo, such remuneration as is owing up to the date of termination. During the financial year ended October 31, 2024, Mr. Rigillo received or accrued fees in the amount of $11,500 plus HST.

Pursuant to a consulting agreement (the "**Canalis Agreement**") made as of April 1, 2023, between the Company and Canalis Capital Group Inc. ("**Canalis**"), a company controlled by Raymond D. Harari, the former Chief Executive Officer of the Company, the Company agreed to pay Mr. Harari a monthly fee of $5,000, paid quarterly, for services rendered by Canalis through Mr. Harari to the Company. The Canalis Agreement had an initial term of 30 days beginning on April 1, 2023 and automatically renewing on a month-to-month basis until terminated. Mr. Harari ceased to be a director and the Chief Executive Officer of the Company on August 1, 2023.

*Compensation, Philosophy and Objectives*

The Company does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior

mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

*Analysis of Elements*

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's existing equity incentive plan (the "**Plan**").

Description of Equity Incentive Plan

The Plan was adopted by the Board on November 25, 2022 and approved by the security holders of the Company on November 25, 2022. The purpose of the Plan is to enable the Company to attract and retain qualified persons who will contribute to the Company's long-range success, to provide incentives that align the interests of qualified persons with those of the security holders of the Company and to promote the success of the Company's business.

Below is a summary of the key terms of the Plan, which is qualified in its entirety by reference to the full text of the Plan which is available on the Company's SEDAR profile at www.sedarplus.ca.

*Administration*

The Plan is administered by the Board or by a Plan Administrator of two or more directors who may be designated from time to time to serve as the Plan Administrator for the Plan (the "**Plan Administrator**"). Subject to the terms of the Plan, the Plan Administrator's charter, if any, and applicable laws, and in addition to other express powers and authorization conferred by the Plan, the Plan Administrator has the authority, to construe and interpret the Plan and apply its provisions; to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan; to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan; to determine when Awards are to be granted under the Plan and the applicable grant date; from time to time to select, subject to the limitations set forth in this Plan, to determine those participants under the Plan to whom Awards shall be granted; to determine the number of Common Shares to be made subject to each Award; to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the award agreement relating to such grant; to determine the target number of PowerStone Shares to be granted pursuant to a performance share award, the performance measures that will be used to establish the applicable performance goals, the performance period(s) and the number of PowerStone Shares earned by a participant under the Plan; to designate an Award as a performance compensation award and to select the applicable performance criteria that will be used to establish the applicable performance goals; to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that if any such amendment impairs a participant's rights or increases a participant's obligations under their Award or creates or increases a participant's income tax liability with respect to an Award, such amendment shall also be subject to the participant's consent; to determine the duration and purpose of leaves of absences that may be granted to a participant under the Plan without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies; to make decisions with respect to outstanding Awards that may become necessary upon a change in control or an event that triggers anti-dilution adjustments; to interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted

under, the Plan; subject to applicable law, to delegate to any director or employee such duties and powers relating to the Plan as it may see fit; to seek recommendations from the chairman or from the Chief Executive Officer of the Company; to appoint or engage a trustee, custodian or administrator to administer or implement the Plan; and to exercise discretion to make any and all other determinations that it determines to be necessary or advisable for the administration of the Plan. The Plan Administrator also may modify the purchase price or the exercise price of any outstanding Award, provided that if the modification effects a repricing, security holder approval shall be required before the repricing is effective.

*Types of Awards*

The rights that may be granted under the plan include, stock options ("**Stock Options**"), share appreciation rights, restricted awards, performance compensation awards, performance share awards, and other equity-based awards (collectively, "**Awards**"). All of the Awards are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting, settlement or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to Awards or PowerStone Shares issued pursuant to awards.

*Option Exercise Price*

The exercise price per PowerStone Share under an option must be determined by the administrator, in its discretion, at the time such option is granted, but such price shall not be less than the Discounted Market Price (as this term is defined under the Plan). Subject to regulatory approval, the exercise price per optioned share under an option may be reduced at the discretion of the administrator if (i) prior regulatory approval is obtained and at least six months has elapsed since the later of the date such option was granted and the date the exercise price for such option was last amended; and (ii) disinterested shareholder approval is obtained for any reduction in the exercise price under an option held by an insider of the Company at the time of the proposed reduction; provided that if the exercise price is reduced to less than the Market Price (as this term is defined under the Plan), a hold period will apply from the date of the amendment and further provided that no such conditions will apply in the case of an adjustment made in the event of any subdivision or consolidation of the PowerStone Shares.

*Tax Withholding*

The Plan establishes that the Company shall have the right to withhold from any amount payable to an optionee such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to awards under the Plan. The Company shall also have the right in its discretion to satisfy any liability for any withholding obligations by selling, or causing a broker to sell, on behalf of any participant such number of PowerStone Shares issued to the participant pursuant to an exercise of options under the Plan as is sufficient to fund the withholding obligations (after deducting commissions payable to the broker), or retaining any amount or consideration which would otherwise be paid, delivered or provided to the participant under the Plan. The Company may require a participant, as a condition to exercise of an option, to make such arrangements as the Company may require so that the Company can satisfy applicable withholding obligations, including, without limitation: (i) requiring the participant to remit the amount of any such withholding obligations to the Company in advance; (ii) requiring the participant to reimburse the Company for any such withholding obligations; or (iii) causing a broker who sells such shares on behalf of the participant to withhold from the proceeds realized from such sale the amount required to satisfy any such withholding obligations, and remitting such amount directly to the Company. Eligible participants under the Plan

*Eligible participants under the Plan*

Awards may be granted to: (a) any person, including an officer or director of the Company, employed by the Company or an affiliate of the Company; (b) any individual or entity engaged by the Company or any affiliate of the Company to render consulting or advisory services, other than as an employee or director of the Company, and whether or not compensated for

such services; (c) a member of the Board; and (d) those individuals whom the Plan Administrator determines are reasonably expected to become Employees, Consultants and Directors following the grant date.

*Stock Option Terms*

Each Stock Option granted under the Plan shall be evidenced by an award agreement. The provisions of separate Stock Options need not be identical but shall be subject to the terms and conditions set out in the Plan. No Stock Option shall be exercisable after the expiration of 10 years from the grant date, or such shorter period as set out in the award agreement. The exercise price of each Stock Option shall be fixed by the Plan Administrator on the grant date of the Stock Option and will not be less than the 100% of the Fair Market Value (defined below) of the PowerStone Shares as of the grant date, subject to all applicable regulatory requirements. Each Stock Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Stock Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Plan Administrator may deem appropriate.

"**Fair Market Value**" means, as of any particular date, the value of the PowerStone Shares as determined by the Plan Administrator in accordance with the following: (a) if the PowerStone Shares are listed on an exchange, the Fair Market Value shall be the closing price of a PowerStone Share on the exchange during the last trading day prior to that particular date on which at least a board lot of PowerStone Shares has so traded or, if a board lot has not traded on a particular day, the average of the bid and asked prices; or (b) if the PowerStone Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the Fair Market Value shall mean the fair market value per PowerStone Share (in Canadian dollars) as determined in good faith by the Plan Administrator in its sole discretion, and such determination shall be conclusive and binding on all persons.

*Share Appreciation Rights*

Each share appreciation right granted under the Plan shall be evidenced by an award agreement. Each share appreciation right so granted shall be subject to the conditions set forth in the Plan, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable award agreement. Share appreciation right may be granted alone ("Free-Standing Rights") or in tandem with an Option granted under the Plan ("Related Rights"). Any Related Right may be granted at the same time the Stock Option is granted or at any time thereafter but before the exercise or expiration of the Stock Option. The term of a share appreciation right granted under the Plan shall be determined by the Plan Administrator; provided, however, no share appreciation right shall be exercisable later than the tenth anniversary of the applicable grant date. Each share appreciation right may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The share appreciation right may be subject to such other terms and conditions on the time or times when it may be exercised as the Plan Administrator may deem appropriate. The exercise price of a Free-Standing Right shall be determined by the Plan Administrator but shall not be less than 100% of the Fair Market Value of one PowerStone Share on the grant date of such share appreciation right. A Related Right granted simultaneously with or subsequent to the grant of an Stock Option and in conjunction therewith or in the alternative thereto shall have the same exercise price as the related Stock Option, shall be transferable only upon the same terms and conditions as the related Stock Option, and shall be exercisable only to the same extent as the related Stock Option; provided, however, that a share appreciation right, by its terms, shall be exercisable only when the Fair Market Value per PowerStone Share subject to the share appreciation right and related Stock Option exceeds the exercise price per share thereof, and no share appreciation rights may be granted in tandem with an Stock Option unless the Plan Administrator determines that the requirements set out in the Plan are satisfied.

*Restricted Awards*

The Plan Administrator may, from time to time, grant restricted share units ("**RSUs**") to participants. Each RSU granted by the Plan Administrator shall be evidenced by an award agreement. Unless otherwise provided in the applicable award agreement, RSUs granted to a participant shall be awarded solely in respect of performance of such participants in the calendar year in which the grant date occurs. In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a participant in respect of their services to the applicable employer. No PowerStone Shares shall be issued at the time an RSU is granted, and the Company will not be required to set aside funds for the payment of any such

Award. Each RSU so granted shall be subject to the conditions set forth in the Plan, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable award agreement.

The Plan Administrator may also grant RSUs with a deferral feature, whereby settlement is deferred beyond the Vesting Date until the occurrence of a future payment date or event set forth in an Award Agreement ("**DSUs**").

At the discretion of the Plan Administrator, each RSU and DSU (representing one PowerStone Share) may be credited with cash and stock dividends paid by the Company in respect of one PowerStone Share.

RSUs and DSUs awarded to any participants shall be subject to (A) forfeiture until the expiration of the restricted period set in accordance with the Plan, and satisfaction of any applicable performance goals during such period, to the extent provided in the applicable award agreement, and to the extent such RSUs or DSUs are forfeited, all rights of the participants to such RSUs or DSUs shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable award agreement.

The Plan Administrator shall have the authority to remove any or all of the restrictions on the RSUs and DSUs whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the RSUs or DSUs are granted, such action is appropriate.

Vesting of RSUs shall not vest beyond 10 years from the applicable grant date and all vesting conditions shall be such that the RSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto. The Plan Administrator may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

*Performance Share Unit Awards*

The Plan Administrator may, from time to time, grant performance share units ("**PSUs**") to participants. The grant of a PSU to a participant at any time shall neither entitle such participant to receive, nor preclude such participant from receiving, a subsequent grant of a PSU. Each PSU granted by the Plan Administrator shall be evidenced by a award agreement. Unless otherwise provided in the applicable award agreement, PSUs granted to a participant shall be awarded solely in respect of performance of such participant in the calendar year in which the grant date occurs. In all cases, the PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a participant in respect of their services to the applicable Employer. No PowerStone Shares shall be issued at the time a PSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. The Plan Administrator shall have the discretion to determine: (i) the number of PowerStone Shares or stock-denominated units subject to a performance share award granted to any participant; (ii) the performance period applicable to any Award; (iii) the performance goals and other conditions that must be satisfied for a participant to earn an Award; and (iv) the other terms, conditions and restrictions of the Award. Each PSU so granted shall be subject to the conditions set forth in the Plan, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable award agreement. No performance period shall extend beyond 10 years from the grant ate and all vesting conditions shall be such that the PSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto.

*Other Equity-Based and Cash Awards*

The Plan Administrator may grant other equity-based awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Plan Administrator shall determine in its sole discretion. Each equity-based award shall be evidenced by an award agreement and shall be subject to such conditions, not inconsistent with the Plan, as may be reflected in the applicable award agreement. The Plan Administrator may grant cash awards to participants. All cash awards shall be subject to the Plan. Cash awards shall be evidenced in such form as the Plan Administrator may determine.

*Performance Compensation Awards.*

The Plan Administrator shall have the authority, at the time of grant of any Award described in this Plan (other than Stock Options and share appreciation rights granted with an exercise price equal to or greater than the Fair Market Value per PowerStone Share on the grant date), to designate such Award as a performance compensation award. In addition, the Plan Administrator shall have the authority to grant a cash award to any participant and designate such Award as a performance compensation award.

With regard to a particular performance period, the Plan Administrator shall have full discretion to select the length of such performance period (provided any such Performance Period shall be not less than one fiscal quarter in duration), the types of Performance Compensation Awards to be issued, the performance criteria that will be used to establish the performance goals, the kinds and/or levels of the performance goals that are to apply to the Company and the performance formula.

*Acceleration of Exercisability and Vesting*

The Plan Administrator shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan.

*Adjustments Upon Changes in Capital*

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting PowerStone Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of PowerStone Shares subject to all Awards; (ii) the maximum number of PowerStone Shares with respect to which any one person may be granted Awards during any period; (iii) the number or kind of shares or other securities subject to any outstanding Awards; (iv) the exercise price of any outstanding Stock Options and share appreciation rights; (v) the number of share units in the participants' share unit account; and (vi) the vesting of RSUs, DSUs or PSUs (and related dividend equivalents) provided, however, that no adjustment will obligate the Company to issue or sell fractional securities.

*Change in Control*

Unless otherwise provided in an award agreement, notwithstanding any provision of the Plan to the contrary:

(a) In the event of a participant's termination of continuous service without cause or a constructive dismissal during the 12-month period following a Change in Control that is not a Substitution Event or Permitted Reorganization (each as defined in the Plan), notwithstanding any provision of the Plan or any applicable award agreement to the contrary, all outstanding Stock Options and Share Appreciation Rights shall become immediately exercisable with respect to 100% of the shares subject to such Stock Options or share appreciation rights, and/or the restricted period shall expire immediately with respect to 100% of the outstanding RSUs as of the date of the participant's termination of continuous service.

(b) With respect to performance compensation awards, in the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, all incomplete performance periods in respect of such award in effect on the date the Change in Control that is not a Substitution Event or Permitted Reorganization occurs shall end on the date of such change and the Plan Administrator shall (i) determine the extent to which performance goals with respect to each such performance period have been met based upon such audited or unaudited financial information then available as it deems relevant and (ii) cause to be paid to the applicable participant partial or full Awards with respect to performance goals for each such performance period based upon the Plan Administrator's determination of the degree of attainment of performance goals or, if not determinable, assuming that the applicable "target" levels of performance have been attained, or on such other basis determined by the Plan Administrator.

*Substitution Event or a Permitted Reorganization*

Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the "**Continuing Entity**") shall, to the extent commercially reasonable, take all necessary steps to continue the Plan and to continue the Awards granted hereunder or to substitute or replace similar options or share units, as applicable for the Stock Options and share units outstanding under the Plan on substantially the same terms and conditions as the Plan.

The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its affiliates, taken as a whole.

In addition, in the event of a Change in Control, the Plan Administrator may in its discretion and upon at least 10 days' advance notice to the affected persons, cancel any outstanding Awards and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per PowerStone Share received or to be received by other shareholders of the Company in the event. In the case of any Stock Option or share appreciation right with an exercise price that equals or exceeds the price paid for a PowerStone Share in connection with the Change in Control, the Plan Administrator may cancel the Stock Option or share appreciation right without the payment of consideration for it.

*Amendment of the Plan and Awards.*

The Board at any time, and from time to time, may amend or suspend any provision of an Award or the Plan, or terminate the Plan, subject to those provisions of applicable laws (including, without limitation, the rules, regulations and policies of the exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

Awards Outstanding Under the Plan

As at October 31, 2024, 1,700,000 options of PowerStone are outstanding, representing approximately 5.93% of the outstanding PowerStone Shares.

The following table sets out equity compensation plan information as at the year ended October 31, 2024:

| | **Number of securities to be issued upon exercise of outstanding options[(1)] (a)** | **Weighted-average exercise price of outstanding options, warrants and rights ($)[(1)]** | **Number of stock options remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))[(1)]** | **Number of awards other than options remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))[(1)]** |
|---|---|---|---|---|
| Equity compensation plans approved by securityholders | 1,700,000 | $0.08 | 1,165,083 | 2,000,000 |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A | N/A |
| **TOTAL:** | **1,700,000** | **$0.077** | **1,165,083** | **2,000,000** |

Notes:

(1) On a pre-Consolidation basis.

**The Audit Committee**

The Audit Committee's Charter

The Company's Audit Committee's charter is incorporated by reference into this Circular and can be obtained electronically under PowerStone's issuer profile on SEDAR+ at www.sedarplus.ca. Physical copies may be obtained on request without charge, see "*Information Concerning PowerStone - Documents Incorporated by Reference*".

Composition of the Audit Committee

The members of the audit Committee are Zachary Goldenberg, Carlo Rigillo and Fraser Hartley. No member of the audit Committee is independent. See "Exemption" below. All members are considered to be financially literate.

A member of an audit Committee is "independent" if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

*Zachary Goldenberg – Director and Chief Executive Officer*

Zachary Goldenberg has been a director of the Company since June 9, 2022. Mr. Goldenberg is a principal of Liberty Venture Partners, a Toronto-based advisory and investment firm focused on startup and growth companies in rapidly emerging industries. A corporate lawyer by background, Mr. Goldenberg has significant experience in both the private and public markets as an advisor, investor and board director and has spent much of the past decade working with companies transitioning from private to public navigate the Canadian public venture markets and to source and close strategic transactions. Mr. Goldenberg is a graduate of the combined JD / HBA from Western Law and Ivey School of Business, is a member of the TSX Venture Exchange's Ontario Advisory Committee and is a recipient of ICD.D designation from the Institute of Corporate Directors.

*Carlo Rigillo – Director and Chief Financial Officer*

Carlo Rigillo has been a director of the Company since October 4, 2022. Mr. Rigillo is an experienced Chartered Professional accountant with over two decades of relevant public company audit and operational experience. Mr. Rigillo holds a Bachelor of Commerce from the University of Toronto and is a Chartered Professional Accountant.

*Fraser Hartley – Director and Corporate Secretary*

Fraser Hartley has been a director of the Company since October 4, 2022. Mr. Hartley is a lawyer and a partner at the firm Edwards, Kenny & Bray LLP, practicing in the areas of corporate finance and corporate transactions. Mr. Hartley has an LLB from the University of British Columbia.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52- 110, in whole or in part.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Company must be approved in advance by the audit Committee. The audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the audit Committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

| Financial Year Ending | Audit Fees[(1)] | Audit Related Fees[(2)] | Tax Fees[(3)] | All other Fees[(4)] |
|---|---|---|---|---|
| 2024 | $15,000 | Nil | $2,000 | Nil |
| 2023 | $25,000 | Nil | $2,000 | Nil |

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers (as defined therein) from the requirement of Part 3, (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument.

**Corporate Governance**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* requires management of an issuer (other than a venture issuer) that solicits a proxy from a securityholder of the issuer for the purpose of electing directors to its board of directors to include in its management information circular the disclosure required by Form 58-101F2 – *Corporate Governance Disclosure*. The following disclosure describes the Company's approach to corporate governance.

Board of Directors

The Board has responsibility for the stewardship of PowerStone. In carrying out this mandate, the Board meets regularly, and a broad range of matters are discussed and reviewed for approval. These matters include overall corporate plans and strategies, budgets, internal controls and management information systems, risk management as well as interim and annual financial and operating results. The Board is also responsible for the approval of all major transactions, including equity issuances, acquisitions and dispositions, as well as PowerStone's debt and borrowing policies. The Board strives to ensure that actions taken by management correspond closely with the objectives of the Board and the PowerStone Shareholders.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Company's Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company's Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company's Board is responsible for monitoring the Company's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

None of the members of the Board of the Company are independent pursuant to NI 58-101 by virtue of being executive officers of the Company. The non-independent directors are Zachary Goldenberg (Chief Executive Officer), Carlo Rigillo (Chief Financial Officer) and Fraser Hartley (Corporate Secretary).

The following directors of the Company are directors of other reporting issuers:

| Director | Other Reporting Issuer Directorships | Exchange |
|---|---|---|
| **Zachary Goldenberg** | AIM6 Ventures Inc. | TSXV |
| | Buzz Capital 2 Inc. | TSXV |
| | 1510450 B.C. Ltd. | N/A |
| **Carlo Rigillo** | Graphite Acquisition Corp. | N/A |
| | PetroOro Resources Corp. | N/A |
| | WBM Capital Corp. | N/A |
| | 1507651 B.C. Ltd. | N/A |
| | 1510450 B.C. Ltd. | N/A |
| | 1510441 B.C. Ltd. | N/A |
| | 1510435 B.C. Ltd. | N/A |
| **Fraser Hartley** | Graphite Acquisition Corp. | N/A |
| | Buzz Capital 2 Inc. | TSXV |
| | WBM Capital Corp. | N/A |
| | 1507651 B.C. Ltd. | N/A |
| | 1510450 B.C. Ltd. | N/A |
| | 1510441 B.C. Ltd. | N/A |
| | 1510435 B.C. Ltd. | N/A |

Given that there are no independent directors of the Company, there are no regularly scheduled meetings of independent directors of the Company and there is no lead director of independent directors. The Board currently consists of three directors in total and there is consistent and frequent communication among the three directors on all matters affecting the operation of the Company.

Orientation and Continuing Education

The Board has not developed a formal orientation policy for new directors. When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

In order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors, the Company encourages its directors to take director education and training courses offered by post-secondary institutions.

Ethical Business Conduct

The Board has not adopted a written code for directors, officers and employees. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee of the Company at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and the identification of new candidates for Board nomination is currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board as a whole determines compensation for the directors and officers of the Company.

Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board, the Audit Committee and individual directors are not regularly assessed with respect to their effectiveness and contribution. The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the Audit Committee.

**Management Contracts**

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

**Risk Factors**

An investment in PowerStone Shares should be considered highly speculative and investors should carefully consider all of the information disclosed in the Circular and the documents incorporated herein by reference. In addition to the other information and risks factors set out elsewhere in the Circular, including those set out under "*Information Concerning Libra – Risk Factors*" and "*Information Concerning the Resulting Issuer – Risk Factors*" in this Circular, the risk factors described in the MD&A of PowerStone should be given special consideration by PowerStone Shareholders when evaluating whether to approve the Fundamental Change Resolution and other matters contemplated in this Circular.

**Legal Proceedings and Regulatory Actions**

PowerStone is not or was not a party to, and none of its property is or was the subject of, any legal proceedings since the beginning of its last financial year, as at the date hereof, nor does PowerStone contemplate any such legal proceedings.

No penalties or sanctions have been imposed against PowerStone by a court, nor has PowerStone entered into any settlement agreements before a court, relating to provincial and territorial securities legislation or by a securities regulatory authority within the last three years from date hereof, nor has a court or regulatory body imposed any other penalties or sanctions against PowerStone.

**Interest of Management and Others in Material Transactions**

No informed person of PowerStone, proposed director of PowerStone, or any associate or affiliate of any informed person or proposed director, has or had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected or would materially affect PowerStone since the commencement of PowerStone's most recently completed financial year, other than as disclosed in this Circular.

**Auditors, Registrar and Transfer Agent**

The auditors of PowerStone is Crowe MacKay LLP, Chartered Professional Accountants, located at 1100 – 1177 West Hastings Street, Vancouver, B.C. V6E 4T5.

The transfer agent and registrar of PowerStone is Odyssey Trust Company, and the register of PowerStone Shares and register of transfers are maintained at the Vancouver office located at 350 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2, Canada.

**Material Contracts**

The only material contracts that PowerStone has entered into since the beginning of the most recently completed financial year or contract entered into before the beginning of the most recently completed financial year that is still in effect, other than contracts entered into in the ordinary course of business, is the Amalgamation Agreement. See "*Information Concerning PowerStone – Three Year History*".

**Interests of Experts**

Crowe MacKay are the auditors of PowerStone and are independent with respect to PowerStone within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct. No director, officer or employee of Crow MacKay is or is expected to be elected, appointed or employed as a director, officer or employee of Libra, PowerStone or the Resulting Issuer or of any associate or affiliate of Libra, PowerStone or the Resulting Issuer.

**Indebtedness of Directors and Executive Officers**

At no time during the Company's last completed financial year or as of the Record Date, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director,

executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INFORMATION CONCERNING LIBRA

The following information is provided by Libra and is presented on a pre-Amalgamation basis and is reflective of the current business, financial and share capital position of Libra. See "*Information Concerning the Resulting Issuer*" for pro forma business, financial and share capital information relating to the Resulting Issuer.

### Corporate Structure

Name, Address and Incorporation

Libra Lithium Corp. was incorporated on November 15, 2022, pursuant to the Business Corporations Act (Ontario). On April 28, 2023, the Company filed articles of amendment to consolidate it shares on basis of 2 old shares for 1 new share. The Company's head office is located at Suite 1250, 639 5th Ave. S.W., Calgary, Alberta T2P 0M9. The Company's registered office is located at 333 Bay St. #5100, Toronto, ON M5H 2R2.

Intercorporate Relationships

Libra has no subsidiaries.

### Summary Description of the Business

General

Libra is a Canadian mineral exploration company focused on the discovery and development of the critical minerals necessary for the green energy transition. Libra's Flanders North, Flanders South, and Soules Bay-Caron lithium projects in Ontario (collectively, the "**Libra Core Projects**") are being explored under a $33 million earn-in agreement ("**Earn-In Agreement**") with KoBold Metals Company ("**KoBold**") whereby KoBold may earn into a75% interest in the Libra Core Projects.

In addition, Libra also has 100% ownership over its Toivo, Burton, Bitchu, Tennant, Battery Hill and Kivinen projects in Ontario, Canada and its Nemiscau project in Quebec, Canada. The Libra team comprises a mix of seasoned executives, engineers, and geoscientists, with extensive experience in mining and mineral exploration, capital markets, asset management, energy, and First Nations engagement. In addition to Libra's lithium exploration portfolio, Libra holds 43,865,217 common shares in the capital of Athena Gold Corporation's (CSE: ATHA) (OTCQB: AHNR) ("**Athena**") wholly-owned subsidiary, which subject to certain conditions, are exchangeable for no additional consideration into common shares of Athena.

Three Year History

Libra was incorporated under the *Business Corporation Act* (Ontario) in the Fall of 2022 by Mark Goodman and David Goodman as part of staking certain claims in the prospective mineral area of Flanders, Ontario.

In April 2023, Koby Kushner and Ben Kuzmich were appointed as the chief executive officer and vice president exploration, respectively. The first field season commenced in the Spring of 2023 and lasted into the Fall of 2023. The field season focused primarily on the Tennant, Flanders South, and Flanders North projects, with smaller programs focused on the Burton, Soules Bay-Caron, and Energy Hill projects. The primary outcome of the 2023 field season was the discovery of the Homer spodumene-bearing pegmatite at Flanders South.

Between May 4, 2023 and June 1, 2023, Libra closed non-brokered private placements of 16,000,000 common shares at a price of $0.05 per share for gross proceeds of $800,000.

Between August 4, 2023 and October 27, 2023, Libra closed non-brokered private placements of an aggregate of 6,099,995 common shares at a price of $0.15 per share and 362,500 "flow-through" common shares at $0.20 per share for gross proceeds of $987,500.

The next field season, in 2024, focused primarily on the Docker and Soules Bay-Caron projects, with occasional visits to the Flanders area project. The Docker project, which was under option, was subsequently dropped due to insignificant lithium mineralization being found. However, in June 2024, Libra discovered a significant field of spodumene-bearing pegmatites at Soules Bay-Caron. Shortly after the discovery, Libra staked the nearby Toivo project. In the Fall of 2024, Libra entered into an agreement to acquire interests in the Laird Lake and Oneman Lake gold projects, which was subsequently sold to Athena Gold Corp. for a significant equity stake.

October 25, 2024, Libra closed a non-brokered private placement of 3,094,758 common shares at a price of $0.12 per share and 988,784 "flow-through" common shares at $0.13 per share for gross proceeds of $499,912.88.

In December 2024, Libra announced a go public transaction by way of a proposed reverse takeover of PowerStone, At this same time, Libra announced a $33 million earn-in agreement that was entered between KoBold Metals Company (“**KoBold**”) and Libra whereby KoBold could earn an equity interest in 75% of the Flanders North, Flanders South, and Soules Bay-Caron projects. The KoBold earn-in was later expanded in February 2025 to include additional claims at Soules Bay-Caron projects.

Material Mineral Property (Qualifying Property)

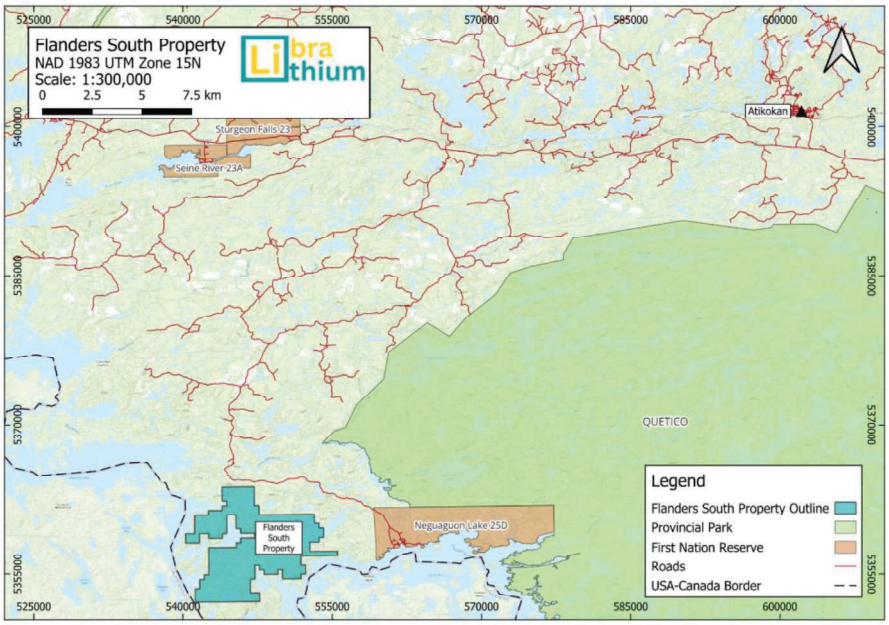
Libra’s material and qualifying mineral property (“**Flanders South**”) is the subject of a report entitled “National Instrument 43-101 Technical Report – Flanders South Property, Thunder Bay Mining District, Northwestern Ontario, Canada” (the “**Technical Report**”) dated December 9, 2024. Reference should be made to the full text of the Technical Report, which is attached hereto as Schedule “G”.

The following project description is a summary, supported by the Technical Report, and is effective as of the date of the Technical Report. Portions of the following information are based on assumptions, and procedures which are not fully described herein. We recommend you read the Technical Report in its entirety to fully understand the technical aspects of the Flanders South property.

***Property Description, Location, and Access***

The Property (Figure 1) is in northwestern Ontario on NTS sheets 52C08C, 52C08D, 52C08E, 52C08F, 52C08K, and 52C08L. The Property is located approximately 75 kilometres southwest of Atikokan, Ontario and 230 kilometres west of Thunder Bay, Ontario (Figure 1). It is situated within the Redhorse Lake Area, Lilac Lake Area, and the Wolseley Lake Area of the Thunder Bay Mining Division. Geographic coordinates of the Property center are approximately 548629m E and 5358713m N (UTM Zone 15N, NAD 83).

*Figure 1: Property Location Map*




The Property consists of 24 multi-cell claims covering an area of 8,711 hectares (Table 1 – Figure 2). The claims are all held in good standing and 100% owned by Libra.

*Table 1: Property Claims (Ministry of Mines (MoM) November 2024)*

| Tenure ID | Due Date | Tenure Type | Cells | Holder | Mining Division | Township / Area |
|---|---|---|---|---|---|---|
| 895883 | 23-Dec-2024 | Multi-cell Mining Claim | 20 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895873 | 21-Jun-2025 | Multi-cell Mining Claim | 25 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895879 | 05-Jan-2025 | Multi-cell Mining Claim | 22 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895874 | 21-Jun-2025 | Multi-cell Mining Claim | 21 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895881 | 23-Dec-2024 | Multi-cell Mining Claim | 14 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895882 | 23-Dec-2024 | Multi-cell Mining Claim | 2 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895875 | 21-Jun-2025 | Multi-cell Mining Claim | 19 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895877 | 21-Jun-2025 | Multi-cell Mining Claim | 22 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895876 | 21-Jun-2025 | Multi-cell Mining Claim | 21 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |

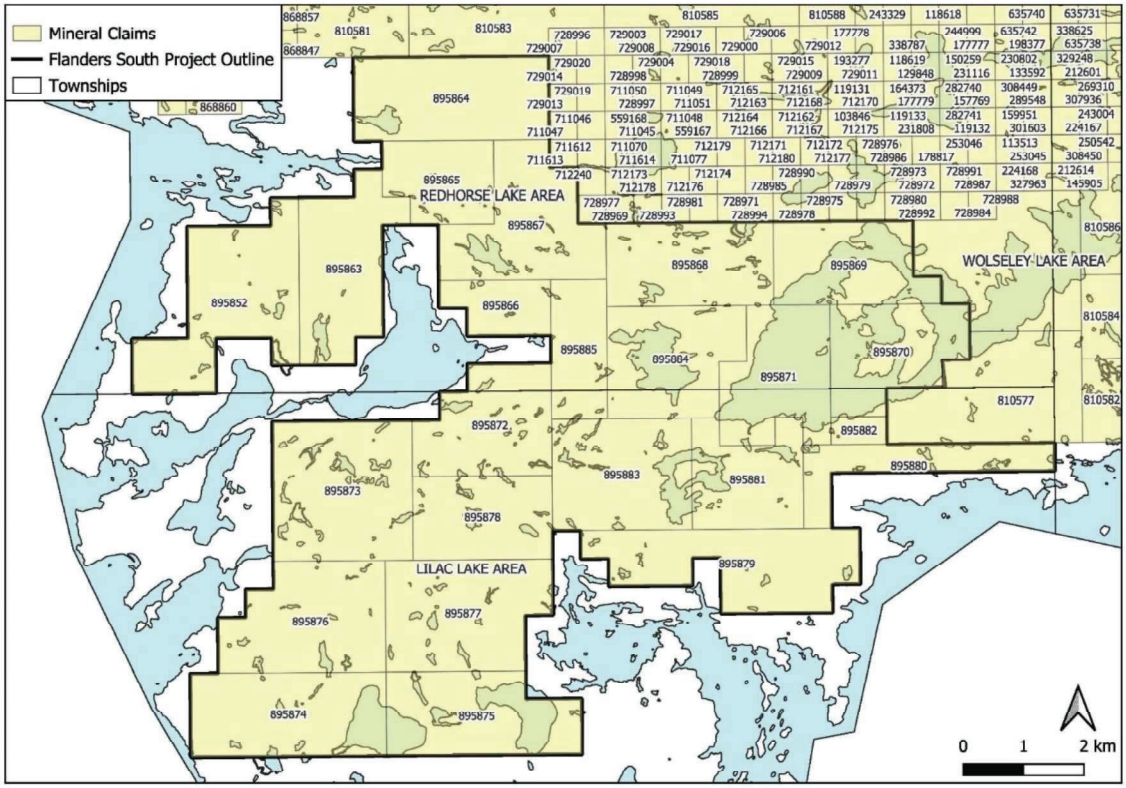
| Tenure ID | Due Date | Tenure Type | Cells | Holder | Mining Division | Township / Area |
|---|---|---|---|---|---|---|
| 895878 | 21-Jun-2025 | Multi-cell Mining Claim | 15 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895871 | 23-Dec-2024 | Multi-cell Mining Claim | 17 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895872 | 21-Jun-2025 | Multi-cell Mining Claim | 17 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895885 | 23-Dec-2024 | Multi-cell Mining Claim | 10 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895870 | 23-Dec-2024 | Multi-cell Mining Claim | 16 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895884 | 23-Dec-2024 | Multi-cell Mining Claim | 18 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895866 | 22-Oct-2025 | Multi-cell Mining Claim | 7 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895864 | 23-Dec-2024 | Multi-cell Mining Claim | 21 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895865 | 23-Dec-2024 | Multi-cell Mining Claim | 11 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895867 | 23-Dec-2024 | Multi-cell Mining Claim | 20 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895852 | 22-Oct-2025 | Multi-cell Mining Claim | 24 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895869 | 23-Dec-2024 | Multi-cell Mining Claim | 16 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895863 | 22-Oct-2025 | Multi-cell Mining Claim | 19 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895868 | 23-Dec-2024 | Multi-cell Mining Claim | 18 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895880 | 05-Jan-2025 | Multi-cell Mining Claim | 11 | Libra Lithium Corp. (10006639) | Thunder Bay | WOLSELEY LAKE AREA, LILAC LAKE AREA |

The Ontario Mining Act requires Exploration Permit or Plans for exploration on Crown Lands. The permit and plans are obtained from the MoM. The processing periods are 50 days for a permit and 30 days for a plan while the documents are reviewed by MoM and presented to the Aboriginal communities whose traditional lands will be impacted by the work. The authors recommend the company discuss the recommended exploration with the MoM to determine the plan and/or permit required as well as the Aboriginal communities to consult.

The government of Ontario requires expenditures of $400 per year per cell for staked claims, prior to expiry, to keep the claims in good standing for the following year.

No mineral resources, reserves or mine existing prior to the mineralization described in the Technical Report are known by the authors to occur on the Property.

*Figure 2: Property Claim (Source -(Ministry of Mines (MoM) November 2024))*

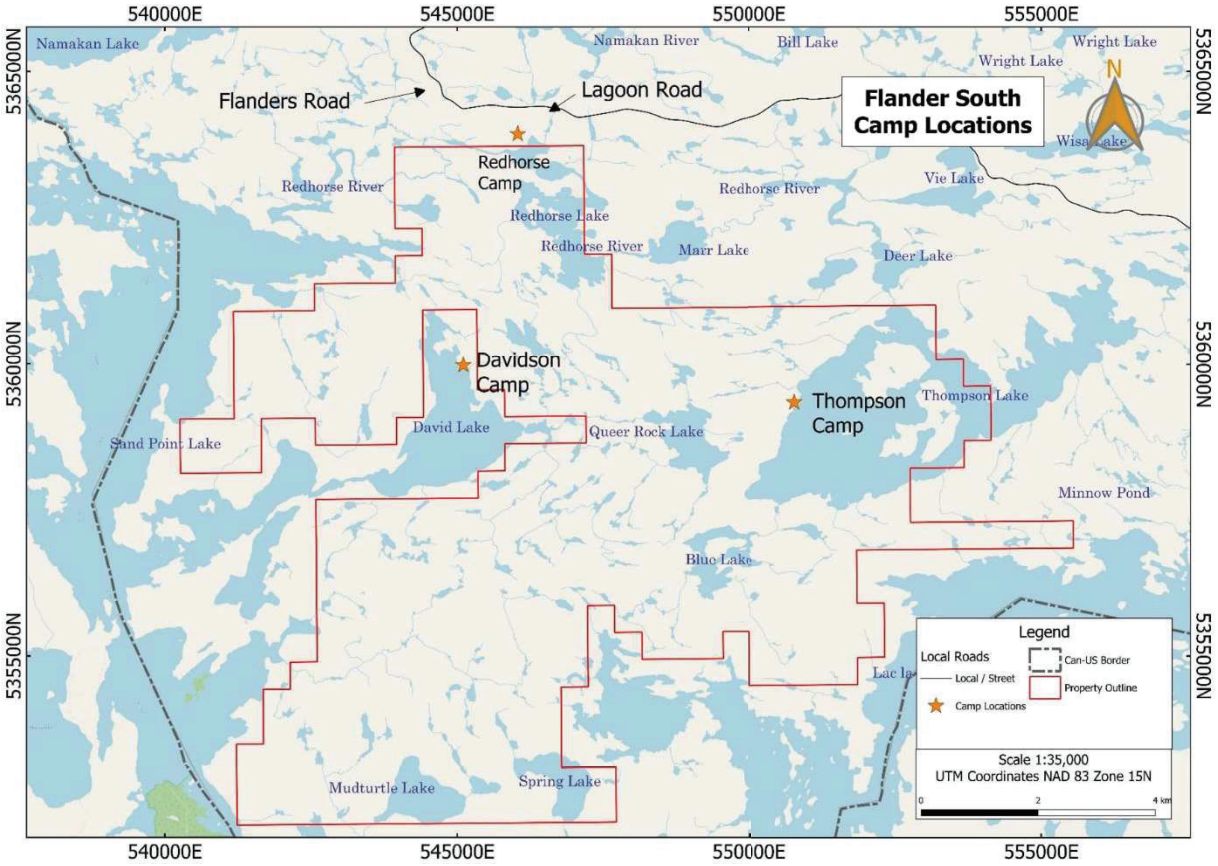



***Access***

The Flanders South property is located in northwestern Ontario, Canada, approximately 230 kilometres west of Thunder Bay, Ontario, 75 kilometres southwest of Atikokan, Ontario, and 83 kilometres southeast of Fort Francis, Ontario. The property is five kilometres north of the border between Canada and the United States (Figure1).

The Flanders South property has been worked using portable remote camps, consisting of tents, which are located in three locations: Thompson Lake camp, David Lake camp, and Redhorse Lake camp (Figure 3). Access to the Thompson Lake camp and David Lake camp is by float plane. Access to the Redhorse Lake camp is by travelling 239 kilometres northwest along Trans-Canada Highway 11 from Thunder Bay, Ontario and approximately 56 kilometers south on Flanders Road (an all-season road). Flanders Road eventually turns into Lagoon Road, where a trail is accessed to get to the Redhorse Lake camp.

*Figure 3: Property Access and Camp Sites*

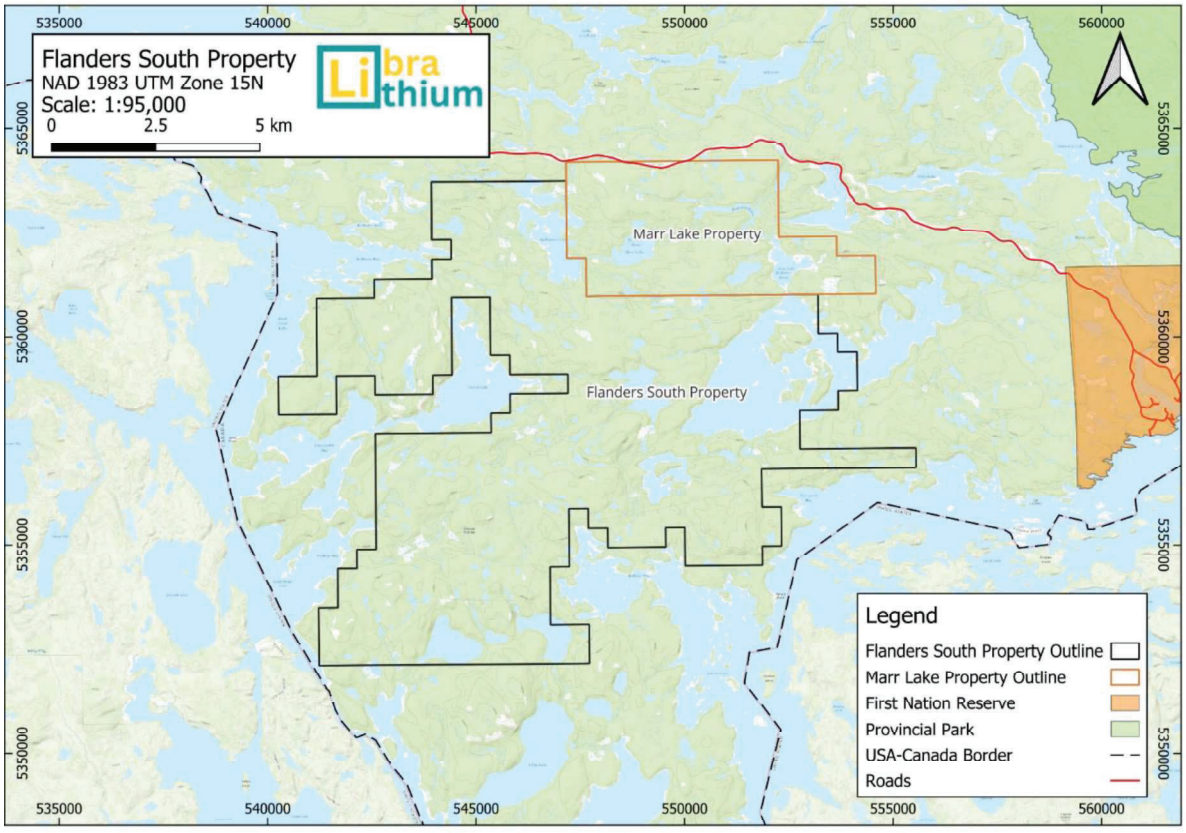


***History***

The Property has been historically underexplored and has not been the focus of work directly on the property. Work completed was focussed on adjoining properties to the northeast (Marr Lake and Wisa Lake properties) (Figure 4 and 5).

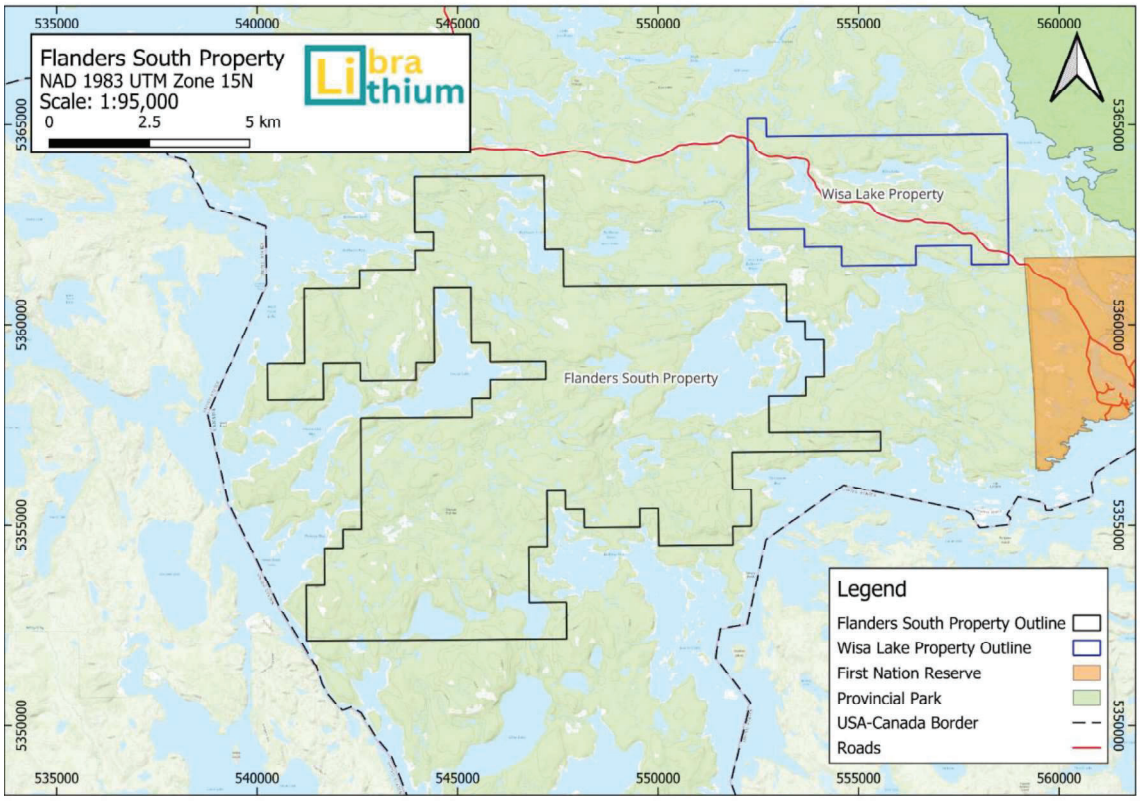
The Marr Lake Ni-Cu-PGE property is located at the northeastern corner of the Flanders South property. The Marr Lake Ni-Cu-PGE occurrence is located along the northeast shoreline where in 2005, 3 samples from a 60-metre-wide pyroxenite dyke averaged 1.1% Cu, 0.20% Ni, 0.02% Co, 6 g/t Ag, 1.3 g/t Pt, 1.3 g/t Pd, and 0.40 g/t Au (Conquest Resources Limited, 2022).

*Figure 4: Location of the Marr Lake Ni-Cu-PGE property and the Flanders South property*



The Wisa Lake property is located approximately five kilometres northeast of Flanders South (Figure 6.2). Within this property, spodumene-bearing pegmatite dykes are present and are the target of economic interest. Historical exploration work commenced in 1956, when Lexindin Gold Mines completed a 1,713 m diamond drill program and 131 metre “packsack” diamond drill program on the 77-claim package. Assay results produced 1.15 wt.% $Li_2O$ in several structures over a strike length of 335 m (Winter, 2013). The next documented historical exploration work occurred on one claim of the Wisa Lake property by Dan Patrie Exploration Ltd in 2010 and 2013. In 2016, Alset Minerals acquired the property and conducted a prospecting program. Rock samples collected during the program from the North Zone Pegmatite returned grades of up to 1.4% $Li_2O$, and rock samples collected from the South Zone Pegmatite returned grades of up to 6.38% $Li_2O$. Alset Minerals later optioned the property to Ardiden Ltd. (“Ardiden”). In 2022, Ardiden sold its remaining interest in the property to Green Technology Metals (Geology Ontario, 2023).

*Figure 5: Location of the Wisa Lake property and the Flanders South property.*



***Geological Setting and Mineralization***

Regional Geology

The Property is situated within the Quetico Basin of the Archean Superior Province. The main rock units within this belt are turbiditic rock-derived schists, migmatites, and peraluminous leucogranites. The Quetico Basin is a metasedimentary-dominant geological domain within the Superior Province (Thurston, 1991).

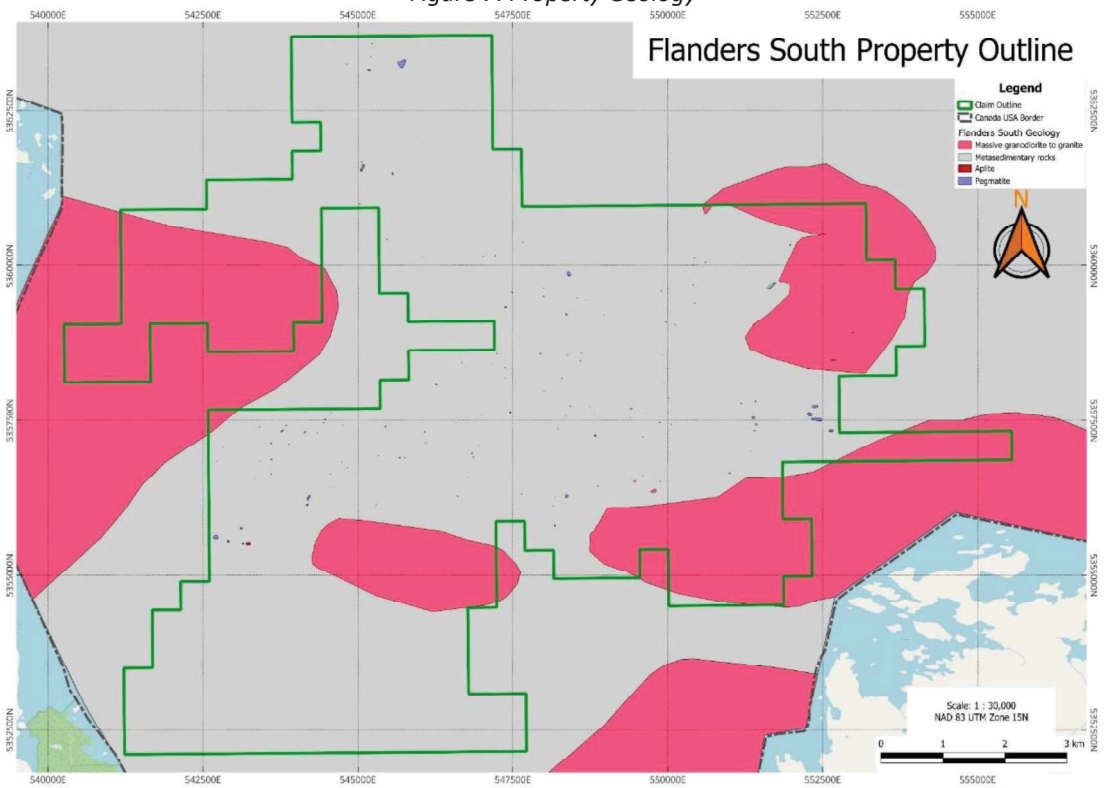
The Superior province is one the largest stable Archean cratons in the world, spanning around 1,565,000 km2 (Thurston, 1991). It is bordered to the north, west and south by Paleoproterozic aged provinces (Trans-Hudson, Penokean and New Quebec Orogens) and to the southeast by the Grenville Province, which is Mesoproterozoic in age (Percival et al., 2006). The Superior Province is subdivided into several subprovinces (e.g., terranes, domains and basins), based on their lithologies, metamorphism, deformation structures, isotopic ages and geophysical characteristics (Douglas, 1973; Card and Ciesielski, 1986). These east-west trending subprovinces are classified as granite-greenstone (metavolcanic) assemblages, metasedimentary assemblages, plutonic assemblages and high grade metamorphic-granitoid assemblages (Card, 1990; Thurston, 1991).

Property Geology

The Flanders South property has undergone limited detailed mapping, with past exploration efforts primarily focused around Marr Lake and Wisa Lake. Previous mapping revealed that the area is predominantly composed of metaturbidites, interspersed with notable granitic to granodioritic intrusions (Figure 7; Stott, 2011).

Exploration assessments of the Marr Lake and Wisa Lake area have reported the presence of various other lithologies, including gabbro, pyroxenite, gneiss, small pegmatitic veinlets, and a narrow east-trending bed of iron formation or magnetite-rich metasedimentary rocks (Kleinboeck, 2023). Similar rock types are found on the Flanders South property.

*Figure 7: Property Geology*




***Deposit Types***

Felsic pegmatites are igneous rocks typically comprised of quartz, feldspar and micas that can reach very large grainsizes, although grainsize is variable throughout the rock (Jahns,1955; Sinclair, 1996; Müller et al., 2022). Felsic pegmatites form small, irregularly shaped and zoned bodies that are internally heterogenous in composition and fabric (Müller et al., 2022). Although the melt source origin can be different, almost all felsic pegmatites are thought to form from the crystallization of fractionated, volatile-rich melts rich in Si, Al, alkali elements, H2O, volatiles, REEs and other less compatible elements (Černý, 1991; Sinclair, 1996). An economically important subset of these pegmatites is rare element, lithium-cesium-tantalum (LCT), pegmatites. The largest LCT pegmatites crystallized from Li-rich, fractionated melts derived from S-type granitic bodies in orogenic hinterlands, often being emplaced into metamorphosed supracrustal rock packages during late syn-tectonic to late post-tectonic stages of Archean or Paleoproterozoic orogenies (Bradley et al., 2017).

Rare element pegmatites are genetically linked to peraluminous (aluminum saturation index >1; e.g., Frost and Frost, 2008) or S-type granites. Fertile granites (i.e., granites that host the potential for Li-Cs-Ta mineralization) display characteristic whole-rock geochemical and mineralogical signatures: Mg/Li ratio < 10, Nb/Ta ratio <8 and commonly contain blocky K-feldspar and green muscovite (Selway et al., 2005). Lithium concentrations in pegmatites increase with increased melt fractionation (Selway et al., 2005). The prolonged fractionation of an S-type granite results in pegmatites displaying characteristic geochemical signatures which can be indicative of Li-Cs-Ta mineralization (Selway et al., 2005). The most strongly fractionated pegmatites tend to display: blocky K-feldspar with >3,000 ppm Rbwhole-rock, K/Rbwhole-rock <30, and >100 ppm Cswhole-rock; and coarse-grained green muscovite containing >2,000 ppm Li, >10,000 ppm Rb, >500 ppm Cs, and >65 ppm Ta (Selway et al., 2005). Tantalum mineralization tends to occur in albitic aplite, mica-rich (lepidolite, cleavelandite ± lepidolite), and spodumene/petalite pegmatite zones.

The main mineral constituents of LCT pegmatites are quartz, potassium feldspar, albite, and muscovite, while typical accessory minerals include biotite, garnet, tourmaline, and apatite (Bradley et al., 2017). Lithium-rich varieties of LCT pegmatites can produce lithium ore minerals which comprise spodumene ($LiAlSi_2O_6$), petalite (LiAlSi4O10), and lepidolite (K[Li,Al]3[Al,Si,Rb]4O10[F,OH]2). The most common cesium-rich mineral phase is pollucite (Cs[Si2Al]O6·nH2O) whereas

tantalum is mostly concentrated in columbite ([Fe,Mn]Nb2O6) and tantalite ([Fe,Mn]Ta2O6; Bradley et al., 2017). Tin ore as cassiterite (SnO2) and beryllium ore as beryl ($Be_3Al_2Si_6O_{18}$) can also occur in economic quantities in LCT pegmatites. Furthermore, the strongly fractionated nature of pegmatites and their large grainsize are favourable to the formation of gemstones and museum specimens of rare minerals (Sinclair, 1996; Bradley et al., 2017).

Globally, approximately one-third of Li, all the Cs and most of the Ta production is derived from pegmatite deposits (United States Geological Survey, 2011). In Canada, LCT pegmatite deposits account for nearly all the historical and present-day production and reserves of lithium, tantalum, cesium (Sinclair, 1996).

***Exploration***

Exploration on the Property by Libra in the summer and autumn of 2023 comprised an airborne LiDAR survey, orthophotographic imagery, and a prospecting program.

Airborne LiDAR and Orthophotograph Surveys

Eagle Mapping Ltd. ("Eagle Mapping") of Langley, British Columbia, was contracted in the summer of 2023 to complete a LiDAR survey and orthophotographic imagery on the Flanders South property (~48.3 $km^{2)}$). The surveys generated topographic elevations and high-resolution imagery that helped select targets for LCT pegmatite exploration (Figure 8 + 9).

After the individual flight line data were combined with the airborne GPS/IMU information, the multiple flight lines of LiDAR data were merged using Riegl Riprocess software. The LAS data was exported along with the individual trajectories of each scan line. After export, BayesStripAlign software was used to calibrate the LiDAR data. This software corrects both relative and absolute geometric errors and reduces discrepancies between stripes due to IMU altitude and positional errors. Lines with overlapped control points were imported into TerraScan and then examined to identify systematic positioning errors which can be accounted for with further calibration.

Using the TerraSolid suite of software products, such as TerraScan and TerraModeler, Eagle Mapping classified data points as bare-earth ground (2) and unclassified (1). A two-phase processing process (i.e., automated and manual) was conducted to achieve a high-quality bare earth DEM model from the raw data. Automated classification routines were used to clean the data and identify isolated air or low points which occur due to unsuitable atmospheric conditions or erroneous sensor readings. After noise was removed from the data set, ground and non-ground features were classified using proprietary ground classification macros which consider a variety of factors, including terrain relief, vegetation type and man-made structures. A DEM model was then generated and manually checked for inconsistencies by employing 3D visualization techniques. Outliers were subsequently flagged and manually corrected using TerraScan.

For the orthophoto surveys, ground control points were laid out over the property and those locations were surveyed before photo mapping. Imagery was then reviewed and the Airborne GNSS/IMU data was extracted to provide an initial photo orientation. The orientation data was then further refined by incorporating Aerial Triangulation (AT). This process involved tying all photos to each adjacent frame photogrammetrically using tie-points, surface model data, LiDAR intensity, calibrated camera parameters and control. Thereafter, the orientation data was used in the orthophoto rectification process in addition to LiDAR DEM. Imagery is colour balanced to provide even tones with the best radiometry. Thereafter, each frame was rectified to remove distortions caused by undulating terrain. The rectified frames were then mosaicked together by the careful placement of seamlines. Finally, tiles are extracted from the overall mosaic and visually inspected before being exported into the final delivery format.

Figure 8: Property LiDAR Hillshade map

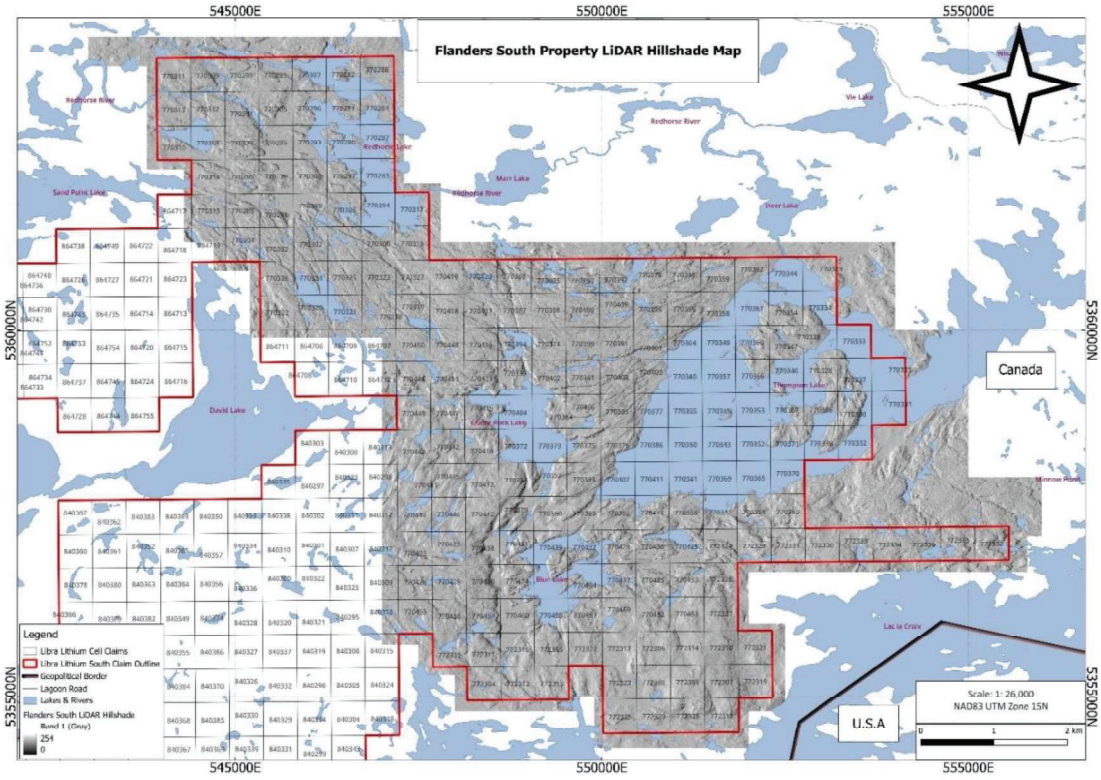
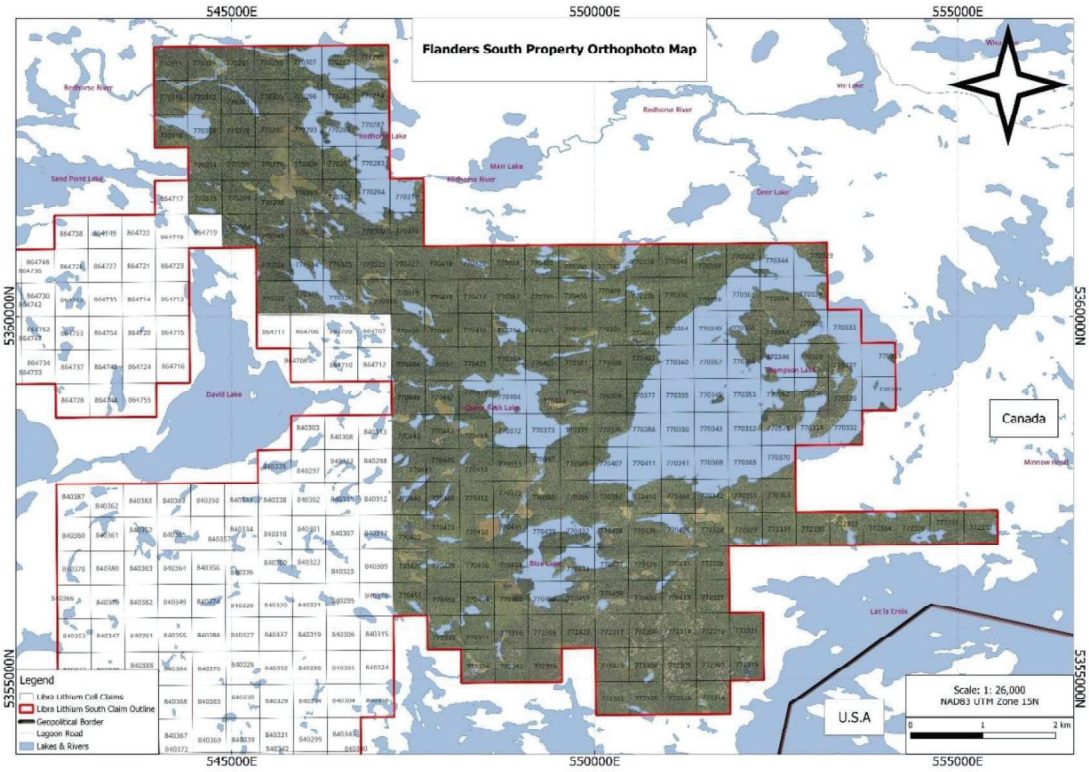



*Figure 9: Property Orthophotographic map*



Airborne LiDAR and Orthophotograph Surveys

Personnel of Libra Lithium and Bayside Geoscience Inc. of Thunder Bay, Ontario completed a prospecting program on the Property. Prospecting occurred intermittently between August 19, 2023 to September 12, 2023, and October 8, 2023 to November 13, 2023. The program utilized the historic government geology map, Lidar and orthographic maps to identify prospective outcrops.

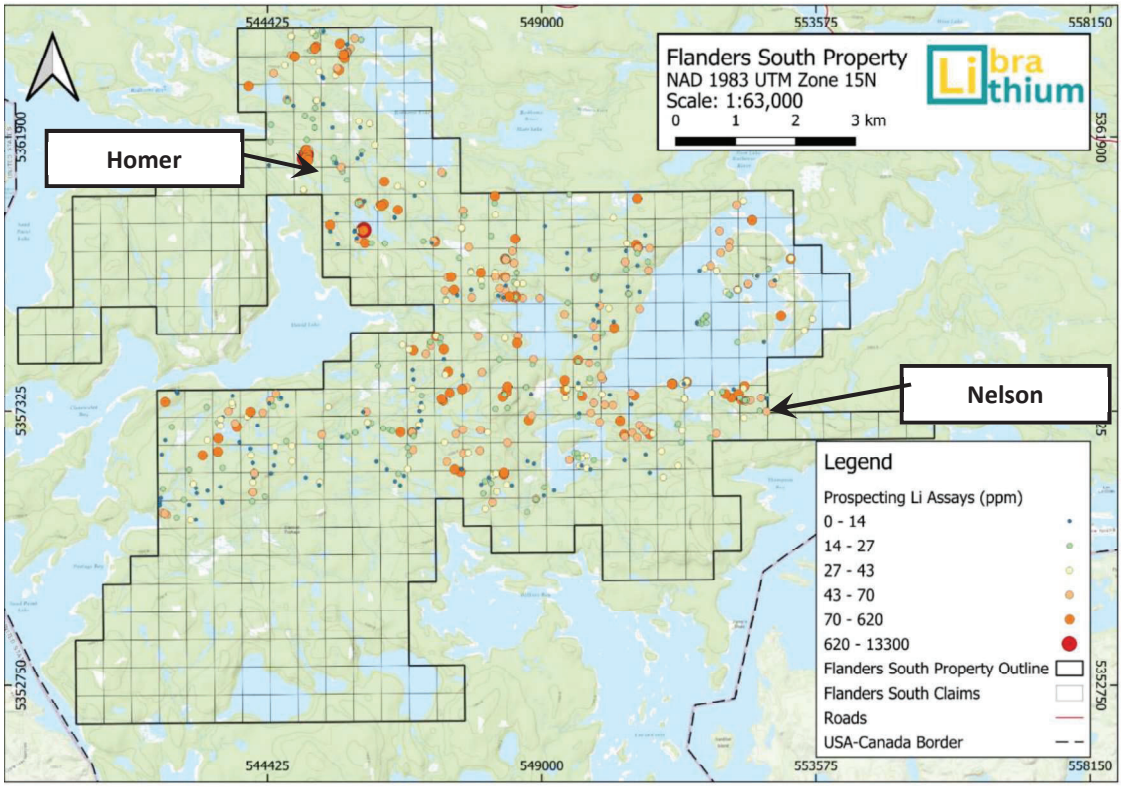
The prospecting program consisted of three steps:

1. pegmatites were identified on the property and sampled for geochemical assay.
2. strongly evolved granites/pegmatites were identified as well as any minerals of LCT pegmatites (e.g., beryl).
3. the prospective samples were examined for any lithium-bearing minerals, such as spodumene.

The prospecting program collected a total of 601 rock samples of prospective outcrops. Sample stations, as well as tracks, were recorded using a Garmin 64s handheld GPS. Sample stations were recorded using the QField application on Samsung Tab A tablets (Figure 10).

Rock samples were submitted to ALS Canada Ltd. in Thunder Bay, Ontario for preparation, whole-rock analysis and lithium-caesium-tantalum assay (.Na-peroxide fusion) (Figure 10). The company also conducted Laser-induced Breakdown Spectroscopy (“LIBS”) on muscovite from 208 samples.

Figure 10: Sample Locations and Lithium assays (ppm).




Two new prospective pegmatites were discovered the Homer and Nelson discoveries (Figure 10).

The Homer discovery grab samples assayed as high as 2.86% $Li_20$. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite. The Homer pegmatite body is exposed on surface for over 160 metres and remains open along strike, with exposed widths of up to 35 metres. The pegmatite appears to be sub-vertically dipping, suggesting the mapped surface may represent its approximate true width. The pegmatite has not been fully stripped, with only one side of the contact between the pegmatite and the host rock being identified potentially indicating the pegmatite to be wider. There are adjacent parallel pegmatites that share similar geochemical signatures to the Homer pegmatite, which could represent a stacked pegmatite system in this area.

The Nelson tantalite occurrence was found along the margins of a quartz pod within a 3-metre-wide pegmatite that has been traced for 100 metres and remains open along strike (Figure 8). Coarse-grained tantalite, up to 2 cm in diameter, was discovered pegmatite, with grab samples assays returning up to 4,469 ppm $Ta_2O_5$. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite.

***Drilling***

There has not been any drilling documented on the Property. Libra has not completed any drilling on the Property.

***Sampling and Analysis***

Field personnel collected a total of 601 rock samples. Rock samples of 3 to 5 kilograms were collected by field personnel using rock hammers and then placed into sample bags that were labelled with unique station IDs and sample numbers. and contained a sample tag. Sample bags were securely fastened with a zip tie or flagging tape. Field personnel recorded sample information using QField, an application on Samsung Tab A tablets. QField is a sample database with predetermined fields that collects sample ID's, sample types, lithology, mineralization, alteration, and descriptions. Photos of each sample were

taken on personal cell phones, renamed, and saved alongside the corresponding station data at the end of each field day. Sample stations, as well as traverse tracks, were also recorded using a Garmin 64s handheld GPS for a more accurate GPS location.

Once a batch of samples was collected, they were placed in rice bags and secured with zip tie or flagging tape. Rock samples were submitted to ALS Canada Ltd. in Thunder Bay, Ontario, an ISO/IEC 17025:2017 accredited mineral analysis laboratory, for preparation and then sent to ALS Canada Ltd. in Vancouver, British Columbia for lithium analysis using a sodium-peroxide fusion plus ICP-MS.

The following methods are summarized from ALS Geochemistry – Canada (2024). In total, 601 rock samples were submitted to ALS Geochemistry laboratories in Thunder Bay, Ontario, for Li assay and trace element characterization. Rock sample preparation for the data presented in the Technical Report, and assay data in Appendix H of the Technical Report, comprised fine crushing of rock chip samples to 70% passing 2 mm (code: CRU-31). The samples were then split with a riffle splitter (code: SPL-21) and a 1,000g split was pulverised to a faction of 85% passing 75 microns (code: PUL-32). These prepared samples were submitted under the Trace Level Lithium Exploration analytical package (code: ME-MS89L™) which reports data for Li, Ta and Cs as ppm, some major elements (ppm). This analytical method comprises a Na-peroxide fusion with ICP-MS measurement allows for the complete analysis of samples with resistant minerals. This fusion is optimized for the complete recovery of whole-rock Li from the sample. Another 39 sub-samples/pulps were submitted under the FTIR-MIN package which comprises quantitative determination of mineral abundance using FTIR Spectroscopy and automated mineral abundance interpretation.

***Mineral Processing and Metallurgical Testing***

The Property is an early-stage exploration project, no mineral processing or metallurgical testing has occurred.

***Mineral Resource Estimates***

The Property is an early-stage exploration project, resource estimates have not been completed.

***Mineral Reserve Estimates, Project Infrastructure, Capital and Operating Costs and Economic Analysis***

The Property is an early-stage exploration project so Sections 15-22 of NI 43-101 for the Technical Report and thus these sections do not apply, which include but are not limited to Section 15 (Mineral Reserve Estimates), Section 18 (Project infrastructure), Section 21 (Capital and Operating Costs) and Section 22 (Economic Analysis).

***Interpretation and Conclusions***

The Property consists of 406 cell claims covering an area of 8,711 hectares. The claims are all held in good standing and 100% owned by Libra. The Property was acquired as a prospective target for LCT Pegmatite mineralization.

The Property has undergone limited detailed mapping, with past exploration efforts primarily focused around Marr Lake and Wisa Lake. The Wisa Lake property is located approximately five kilometres northeast of Flanders South. Within this property, spodumene-bearing pegmatite dykes are present and are the target of economic interest. Historical exploration work commenced in 1956, when Lexindin Gold Mines completed a 1,713 m diamond drill program and 131 metre “packsack” diamond drill program on the 77-claim package. Assay results produced 1.15 wt.% Li2O in several structures over a strike length of 335 m (Winter, 2013). The next documented historical exploration work occurred on one claim of the Wisa Lake property by Dan Patrie Exploration Ltd in 2010 and 2013. In 2016, Alset Minerals acquired the property and conducted a prospecting program. Rock samples collected during the program from the North Zone Pegmatite returned grades of up to 1.4% Li2O, and rock samples collected from the South Zone Pegmatite returned grades of up to 6.38% Li2O. Alset Minerals later optioned the property to Ardiden Ltd. (“Ardiden”). In 2022, Ardiden sold its remaining interest in the property to Green Technology Metals (Geology Ontario, 2023).

The Property has been historically underexplored and has not been the focus of LCT Pegmatite exploration directly on the Property. Previous mapping revealed that the area is predominantly composed of metaturbidites, interspersed with notable granitic to granodioritic intrusions (Stott, 2011).

Exploration on the Property by the Company in the summer and autumn of 2023 comprised an airborne LiDAR survey, orthophotographic imagery, and a prospecting program.

Utilizing the Hillshade and Orthophoto Maps derived from the Lidar survey the extensive prospecting program sampled 601 prospective samples for whole rock analysis or assays. The program located two significant pegmatite locations the Homer and Nelson discovers.

The Homer discovery grab samples assayed as high as 2.86% Li20. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite. The Homer pegmatite body is exposed on surface for over 160 metres and remains open along strike, with exposed widths of up to 35 metres. The pegmatite appears to be sub-vertically dipping, suggesting the mapped surface may represent its approximate true width. The pegmatite has not been fully stripped, with only one side of the contact between the pegmatite and the host rock being identified potentially indicating the pegmatite to be wider. There are adjacent parallel pegmatites that share similar geochemical signatures to the Homer pegmatite, which could represent a stacked pegmatite system in this area.

The Nelson tantalite occurrence was found along the margins of a quartz pod within a 3-metre-wide pegmatite that has been traced for 100 metres and remains open along strike (Figure 8). Coarse-grained tantalite, up to 2 cm in diameter, was discovered pegmatite, with grab samples assays returning up to 4,469 ppm Ta2O5. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite.

***Recommendations***

An exploration program of CAD $1,015,000 is recommended to advance the geological knowledge and enhance the economic potential of the Property. The recommended exploration program should continue to utilize methods employed previously during the initial discoveries and evaluation phases to define additional mineralized pegmatites. A phased budget outlining for this exploration is presented in Table 2.

The Phase 1 ($290,000) program should be comprised of additional prospecting/geological mapping and geochemical sampling to discover additional pegmatites and extend the Homer pegmatite and Nelson tantalite occurrence.

The Phase 2 ($735,000) would be comprised of 1500 metres of diamond drilling on the most prospective targets. The prospective pegmatite targets would meet the criteria of >25 metres in width, traced for >100 metres with >15% spodumene.

*Table 2: Proposed Budget*

| **Proposed Phase 1 Program** | | |
|---|---|---|
| **Exploration Type** | **Cost per Unit** | **Cost** |
| Prospecting/Mapping | $20,000 per week<br>6 weeks | $120,000 |
| Analysis 400 Samples | $100 / sample | $40,000 |
| Mob and Demob (flights Inc.) | $40,000 | $40,000 |
| Food and Supplies | | $15,000 |
| Rentals (camp, boats truck etc,) | | $55,000 |
| Report and Maps | | $10,000 |
| Contingencies | | $10,000 |
| **Proposed Phase 1 Budget** | | **$290,000** |
| **Proposed Phase 2 Program** | | |
| Diamond Drilling Helicopter Support– 1500m | $380 / m | $570,000 |
| Geology | $30 / m | $45,000 |
| Assays and Geochem (100 Samples) | $40 / sample | $40,000 |
| Rentals, Lodging and Misc. | | $50,000 |
| Report / Maps/ Contingencies | | $30,000 |
| **Phase 2 Budget** | | **$735,000** |
| **Total Recommendations** | | **$1,025,000** |

**Dividends and Distributions**

Libra has never declared any cash dividends or distributions on the Libra Shares and currently intends to retain future earnings, if any, to finance further business development. The payment of any cash dividend or distributions to shareholders in the future will be at the discretion of the directors of the Resulting Issuer and will depend on, among other things, the financial condition, capital requirements and earnings of the Resulting Issuer, and any other factors that the directors may consider relevant.

The OBCA provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that Libra is, or would be after the payment of the dividend, unable to pay its liabilities as they become due or the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares of its capital.

**Management's Discussion and Analysis and Financial Statements**

Financial information in this Circular, unless otherwise indicated, is presented in Canadian dollars and derived from information contained in the financial statements of Libra and related notes thereto, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board and IFRS Interpretations Committee.

The consolidated annual financial statements for Libra for the years ended December 31, 2024 and 2023 are attached as Schedule "I" to this Circular.

The MD&A of Libra included in Schedule "J" to this Circular is management's assessment of the results and financial condition of Libra, and includes financial information from, and should be read in conjunction with, the financial statements of Libra and the notes thereto, as well as the disclosure contained throughout such Schedule. The MD&A of Libra may contain forward-looking information that involves numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on Libra's current plans, objectives, goals, strategies, estimates, assumptions and projections about its industry, business and future financial results. Actual results could differ materially from those discussed in such forward-looking information. See "*Cautionary Statements Regarding Forward-Looking Information*" in this Circular.

**Consolidated Capitalization**

The following table sets forth the capitalization of Libra as at December 31, 2024 and as at the date of this Circular.

| Description | Authorized | Outstanding as at December 31, 2024 (audited) | Outstanding as at the date of this Circular (unaudited) |
|---|---|---|---|
| Libra Shares | Unlimited | 45,903,209 | 45,969,832 |
| Libra Options | 10% of the Common Shares | 3,555,000 | 3,805,000 |

**Market for Securities**

Libra is a private company and its securities are not listed on any exchange.

**Principal Securityholders**

Other than as set out below, to the knowledge of the directors and executive officers of the Libra, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, Libra Shares carrying 10% or more of the voting rights attached to all outstanding Libra Shares as at the Record Date.

As at the Record Date, David Goodman beneficially owned, directly or indirectly, or exercised control or discretion over, 9,450,000 Libra Shares carrying approximately 20.56% of the voting rights attached to all outstanding Libra Shares (of these Libra Shares held by Mr. Goodman, 5,000,000 were held directly and 4,450,000 Libra Shares were held indirectly by Mr. Goodman through The D2 Financial Corporation, a corporation controlled by Mr. Goodman) and Koby Kushner beneficially

owned, directly or indirectly, or exercised control or discretion over, 6,861,134 Libra Shares carrying approximately 14.93% of the voting rights attached to all outstanding Libra Shares (of these Libra Shares held by Mr. Kushner, 6,333,334 were held directly and 527,800 Libra Shares were held indirectly by Mr. Kushner through Brie Inc., a corporation controlled by Mr. Kushner).

**Bankruptcy and Similar Procedures**

There is no bankruptcy, receivership, or similar proceedings against the Libra, nor is the Libra aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by the Libra within the three most recently completed financial years or completed or currently proposed for the current financial year.

**Statement of Executive Compensation**

The following information of the Libra is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*:

Libra has two (2) Named Executive Officers: Koby Kushner, the current Chief Executive Officer and interim Financial Officer and Sameer Uplenchwar, the former Chief Financial Officer for the last two fiscal year ends.

Director and Named Executive Officer Compensation

*Director and Named Executive Officer Compensation, Excluding Compensation Securities*

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the Libra's Named Executive Officers and directors for each of the Libra's two most recent completed financial years:

| Name and Position | Year Ended (December 31) | Salary, consulting fee, retainer or commission ($) | Bonus ($) | Committee or meeting fees ($) | Value of perquisites ($) | Value of all other compensation ($) | Total compensation ($) |
|---|---|---|---|---|---|---|---|
| Koby Kushner *Chief Executive Officer and Interim Chief Financial Officer and Director* | 2024<br>2023 | 95,000<br>71,250 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | 95,000<br>71,250 |
| Sameer Uplenchwar[(1)] *Former Chief Financial Officer* | 2024<br>2023 | 30,000<br>31,313 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | 30,000[(2)]<br>31,313[(2)] |
| David Goodman *Director* | 2024<br>2023 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil |
| Mark Goodman *Director* | 2024<br>2023 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil |

| Name and Position | Year Ended (December 31) | Salary, consulting fee, retainer or commission ($) | Bonus ($) | Committee or meeting fees ($) | Value of perquisites ($) | Value of all other compensation ($) | Total compensation ($) |
|---|---|---|---|---|---|---|---|
| Christopher Brown<br>*Former Director*[3] | 2024<br>2023 | 30,000<br>31,313 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | 30,000[2]<br>31,313[2] |

Notes

(1) Mr. Uplenchwar resigned as the Chief Financial Officer of Libra as at October 2, 2024 and Mr. Kushner assumed the position of interim Chief Financial Officer of Libra at that time.

(2) The services provided by Mr. Sameer Uplenchwar and Christopher Brown were equally apportioned but provided pursuant to a consulting agreement entered into between Helios Corporation and Libra dated October 4, 2023 for the period from October 2023 to October 2024.

(3) Mr. Brown resigned as a director of Libra effective as of April 1, 2025.

External Management Companies

Neither Mr. Kushner nor Mr. Uplenchwar, the NEOs of the Libra, are employees of the Libra. See "*Employment, Consulting and Management Agreements*" for further information about consulting agreements in respect of the NEOs.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to all NEOs and directors by the Libra during the most recently completed financial fiscal year ended December 31, 2024 for services provided or to be provided, directly or indirectly, to the Libra:

| Name and Position | Type of Compensation Security[1] | Number of compensation securities, number of underlying securities, and percentage class | Date of issue of grant | Issue, conversion or exercise price ($) | Closing price of security on date of grant ($) | Closing price of security at year end ($) | Expiry date |
|---|---|---|---|---|---|---|---|
| Koby Kushner<br>*Chief Executive Officer and Interim Chief Financial Officer and Director* | Options | 425,000 | November 15, 2023 | $0.15 | N/A | N/A | November 15, 2028 |
| Sameer Uplenchwar[2]<br>*Former Chief Financial Officer* | Options | 300,000 | November 15, 2023 | $0.15 | N/A | N/A | November 15, 2028 |
| David Goodman<br>*Director* | Options | 300,000 | November 15, 2023 | $0.15 | N/A | N/A | November 15, 2028 |

| Name and Position | Type of Compensation Security[1] | Number of compensation securities, number of underlying securities, and percentage class | Date of issue of grant | Issue, conversion or exercise price ($) | Closing price of security on date of grant ($) | Closing price of security at year end ($) | Expiry date |
|---|---|---|---|---|---|---|---|
| Mark Goodman *Director* | Options | 300,000 | November 15, 2023 | $0.15 | N/A | N/A | November 15, 2028 |
| Christopher Brown *Former Director*[3] | Options | 300,000 | November 15, 2023 | $0.15 | N/A | N/A | November 15, 2028 |

Notes

(1) Option vest 1/3 after 12 months, 1/3 after 24 months, and 1/3 after 36 months from the date of grant.
(2) Mr. Uplenchwar resigned as the Chief Financial Officer of Libra as at October 2, 2024 and Mr. Kushner assumed the position of interim Chief Financial Officer of Libra at that time.
(3) Mr. Brown resigned as a director of Libra effective as of April 1, 2025.

Exercise of Compensation Securities by Directors and NEOs

There was no exercise of Compensation Securities by directors and NEOs of the Libra during the most recently completed financial fiscal year ended December 31, 2024.

Employment, Consulting and Management Agreements

Pursuant to a consulting agreement (the "**Brie Agreement**") made as of April 1, 2023, between Libra and Brie Inc. ("**Brie**"), a company controlled by Koby Kushner, the Chief Executive Officer and Interim Chief Financial Officer of Libra, Libra agreed to pay Mr. Kushner an annual fee of $95,000, plus HST, paid monthly, exclusive of bonuses, benefits and other compensation, for services rendered by Brie through Mr. Kushner to Libra. The Brie Agreement had an initial term beginning on April 1, 2023 and automatically renewing on a annual basis until terminated. Under the Brie Agreement Brie may terminate the agreement with 30 days prior written notice to the other party and Libra may terminate with 90 days notice to the other party. Upon termination of the Brie Agreement, Brie shall be entitled to receive: (a) in the case of termination by Libra without cause, $200,000; and (b) in the case of termination by Brie, such remuneration as is owing up to the date of termination; or (c) in the case of termination by Libra with cause, such remuneration as is owing up to the date of termination. In the event of a change of control, Libra is entitled to pay Brie a total of $200,000. During the financial year ended December 31, 2024, Mr. Kushner received or accrued fees in the amount of $95,000.

Pursuant to a consulting agreement (the "**Helios Agreement**") made effective as of July 1, 2023, between Libra and Helios Corporation ("**Helios**"), Libra agreed to pay Helios an annual fee of $90,000, plus GST, paid monthly, exclusive of bonuses, benefits and other compensation, for services rendered by Helio through Mr. Uplenchwar as Chief Financial Officer to Libra. The Helios Agreement had an initial term beginning on July 1, 2023 and terminating on October 1, 2024. Under the Helios Agreement Helios or Libra may not terminate and the annual amount was due to Helios, however this annual fee was reduced during the term as agreed to by Helios and Libra. During the financial year ended December 31, 2024, Helios and Mr. Uplenchwar as Chief Financial Officer received or accrued fees in the amount of $60,000.

*Compensation, Philosophy and Objectives*

The Libra does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Libra's compensation

strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Libra to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Libra is under by virtue of the fact that it is a junior mineral exploration Libra without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

*Analysis of Elements*

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Libra.

The Libra considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Libra to reward each NEO's efforts to increase value for shareholders without requiring the Libra to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Libra's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Libra's existing stock option plan.

Description of Stock Option Plan

The Libra Option Plan was adopted by the Libra board of directors on June 1, 2023. The purpose of the Libra Option Plan is to enable the Libra to attract and retain qualified persons who will contribute to the Libra's long-range success, to provide incentives that align the interests of qualified persons with those of the security holders of the Libra and to promote the success of the Libra's business.

Below is a summary of the key terms of the Libra Option Plan, which is qualified in its entirety by reference to the full text of the Libra Option Plan.

The Libra Option Plan is designed to incentivize directors, officers, key employees, and consultants by granting stock options, aligning their interests with the corporation's success. Only directors, officers, employees, and bona fide consultants ("Eligible Persons") can receive options. The exercise price of options cannot be lower than the fair market value of the common shares, as determined by the board. Options have a maximum term of 10 years and vesting schedules are set at the time of grant. If an option holder dies or becomes disabled, vested options are exercisable within one year. For termination without cause, options are exercisable within 90 days unless extended by the board, while termination for cause results in immediate forfeiture.

The Libra Option Plan reserves up to 10% of Libra's outstanding shares for issuance under the Libra Option Plan on a rolling basis, with options being non-transferable or assignable unless provided for in the Libra Option Plan. If there are adjustments to Libra's shares, such as any dividends, consolidations, subdivisions, or reclassifications, the board shall adjust the number of shares available under the plan, the shares subject to outstanding options, and the exercise price accordingly. These adjustments are to ensure fairness in the administration of the Libra Option Plan. In the event of corporate transactions like mergers or sales, the board may adjust, substitute, and/or cancel options accordingly. Options and shares are subject to applicable securities law restrictions, including resale hold periods and tax remittance obligations related to exercising options must be met by the optionee.

The board oversees the Libra Option Plan's administration and has the authority to amend or terminate it, subject to regulatory approvals. Specific terms for each grant, including exercise price, vesting, and expiry, are detailed in a option certificate provided to Eligible Participants that have been granted option. To exercise an option, the optionee must submit an exercise notice along with payment to Libra. The Libra Option Plan aims to ensure compliance with applicable laws while fostering long-term growth for Libra.

Awards Outstanding Under the Libra Option Plan

As at the date of this Circular, 3,805,000 options of Libra are outstanding, representing approximately 8% of the outstanding Libra Shares.

The following table sets out equity compensation plan information as at the year ended December 31, 2024:

| | Number of securities to be issued upon exercise of outstanding options (a) | Weighted-average exercise price of outstanding options, warrants and rights ($) | Number of stock options remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) | Number of awards other than options remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|---|---|---|---|---|
| Equity compensation plans approved by securityholders | 3,555,000 | 0.15 | 1,035,321 | Nil |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A | N/A |
| **TOTAL:** | **3,555,000** | **0.15** | **1,035,321** | **Nil** |

**Audit Committee**

Libra has no audit committee nor is it required to pursuant to applicable laws.

**Corporate Governance**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* requires management of an issuer (other than a venture issuer) that solicits a proxy from a securityholder of the issuer for the purpose of electing directors to its board of directors to include in its management information circular the disclosure required by Form 58-101F2 – *Corporate Governance Disclosure*. The following disclosure describes the Libra's approach to corporate governance.

Board of Directors

*Independent Directors*

Directors are considered to be independent if they have no direct or indirect material relationship with the Libra. A "material relationship" is a relationship which could, in the view of the Libra's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Libra's Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Libra's Board requires management to provide complete and accurate information with respect to the Libra's activities and to provide relevant information concerning the industry in which the Libra operates in order to identify and manage risks. The Libra's Board is responsible for monitoring the Libra's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The non-independent director is Koby Kushner (Chief Executive Officer).

*Directorships in Other Reporting Issuers*

The following directors of the Libra are directors of other reporting issuers:

| Director | Other Reporting Issuer Directorships | Exchange |
|---|---|---|
| **Koby Kushner** | Honey Badger Silver Inc.<br>Athena Gold Corporation (formerly Athena Silver Corporation)<br>La Imperial Resources Inc. | TSXV<br>CSE<br>CSE |
| **David Goodman** | Athena Gold Corporation (formerly Athena Silver Corporation) | CSE |
| **Mark Goodman** | Cranstown Capital Corp.<br>Almonty Industrdies Inc.<br>Sterling Metals Corp. (formerly, Latin American Minerals Inc.)<br>Copper Road Resources Inc. | TSXV<br>TSX<br>TSX<br>TSXV |

*Independent Director Meetings*

Given that there are no independent directors of the Libra, there are no regularly scheduled meetings of independent directors of the Libra and there is no lead director of independent directors. The Board currently consists of three directors in total and there is consistent and frequent communication among the three directors on all matters affecting the operation of the Libra.

Orientation and Continuing Education

The Board has not developed a formal orientation policy for new directors. When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Libra's properties, business, technology and industry and on the responsibilities of directors.

In order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors, the Libra encourages its directors to take director education and training courses offered by post-secondary institutions.

Ethical Business Conduct

The Board has not adopted a written code for directors, officers and employees. The Board has found that the fiduciary duties placed on individual directors by the Libra's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Libra. Further, the Libra's auditor has full and unrestricted access to the Audit Committee of the Libra at all times to discuss the audit of the Libra's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and the identification of new candidates for Board nomination is currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Libra, this policy will be reviewed.

*Compensation*

The Board as a whole determines compensation for the directors and officers of the Libra.

Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board, the Audit Committee and individual directors are not regularly assessed with respect to their effectiveness and contribution. The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the Audit Committee.

**Management Contracts**

There are no management functions of the Libra, which are to any substantial degree performed by a person or Libra other than the directors or executive officers of the Libra.

**Risk Factors**

An investment in Libra Shares should be considered highly speculative and investors should carefully consider all of the information disclosed in the Circular and the documents incorporated herein by reference. In addition to the other information and risks factors set out elsewhere in the Circular, including those set out under "Risk Factors", "Risk Factors Associated with the Amalgamation" and "Risk Factors Associated with the Business of the Resulting Issuer" in this Circular, the risk factors described in the MD&A of Libra should be given special consideration by Libra Shareholders when evaluating whether to approve the Fundamental Change Resolution and other matters contemplated in this Circular.

**Legal Proceedings and Regulatory Actions**

Libra is not or was not a party to, and none of its property is or was the subject of, any legal proceedings since the beginning of its last financial year, as at the date hereof, nor does Libra contemplate any such legal proceedings.

No penalties or sanctions have been imposed against Libra by a court, nor has Libra entered into any settlement agreements before a court, relating to provincial and territorial securities legislation or by a securities regulatory authority within the last three years from date hereof, nor has a court or regulatory body imposed any other penalties or sanctions against Libra.

**Interest of Management and Others in Material Transactions**

No informed person of Libra, proposed director of Libra, or any associate or affiliate of any informed person or proposed director, has or had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected or would materially affect Libra since the commencement of Libra's most recently completed financial year, other than as disclosed in this Circular.

**Auditors, Registrar and Transfer Agent**

The auditors of Libra is Crowe Mackay LLP located at 1177 W Hastings St #1100, Vancouver, BC V6E 4T5.

Libra currently has no formal transfer agent, nor is it required to do pursuant to applicable laws.

**Material Contracts**

The only material contracts that Libra has entered into since the beginning of the most recently completed financial year or contract entered into before the beginning of the most recently completed financial year that is still in effect, other than contracts entered into in the ordinary course of business, is the Amalgamation Agreement and the Earn-in Agreement. See "*Information Concerning Libra – Three Year History*".

**Interests of Experts**

Crowe Mackay LLP are the auditors of Libra and are independent with respect to Libra within the meaning of the Chartered Professional Accountants of Ontario Code of Professional Conduct. No director, officer or employee of Crowe Mackay LLP is or is expected to be elected, appointed or employed as a director, officer or employee of Libra, Libra or the Resulting Issuer or of any associate or affiliate of Libra, Libra or the Resulting Issuer.

**Indebtedness of Directors and Executive Officers**

At no time during the Libra's last completed financial year, was any director, executive officer, employee, proposed management nominee for election as a director of the Libra nor any associate of any such director, executive officer, or proposed management nominee of the Libra or any former director, executive officer or employee of the Libra or any of its subsidiaries indebted to the Libra or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Libra or any of its subsidiaries.

## INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. As the Resulting Issuer will be a combination of the businesses of Libra and PowerStone, this section only includes information respecting the Resulting Issuer after the Transaction that is materially different from information provided earlier in this Circular regarding PowerStone and Libra pre-Closing. See the various headings under "*Information Concerning PowerStone*" and "*Information Concerning Libra*" for additional information regarding PowerStone and Libra, respectively. See also the Pro Forma Financial Statements of the Resulting Issuer attached hereto as Schedule "H"

The following section of this Circular contains forward-looking information. Readers are cautioned that actual results may vary. See *Cautionary Notice Regarding Forward-Looking Statements*.

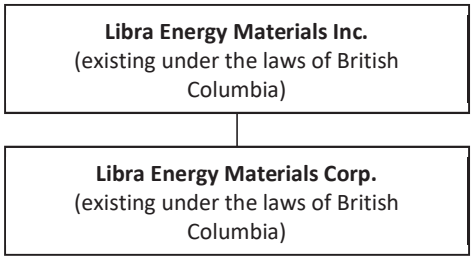
### Corporate Structure

Name and Incorporation

Upon completion of the Transaction, including the Amalgamation, the Resulting Issuer's business shall be the business of Libra. See "*Information Concerning Libra"*. The name of the Resulting Issuer shall be "Libra Energy Materials Inc. or such other name determined by Libra and approved by the CSE.

Intercorporate Relationships

The chart below illustrates the material corporate structure of the Resulting Issuer immediately following the completion of the Transaction, including completion of the change of PowerStone Metals Corp. name to "Libra Energy Materials Inc." or such other name determined by Libra and approved by the CSE and the amalgamation of Libra and SubCo to form Libra Energy Materials Corp. Libra Energy Materials Corp. also holds 250,000 common shares of Blue Ridge Lithium Corp. (a private Canadian company) and 43,865,217 common shares of Nova Athena Gold Corp. (a Canadian publicly listed company – to be on completion of a transaction and re-domicile).




### Narrative Description of the Business

On Completion of the Transaction, the Resulting Issuer will carry on the business of Libra and its efforts will be directed at the exploration and development of the Libra Core Projects. Information regarding Libra assets and business can be found in this Circular under the heading "*Information Concerning Libra – Summary Description of the Business".*

### Business Objectives

The Resulting Issuer expects to accomplish the following business objectives over the 12-month period following completion of the Transaction, directly or through its wholly owned subsidiaries:

- The Resulting Issuer aims to conduct additional field programs at its existing projects, particularly projects that are being concurrently explored by KoBold, being Flanders South, Flanders North, and Soules Bay-Caron.

- The Resulting Issuer also plans to conduct a maiden field program at its Toivo project.
- The objective of Libra's exploration efforts in the next 12 months are to make new mineral discoveries.
- As well, the Resulting Issuer aims to continue staking new ground, continue to consult with First Nations, and to potentially acquire assets from third parties.

As Libra is in a phase of growth, it may add or amend to the foregoing objectives, which may require additional financing.

**Significant Events Milestones**

To achieve the business objectives set out above, the following milestones must be met by the Resulting Issuer, certain of which may or are likely to be completed simultaneously:

- Form and enter into exploration agreements with First Nations communities.
- Identify new spodumene-bearing pegmatites during the field season on the Resulting Issuers projects, through work with LiDAR, followed by field prospecting.
- Enter into definitive agreements with third-parties to acquire new properties/claims.

Other than as described in this Circular, there are no other significant events or milestones that must occur for the Resulting Issuer's business objectives to be accomplished. However, there is no guarantee that the Resulting Issuer will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. The Resulting Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above.

**Description of Securities**

The authorized share capital of the Resulting Issuer following the completion of the Transaction will be an unlimited number of common shares without par value. The Resulting Issuer Shares will have the same attributes as the PowerStone Shares. The issued share capital of PowerStone will change as a result of the Consolidation and as a result of the issuance of the Resulting Issuer Shares pursuant to the Amalgamation.

**Total Funds Available and Principal Purpose**

As of January 31, 2025, PowerStone had a working capital of approximately $550,409 and as at December 31, 2024, Libra had a working capital of $665,838. Libra estimates available cash as at the date of this Circular to be approximately $600,000. The following table represents the available funds of the Resulting Issuer and the principal purpose of those funds over a 12-month period:

| Source | Funds Available |
|---|---|
| PowerStone Working Capital as of January 31, 2025[(1)] | $550,409 |
| Libra Working Capital as of December 31, 2024[(2)] | $665,838 |
| **Available Funds of the Resulting Issuer** | **$1,216,247** |

| Principal Purpose | Funds |
|---|---|
| Expenses related to the completion of the Transaction | $180,000 |
| Expenses related to Exploration Activities | $500,000 |
| General and administrative costs estimated for operating 12 months[(3)] | $350,000 |
| **Total Expenses** | **$1,030,000** |
| **Unallocated Capital** | **$186,247** |

Notes:

(1) Based on the unaudited interim financial statements of PowerStone for three-month period ended January 31, 2025.
(2) Based on the audited annual financial statements of Libra for year ended December 31, 2024.
(3) General and administrative costs includes: wages/fees for officers ($250,000), transfer agent, legal, accounting, audit ($90,000); and miscellaneous ($10,000)

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that the Resulting Issuer spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified below, and will depend on a number of factors, including those referred to under Risk Factors below. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

Ability to Access Public and Private Capital

The Resulting Issuer has historically, and Management of PowerStone believes it will continue to have, adequate access to equity from prospectus exempt (private placement) markets in Canada. It plans to (i) continue to access equity financing through private markets, and (ii) access equity financing through public markets in Canada, if listed on the CSE or another stock exchange. Further, the Resulting Issuer's executive team and board also have extensive relationships with sources of private capital (such as high net worth individuals), that could be investigated at a higher cost of capital. Current proceeds from the Resulting Issuer's financings will be used to finance the continued growth of the Resulting Issuer's business. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed wholly or partially with debt, which may increase the Resulting Issuer's debt levels above industry standards, or through the issuance of shares which will be dilutive to the current shareholders.

The Resulting Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See section entitled "*Risk Factors*" below.

**Selected Pro-Forma Consolidated Financial Information**

The following table summarizes selected pro forma consolidated financial information for the Resulting Issuer. The information should be read in conjunction with the Resulting Issuer's pro forma consolidated statement of financial position, operations and comprehensive loss and related notes and other financial information included as Schedule "H" to this Circular.

| | **PowerStone (unaudited) as at January 31, 2025 ($)** | **Libra (audited) as at December 31, 2024 ($)** | **Pro Forma Adjustments ($)** | **Resulting Issuer Pro Forma (unaudited) as at January 31, 2025 ($)** |
|---|---|---|---|---|
| Current Assets | 575,459 | 794,840 | - | 1,370,299 |
| Total Assets | 575,459 | 875,271 | - | 1,450,730 |
| Current Liabilities | 25,050 | 129,002 | - | 154,052 |
| Total Liabilities | 25,050 | 170,347 | - | 195,397 |
| Shareholders' Equity | 550,409 | 704,924 | - | 1,255,333 |

**Selected Pro-Forma Consolidated Capitalization**

The following table summarizes the Resulting Issuer's pro forma common shares, on a consolidated basis, after giving effect to the Transaction, including the Consolidation, but excluding any Concurrent Financing as described in the pro forma financial statements of the Resulting Issuer, a copy of which is attached at Schedule "H".

| Designation of Security | Amount Authorized | Anticipated Resulting Issuer Securities Outstanding (as of the effective date of the Transaction) |
|---|---|---|
| Resulting Issuer Common Shares | Unlimited | 57,445,634 |
| Resulting Issuer Options | 10% Rolling | 4,485,926 |

Fully Diluted Share Capital

The following table summarizes the Resulting Issuer's fully diluted capitalization, on a consolidated basis, after giving effect to the Transaction.

| | Anticipated Resulting Issuer Shares Outstanding (as of the effective date of the Transaction)[(1)] |
|---|---|
| PowerStone Shares issued and outstanding | 11,475,802[(2)] |
| Resulting Issuer Shares issued to Libra Shareholders pursuant to the Amalgamation | 45,969,832 |
| **Total Resulting Issuer Shares** | **57,445,634** |
| Reserved for issuance pursuant to options of PowerStone | 680,926[(2)] |
| Reserved for issuance pursuant to options of Libra | 3,805,000 |
| **Total Resulting Issuer Shares Reserved for Issuance** | **4,485,926** |
| **Total Number of Fully Diluted Securities** | **61,931,560** |

Notes:

(1) Does not give effect to any shares issued pursuant to a Concurrent Financing.

(2) Calculated on a post-Consolidation basis. In the case of PowerStone Shares subject to rounding pursuant to the Consolidation. In the case of PowerStone options, the actual number of options may vary depending on the final Consolidation ratio used in the Consolidation.

**Escrowed Securities**

As required under the policies of the CSE, Principals of the Resulting Issuer will enter into an escrow agreement as if Libra was subject to the requirements of National Policy 46-201 - *Escrow for Initial Public Offerings* ("**NP 46-201**"). Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released upon completion of the Transaction followed by six subsequent releases of 15% every six months thereafter. The form of the escrow agreement must be as provided in NP 46-201. Principals who qualify for an exemption pursuant to NP 46-201 may make such a request to the CSE.

The table below includes the details of escrowed securities that will be held by Principals of the Resulting Issuer upon the completion of the Transaction, including the Consolidation, subject to exemption pursuant to NP 46-201:

| Name of Security Holder | Designation of Class Held in Escrow | Number of Securities Held in Escrow | Percentage of Class[(1)] |
|---|---|---|---|
| Zachary Goldenberg | Common Shares | 2,531,499[(2)] | 4.4% |
| Carlo Rigillo | Common Shares | 60,081[(2)] | 0.1% |
| Koby Kushner | Common Shares | 6,861,134 | 11.9% |
| David Goodman | Common Shares | 9,450,000 | 16.5% |
| **Total** | **Common Shares** | **18,902,714** | **32.9%** |

Note:

(1) Based on the total issued and outstanding Resulting Issuer Shares expected to be 57,445,634 on an undiluted basis, however this may change upon the completion of the Transaction.

(2) This amount may vary depending on the actual Consolidation ratio used in the Consolidation.

The PowerStone Fundamental Change Shares issued to Libra Shareholders will also be subject to a voluntary pooling arrangement pursuant to which such PowerStone Fundamental Change Shares will be subject to resale restrictions as follows:

(A) 25% will be released on the date that the PowerStone Fundamental Change Shares are listed for trading on the CSE; and (B) 25% will be released on each of the 6, 12 and 18 month anniversaries of the date that the PowerStone Fundamental Change Shares are listed for trading on the CSE and shall bear legends to that effect.

The table below includes the details of Resulting Issuer Shares that will be held by Principals of the Resulting Issuer upon the completion of the Transaction, including the Consolidation, and subject to the Pooling Arrangement:

| Name of Security Holder | Designation of Class Held in Escrow | Number of Securities Held in Escrow | Percentage of Class[1] |
|---|---|---|---|
| Zachary Goldenberg | Common Shares | 2,531,499[2] | 4.4% |
| Marc Sontrop | Common Shares | 948,489[2] | 1.7% |
| Raymond D. Harari | Common Shares | 2,531,499[2] | 4.4% |
| Koby Kushner | Common Shares | 6,861,134 | 11.9% |
| David Goodman | Common Shares | 9,450,000 | 16.5% |
| **Total** | **Common Shares** | **22,322,621** | **38.9%** |

Note:

(1) Based on the total issued and outstanding Resulting Issuer Shares expected to be 57,445,634 on an undiluted basis, however this may change upon the completion of the Transaction.

(2) This amount may vary depending on the actual Consolidation ratio used in the Consolidation.

The following founding shareholders of Libra and PowerStone have entered into a voluntary escrow agreement whereby the securities below, held by these founding shareholders, will be held in contractual escrow and are restricted from trading until the date upon which (i) there is a change of control of the Resulting Issuer; or (ii) each and every one of these founding shareholders has unanimously agreed in writing to any such release.

| Founding Shareholder | Class and Number of Securities |
|---|---|
| Zachary Goldenberg or 2578218 Ontario Ltd., a company owned and controlled by Zachary Goldenberg | • 1,233,334 Common Shares of Libra<br>• 3,241,000 Common Shares of PowerStone (2.4966:1 Post Consolidation = 1,298,165[1])<br>• 250,000 stock options of PowerStone (2.4966:1 Post Consolidation = 100,136[1]) |
| Night Owl SA, a company owned or controlled by Raymond Harari | • 1,233,334 Common Shares of Libra<br>• 3,241,000 Common Shares of PowerStone (2.4966:1 Post Consolidation = 1,298,166[1])<br>• 250,000 stock options of PowerStone (2.4966:1 Post Consolidation = 100,136[1]) |
| Koby Kushner or Brie Inc., a company owned and controlled by Koby Kushner | • 6,861,134 Common Shares of Libra<br>• 425,000 stock options of Libra |
| David Goodman or The D2 Financial Corporation., a company owned and controlled by David Goodman | • 9,450,000 Common Shares of Libra<br>• 300,000 stock options of Libra |
| Mark Goodman or 2665839 Ontario Inc., a company owned and controlled by Mark Goodman | • 4,666,666 Common Shares of Libra<br>• 300,000 stock options of Libra |

Notes:

(1) The actual post-Consolidation amounts may vary depending on the final Consolidation ratio used in the Consolidation.

**Employees**

Upon completion of the Transaction, the Resulting Issuer shall have no full-time and no part-time employees. The Resulting Issuer will have approximately four (4) consultants providing services on an independent contractor basis, which is expected to increase following completion of the Transaction.

The Resulting Issuer's business will require specialized skills and knowledge of the mining exploration and development industry. Management of the Resulting Issuer will be composed of certain individuals who have extensive expertise in this industry and are complemented by the board of directors of the Resulting Issuer. The Resulting Issuer's future success will depend, in part, on its ability to continue to attract, retain and motivate highly qualified technical and management personnel, for whom competition is intense.

**Dividends**

There are no restrictions in the Resulting Issuer's articles or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the completion of the Transaction. However, the Resulting Issuer does not contemplate paying dividends on any its shares in the immediate future following completion of the Transaction, as it anticipates investing all available funds to finance the growth of its business. The board of directors of the Resulting Issuer will determine if, as and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid on a per share basis.

**Principal Securityholders**

As of the date of this Circular, except as disclosed below there is no principal shareholder who owns more than 10% of the issued shares of PowerStone. Upon completion of the Amalgamation, except as disclosed below, it is expected that the no shareholder will, beneficially and of record, own more than 10% of the issued common shares of the Resulting Issuer.

| Shareholder Name | Number of Resulting Shares Owned or Controlled, Directly or Indirectly | Percentage of Outstanding Resulting Issuer Shares[(3)] |
|---|---|---|
| David Goodman[(1)] | 9,450,000 | 16.5% |
| Koby Kushner[(2)] | 6,861,134 | 11.9% |

Notes:

(1) David Goodman beneficially owned, directly or indirectly, or exercised control or discretion over, 9,450,000 Resulting Issuer Shares carrying approximately 16.5% of the voting rights attached to all outstanding Resulting Issuer Shares (of these Resulting Issuer Shares held by M. Goodman, 5,000,000 were held directly and 4,450,000 were held indirectly by Mr. Goodman through The D2 Financial Corporation, a corporation controlled by Mr. Goodman).

(2) Koby Kushner beneficially owned, directly or indirectly, or exercised control or discretion over, 6,861,134 Resulting Issuer Shares carrying approximately 11.9% of the voting rights attached to all outstanding Resulting Issuer Shares (of these Resulting Issuer Shares held by Mr. Kushner, 6,333,334 were held directly and 527,800 were held indirectly by Mr. Kushner through Brie Inc., a corporation controlled by Mr. Kushner).

(3) Based on 57,445,634 Resulting Issuer Shares outstanding following the completion of the Transaction and without giving effect to any shares issued in any Concurrent Financing.

**Corporate Governance and Management**

Board of Directors

Following the completion of the Transaction, the board of directors of the Resulting Issuer will initially be comprised of the following three persons: David Goodman, Koby Kushner and Zachary Goldenberg.

The directors of the Resulting Issuer will hold office until the next annual general meeting of Shareholders of the Resulting issuer or until their respective successors have been duly elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Resulting Issuer or within the provision of the BCBCA.

The following table sets forth certain information regarding the individuals who will serve as directors of the Resulting Issuer, including their place of residence, age, status as independent or non-independent, each director's principal occupation, business or employment for the past five years and the number of Resulting Issuer Shares that will be beneficially owned by each director, directly or indirectly, or over which each director will exercise control or direction, following the completion of the Transaction.

| Name of Nominee, Positions Held with the Company, and Residence | Principal Occupation, Business or Employment[(1)] | Resulting Issuer Shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly[(1)] |
|---|---|---|
| **David Goodman**[(2)]<br>Chairman and Director<br>Ontario, Canada | CEO and Founder of Humour Me, Chairman of the Board of Libra | 9,450,000[(3)]<br>(16.5%)[(6)] |
| **Koby Kushner**[(2)]<br>CEO and Director<br>Ontario, Canada | Chief Executive Officer of Libra | 6,861,134[(4)]<br>(11.9%)[(6)] |
| **Zachary Goldenberg**[(2)]<br>Director<br>Ontario, Canada | Principal, Liberty Venture Partners | 2,531,499[(5)]<br>(4.4%)[(6)] |

Notes:

(1) The information as to principal occupation, business or employment and PowerStone Shares and Libra Shares beneficially owned or controlled, or directed, directly or indirectly is not within the knowledge of the management of the Company and has been furnished by the respective nominees. The number of Resulting Issuer Shares disclosed under this column are presented on a post-Consolidation basis, these amounts may vary depending on the actual Consolidation ratio used in the Consolidation.

(2) Denotes member of Audit Committee.

(3) Of these 9,450,000 Resulting Shares, 5,000,0000 Resulting Issuer Shares are held directly and 4,450,000 Resulting Shares are held indirectly by Mr. Goodman through The D2 Financial Corporation., a company controlled by Mr. Goodman. Mr. Goodman also holds 300,000 options to purchase Resulting Issuer Shares for $0.15 per share until November 15, 2028.

(4) Of these 6,861,134 Resulting Shares, 6,333,334 Resulting Issuer Shares are held directly and 527,800 Resulting Shares are held indirectly by Mr. Kushner through Brie Inc., a company controlled by Mr. Kushner. Mr. Kushner also holds 425,000 options to purchase Resulting Issuer Shares for $0.15 per share until November 15, 2028.

(5) Of these 2,531,499 Resulting Shares, 1,325,283 Resulting Issuer Shares are held directly and 1,206,216 Resulting Shares are held indirectly by Mr. Goldenberg through 2578218 Ontario Ltd., a company controlled by Mr. Goldenberg. Mr. Goldenberg also holds 100,136 options to purchase Resulting Issuer Shares for $0.12 per share until December 1, 2027.

(6) Based on the total issued and outstanding Resulting Issuer Shares expected to be 57,445,634 on an undiluted basis, however this may change upon the completion of the Transaction and does not give effect to any shares issued pursuant to a Concurrent Financing.

Board of Directors Committees

The Resulting Issuer will have one committee, the Audit Committee. The Audit Committee of the Resulting Issuer will consist of the following members:

| | |
|---|---|
| David Goodman | Independent Member (Financially Literate) |
| Koby Kushner | Non-Independent Member (Financially Literate) |
| Zachary Goldenberg | Non-Independent Member (Financially Literate) |

Management

The following sets out details of the proposed directors and management of the Resulting Issuer:

*Koby Kushner, P.Eng., CFA - Chief Executive Officer and Director, 33*

Mr. Koby Kushner, P.Eng., CFA, is the Chief Executive Officer and a director of Libra. He has spent most of his career as a mining engineer and more recently, an equity research analyst. Prior to entering finance, Mr. Kushner worked at several

mines in Ontario and Manitoba, including Hemlo (Barrick Gold), Detour, Rice Lake, and others. During this time, Mr. Kushner has seen projects advance through all stages of development, including exploration, production, and closure. He then moved into equity research at Red Cloud Securities, a mining-only investment bank, where he wrote on over 100 companies across various stages of development and a wide range of commodities, with a particular focus on precious and energy metals. He holds a BSc in Mining Engineering from Queen's University, is a licensed Professional Engineer in the province of Ontario and is a CFA charter holder.

*David Goodman, B.Com, LL.B (cum laude), CFA - Chairman and Director, 61*

David Goodman, LLB, CFA, is the Chairman of Libra. Mr. Goodman left an early career as a litigator in 1994 to become a Partner, Vice President and Portfolio Manager at the investment management firm behind Dynamic Funds. He became President and Chief Executive Officer of Dynamic Funds in 2001 and of DundeeWealth, Dynamic's public company parent, in 2007. Under Mr. Goodman's leadership, the firm became one of Canada's best performing and fastest growing investment managers, was recognized as Fund Company of the Year seven times at the Canadian Investment Awards while growing assets under management from $5 billion to approximately $50 billion, until its ultimate sale in 2011 to a Canadian bank. In the past Mr. Goodman was a member of the boards of DundeeWealth, Repadre Capital Corporation, Dundee Corporation, SickKids Foundation and a trustee of the Dundee REIT. Mr. Goodman was previously the head of Global Asset Management for a major Canadian bank and CEO of Dundee Corporation. In addition to his business interests, Mr. Goodman is the founder and CEO of Humour Me, an annual event whereby high-profile executives compete in stand-up comedy and has raised over $20 million to date for worthy causes.

*Ben Kuzmich, MSc., P.Geo. - VP Exploration, 35*

Mr. Ben Kuzmich, MSc., P.Geo, is a professional geologist with a proven track record of exploration success in Canada throughout Ontario, Manitoba, and the Yukon. His accomplishments include the delineation of the E-Zone at Barrick's Hemlo gold mine, where he managed a $20M drill program, and where his reinterpretation of geologic models resulted in a 23% improvement in underground head grade for 2019. Outside of Hemlo, he led the discovery of the Little Wing gold occurrence at Alamos's Lynn Lake project as well as numerous REE/LCT pegmatite, precious, and base metal occurrences throughout the Superior Province. He completed his MSc thesis at Lakehead University on the highly endowed, critical mineral-rich Ring of Fire in northern Ontario, and his undergraduate thesis on S-type granitic intrusions.

*Zachary Goldenberg, HBA / JD – Director, 35*

Mr. Goldenberg is a principal of Liberty Venture Partners, a Toronto-based advisory and investment firm focused on startup and growth companies in rapidly emerging industries. A corporate lawyer by background, Mr. Goldenberg has significant experience in both the private and public markets as an advisor, investor and board director and has spent much of the past decade working with companies transitioning from private to public navigate the Canadian public venture markets and to source and close strategic transactions. Mr. Goldenberg is a graduate of the combined JD / HBA from Western Law and Ivey School of Business, is a member of the TSX Venture Exchange’s Ontario Advisory Committee and is a recipient of ICD.D designation from the Institute of Corporate Directors.

*Carlo Rigillo, B.Com, CPA - Chief Financial Officer, 46*

Carlo Rigillo is the current Chief Financial Officer of PowerStone and is an experienced Chartered Professional accountant with over two decades of relevant public company audit and operational experience. Mr. Rigillo holds a Bachelor of Commerce from the University of Toronto and is a Chartered Professional Accountant.

Cease Trade Orders, Bankruptcies and Penalties or Sanctions

Except as disclosed below, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Resulting Issuer was a director, CEO or CFO of any company (including the Company or Libra) that:

(a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or

(b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Mr. Goldenberg was elected as a director of Star Navigation Systems Group Ltd. ("**SNSG**") at a shareholders' meeting held on December 11, 2019. At such time, SNSG was already the subject of a cease trade order (the "**CTO**") issued on November 1, 2019 by the Ontario Securities Commission as a result of SNSG's failure to meet its timely disclosure filing obligations. The CTO was partially revoked on March 6, 2020. Mr. Goldenberg resigned from the board of directors of SNSG effective April 30, 2020.

No proposed director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer:

(a) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

*Conflicts of Interest*

There may from time to time be potential conflicts of interest to which some of the directors, officers, insiders and promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies provided for under the BCBCA.

*Directorships in Other Reporting Issuers*

The following directors of the Company are directors of other reporting issuers:

| Director | Other Reporting Issuer Directorships | Exchange |
|---|---|---|
| **David Goodman** | Athena Gold Corporation (formerly Athena Silver Corporation) | CSE |
| **Koby Kushner** | Honey Badger Silver Inc.<br>Athena Gold Corporation (formerly Athena Silver Corporation) | TSXV<br>CSE |

| Director | Other Reporting Issuer Directorships | Exchange |
|---|---|---|
| **Zachary Goldenberg** | AIM6 Ventures Inc. | TSXV |
| | Buzz Capital 2 Inc. | TSXV |
| | 1510450 B.C. Ltd. | N/A |

**Executive Compensation**

Following the completion of the Amalgamation, it is expected that the Resulting Issuer will maintain the policies of PowerStone with respect to executive compensation. See "*Information Concerning PowerStone – Statement of Executive Compensation*" in this Circular.

**Compensation of Directors**

Following the completion of the Amalgamation, it is expected that the Resulting Issuer will maintain the policies of PowerStone with respect to director compensation. See "*Information Concerning PowerStone – Statement of Executive Compensation – Director Compensation*" in this Circular.

**Indebtedness of Directors and Officers**

Upon completion of the Transaction, none of the directors or officers of the Resulting Issuer, nor any of their associates, will be indebted to the Resulting Issuer, and neither will any indebtedness of any of these individuals or associates to another entity be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer.

**Investor Relations Arrangements**

The Resulting Issuer has not entered into, and does not intend to enter into, any written or oral agreement or understanding with any person to provide promotional or investor relations services to the Resulting Issuer or to engage in activities for the purposes of stabilizing the market.

**Options to Purchase Securities**

Options to Purchase Securities

Assuming completion of the Transaction, the Resulting Issuer will have 4,485,926 stock options outstanding. The Resulting Issuer does not anticipate granting any other options on or before the Closing.

Resulting Issuer Equity Incentive Plan

Following completion of the Transaction, the Resulting Issuer Equity Incentive Plan will continue to be the stock option plan for the officers, directors, employees and consultants of the Resulting Issuer under the policies of the CSE. Following completion of the Transaction, the Resulting Issuer Equity Incentive Plan will need to be approved on an annual basis by the shareholders of the Resulting Issuer. See "*Information Concerning Libra – Description of Stock Option Plan*"

**Stock Exchange Listing**

PowerStone Shares are currently traded on the CSE under the symbol "PS". PowerStone will apply to the CSE to list the PowerStone Shares issuable to Libra Shareholders under the Transaction. It is a condition of closing that PowerStone will have obtained approval from the CSE for the listing of the PowerStone Shares to be issued pursuant to the Transaction subject only to the customary listing conditions of the CSE and approval from the CSE for the Transaction. The Transaction constitutes a fundamental change and PowerStone is requalifying following the completion of the Transaction. In connection with the completion of the Transaction, PowerStone anticipates changing its name from "PowerStone Metals Corp." to "Libra Energy

Materials Inc." or such other name determined by Libra and approved by the CSE and in connection with such name change the new trading symbol for the Resulting Issuer is intended to be "LIBR".

**Promoters**

There are no promoters of the Resulting Issuer.

**Auditors**

The current auditor of PowerStone is Crowe MacKay LLP, Chartered Professional Accountants located at Suite 1100, 1177 West Hastings Street, Vancouver, British Columbia and will continue to be the auditors of the Resulting Issuer following the completion of the Transaction.

**Transfer Agent and Registrar**

The transfer agent and registrar of the Resulting Issuer will be Odyssey Trust Company, and the register of Resulting Issuer Shares and register of transfers will be maintained at the Vancouver office located at 350 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2, Canada, or such other registrar and transfer agent as the Resulting Issuer may in future determine.

## RISK FACTORS

The securities of PowerStone and Libra (and correspondingly those of the Resulting Issuer) should be considered highly speculative due to the nature of the Resulting Issuer's proposed business. An investment in PowerStone, Libra or the Resulting Issuer is highly speculative. Such investment will be subject to certain material risks and investors should not invest in securities of PowerStone, Libra or the Resulting Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Resulting Issuer. In evaluating PowerStone, Libra and the Resulting Issuer and its prospective business, investors should carefully consider these, in addition to the other information contained in this Circular. Readers should note that this list is not a definitive list of all risk factors associated with an investment in PowerStone, Libra or the Resulting Issuer or in connection with the Resulting Issuer's proposed operations upon completion of the Transaction, and other events could arise that have a material adverse effect on the business of PowerStone, Libra or the Resulting Issuer.

The following is a description of the principal risk factors that will affect the Resulting Issuer, in addition to those set out in "*Information Concerning Libra – Risk Factors*" and "*Information Concerning PowerStone – Risk Factors"*.

**Risk Factors Associated with the Amalgamation**

The Amalgamation May Not Be Completed

Each of the parties has the right to terminate the Amalgamation Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurance, that the Amalgamation Agreement will not be terminated before the completion of the Amalgamation. In addition, the completion of the Amalgamation is subject to a number of conditions precedent, certain of which are outside the control of the parties, including approval of the Fundamental Change Resolution by the Libra Shareholders and approval of the CSE. There is no certainty, nor can the parties provide any assurance, that these conditions will be satisfied. If for any reason the Amalgamation is not completed, the fair market value of the Libra Shares or the market price of the PowerStone Shares may be adversely affected. If the Amalgamation is not completed, the financial condition of PowerStone and Libra may be materially adversely affected.

Libra Shareholders will receive a fixed number of PowerStone Shares which will not be adjusted to reflect any change in the market value of PowerStone Shares or fair market value of Libra Shares prior to the closing of the Amalgamation

Under the Amalgamation, Libra Shareholders will receive one PowerStone Share in exchange for each Libra Share held, rather than PowerStone Shares with a fixed market value. Because the number of PowerStone Shares to be received in respect of

each Libra Share under the Amalgamation will not be adjusted to reflect any change in the market value of the PowerStone Shares or the fair market value Libra Shares, the market value of PowerStone Shares received under the Amalgamation may vary significantly from the market value at the dates referenced in this Circular. If the market price of the PowerStone Shares relative to the fair market value of Libra Shares increases or decreases, the value of the consideration that Libra Shareholders receive pursuant to the Amalgamation will correspondingly increase or decrease. There can be no assurance that the market price of the PowerStone Shares relative to the fair market value of the Libra Shares on the Amalgamation Effective Date will not be lower than the relative market prices of such shares on the date of the Meeting. In addition, the number of PowerStone Shares being issued in connection with the Amalgamation will not change despite decreases or increases in the fair market value of Libra Shares. Many of the factors that affect the market price of the PowerStone Shares and the Libra Shares are beyond the control of PowerStone and Libra, respectively. These factors include fluctuations in commodity prices, fluctuations in currency exchange rates, changes in the regulatory environment, adverse political developments, prevailing conditions in the capital markets and interest rate fluctuations.

Costs even if the Amalgamation is not completed

All costs related to the Amalgamation, such as legal, accounting and certain financial advisor fees, must be paid by Libra and PowerStone even if the Amalgamation is not completed.

If the Amalgamation is not approved by the PowerStone Shareholders, the market price for the PowerStone Shares may decline

If the Amalgamation is not approved by the PowerStone Shareholders, the market price of the PowerStone Shares may decline. If the Fundamental Change Resolution is not approved and the PowerStone Board decides to seek another merger or Amalgamation, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the total consideration to be paid pursuant to the Amalgamation.

Possible Failure to Realize Anticipated Benefits of the Amalgamation

The success of the Resulting Issuer will depend in large part on the business and operations of Libra. The inability to achieve growth or continued successful operations of the business of Libra could result in the failure of the Resulting Issuer to realize the anticipated benefits of the Amalgamation and could impair the results of operations, profitability and financial results of the Resulting Issuer. The integration of Libra and PowerStone will require the dedication of management effort, time and resources and this could divert management's focus and resources from other strategic opportunities and from operational matters during this process.

**Risk Factors Associated with the Business of the Resulting Issuer**

Exploration Stage Company

The Resulting Issuer is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits. The Resulting Issuer's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Resulting Issuer will realize any profits in the short to medium term. Any profitability in the future from the Resulting Issuer's business will be dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that any of the Resulting Issuer's property interests can be commercially mined. The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time which even a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of additional ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs of the Resulting Issuer or any existing or future partner will result in profitable commercial mining operations. The profitability of the Resulting Issuer's operations will be, in part, directly related to the cost and success of its exploration programs which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine

and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Management; Dependence on Key Personnel, Contractors and Service Providers

Shareholders of the Resulting Issuer rely on the good faith, experience and judgment of the Resulting Issuer's management and advisors in supervising and providing for the effective management of the business and the operations of the Resulting Issuer and in selecting and developing new investment and expansion opportunities. The Resulting Issuer may need to recruit additional qualified contractors and service providers to supplement existing management. The Resulting Issuer will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Resulting Issuer.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest.

Inability to Manage Growth

If the Resulting Issuer is unable to effectively manage its planned growth and expansion, its growth strategy could be negatively affected. Any inability to manage growth effectively could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

**Industry Risk**

Industry Conditions

The exploration and development of mineral deposits involve significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Resulting Issuer or any partner will result in a profitable commercial operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as commodity prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Resulting Issuer not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Resulting Issuer's operations will be subject to all the hazards and risks normally encountered in the exploration and development of minerals, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

General Economic Risk

The prices of lithium and other metals fluctuate. The future direction of the price of any metal or mineral will depend on numerous factors beyond the Resulting Issuer's control including international, economic and political trends, the imposition of tariffs and the resulting change to import and export markets, the current wars in the Ukraine and Israel, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of

these factors on the price of commodities, and therefore on the economic viability of the Resulting Issuer's properties, cannot accurately be predicted. As the Resulting Issuer is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of the commodities being explored for.

Fluctuating Mineral Prices and Marketability of Minerals

The marketability of any mineral is subject to numerous factors beyond the control of the Resulting Issuer. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include, but are not limited to, demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

General Economic Conditions

The events in global financial markets recently have had a profound impact on the global economy. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and critical metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Resulting Issuer's growth.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by the broad lack of investor confidence. These factors may impact the ability of the Resulting Issuer to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Resulting Issuer. If these increased levels of volatility and market turmoil continue, the Resulting Issuer's activities could be adversely impacted and the trading price of the PowerStone Shares could be adversely affected.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Resulting Issuer competes with other interests, many of which have significantly greater financial resources than it has, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production following successful exploration efforts.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer, such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Resulting Issuer Shares. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Climate Change and Climate Change Regulations

Climate change could have an adverse impact on the Resulting Issuer's cost of operations. The potential physical impacts of climate change on the operations of the Resulting Issuer are highly uncertain and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes in climate could have an impact on the Resulting Issuer's ability to conduct exploration programs at its projects and could affect the cost of any future mine development or production and could adversely affect the financial performance of its operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the business of the Resulting Issuer. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Resulting Issuer, its venture partners and suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Resulting Issuer's ability to compete with companies situated in areas not subject to such regulations.

Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, the Resulting Issuer cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Resulting Issuer or other companies in the natural resources industry could harm the reputation of the Resulting Issuer.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on supply chain disruptions that may adversely affect the Resulting Issuer's business, financial condition and results of operations. Recently, the United States has introduced wide ranging tariffs which may lead other countries to impose retaliatory tariffs. These tariffs may contribute to disruptions in import and export activity and may contribute to a global economic downturn. The extent and duration of the current Russia-Ukraine conflict and tariff activity and related international action cannot be accurately predicted at this time and the effects may magnify the impact of the other risks identified in this Circular, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact, may materialize and may have an adverse effect on the Resulting Issuer's business, results of operation and financial condition.

Network Systems

Equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Resulting Issuer's network could disrupt Resulting Issuer's business functions, including Resulting Issuer's exploration activities. The mining industry has become increasingly dependent on digital technologies. Mines and mills are automated and networked, and the Resulting Issuer may rely on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact the Resulting Issuer's operations. A corruption of the Resulting Issuer's financial or operational data could, among other potential impacts, result in: (i) expensive remediation efforts; (ii) distraction of management; (iii) damage to the Resulting Issuer's reputation or its relationship with customers, vendors, employees and joint venture partners; or (iv) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on the Resulting Issuer's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

**Risks Associated with Mineral Property Interests in Canada and the USA**

Early Stage Properties

The properties in which the Resulting Issuer will hold an interest or the right to acquire an interest, are in the early exploration stage and most are without either resources or reserves. The Libra Core Projects and other properties are projects involving exploratory search for mineral deposits. Development of the and the Libra Core Projects and other properties will only follow upon obtaining satisfactory results. Exploration for and the development of minerals involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that the Resulting Issuer's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term success of the Resulting Issuer's operations will be in large part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. There is no assurance that the Resulting Issuer's mineral exploration activities will result in any discoveries of commercial bodies of ore. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Resulting Issuer or any of its joint venture partners will result in a profitable commercial mining operation as the economic viability of the project would depend on obtaining favourable exploration results and commodity prices. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices that are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Resulting Issuer not receiving an adequate return on invested capital. No assurance can be given that the minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a favourable basis.

If any of the Resulting Issuer's properties is found to have commercial quantities of ore, the Resulting Issuer would be subject to additional risks respecting any development and production activities. Mining operations generally involve a high degree of risk. The Resulting Issuer's future operations would be subject to all the hazards and risks normally encountered in the exploration, development and production of base metals, including unusual and unexpected geologic formations, seismic activity, ground failure, rock bursts, cave-ins, flooding and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Resulting Issuer's operations, financial condition and results of operations.

There is no certainty that the expenditures made by the Resulting Issuer towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore. The Resulting Issuer's ability to execute its planned exploration programs on a timely basis is dependent on a number of factors beyond the Resulting Issuer's control including availability of drilling services, third party contractors and equipment, ground conditions, weather conditions and permitting.

Title

The mining claims and leases that comprise Libra Core Projects and other properties have not been surveyed and, accordingly, the precise location of the boundaries of the claims and leases and ownership of mineral rights on specific tracts of land comprising the claims and leases may be in doubt. Such claims and leases are subject to annual compliance with assessment work requirements. Other parties may dispute the Resulting Issuer's title to the properties. While the Resulting Issuer has diligently investigated title to all mineral claims comprising the properties and, to the best of its knowledge, title to the properties is in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or land claims, including First Nations land claims, and title may be affected by undetected defects. There is no guarantee that title to the properties will not be challenged or impugned. Also, in many countries, including Canada and the United States, 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 in respect of resource properties.

Aboriginal Land Claims and Aboriginal Rights

The properties may in the future be the subject of aboriginal peoples' land claims or aboriginal rights claims. The legal basis of an aboriginal land claim and aboriginal rights is a matter of considerable legal complexity and the impact of the assertion of such a claim, or the possible effect of a settlement of such claim upon the Resulting Issuer cannot be predicted with any degree of certainty at this time. In addition, no assurance can be given that any recognition of aboriginal rights or claims whether by way of a negotiated settlement or by judicial pronouncement (or through the grant of an injunction prohibiting mineral exploration or mining activity pending resolution of any such claim) would not delay or even prevent the Resulting Issuer's exploration, development or mining activities.

Maintaining Interests in Mineral Properties

The Resulting Issuer's continuing right to initially earn and subsequently maintain its ownership in its mineral property interests will be dependent upon compliance with applicable laws and with agreements to which it is a party. The Resulting Issuer's properties consist of various rights to acquire interests in lands prospective for mineral exploration. There is no assurance that the Resulting Issuer will be able to obtain and/or maintain all required permits and licences to carry on its operations. Additional expenditures will be required by the Resulting Issuer to maintain its interests in its properties. There can be no assurance that the Resulting Issuer will have the funds, will be able to raise the funds or will be able to comply with the provisions of the agreements relating to its properties which would entitle it to an interest therein and if it fails to do so its interest in certain of these properties may be reduced or be lost.

Results of Prior Exploration Work

In preparing any technical reports on the Resulting Issuer's properties, the authors of such reports may have relied on data previously generated by exploration work carried out by other parties. There is no guarantee that data generated by prior exploration work is 100% reliable and discrepancies in such data not discovered by the Resulting Issuer may exist. Such errors and/or discrepancies, if they exist, could impact on the accuracy of the technical reports.

Environmental Risks and Hazards

All phases of the Resulting Issuer's operations are subject to environmental regulations in the various jurisdictions in which it operates including but not limited to the maintenance of air and water quality, land reclamation, environmental pollution and the generation of transportable storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not have material adverse effects on the Resulting Issuer's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Resulting Issuer holds interests which are unknown to Libra and PowerStone at present and which have been caused by previous or existing owners of the properties. To the extent the Resulting Issuer

is subject to environmental liabilities, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts will reduce funds otherwise available for operations.

Government approvals and permits are currently required, or may be required in the future, in connection with the Resulting Issuer's operations. To the extent such approvals are required and not obtained, the Resulting Issuer may be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations and parties that were engaged in operations in the past, may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Government Regulation of the Mining Industry

The current and future operations of the Resulting Issuer, from exploration through development activities and commercial production, if any, are and will be governed by laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there can be no assurance that the Resulting Issuer will be successful in obtaining all required permits. Amendments to current laws and regulations governing the operations and activities of the Resulting Issuer or more stringent implementation thereof could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. Further, there can be no assurance that all permits which the Resulting Issuer may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Resulting Issuer may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Resulting Issuer may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Resulting Issuer is not currently covered by any form of environmental liability insurance. See "Insurance and Uninsured Risks", below. Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in capital expenditures or require abandonment or delays in exploration.

Changes, if any, in mining or investment policies or shifts in political attitude in North America may adversely affect the Resulting Issuer's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with varied or other interests. The occurrence of these various factors and uncertainties cannot be

accurately predicted and could have an adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Insurance and Uninsured Risks

The Resulting Issuer's business is subject to a number of risks and hazards including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Resulting Issuer's properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although the Resulting Issuer maintains liability insurance in amounts 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, or the Resulting Issuer may elect not to insure against such liabilities due to high premium costs or other reasons, in which event the Resulting Issuer could incur significant costs that could have a materially adverse effect upon its financial position.

The Resulting Issuer is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration) has not been generally available to companies within the industry. The Resulting Issuer will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. The Resulting Issuer may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Without such insurance, and if the Resulting Issuer becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Resulting Issuer has to pay such liabilities and result in bankruptcy. Should the Resulting Issuer be unable to fund the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedial work.

Joint Venture Arrangements

The Resulting Issuer's Libra Core Projects are subject to a earn-earn in agreement with KoBold whereby KoBold has the ability to earn up to a 75% interest in the project by meeting contractual commitments for staged exploration expenditures and providing cash option payments to the Resulting Issuer over time. See "*Information Concerning Libra – Summary Description of the Business – General*". Continued participation by KoBold in the project could be influenced by the success of future exploration programs, by other priorities or objectives set by KoBold, by market related factors or by a number of other factors beyond the control of the Resulting Issuer. The Resulting Issuer may try and attract additional joint venture partners to projects in the future which would be subject to similar risks and uncertainties, but there is no assurance of this.

Permits, Licences and Approvals

The operations of the Resulting Issuer may require licences and permits from various governmental authorities. The Resulting Issuer believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Resulting Issuer will be able to obtain all necessary licences and permits that may be required to maintain its exploration activities, construct mines or other facilities and commence operations of any of their exploration properties. In addition, if the Resulting Issuer proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Resulting Issuer will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Community Risks

In addition to mineral tenure and environmental permitting, the Resulting Issuer attempts to engage local communities where it explores. Communities may respond differently to exploration and mineral development activities from region to region.

Increasingly the exploration sector is required to engage in social contracts with local residents, communities and surface land owners. Factors affecting social acceptance of exploration are variable and can be unpredictable over time. Local opinions can change rapidly about exploration activities and opinions may not be related to the activity of the Resulting Issuer although its ability to enter an area and conduct its programs may be affected by shifts in perception.

Regulatory Matters

The Resulting Issuer's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial, state and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

**Investment Risk**

Additional Funding and Financing Risk

Additional funds will be required for future exploration and development and for general operating costs of the Resulting Issuer. The main source of future funds available to the Resulting Issuer is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Resulting Issuer. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Resulting Issuer or will provide the Resulting Issuer with sufficient funds to meet its objectives, which may adversely affect the Resulting Issuer's business and financial position. In addition, any future equity financings by the Resulting Issuer may result in substantial dilution for existing shareholders.

Investment may be lost

Although shareholders will not be bound by or be personally liable for the Resulting Issuer's expenses, liabilities or obligations beyond their total original capital contributions, should the Resulting Issuer suffer a deficiency in funds with which to meet its obligations, shareholders as a whole may lose their entire investment.

Dilution

Because it is expected that the Resulting Issuer's success will be highly dependent upon its directors, officers and consultants, the Resulting Issuer expects to grant equity awards to some or all of its key officers, directors, employees and consultants as non-cash incentives. Resulting Issuer Options may be granted that have exercise prices below that of the Resulting Issuer Shares prevailing in the public trading market at the time or may be granted at exercise prices equal to market prices at times when the public market is depressed. To the extent that significant numbers of such Resulting Issuer Options may be granted and exercised, the interests of shareholders may be diluted.

Dividends

Neither Libra nor PowerStone has ever paid any cash dividends and the Resulting Issuer does not currently intend to pay any dividends for the foreseeable future. Because the Resulting Issuer does not intend to declare dividends, any gain on an investment in the PowerStone Shares will need to come through an increase in the share price. This may never happen and investors may lose all of their investment in the Resulting Issuer.

Lack of Active Market

There can be no assurance that an active market for the Resulting Issuer Shares will continue and any increased demand to buy or sell the Resulting Issuer Shares can create volatility in price and volume.

Market Price of Resulting Issuer Shares

There can be no assurance that an active market for the Resulting Issuer Shares will be sustained. Securities of small and mid-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global economic developments and market perceptions of the attractiveness of certain industries. The price per Resulting Issuer Share is also likely to be affected by change in the price of lithium, other critical metal and mineral prices, the US dollar, the Canadian dollar, or in the Resulting Issuer's financial condition or results of operations as reflected in its quarterly and annual filings. Other factors unrelated to the performance of the Resulting Issuer that may have an effect on the price of Resulting Issuer Shares include the following: the extent of analytical coverage available to subscribers concerning the business of the Resulting Issuer may be limited if investment banks with research capabilities do not follow the Resulting Issuer's securities; lessening in trading volume and general market interest in the Resulting Issuer's securities may affect a subscriber's ability to trade significant numbers of Resulting Issuer Shares, the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Resulting Issuer's securities; and a substantial decline in the price of the Resulting Issuer Shares that persists for a significant period of time could cause the Resulting Issuer's securities, to be delisted from the exchange, further reducing market liquidity. If an active market for the Resulting Issuer Shares does not continue, the liquidity of an investment in Resulting Issuer Shares may be limited and the price of the Resulting Issuer Shares may decline. If such a market does not develop, a holder of Resulting Issuer Shares may lose their entire investment in the Resulting Issuer Shares.

Limited Operating History

Libra, whose respective businesses will comprise the business of the Resulting Issuer, has only limited operating results to date. The Resulting Issuer's lack of extensive operating history makes it difficult for investors to evaluate the Resulting Issuer's prospects for success. Prospective investors should consider the risks and difficulties the Resulting Issuer might encounter, especially given the Resulting Issuer's lack of an extensive operating history or audited financial information. There is no assurance that the Resulting Issuer will be successful and the likelihood of success must be considered in light of its relatively early stage of operations.

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results, financial condition or prospects.

Profitability of the Resulting Issuer

The Resulting Issuer may not make any significant exploration discoveries that justify further exploration and development. A failure by the Resulting Issuer to make a significant discover and bring it to production could have a material adverse effect on the Resulting Issuer's business, prospects, results of operations and financial condition.

Ongoing Costs and Obligations

The Resulting Issuer expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Resulting Issuer's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Future Amalgamations or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Resulting Issuer's ongoing business; (ii) distraction of management; (iii) the Resulting Issuer may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Resulting Issuer's operations; and (vi) loss or reduction of control over certain of the Resulting Issuer's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Resulting Issuer at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Resulting Issuer. A strategic transaction may result in a significant change in the nature of the Resulting Issuer's business, operations and strategy. In addition, the Resulting Issuer may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Resulting Issuer's operations.

Internal Controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and materially adversely affect the trading price of the Resulting Issuer Shares.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Resulting Issuer's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Resulting Issuer's operations, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Uninsured or Uninsurable Risk

The Resulting Issuer may be subject to liability for risks against which it cannot insure or against which the Resulting Issuer may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Resulting Issuer's normal business activities. Payment of liabilities for which the Resulting Issuer does not carry insurance may have a material adverse effect on the Resulting Issuer's financial position and operations.

Issuance of Debt

From time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase the Resulting Issuer's debt levels above industry standards for companies of similar size. Depending on future exploration and development plans, the Resulting Issuer may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to the Resulting Issuer. Neither the Resulting Issuer's notice of articles nor its articles will limit the amount

of indebtedness that the Resulting Issuer may incur. As a result, the level of the Resulting Issuer's indebtedness from time to time, could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Dilution

The Resulting Issuer may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Resulting Issuer which may be dilutive to the other shareholders and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares.

Financial Projections May Prove Materially Inaccurate or Incorrect

The Resulting Issuer's financial estimates, projections and other forward-looking information accompanying this Circular were prepared by PowerStone and Libra without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should research PowerStone and Libra and become familiar with the assumptions underlying any estimates, projections or other forward-looking information. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Resulting Issuer might achieve.

Discretion as to the Use of Available Funds

The Resulting Issuer's management will have broad discretion in how it uses the funds available to it. Management may use the available funds in ways that shareholders may not consider desirable. The results and the effectiveness of the application of the funds are uncertain. If the funds are not applied effectively, the results of the Resulting Issuer's operations may suffer. Management currently intends to allocate the available funds as described under "Total Funds Available", however, management may elect to allocate the funds differently from that described under "Total Funds Available" if it believes it would be in the Resulting Issuer's best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the available funds.

Certain Remedies and Rights to Indemnification may be Limited

The Resulting Issuer's governing documents will provide that the liability of its board of directors and officers is eliminated to the fullest extent allowed under the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Thus, the Resulting Issuer and the shareholders of the Resulting Issuer may be prevented from recovering damages for alleged errors or omissions made by the members of the board of directors of the Resulting Issuer and its officers. The Resulting Issuer's governing documents will also provide that the Resulting Issuer will, to the fullest extent permitted by law, indemnify members of the board of directors of the Resulting Issuer and its officers for certain liabilities incurred by them by virtue of their acts on behalf of the Resulting Issuer.

Going-Concern Risk

The pro forma financial statements of the Resulting Issuer have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Resulting Issuer will be successful in completing an equity or debt financing or in achieving profitability. The pro forma financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Resulting Issuer be unable to continue as a going concern.

Credit Risk

The Resulting Issuer will be exposed to credit risk through its cash and cash equivalents. Credit risk arises from deposits with banks and outstanding receivables. The Resulting Issuer does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Amalgamation Risks

The Resulting Issuer is likely to acquire additional assets and/or companies. There are risks inherent in any such acquisition. Although the Resulting Issuer will perform due diligence reviews of any assets or companies it intends to acquire, in whole or in part, there could be unknown or undisclosed risks, problems, hazards, liabilities, claims, or otherwise, for which the Resulting Issuer may not be sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Resulting Issuer's financial performance and results of operations. The Resulting Issuer could encounter additional costs or other factors such as the failure to realize all of the benefits from such acquisitions.

The Resulting Issuer may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such acquired entity with its existing operations. If integration is not managed successfully by the Resulting Issuer's management, the Resulting Issuer may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on its business, financial condition and results of operations. The Resulting Issuer may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on management. There is no assurance that any such acquisitions will be successfully integrated in a timely manner.

Investment Risks

The Resulting Issuer is expected to acquire various assets and form relationships with third parties for mutual benefit. There can be no assurance that the Resulting Issuer will acquire favourable investment opportunities or that any such investments will generate revenues or profits. Failure to successfully manage the acquisition of investments could harm the Resulting Issuer's business, strategy and operating results in a material way. The transactions and their success may be exposed to a number of risks, including the risks that the Resulting Issuer may not be able to identify viable opportunities or, if it does identify viable opportunities, effect the transaction and that the investment may fail to perform.

In addition, the Resulting Issuer has co-invested and may again co-invest in one or more investments with certain strategic investors and/or other third parties through joint ventures or other arrangements, which parties in certain cases may have different interests or superior rights to those of the Resulting Issuer. In cases where the Resulting Issuer will not have a controlling interest, the Resulting Issuer may have a limited ability to protect its position in such investment. In addition, even when the Resulting Issuer does maintain a control position, such investments will be subject to typical risks associated with third-party involvement, including the possibility that a third-party may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Resulting Issuer, or may be in a position to take (or block) action in a manner contrary to the Resulting Issuer's objectives. Although Libra has tried and will continue to try to mitigate potential risks, the Resulting Issuer may also, in certain circumstances, be liable for the actions of its third-party partners or co-investors. Co-investments by third parties may or may not be on substantially the same terms and conditions as the Resulting Issuer and such different terms and conditions may be disadvantageous to the Resulting Issuer.

Industry and Regulatory Risks Regulatory Regime

The business and activities of the Resulting Issuer are heavily regulated in all jurisdictions where it will carry on business. The Resulting Issuer's operations will be subject to various laws, regulations and guidelines by governmental authorities. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Resulting Issuer, including the power to limit or restrict business activities as well as impose

additional disclosure requirements on the Resulting Issuer's products and services. Achievement of the Resulting Issuer's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Resulting Issuer cannot predict the impact of the compliance regime of jurisdictions in which it may operate. Similarly, the Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance in jurisdictions in which it may operate. Failure to comply with regulations may lead to possible sanctions including the revocation or imposition of additional conditions on licenses to operate the Resulting Issuer's business, the suspension or expulsion from a particular market or jurisdiction or of its key personnel, and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Changes in Laws, Regulations and Guidelines

The Resulting Issuer's operations will be subject to various laws, regulations, guidelines and licensing requirements. While the Resulting Issuer is expected to be in compliance with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Resulting Issuer could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Constraints on Marketing Products

The development of the Resulting Issuer's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer's sales and results of operations could be adversely affected.

Global Financial Conditions

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises.

Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Resulting Issuer's ability to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, the Resulting Issuer's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, global trade conditions, structural changes in the mining industry, supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Resulting Issuer's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

**Certain Risks Associated with the Consolidation**

There can be no assurance that the total market capitalization of the Company (the aggregate value of all PowerStone Shares at the market price then in effect) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-share market price of the PowerStone Shares following the Consolidation will equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the PowerStone Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of a Consolidation and the liquidity of the PowerStone Shares could be adversely affected.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available for review by the public on SEDAR at www.sedarplus.ca and may also be obtained by a shareholder upon request without charge from the Chief Executive Officer of the Company, Zachary Goldenberg, at 1900 – 1040 West Georgia Street, Vancouver, BC, Canada V6E 4H3, telephone: (647) 987-5083; fax (604) 689-5177.

Financial information is provided in the Company's comparative audited financial statements of the Company for the year ended October 31, 2024 and in the related PowerStone MD&A.

**SCHEDULE "A"**

**FUNDAMENTAL CHANGE RESOLUTION**

"**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The three-cornered amalgamation (the "**Amalgamation**") among PowerStone Metals Corp. (the "**Company**"), 1001099231 Ontario Corp. ("**SubCo**") and Libra Lithium Corp. ("**Libra**") pursuant to the Amalgamation Agreement (as amended from time to time) dated December 31, 2024 (the "**Amalgamation Agreement**") whereby SubCo and Libra will amalgamate under the laws of the *Business Corporations Act* (Ontario) and PowerStone will acquire all of the issued and outstanding common shares of Libra, as more particularly described and set forth in the information circular of the Company dated April 9, 2025, is hereby authorized, approved and adopted;

2. The Amalgamation Agreement and all transactions contemplated thereby, and the performance by the Company of its obligations thereunder, is hereby approved and adopted;

3. The actions of the directors of the Company in approving the Amalgamation Agreement and the actions of the directors and officers of the Company in executing and delivering the Amalgamation Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved;

4. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered (a) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement, and (b) not to proceed with the Amalgamation at any time prior to the Closing Date (as defined in the Amalgamation Agreement); and

5. Any officer or director is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such authorization to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

**SCHEDULE “B”**

**NEW ARTICLES**

(See attached)

Incorporation number:

BC1337585

Name of Company

**POWERSTONE METALS CORP.**

(the "Company")

Translation of Company Name
Set out every translation of the company name that the company intends to use outside of Canada, or if none, enter "not applicable".

not applicable

**ARTICLES**


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## Article 1
## Interpretation

### 1.1 Definitions

In these Articles, unless the context otherwise requires:

(a) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;

(b) "Business Corporations Act" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(c) "legal personal representative" means the personal or other legal representative of the shareholder;

(d) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;

(e) "seal" means the seal of the Company, if any;

(f) "Securities Transfer Act" means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that act.

### 1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the Business Corporations Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Business Corporations Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Business Corporations Act will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the Business Corporations Act, the Business Corporations Act will prevail.

## Article 2
## Shares and Share Certificates

### 2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

### 2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the Business Corporations Act.

**2.3 Shareholder Entitled to Certificate or Acknowledgment**

Each shareholder is entitled, without charge, to

(a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or

(b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

**2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

**2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

(a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(b) issue a replacement share certificate or acknowledgment, as the case may be.

**2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment**

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

(a) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and

(b) any indemnity the directors consider adequate.

**2.7 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

**2.8 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the Business Corporations Act, determined by the directors.

**2.9 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

## Article 3
## Issue of Shares

**3.1 Directors Authorized**

Subject to the Business Corporations Act and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

**3.2 Commissions and Discounts**

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

**3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

**3.4 Conditions of Issue**

Except as provided for by the Business Corporations Act, no share may be issued until it is fully paid. A share is fully paid when:

(a) consideration is provided to the Company for the issue of the share by one or more of the following:

(i) past services performed for the Company;

(ii) property;

(iii) money; and

(b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

**3.5 Share Purchase Warrants and Rights**

Subject to the Business Corporations Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## Article 4
## Share Registers

**4.1 Central Securities Register**

As required by and subject to the Business Corporations Act, the Company must maintain in British Columbia a central securities register. The directors may, subject to the Business Corporations Act, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

**4.2 Closing Register**

The Company must not at any time close its central securities register.

## Article 5
## Share Transfers

**5.1 Registering Transfers**

The Company:

(a) may register a transfer of a share of the Company, if the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(i) a duly signed instrument of transfer in respect of the share;

(ii) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(iii) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment in respect of the shares to be transferred;

or

(b) must register a transfer of a share of the Company if all of the preconditions for a transfer of a share under the Securities Transfer Act have been met and the Company is required under the Securities Transfer Act to register the transfer.

**5.2 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates, or in accordance with the Securities Transfer Act or in any other form that may be approved by the directors or transfer agent or registrar for the class or series of share to be transferred from time to time.

**5.3 Transferor Remains Shareholder**

Except to the extent that the Business Corporations Act otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

**5.4 Signing of Instrument of Transfer**

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

**5.5 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

**5.6 Transfer Fee**

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## Article 6
## Transmission of Shares

**6.1 Legal Personal Representative Recognized on Death**

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal

representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

**6.2 Rights of Legal Personal Representative**

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Business Corporations Act, the Securities Transfer Act and the directors have been deposited with the Company.

## Article 7
## Purchase of Shares

**7.1 Company Authorized to Purchase Shares**

Subject to article 7.2, the special rights and restrictions attached to the shares of any class or series and the Business Corporations Act, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

**7.2 Purchase When Insolvent**

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

**7.3 Sale and Voting of Purchased Shares**

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

## Article 8
## Borrowing Powers

**8.1 Powers of the Directors**

The Company, if authorized by the directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

## Article 9
## Alterations

### 9.1 Alteration of Authorized Share Structure

Subject to article 9.2 and the Business Corporations Act, the Company may by directors' resolution or ordinary resolution:

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(d) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares; or

(ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(f) alter the identifying name of any of its shares; or

(g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act;

and, alter its Notice of Articles and Articles, if required.

### 9.2 Special Rights and Restrictions

Subject to the Business Corporations Act, the Company may by special resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Notice of Articles accordingly, but no right or special right to any issued shares must be prejudiced or interfered with unless the shareholders holding shares of the class or series of shares whose right or special right is so prejudiced or interfered with consent by a special resolution of those shareholders.

**9.3 Change of Name**

The Company may by directors' resolution or ordinary resolution authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

**9.4 Other Alterations**

If the Business Corporations Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

## Article 10
## Meetings of Shareholders

**10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the Business Corporations Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

**10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the Business Corporations Act to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

**10.3 Calling of Meetings of Shareholders**

The directors may, whenever they think fit, call a meeting of shareholders.

**10.4 Notice for Meetings of Shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder

entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

**10.5 Record Date for Notice**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**10.6 Record Date for Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**10.7 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

**10.8 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of article 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

## Article 11
## Proceedings at Meetings of Shareholders

### 11.1 Special Business

At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(ix) any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### 11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

### 11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

### 11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder, and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

**11.5 Other Persons May Attend**

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

**11.6 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

**11.7 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

**11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

**11.9 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; or

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

**11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors

present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

**11.11 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

**11.13 Decisions by Show of Hands or Poll**

Subject to the Business Corporations Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

**11.14 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**11.15 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

**11.16 Casting Vote**

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

**11.17 Manner of Taking Poll**

Subject to article 11.18, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it.

**11.18 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

**11.19 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

**11.20 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

**11.21 Demand for Poll**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

**11.22 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

**11.23 Retention of Ballots and Proxies**

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

## Article 12
## Votes of Shareholders

**12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under article 12.3:

(a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

**12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

**12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

**12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of article 12.3, deemed to be joint shareholders.

**12.5 Representative of a Corporate Shareholder**

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must:

(i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;

(b) if a representative is appointed under this article 12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

**12.6 Proxy Provisions Do Not Apply to All Companies**

If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, articles 12.7 to 12.15 apply only insofar as they are not inconsistent with any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and insofar as they are not inconsistent with the regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

**12.7 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

**12.8 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

**12.9 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under article 12.5;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or

(c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

**12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

**12.11 Validity of Proxy Vote**

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) by the chair of the meeting, before the vote is taken.

**12.12 Form of Proxy**

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the shareholder): _.

Signed [month, day, year]

_____
[Signature of shareholder]

_____
[Name of shareholder—printed]

**12.13 Revocation of Proxy**

Subject to article 12.14, every proxy may be revoked by an instrument in writing that is:

(a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) provided, at the meeting, to the chair of the meeting.

**12.14 Revocation of Proxy Must Be Signed**

An instrument referred to in article 12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under article 12.5.

**12.15 Production of Evidence of Authority to Vote**

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

## Article 13
## Directors

**13.1 First Directors; Number of Directors**

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Business Corporations Act. The number of directors, excluding additional directors appointed under article 14.8, is set at:

(a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;

(b) if the Company is a public company, the greater of three and the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under article 14.4;

(c) if the Company is not a public company, the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under article 14.4.

**13.2 Change in Number of Directors**

If the number of directors is set under articles 13.1(b)(i) or 13.1(c)(i):

(a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

**13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

**13.4 Qualifications of Directors**

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the Business Corporations Act to become, act or continue to act as a director.

**13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

**13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

**13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

**13.8 Gratuity, Pension or Allowance on Retirement of Director**

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## Article 14
## Election and Removal of Directors

### 14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by article 10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

### 14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the Business Corporations Act;

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(c) with respect to first directors, the designation is otherwise valid under the Business Corporations Act.

### 14.3 Failure to Elect or Appoint Directors

If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by article 10.2, on or before the date by which the annual general meeting is required to be held under the Business Corporations Act; or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(c) the date on which his or her successor is elected or appointed; and

(d) the date on which he or she otherwise ceases to hold office under the Business Corporations Act or these Articles.

### 14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further

new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

**14.5 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

**14.6 Remaining Directors Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Business Corporations Act, for any other purpose.

**14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

**14.8 Additional Directors**

Notwithstanding articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this article 14.8 must not at any time exceed:

(a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under article 14.1(a), but is eligible for re-election or re-appointment.

**14.9 Ceasing to be a Director**

A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to articles 14.10 or 14.11.

**14.10 Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

**14.11 Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

## Article 15
## Alternate Directors

**15.1 Appointment of Alternate Director**

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

**15.2 Notice of Meetings**

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

**15.3 Alternate for More Than One Director Attending Meetings**

A person may be appointed as an alternate director by more than one director, and an alternate director:

(a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

**15.4 Consent Resolutions**

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

**15.5 Alternate Director Not an Agent**

Every alternate director is deemed not to be the agent of his or her appointor.

**15.6 Revocation of Appointment of Alternate Director**

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

**15.7 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

(a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(b) the alternate director dies;

(c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(d) the alternate director ceases to be qualified to act as a director; or

(e) his or her appointor revokes the appointment of the alternate director.

**15.8 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

## Article 16
## Powers and Duties of Directors

**16.1 Powers of Management**

The directors must, subject to the Business Corporations Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the shareholders of the Company.

### 16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## Article 17
## Disclosure of Interest of Directors

### 17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the Business Corporations Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Business Corporations Act.

### 17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### 17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

### 17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Business Corporations Act.

### 17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

**17.6 No Disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

**17.7 Professional Services by Director or Officer**

Subject to the Business Corporations Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

**17.8 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Business Corporations Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## Article 18
## Proceedings of Directors

**18.1 Meetings of Directors**

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

**18.2 Voting at Meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

**18.3 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of directors:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

**18.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this article 18.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

**18.5 Calling of Meetings**

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

**18.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in article 24.1 or orally or by telephone.

**18.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(b) the director or alternate director, as the case may be, has waived notice of the meeting.

**18.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

**18.9 Waiver of Notice of Meetings**

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to

his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

**18.10 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

**18.11 Validity of Acts Where Appointment Defective**

Subject to the Business Corporations Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

**18.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this article may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfied all the requirements of the Business Corporations Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## Article 19
## Executive and Other Committees

**19.1 Appointment and Powers of Executive Committee**

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

**19.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

(a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(iv) the power to appoint or remove officers appointed by the directors; and

(c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

**19.3 Obligations of Committees**

Any committee appointed under articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers at such times as the directors may require.

**19.4 Powers of Board**

The directors may, at any time, with respect to a committee appointed under articles 19.1 or 19.2:

(a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, the committee; and

(c) fill vacancies in the committee.

**19.5 Committee Meetings**

Subject to article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under articles 19.1 or 19.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of the committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

## Article 20
## Officers

### 20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

### 20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

### 20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the Business Corporations Act. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

### 20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## Article 21
## Indemnification

### 21.1 Definitions

In this Article 22:

(a) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(b) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(c) "expenses" has the meaning set out in the Business Corporations Act.

### 21.2 Mandatory Indemnification of Directors and Former Directors

Subject to the Business Corporations Act, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this article 21.2.

### 21.3 Indemnification of Other Persons

Subject to any restrictions in the Business Corporations Act, the Company may indemnify any person.

### 21.4 Non-Compliance with Business Corporations Act

The failure of a director, alternate director or officer of the Company to comply with the Business Corporations Act or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

### 21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(a) is or was a director, alternate director, officer, employee or agent of the Company;

(b) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(c) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

## Article 22
## Dividends

### 22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

### 22.2 Declaration of Dividends

Subject to the Business Corporations Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

### 22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under article 22.2.

### 22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

### 22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

### 22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend.

**22.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

**22.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

**22.9 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

**22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

**22.11 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

**22.12 Payment of Dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

**22.13 Capitalization of Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

## Article 23
## Accounting Records

**23.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Business Corporations Act.

**23.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

## Article 24
## Notices

**24.1 Method of Giving Notice**

Unless the Business Corporations Act or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the Business Corporations Act or these Articles to be sent by or to a person may be sent by any one of the following methods:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(e) physical delivery to the intended recipient.

**24.2 Deemed Receipt of Mailing**

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

**24.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by article 24.1, prepaid and mailed or otherwise sent as permitted by article 24.1 is conclusive evidence of that fact.

**24.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

**24.5 Notice to Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in subparagraph 24.5(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

**Article 25**
**Seal**

**25.1 Who May Attest Seal**

Except as provided in articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(a) any two directors;

(b) the President or the Secretary;

(c) any officer, together with any director;

(d) if the Company only has one director, that director; or

(e) any one or more directors or officers or persons as may be determined by the directors.

**25.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite article 25.1, the impression of the seal may be attested by the signature of any director or officer.

**25.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Business Corporations Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## Article 26
## Prohibitions

**26.1 Application**

Article 26.2 does not apply to the Company if and for so long as it is a public company.

**26.2 Consent Required for Transfer of Shares or Securities**

No securities, other than non-convertible debt securities, may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

**SCHEDULE "C"**

**COMPARISON OF NEW ARTICLES AGAINST CURRENT ARTICLES**

(See attached)

Incorporation number:

BC1337585

Name of Company

~~DESK HOLDINGS LTD~~POWERSTONE METALS CORP.
(the "Company")

Translation of Company Name
Set out every translation of the company name that the company intends to use outside of Canada, or if none, enter "not applicable".

not applicable

**ARTICLES**


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## Article 1
## Interpretation

### 1.1 Definitions

In these Articles, unless the context otherwise requires:

(a) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;

(b) "Business Corporations Act" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(c) "legal personal representative" means the personal or other legal representative of the shareholder;

(d) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;

(e) "seal" means the seal of the Company, if any~~.~~;

(f) "Securities Transfer Act" means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that act.

### 1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the Business Corporations Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Business Corporations Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Business Corporations Act will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the Business Corporations Act, the Business Corporations Act will prevail.

## Article 2
## Shares and Share Certificates

### 2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

### 2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the Business Corporations Act.

**2.3 Shareholder Entitled to Certificate or Acknowledgment**

Each shareholder is entitled, without charge, to

(a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or

(b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

**2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

**2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

(a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(b) issue a replacement share certificate or acknowledgment, as the case may be.

**2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment**

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

(a) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and

(b) any indemnity the directors consider adequate.

**2.7 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

**2.8 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the Business Corporations Act, determined by the directors.

**2.9 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

## Article 3
## Issue of Shares

**3.1 Directors Authorized**

Subject to the Business Corporations Act and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

**3.2 Commissions and Discounts**

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

**3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

**3.4 Conditions of Issue**

Except as provided for by the Business Corporations Act, no share may be issued until it is fully paid. A share is fully paid when:

(a) consideration is provided to the Company for the issue of the share by one or more of the following:

(i) past services performed for the Company;

(ii) property;

(iii) money; and

(b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

**3.5 Share Purchase Warrants and Rights**

Subject to the Business Corporations Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## Article 4
## Share Registers

**4.1 Central Securities Register**

As required by and subject to the Business Corporations Act, the Company must maintain in British Columbia a central securities register. The directors may, subject to the Business Corporations Act, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

**4.2 Closing Register**

The Company must not at any time close its central securities register.

## Article 5
## Share Transfers

**5.1 Registering Transfers**

~~A transfer of a share of the Company must not be registered unless:~~

The Company:

(a) may register a transfer of a share of the Company, if the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(i) ~~(a)~~a duly signed instrument of transfer in respect of the share ~~has been received by the Company~~;

(ii) ~~(b)~~if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(iii) ~~(c)~~if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment ~~has been surrendered to the Company.~~in respect of the shares to be transferred;

or

(b) must register a transfer of a share of the Company if all of the preconditions for a transfer of a share under the Securities Transfer Act have been met and the Company is required under the Securities Transfer Act to register the transfer.

**5.2 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates, or in accordance with the Securities Transfer Act or in any other form that may be approved by the directors or transfer agent or registrar for the class or series of share to be transferred from time to time.

**5.3 Transferor Remains Shareholder**

Except to the extent that the Business Corporations Act otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

**5.4 Signing of Instrument of Transfer**

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

**5.5 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

**5.6 Transfer Fee**

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## Article 6
## Transmission of Shares

### 6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

### 6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Business Corporations Act, the Securities Transfer Act and the directors have been deposited with the Company.

## Article 7
## Purchase of Shares

### 7.1 Company Authorized to Purchase Shares

Subject to article 7.2, the special rights and restrictions attached to the shares of any class or series and the Business Corporations Act, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

### 7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

### 7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

## Article 8
## Borrowing Powers

### 8.1 Powers of the Directors

The Company, if authorized by the directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

## Article 9
## Alterations

### 9.1 Alteration of Authorized Share Structure

Subject to article 9.2 and the Business Corporations Act, the Company may by ~~special~~directors' resolution or ordinary resolution:

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(d) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares; or

(ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(f) alter the identifying name of any of its shares; or

(g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act~~.~~;

and, alter its Notice of Articles and Articles, if required.

**9.2 Special Rights and Restrictions**

Subject to the Business Corporations Act, the Company may by special resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued~~.~~;

and alter its Notice of Articles accordingly, but no right or special right to any issued shares must be prejudiced or interfered with unless the shareholders holding shares of the class or series of shares whose right or special right is so prejudiced or interfered with consent by a special resolution of those shareholders.

**9.3 Change of Name**

The Company may by ~~special~~directors' resolution or ordinary resolution authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

**9.4 Other Alterations**

If the Business Corporations Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

**Article 10**
**Meetings of Shareholders**

**10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the Business Corporations Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

**10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the Business Corporations Act to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

**10.3 Calling of Meetings of Shareholders**

The directors may, whenever they think fit, call a meeting of shareholders.

**10.4 Notice for Meetings of Shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

**10.5 Record Date for Notice**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**10.6 Record Date for Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**10.7 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

**10.8 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of article 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

## Article 11
## Proceedings at Meetings of Shareholders

### 11.1 Special Business

At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(ix) any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### 11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

**11.3 Quorum**

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

**11.4 One Shareholder May Constitute Quorum**

If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder, and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

**11.5 Other Persons May Attend**

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

**11.6 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

**11.7 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

**11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

**11.9 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; or

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

**11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

**11.11 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

**11.13 Decisions by Show of Hands or Poll**

Subject to the Business Corporations Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

**11.14 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**11.15 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

**11.16 Casting Vote**

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

**11.17 Manner of Taking Poll**

Subject to article 11.18, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it.

**11.18 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

**11.19 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

**11.20 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

**11.21 Demand for Poll**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

**11.22 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

**11.23 Retention of Ballots and Proxies**

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection

during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

## Article 12
## Votes of Shareholders

### 12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under article 12.3:

(a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

### 12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

### 12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

### 12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of article 12.3, deemed to be joint shareholders.

### 12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must:

(i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or

if no number of days is specified, two business days before the day set for the holding of the meeting; or

(ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;

(b) if a representative is appointed under this article 12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

**12.6 Proxy Provisions Do Not Apply to All Companies**

If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, articles 12.7 to 12.15 apply only insofar as they are not inconsistent with any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and insofar as they are not inconsistent with the regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

**12.7 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

**12.8 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

**12.9 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under article 12.5;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or

(c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

**12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

**12.11 Validity of Proxy Vote**

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) by the chair of the meeting, before the vote is taken.

**12.12 Form of Proxy**

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the shareholder): __.

Signed [month, day, year]

_____
[Signature of shareholder]

_____
[Name of shareholder—printed]

**12.13 Revocation of Proxy**

Subject to article 12.14, every proxy may be revoked by an instrument in writing that is:

(a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) provided, at the meeting, to the chair of the meeting.

**12.14 Revocation of Proxy Must Be Signed**

An instrument referred to in article 12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under article 12.5.

**12.15 Production of Evidence of Authority to Vote**

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

## Article 13
## Directors

**13.1 First Directors; Number of Directors**

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Business Corporations Act. The number of directors, excluding additional directors appointed under article 14.8, is set at:

(a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;

(b) if the Company is a public company, the greater of three and the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under article 14.4;

(c) if the Company is not a public company, the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under article 14.4.

**13.2 Change in Number of Directors**

If the number of directors is set under articles 13.1(b)(i) or 13.1(c)(i):

(a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

**13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

**13.4 Qualifications of Directors**

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the Business Corporations Act to become, act or continue to act as a director.

**13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

**13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

**13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

### 13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## Article 14
## Election and Removal of Directors

### 14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by article 10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

### 14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the Business Corporations Act;

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(c) with respect to first directors, the designation is otherwise valid under the Business Corporations Act.

### 14.3 Failure to Elect or Appoint Directors

If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by article 10.2, on or before the date by which the annual general meeting is required to be held under the Business Corporations Act; or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(c) the date on which his or her successor is elected or appointed; and

(d) the date on which he or she otherwise ceases to hold office under the Business Corporations Act or these Articles.

**14.4 Places of Retiring Directors Not Filled**

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

**14.5 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

**14.6 Remaining Directors Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Business Corporations Act, for any other purpose.

**14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

**14.8 Additional Directors**

Notwithstanding articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this article 14.8 must not at any time exceed:

(a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under article 14.1(a), but is eligible for re-election or re-appointment.

**14.9 Ceasing to be a Director**

A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to articles 14.10 or 14.11.

**14.10 Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

**14.11 Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

## Article 15
## Alternate Directors

**15.1 Appointment of Alternate Director**

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

**15.2 Notice of Meetings**

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

**15.3 Alternate for More Than One Director Attending Meetings**

A person may be appointed as an alternate director by more than one director, and an alternate director:

(a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

**15.4 Consent Resolutions**

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

**15.5 Alternate Director Not an Agent**

Every alternate director is deemed not to be the agent of his or her appointor.

**15.6 Revocation of Appointment of Alternate Director**

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

**15.7 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

(a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(b) the alternate director dies;

(c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(d) the alternate director ceases to be qualified to act as a director; or

(e) his or her appointor revokes the appointment of the alternate director.

**15.8 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

## Article 16
## Powers and Duties of Directors

### 16.1 Powers of Management

The directors must, subject to the Business Corporations Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the shareholders of the Company.

### 16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## Article 17
## Disclosure of Interest of Directors

### 17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the Business Corporations Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Business Corporations Act.

### 17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### 17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

### 17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Business Corporations Act.

### 17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

### 17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

### 17.7 Professional Services by Director or Officer

Subject to the Business Corporations Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

### 17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Business Corporations Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## Article 18
## Proceedings of Directors

### 18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

### 18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### 18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

**18.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this article 18.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

**18.5 Calling of Meetings**

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

**18.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in article 24.1 or orally or by telephone.

**18.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(b) the director or alternate director, as the case may be, has waived notice of the meeting.

**18.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

**18.9 Waiver of Notice of Meetings**

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

**18.10 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

**18.11 Validity of Acts Where Appointment Defective**

Subject to the Business Corporations Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

**18.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this article may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfied all the requirements of the Business Corporations Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## Article 19
## Executive and Other Committees

### 19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### 19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(iv) the power to appoint or remove officers appointed by the directors; and

(c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### 19.3 Obligations of Committees

Any committee appointed under articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers at such times as the directors may require.

**19.4 Powers of Board**

The directors may, at any time, with respect to a committee appointed under articles 19.1 or 19.2:

(a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, the committee; and

(c) fill vacancies in the committee.

**19.5 Committee Meetings**

Subject to article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under articles 19.1 or 19.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of the committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

**Article 20**
**Officers**

**20.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

**20.2 Functions, Duties and Powers of Officers**

The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

**20.3 Qualifications**

No officer may be appointed unless that officer is qualified in accordance with the Business Corporations Act. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

**20.4 Remuneration and Terms of Appointment**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## Article 21
## Indemnification

**21.1 Definitions**

In this Article 22:

(a) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(b) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(c) "expenses" has the meaning set out in the Business Corporations Act.

**21.2 Mandatory Indemnification of Directors and Former Directors**

Subject to the Business Corporations Act, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this article 21.2.

**21.3 Indemnification of Other Persons**

Subject to any restrictions in the Business Corporations Act, the Company may indemnify any person.

**21.4 Non-Compliance with Business Corporations Act**

The failure of a director, alternate director or officer of the Company to comply with the Business Corporations Act or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

**21.5 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(a) is or was a director, alternate director, officer, employee or agent of the Company;

(b) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(c) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

## Article 22
## Dividends

**22.1 Payment of Dividends Subject to Special Rights**

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

**22.2 Declaration of Dividends**

Subject to the Business Corporations Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

**22.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under article 22.2.

**22.4 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

**22.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

**22.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend.

**22.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

**22.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

**22.9 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

**22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

**22.11 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

**22.12 Payment of Dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend

unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

**22.13 Capitalization of Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

## Article 23
## Accounting Records

**23.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Business Corporations Act.

**23.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

## Article 24
## Notices

**24.1 Method of Giving Notice**

Unless the Business Corporations Act or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the Business Corporations Act or these Articles to be sent by or to a person may be sent by any one of the following methods:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(e) physical delivery to the intended recipient.

**24.2 Deemed Receipt of Mailing**

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

**24.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by article 24.1, prepaid and mailed or otherwise sent as permitted by article 24.1 is conclusive evidence of that fact.

**24.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

**24.5 Notice to Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in subparagraph 24.5(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

## Article 25
## Seal

### 25.1 Who May Attest Seal

Except as provided in articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(a) any two directors;

(b) the President or the Secretary;

(c) any officer, together with any director;

(d) if the Company only has one director, that director; or

(e) any one or more directors or officers or persons as may be determined by the directors.

### 25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite article 25.1, the impression of the seal may be attested by the signature of any director or officer.

### 25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Business Corporations Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## Article 26
## Prohibitions

### 26.1 Application

Article 26.2 does not apply to the Company if and for so long as it is a public company.

### 26.2 Consent Required for Transfer of Shares or Securities

No securities, other than non-convertible debt securities, may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

**SCHEDULE “D”**

**BY-LAW NO. 1**

(See attached)

**BY-LAW NO. 1**

**A by-law relating generally to the transaction of the business and affairs of**

_____


| Article | Contents |
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| One | Interpretation |
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BE IT AND IT IS HEREBY ENACTED as a By-law of the Corporation as follows:

## ARTICLE 1
## INTERPRETATION

### 1.1 Definitions

In this by-law, unless the context otherwise clearly requires:

"**Act**" means the *Business Corporations Act* (Ontario), and the Regulations thereto, as amended from time to time, or any successor Act or regulations thereto, as the case may be.

"**Affiliate**", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person.

"**Applicable Securities Laws**" means the *Securities Act* (Ontario) and the equivalent legislation in or applicable to the other provinces and territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada and of any cooperative capital markets regulatory authority.

"**Articles**" means the articles (as that term is defined in the Act) of the Corporation as from time to time amended or restated.

"**Associate**", when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which

such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person.

"**Board**" means the board of directors of the Corporation.

"**Business Day**" means any day on which banks are generally open for business in Toronto, Ontario but excluding Saturdays and Sundays.

"**Corporation**" means _____.

"**owned beneficially**" or "**owns beneficially**" means, in connection with the ownership of shares in the capital of the Corporation by a person, (A) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; and (C) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities.

"**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

"**special meeting of shareholders**" includes a meeting of any class of shareholders.

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, corporations, partnerships, trusts and unincorporated organizations.

## ARTICLE 2
## EXECUTION OF DOCUMENTS

### 2.1 Execution of Instruments

Deeds, transfers, assignments, agreements, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any one director or officer of the Corporation. Notwithstanding any provision to the contrary contained in the by-laws of the Corporation, the Board may at any time or times direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

### 2.2 Banking Arrangements

All funds of the Corporation shall be deposited in its name in such account or accounts as are designated by the Board. Withdrawals from such account or accounts or the making, signing, drawing, accepting; endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money with the institution maintaining such account or accounts shall be made by such person or persons as the Board may from time to time determine.

### 2.3 Voting Rights in Other Bodies Corporate

Unless otherwise determined by the Board, any two of the directors or officers of the Corporation, as well as any person so empowered by the Board, may execute and deliver instruments of proxy appointing such persons as respectively are named therein the proxy of the Corporation to exercise the voting rights attaching to any securities held by the Corporation.

## ARTICLE 3
## DIRECTORS

### 3.1 Number of Directors and Quorum

Subject to the Articles, the Board shall consist of not greater than ten nor less than one director and the Board shall have the power to fix the number of directors within the minimum and maximum from time to time. If in respect of any year, the Board shall not so determine the number of directors, the number of directors shall be the same as in the last preceding year. A quorum for the transaction of business at any meeting of the Board shall be a majority of the number of directors then holding office.

### 3.2 Chairman of the Board

The Board may from time to time also appoint a chairman of the Board who shall be a director. If appointed, the Board may assign to him any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and he shall, subject to the provisions of the Act, the articles or any unanimous shareholder agreement, have such other powers and duties as the Board may specify. During the absence or disability of the chairman of the Board, his/her duties shall be performed and his/her powers exercised by the managing director, if any, or by the president.

### 3.3 Qualification

No person shall be qualified for election as a director if he is less than eighteen years of age; if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he is not a individual; or if he has the status of a bankrupt. A director need not be a shareholder.

### 3.4 Election and Term

The election of directors shall take place at the first meeting of shareholders and at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The election shall be by resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

### 3.5 Removal of Directors

Subject to the provisions of the Act, the shareholders may by resolution passed at an annual or special meeting remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the directors.

### 3.6 Vacation of Office

A director ceases to hold office when he dies; he is removed from office by the shareholders; he ceases to be qualified for election as a director; or his/her written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

### 3.7 Vacancies

Subject to the Act, a quorum of the Board may fill a vacancy in the Board, except a vacancy resulting from an increase in the number of directors or in the maximum number of directors or from a failure of the shareholders to elect the number of directors. In the absence of a quorum of the Board, or if the vacancy has arisen from a failure of the shareholders to elect the number of directors, the Board shall forthwith call a special meeting or if there are no such directors then in office, any shareholder may call the meeting.

### 3.8 Meetings by Telephone

If all the directors present at or participating in a meeting of directors consent, a director may participate in a meeting of the Board or of a committee of the Board by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board held while a director holds office.

### 3.9 Place of Meetings

Meetings of the Board may be held at any place within or without Ontario. In any financial year of the Corporation a majority of the meetings of the Board need not be held within Canada.

### 3.10 Calling of Meetings

(a) Any one officer of the Corporation who is a director, or any two directors, may at any time and from time to time call a meeting of the Board to be held on any Business Day at the time and place determined by the Board or by the person(s) calling the meeting. Meetings of the Board may be held in any place within or outside Canada, provided that in any financial year of the Corporation a majority of the meetings of the Board shall be held within Canada.

(b) If a quorum of directors is present, each newly elected Board may, without notice, hold its first meeting for the purpose of its organization and the election or appointment of officers, immediately following the meeting of shareholders at which such Board was elected.

### 3.11 Notice of Meeting

(a) Notice of the time and place of each meeting of the Board shall be given in the manner provided in Section 10.1 to each director not less than 48 hours before the time when the meeting is to be held. Notice of a meeting of directors shall specify the purpose of or the general nature of the business to be transacted at the meeting as regards those matters which reasonably can be considered to be material.

(b) A director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

### 3.12 Adjourned Meeting

Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

### 3.13 Regular Meetings

The Board may by resolution appoint a Business Day or Business Days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

### 3.14 Resolution in Lieu of Meeting

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, isas valid as it had been passed at a meeting of directors or committee of directors.

### 3.15 Chairman

The chairman of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: Chairman of the Board, Chief Executive Officer, President, Executive Vice-President, or a Vice- President. If no such officer is present, the directors present shall choose one of their number to be chairman.

### 3.16 Votes to Govern

At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question. In case of any equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

### 3.17 Conflict of Interest

A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation shall disclose the nature and extent of his/her interest at the time and in the manner provided by the Act. Any such contract or proposed contract shall be referred to the Board or shareholders for approval even if such

contract is one that in the ordinary course of the Corporation's business would not require approval by the Board or shareholders, and a director interested in a contract so referred to the Board shall not vote at or attend any portion of the meeting as it pertains to any resolution to approve the same except as provided by the Act.

### 3.18 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof to the extent that the Board authorizes. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

### 3.19 Advance Notice of Nominations of Directors

(a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

(i) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a "**Nominating Shareholder**") (A) who, at the close of business on the date of the giving of the notice provided for below in this section 2 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this Section 3.19.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation in accordance with this Section 3.19 and (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in Section 3.19(e).

(c) To be timely under Section 3.19, a Nominating Shareholder's notice to the Secretary of the Corporation must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the

Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Section 3.19(c).

(d) To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation under Section 3.19(b)(i), must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52 110 - *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended, or pursuant to any regulations or statutes which may supersede such provisions, from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

(e) To be eligible to be a candidate for election as a director of the Corporation and to be duly nominated, a candidate must be nominated in the manner prescribed in this Section 3.19 and the candidate for nomination, whether nominated by the Board or otherwise, must have previously delivered to the Secretary of the Corporation at the principal executive offices of the Corporation, not less than 5 days prior to the date of the meeting of shareholders, a written representation and agreement (in form provided by the Corporation) that such candidate for nomination, if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Corporation applicable to directors and in effect during such person's term in office as a

director (and, if requested by any candidate for nomination, the Secretary of the Corporation shall provide to such candidate for nomination all such policies and guidelines then in effect).

(f) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 3.19; provided, however, that nothing in this Section 3.19 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(g) Notwithstanding any other provision to this Section 3.19, notice or any delivery given to the Secretary of the Corporation pursuant to this Section 3.19 may only be given by personal delivery, facsimile transmission or by email (provided that the Secretary of the Corporation has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(h) In no event shall any adjournment or postponement of a meeting of shareholders or an announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in Section 3.19(c) or the delivery of a representation and agreement as described in Section 3.19(e).

(i) Notwithstanding the foregoing provisions of this Section 3.19, the provisions of this Section 3.19 shall not take effect until approved by shareholders at a meeting of shareholders.

## ARTICLE 4
## COMMITTEES

### 4.1 Committee of Directors

The Board may appoint, by a resolution of the Board, committees of directors and delegate to any such committee any of the powers of the Board except those which, under the Act, cannot be so delegated.

### 4.2 Transaction of Business

The powers of a committee of directors may be exercised by a meeting at which a quorum of each committee is present or by a resolution in writing signed by all the members of such committee who would lime been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

### 4.3 Procedure

Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

## ARTICLE 5

### 5.1 Appointment

The Board may from time to time designate the offices of the Corporation, including but without limitation, Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), Chief Operating Officer and Secretary, and may specify the duties attaching to such offices, appoint officers, and subject to the provisions of this by-law and the Act, delegate to such officers powers to manage the business and affairs of the Corporation in any particular manner in which the Board sees fit. Without limiting the generality of the foregoing, the Board may at any time and from time to time, but subject to this by-law and the Act, vary, add to, remove or otherwise limit the powers and duties of any officer of the Corporation. In addition, any of the powers and duties of an officer to whom an assistant has been appointed by the Board may be exercised and performed by such assistant unless the Board, the Chairman of the Board, the President or the Chief Operating Officer otherwise directs.

### 5.2 Officers of Divisions

From time to time, the Board or any officer of the Corporation duly authorized may appoint one or more officers for any division of the business or of any branch office of the Corporation, prescribe their powers and duties and settle their terms of employment and remuneration. The Board or any such officer may remove at its or his/her pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of such divisions or branch offices shall not, as such, be officers of the Corporation.

### 5.3 Holding of Office

Each officer shall hold office until he resigns, his/her successor is appointed or he is removed from such office by the Board.

### 5.4 Agents and Attorneys

The Board shall have power from time to time to appoint agents or attorneys of the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

### 5.5 Fidelity Bonds

The Board may at any time require any officer, employee or agent of the Corporation as the Board deems advisable to furnish a bond for the faithful discharge of his/her powers and duties, in such form and with such surety as the Board may from time to time determine.

## ARTICLE 6
## PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

### 6.1 Limitation of Liability

No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss Toned by any error of judgment or oversight on his/her part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his/her office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

### 6.2 Indemnity

Subject to the Act, the Corporation shall indemnify each director and officer of the Corporation, each former director and officer of the Corporation, and each person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor (or a person who undertakes or has undertaken any liability on behalf of the Corporation or any such body corporate), and his/her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (i) he acted honestly and in good faith with a view to the best interests of the Corporation; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his/her conduct was lawful.

### 6.3 Insurance

Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the Board may from time to time determine.

## ARTICLE 7
## SHARES

### 7.1 Allotment

The Board may from time to time allot, or grant options to purchase any of the authorized and unissued shares of the Corporation at such time and to such persons and for such consideration as the Board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

### 7.2 Commissions

The Board may from time to time authorize the Corporation to pay a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

### 7.3 Registration of Transfer

Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by his/her attorney or successor duly appointed and authorized, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board.

### 7.4 Transfer Agents and Registrars

The Board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The Board may at any time terminate any such appointment.

### 7.5 Non-Recognition of Trusts

Subject to the provisions of the Act, the Corporation shall treat as the absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice of description in the Corporation's records or on the share certificate.

### 7.6 Share Certificates

Every holder of one or more shares in the capital of the Corporation shall be entitled, at his/her option, to a share certificate, or to a non-transferable written acknowledgment of his/her right to obtain a share certificate, stating the number and class or series of shares in the capital of the Corporation held by him as shown on the register thereof. Subject to the Act, share certificates and acknowledgements of a shareholder's right to obtain a share certificate shall be in such respective forms as the Board shall from time to time approve. Any share certificate shall be signed in accordance with Section 2.1 hereof and need not be under the corporate seal; provided that, unless the Board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. A share certificate shall be manually signed by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent, branch transfer agent or other authenticating agent of the Corporation. In addition to the foregoing, a share certificate may be executed and delivered by the Corporation if the signatures therein are printed, engraved, lithographed or otherwise mechanically reproduced in facsimile. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the directors or officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

In the event it is, or becomes, permitted pursuant to the Act, the directors may provide by resolution that any or all classes and series of shares or other securities of the Corporation shall be uncertificated securities, provided that the Corporation complies with the Act in respect of the issuance of such uncertificated securities.

### 7.7 Replacement of Share Certificates

Where the registered holder of a share certificate claims that the share certificate has been lost, apparently destroyed or wrongfully taken, the Corporation shall issue a new share certificate in place of the original share certificate if such holder:

(a) so requests in writing before the Corporation has notice that the share certificate has been acquired by a bona fide purchaser;

(b) files with the Corporation an indemnity bond sufficient in the Corporation's opinion to protect the Corporation and any transfer agent, registrar or other agent of the Corporation from any loss that any of them may respectively suffer by complying with the request to issue anew share certificate; and

(c) satisfies any other reasonable requirements imposed by the Corporation and its transfer agents;

and the Board may, in its discretion, if requested by a shareholder, waive any or all of the above requirements as regards such shareholder and substitute other requirements to be satisfied as a condition to the granting of any such waiver.

### 7.8 Joint Shareholders

If two or more persons are registered as joint holders of any share in the capital of the Corporation, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus; return of capital or other money payable or warrant issuable in respect of such share in the capital of the Corporation.

### 7.9 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share in the capital of the Corporation, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

## ARTICLE 8
## DIVIDENDS

### 8.1 Dividend Cheques

A dividend payable in cash shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared, as at the record date for the determination of shareholders entitled to receive such dividend, which cheque shall be delivered or mailed by prepaid ordinary mail to such registered holder at his/her last recorded address appearing in the securities register of the Corporation, unless such holder otherwise directs in writing. In the case of joint holders, the cheque shall, unless such joint holders otherwise direct in writing, be made payable to the order of all of such joint holders and delivered or mailed to them at their last recorded address appearing in the securities register of the Corporation and, if more than one address appears on the securities register of the Corporation in respect of such joint holders, the cheque shall be delivered or mailed, in the manner aforesaid, to the first address

so appearing. The delivery or mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

### 8.2 Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

### 8.3 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## ARTICLE 9
## MEETINGS OF SHAREHOLDERS

### 9.1 Annual Meetings

The annual meeting of the shareholders of the Corporation shall be held on any Business Day at such time in each year and, subject to Section 9.3, at such place as the Board may from time to time determine, for the purpose of there being placed before the meeting the financial statements and reports required by the Act to be placed before the shareholders of the Corporation at an annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

### 9.2 Special Meetings

Subject to the Act, the Board shall have power to call a special meeting of shareholders of the Corporation to be held on any Business Day at the time and place determined by the Board.

### 9.3 Place of Meetings

Subject to the Articles, a meeting of shareholders of the Corporation shall be held at such place in or outside of the Province of Ontario as the Board may determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

### 9.4 Notice of Meetings

Notice of the time and place of each meeting of shareholders of the Corporation shall be given in the manner provided in Section 10.1 not less than 21 days nor more than 50 days before the date of the meeting to each director of the Corporation, to the auditor of the Corporation and to each shareholder of the Corporation who, at the close of business on the record date, if any, for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at or entitled to receive notice of the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder may in any manner waive notice of or otherwise consent to a meeting of shareholders.

### 9.5 Record Date for Notice

The Board may fix in advance a date preceding the date of any meeting of shareholders by not more than 60 days and not less than 30 days, as a record date for the determination of the shareholders entitled to receive notice of the meeting and notice of any such record date shall be given not less than 7 days before such record date in the manner provided in the Act and in the Securities Act (Ontario) in force from time to time and by written notice to each stock exchange in Canada upon which any class of shares in the capital of the Corporation are then listed for trading. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the day immediately preceding the day on which the notice is given.

### 9.6 Chairman, Secretary and Scrutineers

The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers of the Corporation as have been appointed and who is present at the meeting: Chairman of the Board, Chief Executive Officer, President, Executive Vice-President or a Vice- President. If no such officer is present within 15 minutes after the time fixed for the holding of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the Secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution of the meeting or by the chairman with the consent of the meeting.

### 9.7 Persons Entitled to be Present

The only persons entitled to be present at a meeting of the shareholders of the Corporation shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

### 9.8 Quorum

Any two shareholders holding 5% of the shares of the Corporation entitled to vote at a meeting of the shareholders of the Corporation, whether present in person or represented by proxy, constitute a quorum. If a quorum is present at the opening of a meeting of the shareholders of the Corporation, the shareholders present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for a meeting of shareholders, or within such reasonable time thereafter as the shareholders present may determine, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

### 9.9 Joint Shareholders

If two or more persons hold shares jointly, any one of such persons present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but, if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one on the shares jointly held by them.

### 9.10 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the Articles or by-laws or by law, be determined by the majority of the votes cast on the question. In case of an equality

of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

**9.11 Voting**

(a) Voting at a meeting of shareholders shall be by show of hands except where a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting. A shareholder or proxyholder may demand a ballot either before or after any vote by show of hands. Upon a show of hands, every person present and entitled to vote has one vote. Whenever a vote by show of hands has been taken upon a motion, unless a ballot thereon is demanded, a declaration by the chairman of the meeting that the vote upon the motion has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting is prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the motion, and the result of the votes so taken is a decision of the shareholders of the Corporation upon the motion. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot.

(b) Upon a ballot, each shareholder of the Corporation who is present or represented by proxy is entitled, in respect of the shares which he is entitled to vote at the meeting upon the motion, to that number of votes provided by the Act or the Articles in respect of those shares and the result of the ballot is the decision of the shareholders of the Corporation upon the motion.

**9.12 Adjournment**

If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement of the adjournment at the meeting which has been adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

## ARTICLE 10
## NOTICES

**10.1 Method of Giving Notices**

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the Articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his/her recorded address or if mailed to him at his/her recorded address by prepaid ordinary or air mail or if sent to him at his/her recorded address by means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when delivered or when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communications company or agency or its representative for dispatch. The Secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by him to be reliable.

### 10.2 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

### 10.3 Computation of Time

Unless otherwise provided for in the Act, in computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

### 10.4 Undelivered Notices

If any notice given to a shareholder pursuant to Section 10.1 is returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his/her new address.

### 10.5 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

### 10.6 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of any share which shall have been duly given to the shareholder from whom he derives his/her title to such share prior to his/her name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his/her furnishing to the Corporation the proof of authority or evidence of his/her entitlement prescribed by the Act.

### 10.7 Waiver of Notice

Any shareholder (or his/her duly appointed proxyholder), director, officer, auditor or member of a committee of the Board may at any time waive notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the Articles, the by- laws or otherwise and such waiver or abridgment shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgment shall be in writing except a waiver of notice of a meeting of shareholders or of the Board or of a committee of the Board, which may be given in any manner.

### 10.8 Signature of Notice

The signature of any notice to be given by the Corporation may be written or printed or partly written and partly printed.

## ARTICLE 11
## FISCAL YEAR

### 11.1 Fiscal Year

The financial or fiscal year of the Corporation shall be as determined from time to time by the Board by resolution.

**SCHEDULE "E"**

**SECTIONS 237-247 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)**

**Division 2 — Dissent Proceedings**

**Definitions and application**

**237** (1) In this Division:

**"dissenter"** means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

**"notice shares"** means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

**"payout value"** means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

**Right to dissent**

**238** (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on; or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for
(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

**Waiver of right to dissent**

**239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
(a) provide to the company a separate waiver for
(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

**Notice of resolution**

**240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
(a) a copy of the proposed resolution, and
(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is

specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

**Notice of court orders**

**241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

**Notice of dissent**

**242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

**Notice of intention to proceed**

**243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

**Completion of dissent**

**244** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

**Payment for notice shares**

**245** (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(c) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court, join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(d) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)

(a) of this section, the company must

(b) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(c) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the

company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

**Loss of right to dissent**

**246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**Shareholders entitled to return of shares and rights**

**247** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

**SCHEDULE "F"**

**RESULTING ISSUER EQUITY INCENTIVE PLAN**

(See attached)

# POWERSTONE METALS CORP. 2022 EQUITY INCENTIVE PLAN

1. Purpose; Eligibility.

1.1 General Purpose. The name of this plan is the Powerstone Metals Corp. 2022 Equity Incentive Plan (the "**Plan**"). The purposes of the Plan are to (a) enable Powerstone Metals Corp., a British Columbia corporation (the "**Company**"), and any Affiliate to attract and retain the types of Employees, Consultants and Directors who will contribute to the Company's long range success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Company; and (c) promote the success of the Company's business.

1.2 Eligible Award Recipients. The persons eligible to receive Awards are the Employees, Consultants and Directors of the Company and its Affiliates and such other individuals designated by the Committee who are reasonably expected to become Employees, Consultants and Directors after the receipt of Awards.

1.3 Available Awards. Awards that may be granted under the Plan include:

(a) Stock Options;

(b) Share Appreciation Rights;

(c) Restricted Awards;

(d) Performance Compensation Awards;

(e) Performance Share Awards; and

(f) Other Equity-Based Awards.

2. Definitions.

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 - Prospectus Exemptions, as amended from time to time.

"**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Company or the Plan.

"**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated.

"**Award**" means any right granted under the Plan, including a Stock Option, a Share Appreciation Right, a Restricted Award, a Performance Share Award, a Performance Compensation Award, or an Other Equity-Based Award.

"**Award Agreement**" means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

"**Bank of Canada Rate**" means the exchange rate for the applicable currency published by the Bank of Canada on the relevant date.

"**Beneficiary**" means, subject to applicable law, any Person designated by a Participant by written instrument filed with the Company in such form as may be approved from time to time by the Company, to receive any amount payable under the Plan in the event of a Participant's death or, failing any such effective designation, the Participant's estate.

"**Blackout Period**" means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company's securities.

"**Board**" means the Board of Directors of the Company, as constituted at any time.

"**Business Day**" means any day on which the Canadian Securities Exchange is open for business other than a Saturday, Sunday or any other day on which the principal chartered banks located in Vancouver, British Columbia are not open for business.

"**Cash Award**" means an Award denominated in cash that is granted under Section 7.5 of the Plan.

"**Cause**" means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

(a) if the Participant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or

(b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Company to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (ii) material fiduciary breach with respect to the Company or an Affiliate; (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iv) gross negligence or willful misconduct with respect to the Company or an Affiliate; (v) material violation of Applicable Laws; or (vi) the willful failure of the Participant to properly carry out their duties on behalf of the Company or to act in accordance with the reasonable direction of the Company.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

(a) gross misconduct or neglect;

(b) willful conversion of corporate funds; or

(c) false or fraudulent misrepresentation inducing the director's appointment.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

"**Change in Control**" means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

(a) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Company or any wholly owned subsidiary of the Company) thereafter acquires the direct or indirect beneficial ownership of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a Take-over Bid, an issuance or exchange of securities, an amalgamation of the Company with any other Person, an arrangement, a capital reorganization or any other business combination or reorganization;

(b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly owned subsidiary of the Company);

(c) the date which is 10 Business Days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned subsidiaries of the Company prior to such event;

(d) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);

(e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred; or

(f) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election.

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization.

"**Committee**" means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3 and Section 3.4; provided, however, if such a

committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board.

"**Common Share**" means a common share in the capital of the Company, or such other security of the Company as may be designated by the Committee from time to time in substitution thereof.

"**Company**" means Powerstone Metals Corp., and any successor thereto.

"**Company Group**" means the Company and its subsidiaries and Affiliates.

"**Constructive Dismissal**", unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal.

"**Consultant**" means any individual or entity engaged by the Company or any Affiliate to render consulting or advisory services, other than as an Employee or Director, and whether or not compensated for such services.

"**Continuing Entity**" has the meaning ascribed thereto in Section 11.2.

"**Continuous Service**" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 9.4. The Committee or its delegate, in its sole discretion, may determine whether a Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

"**Control Period**" means the period commencing on the date of the Change in Control and ending 180 days after the date of the Change in Control.

"**Deferred Share Units**" or "**DSUs**" has the meaning set forth in Section 7.2 hereof.

"**Director**" means a member of the Board.

"**Disability**" means, unless an employment agreement or the applicable Award Agreement says otherwise, that the Participant:

(a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an officer or employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or

(b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

"**Dividend Equivalent**" has the meaning ascribed to such term in Section 7.2(c).

"**Effective Date**" shall mean the date as of which this Plan is adopted by the Board.

"**Eligible Person**" means any Director, officer, Employee or Consultant of the Company or an Affiliate.

"**Employee**" means any person, including an officer or Director, employed by the Company or an Affiliate. Mere service as a Director or payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company or an Affiliate.

"**Employer**" means, with respect to an Employee, the entity in the Company Group that employs the Employee or that employed the Employee immediately prior to their Termination of Continuous Service.

"**Exchange**" means the Canadian Securities Exchange, or any successor entity, which is the principal stock exchange on which the Shares are listed for trading.

"**Expiry Date**" has the meaning ascribed thereto in Section 6.2.

"**Fair Market Value**" means, as of any particular date, the value of the Common Shares as determined by the Committee in accordance with the following: (a) if the Common Shares are listed on the Exchange, the Fair Market Value shall be the closing price of a Common Share on the Exchange during the last trading day prior to that particular date on which at least a board lot of Common Shares has so traded or, if a board lot has not traded on a particular day, the average of the bid and asked prices; (b) if the Common Shares are not then listed and posted for trading on the Exchange, then the Fair Market Value shall mean the closing price of a Common Share on such stock exchange in Canada or the United States on which the Common Shares are then listed and posted for trading during the last trading day prior to that particular date (and, if in United States dollars, converted to Canadian dollars using the Bank of Canada Rate) or, (c) if the Common Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the Fair Market Value shall mean the fair market value per Common Share (in Canadian dollars) as determined in good faith by the Committee in its sole discretion, and such determination shall be conclusive and binding on all persons.

"**Fiscal Year**" means the Company's fiscal year.

"**Free-Standing Rights**" has the meaning set forth in Section 7.1(a).

"**Grant Date**" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

"**Insider**" has the meaning attributed to "reporting insider" in National Instrument 55-104 – Insider Reporting Requirements and Exemptions, as amended from time to time.

"**ITA**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

"**Leave of Absence**" means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to their Employer or any other entity in the Company Group.

"**Negative Discretion**" means the discretion authorized by the Plan to be applied by the Committee to eliminate or reduce the size of a Performance Compensation Award in accordance with Section 7.6(d)(iv) of the Plan.

"**Notice of Exercise**" means a notice substantially in the form set out in the Award Agreement, or if such agreement does not set out the form, the form set out by the Committee, as amended from time to time, or a form satisfactory to the Company.

"**Option**" means a Stock Option granted to a Participant pursuant to the Plan.

"**Option Exercise Price**" means the price at which a Common Share may be purchased upon the exercise of an Option.

"**Option Limit**" has the meaning set forth in Section 4.3.

"**Optionholder**" means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option.

"**Other Equity-Based Award**" means an Award that is not an Option, Share Appreciation Right, Restricted Share Unit, Performance Share Unit, Deferred Share Unit or Performance Share Award that is granted under Section 7.5 and is payable by delivery of Common Shares and/or which is measured by reference to the value of the Common Shares.

"**Participant**" means an Eligible Person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award.

"**Participant Information**" has the meaning set forth in Section 13.16(a).

"**Performance Compensation Award**" means any Award designated by the Committee as a Performance Compensation Award pursuant to Section 7.6 of the Plan.

"**Performance Criteria**" or "**Performance Criterion**" means the criteria or criterion that the Committee shall select for purposes of establishing the Performance Goals for a Performance Period with respect to any Performance Compensation Award under the Plan. The Performance Criteria that will be used to establish the Performance Goals shall be based on the attainment of specific levels of performance of the Company (or Affiliate, division, business unit or operational unit of the Company) and may include one or more of the following:

(a) net earnings or net income (before or after taxes);

(b) basic or diluted earnings per share (before or after taxes);

(c) net revenue or net revenue growth;

(d) gross revenue;

(e) gross profit or gross profit growth;

(f) net operating profit (before or after taxes);

(g) return on assets, capital, invested capital, equity or sales;

(h) cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital);

(i) earnings before or after taxes, interest, depreciation and/or amortization;

(j) gross or operating margins;

(k) improvements in capital structure;

(l) budget and expense management;

(m) productivity ratios;

(n) economic value-added or other value-added measurements;

(o) share price (including, but not limited to, growth measures and total shareholder return);

(p) expense targets;

(q) margins;

(r) operating efficiency;

(s) working capital targets;

(t) enterprise value;

(u) safety record; and

(v) completion of acquisitions or business expansion.

Any one or more of the Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or an Affiliate as a whole or any division, business unit or operational unit of the Company and/or an Affiliate or any combination thereof, as the Committee may deem appropriate, or as compared to the performance of a group of comparable companies, or published or special index that the Committee, in its sole discretion, deems appropriate. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. In the event that Applicable Laws permit the Committee discretion to alter the governing Performance Criteria without obtaining security holder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining security holder approval.

"**Performance Formula**" means, for a Performance Period, the one or more objective formulas applied against the relevant Performance Goal to determine, with regard to the Performance Compensation Award of a particular Participant, whether all, some portion but less than all, or none of the Performance Compensation Award has been earned for the Performance Period.

"**Performance Goals**" means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time, in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants based on the following events:

(a) asset write-downs;

(b) litigation or claim judgments or settlements;

(c) the effect of changes in tax laws, accounting principles, or other laws or regulatory rules affecting reported results;

(d) any reorganization and restructuring programs;

(e) extraordinary, unusual or infrequently occurring items as described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to security holders for the applicable year;

(f) acquisitions or divestitures;

(g) any other specific unusual or nonrecurring events, or objectively determinable category thereof;

(h) foreign exchange gains and losses; and

(i) a change in the Company's fiscal year.

"**Performance Period**" means the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Performance Award.

"**Performance Share Unit**" or "**PSU**" means a unit designated as a Performance Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted pursuant to Section 7.3 to the Participant to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, subject to the achievement of Performance Goals and the satisfaction of such other conditions to vesting, if any, as may be determined by the Committee.

"**Permitted Reorganization**" means a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization.

"**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"**Plan**" means this Powerstone Metals Corp. 2022 Equity Incentive Plan, as amended and/or amended and restated from time to time.

"**Related Rights**" has the meaning set forth in Section 7.1(a).

"**Restricted Award**" means any Award granted pursuant to Section 7.2 to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"**Restricted Period**" means the period during which a Restricted Award is subject to vesting or other restrictions in accordance with its terms.

"**Restricted Share Unit**" or "**RSU**" means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 7.2(a) to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"**Retirement**" or "**Retire**" means, unless otherwise defined in the Participant's employment agreement, executive agreement or in the applicable Award Agreement, the normal retirement age of the Participant pursuant to the applicable regulations of the jurisdiction of their employment or such earlier retirement age, with consent of the Employer, if applicable.

"**Sale**" means the sale of all or substantially all of the assets of the Company as an entirety or substantially as an entirety to any person or entity (other than a wholly owned subsidiary of the Company) under circumstances such that, following the completion of such sale, the Company will cease to carry on an active business, either directly or indirectly through one or more subsidiaries.

"**Service Year**" has the meaning ascribed to such term in Section 7.2(a).

"**Settlement Date**" has the meaning ascribed to such term in Section 7.2(f).

"**Share Appreciation Right**" means the right pursuant to an Award granted under Section 7.1 to receive, upon exercise, an amount payable in cash or shares equal to the number of shares subject to the Share Appreciation Right that is being exercised, multiplied by the excess of (a) the Fair Market Value of a share of Common Shares on the date the Award is exercised, over (b) the exercise price specified in the Share Appreciation Right Award Agreement.

"**Share Unit**" means either an RSU, PSU or Dividend Equivalent as the context requires.

"**Share Unit Account**" has the meaning ascribed to such term in Section 7.4.

"**Stock Option**" means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan.

"**Subsidiary**" means any entity that is a "subsidiary" for the purposes of National Instrument 45-106 - Prospectus Exemptions, as amended from time to time.

"**Substitute Award**" has the meaning set forth in Section 4.5.

"**Substitution Event**" means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise.

"**Take-over Bid**" means a take-over bid as defined in National Instrument 62-104 – Take-over Bids and Issuer Bids, as amended from time to time.

"**Termination of Continuous Service**" means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Company or an Affiliate for any reason, including death, Retirement, or resignation with or without cause. For the purposes of the Plan, a Participant's employment or retention with the Company or an Affiliate shall be considered to have terminated effective on the last day of the Participant's actual and active employment or retention with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Company or Affiliate, and whether with or without advance notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant's last day of actual and active employment or retention shall be considered as extending the Participant's period of employment or retention for the purposes of determining their entitlement under the Plan. A Participant's transfer of employment to another Employer within the Company Group will not be considered a Termination of Continuous Service.

"**Total Share Reserve**" has the meaning set forth in Section 4.1.

"**Vesting Date**" means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

3. Administration.

3.1 Authority of Committee. The Plan shall be administered by the Committee or, in the Board's sole discretion, by the Board. Subject to the terms of the Plan, the Committee's charter and Applicable Laws,

and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:

(a) to construe and interpret the Plan and apply its provisions;

(b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;

(c) to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(d) to determine when Awards are to be granted under the Plan and the applicable Grant Date;

(e) from time to time to select, subject to the limitations set forth in this Plan, to determine those Participants to whom Awards shall be granted;

(f) to determine the number of Common Shares to be made subject to each Award;

(g) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;

(h) to determine the target number of Performance Shares to be granted pursuant to a Performance Share Award, the performance measures that will be used to establish the Performance Goals, the performance period(s) and the number of Performance Shares earned by a Participant;

(i) to designate an Award (including a Cash Award) as a Performance Compensation Award and to select the Performance Criteria that will be used to establish the Performance Goals;

(j) to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that if any such amendment impairs a Participant's rights or increases a Participant's obligations under their Award or creates or increases a Participant's income tax liability with respect to an Award, such amendment shall also be subject to the Participant's consent;

(k) to determine the duration and purpose of leaves of absences that may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies;

(l) to make decisions with respect to outstanding Awards that may become necessary upon a change in control or an event that triggers anti-dilution adjustments;

(m) to interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;

(n) subject to applicable law, to delegate to any Director or Employee such duties and powers relating to the Plan as it may see fit;

(o) to seek recommendations from the Chairman or from the Chief Executive Officer of the Company;

(p) to appoint or engage a trustee, custodian or administrator to administer or implement the Plan; and

(q) to exercise discretion to make any and all other determinations that it determines to be necessary or advisable for the administration of the Plan.

The Committee also may modify the purchase price or the exercise price of any outstanding Award, provided that if the modification effects a repricing, security holder approval shall be required before the repricing is effective.

3.2 Committee Decisions Final. All decisions made by the Committee pursuant to the provisions of the Plan shall be conclusive and binding on the Company and the Participants.

3.3 Delegation. The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan. The members of the Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members, and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.

3.4 Committee Composition. Except as otherwise determined by the Board, the Committee shall consist solely of two or more non-Employee Directors. Within the scope of such authority, the Board or the Committee may delegate to a committee of one or more members of the Board who are not non-Employee Directors the authority to grant Awards to Eligible Persons. Nothing herein shall create an inference that an Award is not validly granted under the Plan in the event Awards are granted under the Plan by a compensation committee of the Board that does not at all times consist solely of two or more non-Employee Directors.

3.5 Indemnification. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit or proceeding, or in connection with any appeal therein, to which the

Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (provided, however, that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee did not act in good faith and in a manner that such person reasonably believed to be in the best interests of the Company or, in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; provided, however, that within 60 days after the institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

4. Shares Subject to the Plan.

4.1 Subject to adjustment in accordance with Section 10, the aggregate number of Common Shares of the Company which may be available for the grant of Awards under the Plan other than Stock Options will not exceed 2,000,000 (the "**Non-Option Limit**").

4.2 Subject to adjustment in accordance with Section 10, no more than 10% of the total number of Common Shares issued and outstanding from time to time may be issued in the aggregate pursuant to the exercise of Stock Options (the "**Option Limit**").

4.3 During the terms of the Awards, the Company shall keep available at all times the number of Common Shares required to satisfy such Awards.

4.4 Common Shares available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares reacquired by the Company in any manner.

4.5 Any Common Shares subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Award related will again be available for issuance under the Plan.

4.6 Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines ("**Substitute Awards**"). Substitute Awards shall not be counted against the Non-Option Limit; provided that, Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding options intended to qualify as Stock Options shall be counted against the Option Limit.

5. Eligibility.

5.1 Eligibility for Specific Awards. Awards may be granted to Employees, Consultants and Directors and those individuals whom the Committee determines are reasonably expected to become Employees, Consultants and Directors following the Grant Date.

6. Option Provisions.

6.1 Award Agreement. Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award

Agreement. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions in this Section 6.

6.2 Term. No Stock Option shall be exercisable after the expiration of 10 years from the Grant Date or such shorter period as set out in the Optionholder's Option Agreement ("**Expiry Date**"), at which time such Option will expire. Notwithstanding any other provision of this Plan, each Option that would expire during or within 10 Business Days immediately following a Blackout Period shall expire on the date that is 10 Business Days immediately following the end of the Blackout Period.

6.3 Exercise Price of a Stock Option. The Option Exercise Price of each Stock Option shall be fixed by the Committee on the Grant Date and will not be less than the 100% of the Fair Market Value of the Common Shares as of the Grant Date, subject to all applicable regulatory requirements. The Exercise Price shall be stated and payable in Canadian dollars.

6.4 Manner of Exercise. A vested Option or any portion thereof may be exercised by the Optionholder delivering to the Company a Notice of Exercise signed by the Optionholder or their legal personal representative, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, payable, to the extent permitted by Applicable Laws, either:

(a) in cash or by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Committee; or

(b) in the discretion of the Committee, upon such terms as the Committee shall approve, pursuant to a broker-assisted cashless exercise, whereby the Optionholder shall elect on the Notice of Exercise to receive:

(i) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the Option (or portion thereof being exercised) by a securities dealer designated by the Company, less the aggregate Exercise Price, any Applicable Withholding Taxes, and any transfer costs charged by the securities dealer to sell the Common Shares;

(ii) an aggregate number of Common Shares that is equal to the number of Common Shares underlying the Option (or portion thereof being exercised) minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Company as required to realize cash proceeds equal to the aggregate Exercise Price, any Applicable Withholding Taxes and any transfer costs charged by the securities dealer to sell the Common Shares;

(iii) a combination of (i) and (ii); or

(iv) in any other form of legal consideration that may be acceptable to the Committee.

Subject to Section 8, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Optionholder as fully paid and non-assessable, following

which the Optionholder shall have no further rights, title or interest with respect to such Option or portion thereof.

6.5 Surrender of Option. As an alternative to the exercise of an Option pursuant to Section 6.4, an Optionholder may elect to surrender for cancellation, unexercised, any vested Option that is otherwise then exercisable and, in consideration for such surrender for cancellation, to receive a cash payment in an amount equal to the positive difference, if any, obtained by subtracting the aggregate Exercise Price of the surrendered Option from the then current Fair Market Value of the Common Shares subject to the surrendered Option, less Applicable Withholding Taxes. The Committee has the sole discretion to consent to or disapprove of the election of the Optionholder to surrender any vested Option pursuant to this Section 6.5. If the Committee disapproves of the election, the Optionholder may (i) exercise the Option under Section 6.4, or (ii) retract the request to surrender such Option and retain the Option. If the Committee consents to the election, the Company shall make the cash payment to the Optionholder in respect of the surrendered Option within 30 days. Any cash payment in accordance with this Section 6.5 shall be payable in Canadian dollars.

6.6 Transferability of a Stock Option. A Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

6.7 Vesting of Options. Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event.

6.8 Termination of Continuous Service. Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 6 or pursuant to the terms provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, all rights to purchase Common Shares pursuant to an Option or to surrender such Option shall expire and terminate immediately upon the Optionholder's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if employment of the Optionholder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionholder of such termination for Cause.

6.9 Extension of Options. An Optionholder's Award Agreement may also provide that if the exercise of the Option following the Termination of Continuous Service for any reason would be prohibited at any time because the issuance of Common Shares would violate Applicable Laws, then the Option shall terminate on the earlier of (a) the expiration of the term of the Option in accordance with Section 6.2 or (b) the expiration of a period after the Termination of Continuous Service that is three months after the end of the period during which the exercise of the Option would be in violation of such Applicable Laws.

6.10 Disability or Leave of Absence. Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of Disability or the Optionholder is on a

Leave of Absence, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time until the Option's Expiry Date.

6.11 Death. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's death, any Option held by the Optionholder shall become fully vested and may be exercised or surrendered by the Beneficiary in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of the Option's Expiry Date and the first anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.12 Retirement. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's Retirement, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date and (b) the third anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.13 Resignation. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's voluntary resignation, then:

(a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and

(b) the vested part of any Option held by the Optionholder may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.14 Termination Without Cause. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service is terminated by the Employer for any reason other than for Cause, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date and (b) the 30$^{th}$ day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.15 Termination Following Change in Control. Unless otherwise provided in an Award Agreement, if a Change in Control occurs and the Optionholder's employment with the Company Group is terminated:

(a) by the Employer or by the entity that has entered into a valid and binding agreement with the Company and/or other members of the Company Group to effect the Change in Control at any time after such agreement is entered into or during the Control Period and such termination was for any reason other than for Cause; or

(b) by the Optionholder as a result of Constructive Dismissal, provided the event giving rise to the Constructive Dismissal occurs during the Control Period;

any Option held by the Optionholder shall become fully vested and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 90th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

7. Provisions of Awards Other than Options.

7.1 Share Appreciation Rights.

(a) General

Each Share Appreciation Right granted under the Plan shall be evidenced by an Award Agreement. Each Share Appreciation Right so granted shall be subject to the conditions set forth in this Section 7.1, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Share Appreciation Rights may be granted alone ("**Free-Standing Rights**") or in tandem with an Option granted under the Plan ("**Related Rights**").

(b) Grant Requirements

Any Related Right may be granted at the same time the Option is granted or at any time thereafter but before the exercise or expiration of the Option.

(c) Term of Share Appreciation Rights

The term of a Share Appreciation Right granted under the Plan shall be determined by the Committee; provided, however, no Share Appreciation Right shall be exercisable later than the tenth anniversary of the Grant Date.

(d) Vesting of Share Appreciation Rights

Each Share Appreciation Right may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Share Appreciation Right may be subject to such other terms and conditions on the time or times when it may be exercised as the Committee may deem appropriate. The vesting provisions of individual Share Appreciation Rights may vary. No Share Appreciation Right may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Share Appreciation Right upon the occurrence of a specified event.

(e) Exercise and Payment

Upon exercise of a Share Appreciation Right, the holder shall be entitled to receive from the Company an amount equal to the number of Common Shares subject to the Share Appreciation Right that is being exercised, multiplied by the excess of (i) the Fair Market Value of a Common Share on the date the Award is exercised, over (ii) the exercise price specified in the Share Appreciation Right or related Option. Payment with respect to the exercise of a Share Appreciation Right shall be made on the date of exercise.

Payment shall be made in the form of Common Shares (with or without restrictions as to substantial risk of forfeiture and transferability, as determined by the Committee in its sole discretion), cash or a combination thereof, as determined by the Committee.

(f) Exercise Price

The exercise price of a Free-Standing Right shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of one Common Share on the Grant Date of such Share Appreciation Right. A Related Right granted simultaneously with or subsequent to the grant of an Option and in conjunction therewith or in the alternative thereto shall have the same exercise price as the related Option, shall be transferable only upon the same terms and conditions as the related Option, and shall be exercisable only to the same extent as the related Option; provided, however, that a Share Appreciation Right, by its terms, shall be exercisable only when the Fair Market Value per Common Share subject to the Share Appreciation Right and related Option exceeds the exercise price per share thereof, and no Share Appreciation Rights may be granted in tandem with an Option unless the Committee determines that the requirements of Section 7.1(b) are satisfied.

(g) Reduction in the Underlying Option Shares

Upon any exercise of a Related Right, the number of Common Shares for which any related Option shall be exercisable shall be reduced by the number of shares for which the Share Appreciation Right has been exercised. The number of Common Shares for which a Related Right shall be exercisable shall be reduced upon any exercise of any related Option by the number of Common Shares for which such Option has been exercised.

7.2 Restricted Awards.

(a) Restricted Share Units

The Committee may, from time to time, grant RSUs to Participants. The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. Each RSU granted by the Committee shall be evidenced by an RSU Agreement. Unless otherwise provided in the applicable Award Agreement, RSUs granted to a Participant shall be awarded solely in respect of performance of such Participant in the calendar year in which the Grant Date occurs (the "**Service Year**"). In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time an RSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 7.2, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(b) Deferred Share Units

The Committee may also grant RSUs with a deferral feature, whereby settlement is deferred beyond the Vesting Date until the occurrence of a future payment date or event set forth in an Award Agreement ("**DSUs**").

(c) Dividend Equivalents

At the discretion of the Committee, each RSU and DSU (representing one Common Share) may be credited with cash and stock dividends paid by the Company in respect of one Common Share ("**Dividend Equivalents**").

(d) Restrictions

(i) RSUs and DSUs awarded to any Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any applicable Performance Goals during such period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs or DSUs are forfeited, all rights of the Participant to such RSUs or DSUs shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.

(ii) The Committee shall have the authority to remove any or all of the restrictions on the RSUs and DSUs whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the RSUs or DSUs are granted, such action is appropriate.

(e) Restricted Period

Subject to the terms of any employment agreement or executive agreement between the Participant and the Employer, or the Committee expressly providing to the contrary, a Participant's RSUs shall vest on the Vesting Date(s). No such Vesting Date shall extend beyond 10 years from the Grant Date and all vesting conditions shall be such that the RSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement.

No Restricted Award may be granted or settled for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

(f) Settlement of Restricted Share Units and Deferred Share Units

On or within 60 days following the Vesting Date of a Share Unit (and in any event no later than December 31 of the third year following the year in respect of which the Share Unit is granted) (the "**Settlement Date**"), and subject to Section 9.5, the Company shall (i) issue to Participant or Beneficiary, as applicable, from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver, or cause to be delivered, to the Participant or Beneficiary, as applicable, Common Shares purchased in the open market equal to the number of vested Share Units held by the Participant as of the Settlement Date (rounded down to the nearest whole number), (iii) deliver to the Participant or Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Fair Market Value as at the Settlement Date, or (iv) a combination of (i), (ii) and (iii). Notwithstanding the foregoing, if a Participant's Termination of Continuous Service occurs prior to any applicable Settlement Date, the Share Units shall be settled by the Company delivering to the Participant or

Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Termination of Continuous Service multiplied by the Fair Market Value as at the Termination of Continuous Service. Upon settlement of such Share Units, the corresponding number of Share Units credited to the Participant's Share Unit Account shall be cancelled and the Participant or Beneficiary, as applicable shall have no further rights, title or interest with respect thereto. Upon the expiration of the Restricted Period with respect to any outstanding RSUs, or at the expiration of the deferral period with respect to any outstanding DSUs, the Company shall deliver to the Participant, or their Beneficiary, without charge, one Common Share for each such outstanding vested RSU or DSU ("**Vested Unit**") and cash equal to any Dividend Equivalents credited with respect to each such Vested Unit in accordance with Section 7.2(c) hereof and the interest thereon or, at the discretion of the Committee, in Common Shares having a Fair Market Value equal to such Dividend Equivalents and the interest thereon, if any; provided, however, that if explicitly provided in the applicable Award Agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Shares in lieu of delivering only Common Shares for Vested Units. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be equal to the Fair Market Value of the Common Shares as of the date on which the Restricted Period lapsed in the case of RSUs, or the delivery date in the case of DSUs, with respect to each Vested Unit.

7.3 Performance Share Unit Awards.

The Committee may, from time to time, grant PSUs to Participants. The grant of a PSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a PSU. Each PSU granted by the Committee shall be evidenced by a PSU Agreement. Unless otherwise provided in the applicable Award Agreement, PSUs granted to a Participant shall be awarded solely in respect of performance of such Participant in the calendar year in which the Grant Date occurs (the "**Service Year**"). In all cases, the PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time a PSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any PSU granted hereunder. The Committee shall have the discretion to determine: (i) the number of Common Shares or stock-denominated units subject to a Performance Share Award granted to any Participant; (ii) the Performance Period applicable to any Award; (iii) the Performance Goals and other conditions that must be satisfied for a Participant to earn an Award; and (iv) the other terms, conditions and restrictions of the Award. Each PSU so granted shall be subject to the conditions set forth in this Section 7.3, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. No Performance Period shall extend beyond 10 10 years from the Grant Date and all vesting conditions shall be such that the PSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto.

7.4 Share Unit Accounts. An account, called a "Share Unit Account", shall be maintained by the Company for each Participant and will be credited with such grants of RSUs, DSUs, PSUs or Dividend Equivalents as are received by the Participant from time to time. Share Units that fail to vest or that are settled in accordance with Section 7.2(f) shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs, DSUs or PSUs, such RSUs, DSUs or PSUs (and related Dividend Equivalents) shall be recorded separately in the Participant's Share Unit Account.

7.5 Other Equity-Based and Cash Awards. The Committee may grant Other Equity-Based Awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Committee shall determine in its sole discretion. Each Equity-Based Award shall be evidenced by an Award Agreement and shall be subject to such conditions, not inconsistent with the Plan, as may be reflected in the applicable Award Agreement. The Committee may grant Cash Awards to Participants. All Cash Awards shall be designated Performance Compensation Awards and shall be subject to Section 7.6 of the Plan. Cash Awards shall be evidenced in such form as the Committee may determine.

7.6 Performance Compensation Awards.

(a) General

The Committee shall have the authority, at the time of grant of any Award described in this Plan (other than Options and Share Appreciation Rights granted with an exercise price equal to or greater than the Fair Market Value per Common Share on the Grant Date), to designate such Award as a Performance Compensation Award. In addition, the Committee shall have the authority to grant a Cash Award to any Participant and designate such Award as a Performance Compensation Award.

(b) Eligibility

The Committee will, in its sole discretion, designate within the first 90 days of a Performance Period which Participants will be eligible to receive Performance Compensation Awards in respect of such Performance Period. However, designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Performance Compensation Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Performance Compensation Award shall be decided solely in accordance with the provisions of this Section 7.6. Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Performance Period, and designation of one person as a Participant eligible to receive an Award hereunder shall not require designation of any other person as a Participant eligible to receive an Award hereunder in such period or in any other period.

(c) Discretion of Committee with Respect to Performance Compensation Awards

With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period (provided any such Performance Period shall be not less than one fiscal quarter in duration), the types of Performance Compensation Awards to be issued, the Performance Criteria that will be used to establish the Performance Goals, the kinds and/or levels of the Performance Goals that are to apply to the Company and the Performance Formula. Within the first 90 days of a Performance Period the Committee shall, with regard to the Performance Compensation Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence of this Section 7.6(c) and record the same in writing.

(d) Payment of Performance Compensation Awards

(i) Condition to Receipt of Payment

Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for such Performance Period. A Participant's eligibility for payment in respect of a Performance Compensation Award ends on the Termination of Continuous Service, regardless of whether the Participant's termination of employment was lawful, and does not include any period of statutory, contractual, common law or other reasonable notice of termination of employment or any period of salary continuance except as specified in this section. If the Participant resigns or is terminated for Cause, the Participant shall not be entitled to payment in respect of a Performance Compensation Award where the date the Participant ceases to provide services to the Company occurs before the payment date set out in the applicable Award Agreement. If the Participant is terminated without Cause the Participant is not entitled to payment in respect of a Performance Compensation Award after the expiry of the minimum period of statutory notice under the *Employment Standards Act* (British Columbia). The Participant hereby waives any claim for a Performance Compensation Award or any portion of that Performance Compensation Award where the payment date set out in the applicable Award Agreement occurs after the expiration of that minimum statutory notice period. For clarity, the Participant is not entitled to and waives any right to claim common law damages for loss of payment of a Performance Compensation Award stemming from the Company's failure to provide the Participant with adequate notice of termination without Cause.

(ii) Limitation

A Participant shall be eligible to receive payment in respect of a Performance Compensation Award only to the extent that: (A) the Performance Goals for such period are achieved; and (B) the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant's Performance Compensation Award has been earned for the Performance Period.

(iii) Certification

Following the completion of a Performance Period, the Committee shall review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, calculate and certify in writing the amount of the Performance Compensation Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant's Performance Compensation Award for the Performance Period and, in so doing, may apply Negative Discretion in accordance with Section 7.6(d)(iv) hereof, if and when it deems appropriate.

(iv) Use of Discretion

In determining the actual size of an individual Performance Compensation Award for a Performance Period, the Committee may reduce or eliminate the amount of the Performance Compensation Award earned under the Performance Formula

in the Performance Period through the use of Negative Discretion if, in its sole judgment, such reduction or elimination is appropriate. The Committee shall not have the discretion to (A) grant or provide payment in respect of Performance Compensation Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained or (B) increase a Performance Compensation Award above the maximum amount payable under Section 7.6(d)(vi) of the Plan.

(v) Timing of Award Payments

Performance Compensation Awards granted for a Performance Period shall be paid to Participants as soon as administratively practicable following completion of the certifications required by this Section 7.6 but in no event later than two months following the end of the fiscal year during which the Performance Period is completed.

8. Compliance with Applicable Laws. The Company's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Company shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with Applicable Laws and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed. Awards may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Awards have been completed.

9. Miscellaneous.

9.1 Acceleration of Exercisability and Vesting. The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

9.2 Shareholder Rights. Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 10 hereof.

9.3 No Employment or Other Service Rights. Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with

or without Cause or (b) the service of a Director pursuant to the by-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.

9.4 Transfer; Leave of Absence. For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.

9.5 Withholding Obligations. It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. In connection with the issuance of Common Shares pursuant to this Plan, a Participant shall, at the Participant's discretion:

(a) pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;

(b) authorize a securities dealer designated by the Company, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or

(c) make other arrangements acceptable to the Company to fund the Applicable Withholding Taxes.

10. Adjustments Upon Changes in Capital. In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 4; (iii) the number or kind of shares or other securities subject to any outstanding Awards; (iv) the Exercise Price of any outstanding Options and Share Appreciation Rights; (v) the number of Share Units in the Participants' Share Unit Accounts; and (vi) the vesting of RSUs, DSUs or PSUs (and related Dividend Equivalents) provided, however, that no adjustment will obligate the Company to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 10 shall be made in compliance with section 7(1.4)(c) of the ITA and subject to the rules of the Exchange, to the extent applicable. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

11. Effect of Change in Control.

11.1 Unless otherwise provided in an Award Agreement, notwithstanding any provision of the Plan to the contrary:

(a) In the event of a Participant's Termination of Continuous Service without Cause or a Constructive Dismissal during the 12-month period following a Change in Control that is not a Substitution Event or Permitted Reorganization, notwithstanding any provision of the Plan or any applicable Award Agreement to the contrary, all outstanding Options and Share Appreciation Rights shall become immediately exercisable with respect to 100% of the shares subject to such Options or Share Appreciation Rights, and/or the Restricted Period shall expire immediately with respect to 100% of the outstanding RSUs as of the date of the Participant's Termination of Continuous Service.

(b) With respect to Performance Compensation Awards, in the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, all incomplete Performance Periods in respect of such Award in effect on the date the Change in Control that is not a Substitution Event or Permitted Reorganization occurs shall end on the date of such change and the Committee shall (i) determine the extent to which Performance Goals with respect to each such Performance Period have been met based upon such audited or unaudited financial information then available as it deems relevant and (ii) cause to be paid to the applicable Participant partial or full Awards with respect to Performance Goals for each such Performance Period based upon the Committee's determination of the degree of attainment of Performance Goals or, if not determinable, assuming that the applicable "target" levels of performance have been attained, or on such other basis determined by the Committee.

To the extent practicable, any actions taken by the Committee under the immediately preceding Section 11.1(a) and Section 11.1(b) shall occur in a manner and at a time which allows affected Participants the ability to participate in the Change in Control that is not a Substitution Event or Permitted Reorganization with respect to the Common Shares subject to their Awards.

11.2 Substitution Event or a Permitted Reorganization. Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the "**Continuing Entity**") shall, to the extent commercially reasonable, take all necessary steps to continue the Plan and to continue the Awards granted hereunder or to substitute or replace similar options or share units, as applicable for the Options and Share Units outstanding under the Plan on substantially the same terms and conditions as the Plan. For greater certainty, no consideration other than Continuing Entity options shall be received, and the amount that the aggregate fair market value of the securities of the Continuing Entity subject to the Continuing Entity options immediately after the substitution or replacement exceeds the aggregate exercise price of such securities under the Continuing Entity options shall not be greater than the amount the aggregate Fair Market Value of the Common Shares subject to the outstanding Options immediately before such substitution or replacement exceeds the aggregate Exercise Price of such Common Shares. Any such adjustment, substitution or replacement in respect of options shall, at all times, be made in compliance with the provisions of section 7(1.4) of the ITA. Any such adjustment, substitution or replacement in respect of Share Units shall, at all times, be such that the Plan and any Share Units granted hereunder comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto.

In the event that:

(c) the Continuing Entity does not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not) comply with the provisions of this Section 11.2;

(d) the Board determines, acting reasonably, that such substitution or replacement is not practicable;

(e) the Board determines, acting reasonably, that such substitution or replacement would give rise to adverse tax results, under the ITA; or

(f) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on a recognizable stock exchange;

the outstanding Options shall become fully vested and may be exercised or surrendered by the Participant at any time after the Participant receives written notice from the Board of such accelerated vesting and prior to the occurrence of the Substitution Event or Permitted Reorganization; provided, however, that such vesting, exercise or surrender shall be, unless otherwise determined in advance by the Board, effective immediately prior to, and shall be conditional on, the consummation of such Substitution Event or Permitted Reorganization. Any Options that have not been exercised or surrendered pursuant to this Section 11.2 shall be forfeited and cancelled without compensation to the holder thereof upon the consummation of such Substitution Event or Permitted Reorganization. Unless otherwise determined by the Board prior to the date of the Substitution Event or Permitted Reorganization, as applicable, upon such Substitution Event or Permitted Reorganization, a pro rata proportion of the PSUs (and related Dividend Equivalents) credited to a Participant's Share Unit Account, which did not vest on or prior to the date of the Substitution Event or Permitted Reorganization, and a pro rata proportion of the RSUs or DSUs (and related Dividend Equivalents) credited to a Participant's Share Unit Account, which did not vest on or prior to the date of the Substitution Event or Permitted Reorganization, shall vest in accordance with the provisions of Section 6.15, on the basis that the references to "Change in Control" in Section 6.15 shall be read as "Substitution Event or Permitted Reorganization, as applicable". Any Share Units that have been credited to a Share Unit Account of a Participant to whom this Section 11.2 applies and that do not vest pursuant to this Section 11.2 shall be terminated and forfeited. Notwithstanding any other provision of the Plan, in the event that Share Units vest, as contemplated in this Section 11.2, the Board may by resolution determine that the "Fair Market Value" with respect to such Share Units shall be the price per Common Share offered or provided for in the Substitution Event or Permitted Reorganization, as applicable.

11.2 The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

11.3 In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least 10 days' advance notice to the affected persons, cancel any outstanding Awards and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per Common Share received or to be received by other shareholders of the Company in the event. In the case of any Option or Share Appreciation Right with an exercise price that equals or exceeds the

price paid for a Common Share in connection with the Change in Control, the Committee may cancel the Option or Share Appreciation Right without the payment of consideration for it.

12. Amendment of the Plan and Awards.

12.1 Amendment of Plan and Awards. The Board at any time, and from time to time, may amend or suspend any provision of an Award or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

12.2 No Impairment of Rights. Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

13. General Provisions.

13.1 Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

13.2 Clawback. Notwithstanding any other provisions in this Plan, the Company may cancel any Award, require reimbursement of any Award by a Participant, and effect any other right of recovery or recoupment of equity or other compensation provided under the Plan under Applicable Laws, stock exchange listing requirements or in accordance with any Company policies that may be adopted and/or modified from time to time ("**Clawback Policy**"). In addition, a Participant may be required to repay to the Company previously paid compensation, whether provided pursuant to the Plan or an Award Agreement, in accordance with the Clawback Policy. By accepting an Award, the Participant is agreeing to be bound by the Clawback Policy, as in effect or as may be adopted and/or modified from time to time by the Company in its discretion (including, without limitation, to comply with Applicable Laws or stock exchange listing requirements).

13.3 Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

13.4 Sub-Plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying Applicable Laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

13.5 Deferral of Awards. The Committee may establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Participant to payment or receipt of Common Shares or other consideration under an Award. The Committee may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Committee deems advisable for the administration of any such deferral program.

13.6 Unfunded Plan. The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

13.7 Recapitalizations. Each Award Agreement shall contain or shall be deemed to contain provisions required to reflect the provisions of Section 10.

13.8 Delivery. Upon exercise of a right granted under this Plan, the Company shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

13.9 No Fractional Shares. No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

13.10 Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

13.11 Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

13.12 Expenses. The costs of administering the Plan shall be paid by the Company.

13.13 Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

13.14 Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

13.15 Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform

and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

13.16 Participant Information.

(a) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Company with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").

(b) The Company may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Company in connection with the operation and administration of the Plan. The Company may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Company shall not disclose Participant Information except (i) as contemplated above in this Section 13.16(b), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Company to compel production of the information.

13.17 Priority of Agreements. In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

14. Effective Date of Plan. The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.

15. Termination or Suspension of the Plan. The Board may suspend or terminate the Plan at any time pursuant to Section 12.1 hereof. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated but Awards theretofore granted may extend beyond that date.

16. Governing Law. The Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

As adopted by the Board of Directors of Powerstone Metals Corp. on November 25, 2022.

As approved by the security holders of Powerstone Metals Corp. on November 25, 2022.

**SCHEDULE "G"**

**LIBRA TECHNICAL REPORT**

(See attached)

# NI 43-101 TECHNICAL REPORT

Flanders South Property,
Redhorse Lake, Lilac Lake, and Wolseley Lake areas
Thunder Bay Mining District, Northwestern Ontario
NTS MAP SHEET 52C08C, 52C08D, 52C08E, 52C08F, 52C08K, and 52C08L.
548629m E and 5358713m N

Libra Lithium Corp.
First Canadian Place, Suite 6000,
100 King Street West,
Toronto, Ontario
M5X 1E2

Prepared by:

Clark Exploration Consulting Inc.
941 Cobalt Crescent
Thunder Bay, ON
P7B 5Z4

J. Garry Clark, P.Geo

December 9th , 2024

## DATE AND SIGNATURE PAGE

This report titled “NI 43-101 Technical Report, Flanders South Property, Thunder Bay Mining District, northwestern Ontario, Canada dated December 9th , 2024” was prepared and signed by the following author:

“J. Garry Clark, P.Geo” 0245

Dated at Thunder Bay, Ontario

December 9th , 2024

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# 1. Summary

Clark Exploration Consulting Inc. of Thunder Bay, ON has been retained by Libra Lithium Corp. (“Libra” or “The Company”) headquartered at 1 Canadian Place, Suite 6000 100 King Street West, Toronto, Ontario, to review work done on the Flanders South Property (the “Property”), identify its merits, propose an appropriate exploration program and budget for mineral exploration, and prepare a technical report compliant with NI 43-101.

The author visited the Property on November 14th, 2024. Access to the Property was gained via Lagoon Road ( ~ 50.5 km southward from Highway 11) and a quad trail (300 metres) to a small lake. This lake access is on the property and 200 metres across the lake is a pegmatite found in the Company’s prospecting program.

This technical report has been prepared in accordance with NI 43-101 guidelines, and its purpose is to provide the basis for an informed opinion as to the history of Property exploration, geology, mineralization, and status of current exploration on the Property.

The author visited the Property on November 14th, 2024. Access to the Property was gained via Lagoon Road ( ~ 50.5 km southward from Highway 11) and a quad trail (300 metres) to a small lake. This lake access is on the property and 200 metres across the lake is a pegmatite found in the Company’s prospecting program.

No samples were taken and the Author relied on the data produced by ALS Canada and the Company.

This technical report has been prepared in accordance with NI 43-101 guidelines, and its purpose is to provide the basis for an informed opinion as to the history of Property exploration, geology, mineralization, and status of current exploration on the Property.

The Property is in northwestern Ontario on NTS sheets 52C08C, 52C08D, 52C08E, 52C08F, 52C08K, and 52C08L. The Property is located approximately 75 kilometres southwest of Atikokan, Ontario and 230 kilometres west of Thunder Bay, Ontario. It is situated within the Redhorse Lake Area, Lilac Lake Area, and the Wolseley Lake Area of the Thunder Bay Mining Division. Geographic coordinates of the Property center is approximately 548629m E and 5358713m N (UTM Zone 15N, NAD 83).

The Property consists of 406 cell claims covering an area of 8,711 hectares. The claims are all held in good standing and 100% owned by Libra Lithium Corp.

The Flanders South property has been worked using portable remote camps, consisting of tents, which are located in three locations: Thompson Lake camp, David Lake camp, and Redhorse Lake camp (Figure 3). Access to the Thompson Lake camp and David Lake camp is by float plane. Access to the Redhorse Lake camp is by travelling 239 kilometres northwest along Trans-Canada Highway 11 from Thunder Bay, Ontario and approximately 56 kilometers south on Flanders Road (an all-season road). Flanders Road

eventually turns into Lagoon Road, where a trail is accessed to get to the Redhorse Lake camp.

Thunder Bay, Ontario, the largest city near the Flanders South property, serves as a crucial regional exploration hub. The city's mining sector is bolstered by a network of over 400 local mine services and supply companies. According to the 2021 Canada Census, Thunder Bay has a population of 123,258. The city's transportation infrastructure offers international market access via road, rail, sea, and air, including the Canadian National and Canadian Pacific railways, Thunder Bay International Airport, and a full-service port. Thunder Bay provides essential services such as food, fuel, restaurants, hotels, and a general hospital. The Flanders South property is approximately 300 kilometres west of Thunder Bay by road.

The Property has been historically underexplored and has not been the focus of work directly on the property. Work completed was focussed on adjoining properties to the northeast (Marr Lake and Wisa Lake properties).

The Marr Lake Ni-Cu-PGE property is located at the northeastern corner of the Flanders South property. The Marr Lake Ni-Cu-PGE occurrence is located along the northeast shoreline where in 2005, 3 samples from a 60-metre-wide pyroxenite dyke averaged 1.1% Cu, 0.20% Ni, 0.02% Co, 6 g/t Ag, 1.3 g/t Pt, 1.3 g/t Pd, and 0.40 g/t Au.

The Wisa Lake property is located approximately five kilometres northeast of Flanders South. Within this property, spodumene-bearing pegmatite dykes are present and are the target of economic interest. Historical exploration work commenced in 1956, when Lexindin Gold Mines completed a 1,713 m diamond drill program and 131 metre "packsack" diamond drill program on the 77-claim package. Assay results produced 1.15 wt.% $Li_2O$ in several structures over a strike length of 335 m. The next documented historical exploration work occurred on one claim of the Wisa Lake property by Dan Patrie Exploration Ltd in 2010 and 2013. In 2016, Alset Minerals acquired the property and conducted a prospecting program. Rock samples collected during the program from the North Zone Pegmatite returned grades of up to 1.4% $Li_2O$, and rock samples collected from the South Zone Pegmatite returned grades of up to 6.38% $Li_2O$. Alset Minerals later optioned the property to Ardiden Ltd. ("Ardiden"). In 2022, Ardiden sold its remaining interest in the property to Green Technology Metals.

The Property is situated within the Quetico Basin of the Archean Superior Province. The main rock units within this belt are turbiditic rock-derived schists, migmatites, and peraluminous leucogranites. The Quetico Basin is a metasedimentary-dominant geological domain within the Superior Province.

The Flanders South property has undergone limited detailed mapping, with past exploration efforts primarily focused around Marr Lake and Wisa Lake. Previous mapping revealed that the area is predominantly composed of metaturbidites, interspersed with notable granitic to granodioritic intrusions.

Exploration assessments of the Marr Lake and Wisa Lake area have reported the presence of various other lithologies, including gabbro, pyroxenite, gneiss, small pegmatitic veinlets, and a narrow east-trending bed of iron formation or magnetite-rich metasedimentary rocks. Similar rock types are found on the Flanders South property.

Felsic pegmatites are igneous rocks typically comprised of quartz, feldspar and micas that can reach very large grainsizes, although grainsize is variable throughout the rock. Felsic pegmatites form small, irregularly shaped and zoned bodies that are internally heterogenous in composition and fabric. Although the melt source origin can be different, almost all felsic pegmatites are thought to form from the crystallization of fractionated, volatile-rich melts rich in Si, Al, alkali elements, $H_2O$, volatiles, REEs and other less compatible elements. An economically important subset of these pegmatites is rare element, lithium-cesium-tantalum (LCT), pegmatites. The largest LCT pegmatites crystallized from Li-rich, fractionated melts derived from S-type granitic bodies in orogenic hinterlands, often being emplaced into metamorphosed supracrustal rock packages during late syn-tectonic to late post-tectonic stages of Archean or Paleoproterozoic orogenies.

Exploration on the Property by the Company in the summer and autumn of 2023 comprised an airborne LiDAR survey, orthophotographic imagery, and a prospecting program.

The program utilized the historic government geology map, Lidar and orthographic maps to identify prospective outcrops.

The prospecting program consisted of three steps:

1. pegmatites were identified on the property and sampled for geochemical assay.
2. strongly evolved granites/pegmatites were identified as well as any minerals of LCT pegmatites (e.g., beryl).
3. the prospective samples were examined for any lithium-bearing minerals, such as spodumene.

The prospecting program collected a total of 601 rock samples of prospective outcrops.

Rock samples were submitted to ALS Canada Ltd. in Thunder Bay, Ontario for preparation, whole-rock analysis and lithium-caesium-tantalum assay (.Na-peroxide fusion).

Two new prospective pegmatites were discovered the Homer and Nelson discoveries.

The Homer discovery grab samples assayed as high as 2.86% $Li_20$. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite. The Homer pegmatite body is exposed on surface for over 160 metres and remains open along strike, with exposed widths of up to 35 metres. The pegmatite appears to be sub-vertically dipping, suggesting the mapped surface may represent its approximate true width. The pegmatite has not been fully stripped, with only one side of the contact

between the pegmatite and the host rock being identified potentially indicating the pegmatite to be wider. There are adjacent parallel pegmatites that share similar geochemical signatures to the Homer pegmatite, which could represent a stacked pegmatite system in this area.

The Nelson tantalite occurrence was found along the margins of a quartz pod within a 3-metre-wide pegmatite that has been traced for 100 metres and remains open along strike. Coarse-grained tantalite, up to 2 cm in diameter, was discovered pegmatite, with grab samples assays returning up to 4,469 ppm $Ta_2O_5$. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite.

There has not been any drilling documented on the Property. The Company has not completed any drilling on the Property.

An exploration program of CAD $1,015,000 is recommended to advance the geological knowledge and enhance the economic potential of the Property. The recommended exploration program should continue to utilize methods employed previously during the initial discoveries and evaluation phases to define additional mineralized pegmatites

The Phase 1 ($280,000) program should be comprised of additional prospecting/geological mapping and geochemical sampling to discover additional pegmatites and extend the Homer pegmatite and Nelson tantalite occurrence.

The Phase 2 ($735,000) would be comprised of 1500 metres of diamond drilling on the most prospective targets. The prospective pegmatite targets would meet the criteria of >25 metres in width, traced for >100 metres with >15% spodumene.

## 2. Introduction

Clark Exploration Consulting Inc. of Thunder Bay, ON has been retained by Libra Lithium Corp. ("Libra" or "The Company") headquartered at 1 Canadian Place, Suite 6000 100 King Street West, Toronto, Ontario, to review work done on the Flanders South Property (the "Property"), identify its merits, propose an appropriate exploration program and budget for mineral exploration, and prepare a technical report compliant with NI 43-101. The NI 43-101 will be suitable for the purposes of Libra Lithium Corp. becoming a reporting issuer. The report is based on geologic, geochemical, and geophysical data sets supplied by The Company, published literature and Ontario government assessment files.

The author visited the Property on November 14th, 2024. Access to the Property was gained via Lagoon Road ( ~ 50.5 km southward from Highway 11) and a quad trail (300 metres) to a small lake. This lake access is on the property and 200 metres across the lake is a pegmatite found in the Company's prospecting program.

No samples were taken, and the Author relied on the data produced by ALS Canada and the Company.

This technical report has been prepared in accordance with NI 43-101 guidelines, and its purpose is to provide the basis for an informed opinion as to the history of Property exploration, geology, mineralization, and status of current exploration on the Property.

Reports and documents listed in Section 27 References were used to support the preparation of this technical report. Additional information was requested from the Company where required.

This report is based on the personal examination by the Author of all available reports and data on the Property in the Ontario government and The Company files. As of the date of this report, the Author is not aware of any material fact or material change with respect to the subject matter of this technical report that is not presented herein, or which the omission to disclose could make this report misleading.

## 3. Reliance On Other Experts

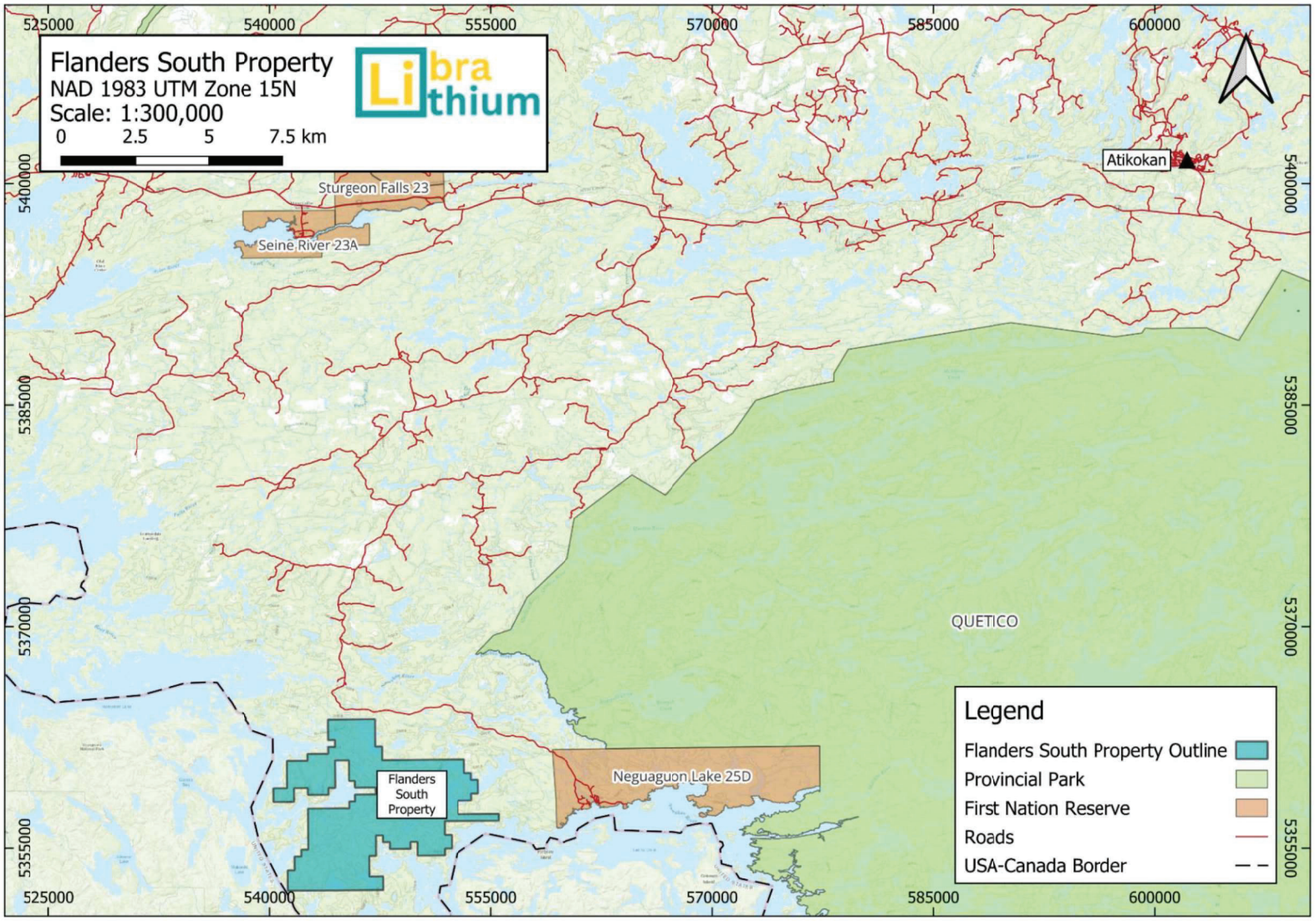
For the purposes of this report the Author has relied on ownership information provided by the Company, as well as mining claims information available on the website of the Ontario government (https://www.lioapplications.lrc.gov.on.ca/MLAS/Index.html?viewer=MLAS.MLAS&locale=en-CA). The Author has searched ownership status confirming mineral rights for the Property (Section 4.2), however expresses no formal legal opinion as to the ownership title of the Property. The are discussed in Item 4, "Property Description and Location" below, and the claim information from the Ontario Government website is current as of the effective date of this Report.

# 4. Property Description and Location

## 4.1 Location

The Property (Figure 1) is in northwestern Ontario on NTS sheets 52C08C, 52C08D, 52C08E, 52C08F, 52C08K, and 52C08L. The Property is located approximately 75 kilometres southwest of Atikokan, Ontario and 230 kilometres west of Thunder Bay, Ontario (Figure 1). It is situated within the Redhorse Lake Area, Lilac Lake Area, and the Wolseley Lake Area of the Thunder Bay Mining Division. Geographic coordinates of the Property center are approximately 548629m E and 5358713m N (UTM Zone 15N, NAD 83).

*Figure 1: Property Location Map*



## 4.2 Mining Tenure and Ownership

The Property consists of 24 multi-cell claims covering an area of 8,711 hectares (Table 1 – Figure 2). The claims are all held in good standing and 100% owned by Libra

Table 1: Property Claims (Ministry of Mines (MoM) November 2024)

| Tenure ID | Due Date | Tenure Type | Cells | Holder | Mining Division | Township / Area |
|---|---|---|---|---|---|---|
| 895883 | 23-Dec-2024 | Multi-cell Mining Claim | 20 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895873 | 21-Jun-2025 | Multi-cell Mining Claim | 25 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895879 | 05-Jan-2025 | Multi-cell Mining Claim | 22 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895874 | 21-Jun-2025 | Multi-cell Mining Claim | 21 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895881 | 23-Dec-2024 | Multi-cell Mining Claim | 14 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895882 | 23-Dec-2024 | Multi-cell Mining Claim | 2 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895875 | 21-Jun-2025 | Multi-cell Mining Claim | 19 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895877 | 21-Jun-2025 | Multi-cell Mining Claim | 22 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895876 | 21-Jun-2025 | Multi-cell Mining Claim | 21 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895878 | 21-Jun-2025 | Multi-cell Mining Claim | 15 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |

| Tenure ID | Due Date | Tenure Type | Cells | Holder | Mining Division | Township / Area |
|---|---|---|---|---|---|---|
| 895871 | 23-Dec-2024 | Multi-cell Mining Claim | 17 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895872 | 21-Jun-2025 | Multi-cell Mining Claim | 17 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895885 | 23-Dec-2024 | Multi-cell Mining Claim | 10 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895870 | 23-Dec-2024 | Multi-cell Mining Claim | 16 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895884 | 23-Dec-2024 | Multi-cell Mining Claim | 18 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895866 | 22-Oct-2025 | Multi-cell Mining Claim | 7 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895864 | 23-Dec-2024 | Multi-cell Mining Claim | 21 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895865 | 23-Dec-2024 | Multi-cell Mining Claim | 11 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895867 | 23-Dec-2024 | Multi-cell Mining Claim | 20 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895852 | 22-Oct-2025 | Multi-cell Mining Claim | 24 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895869 | 23-Dec-2024 | Multi-cell Mining Claim | 16 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895863 | 22-Oct-2025 | Multi-cell Mining Claim | 19 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895868 | 23-Dec-2024 | Multi-cell | 18 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |

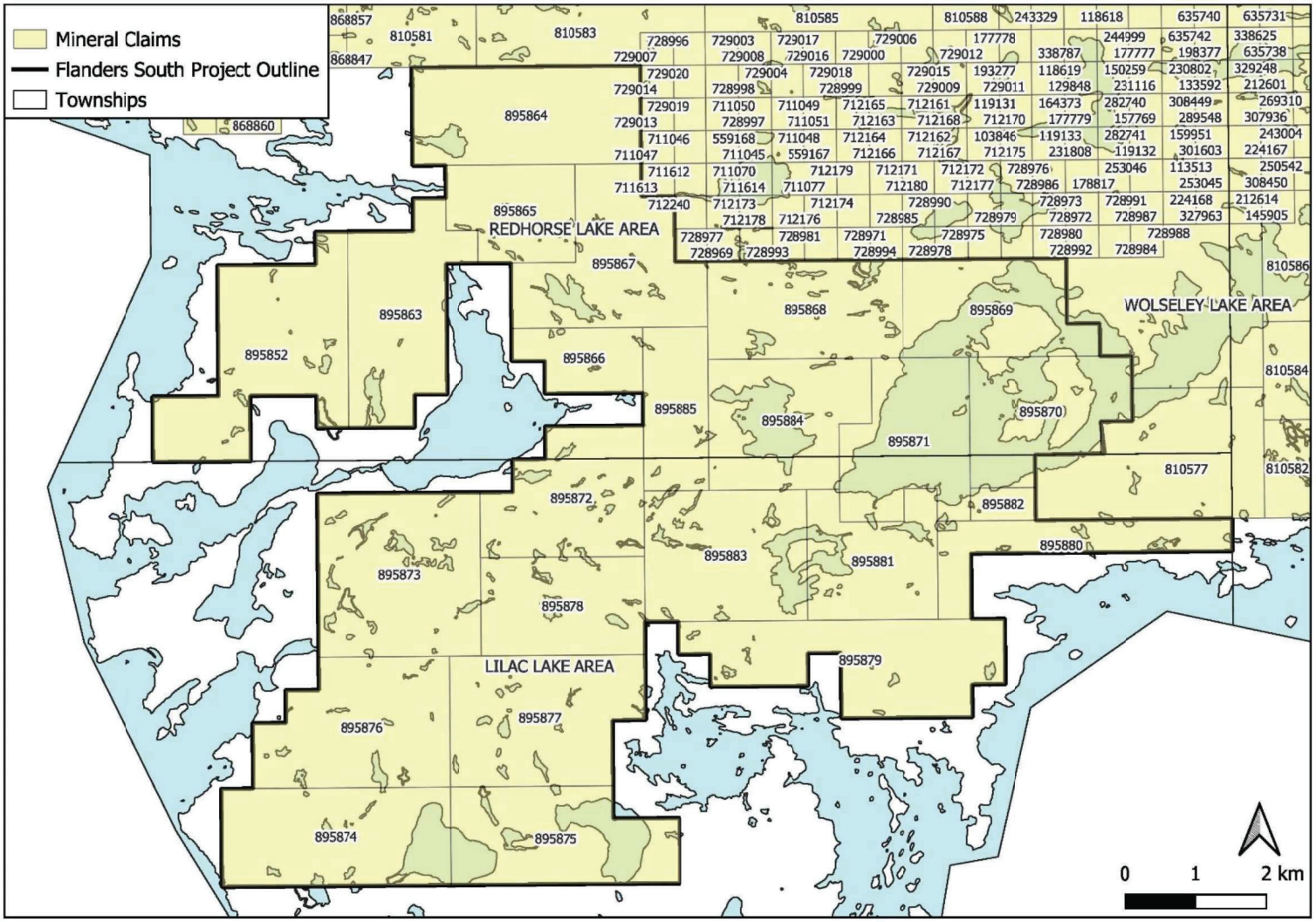
| Tenure ID | Due Date | Tenure Type | Cells | Holder | Mining Division | Township / Area |
|---|---|---|---|---|---|---|
| | | Mining Claim | | | | |
| 895880 | 05-Jan-2025 | Multi-cell Mining Claim | 11 | Libra Lithium Corp. (10006639) | Thunder Bay | WOLSELEY LAKE AREA, LILAC LAKE AREA |

The Ontario Mining Act requires Exploration Permit or Plans for exploration on Crown Lands. The permit and plans are obtained from the MoM. The processing periods are 50 days for a permit and 30 days for a plan while the documents are reviewed by MoM and presented to the Aboriginal communities whose traditional lands will be impacted by the work. The authors recommend the company discuss the recommended exploration with the MoM to determine the plan and/or permit required as well as the Aboriginal communities to consult.

The government of Ontario requires expenditures of $400 per year per cell for staked claims, prior to expiry, to keep the claims in good standing for the following year.

No mineral resources, reserves or mine existing prior to the mineralization described in this report are known by the authors to occur on the Property.

*Figure 2: Property Claim (Source -(Ministry of Mines (MoM) November 2024))*



### 4.5 Environmental Liabilities

The author is not aware of any environmental liabilities on the property.

## 5. Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The Flanders South property is located in northwestern Ontario, Canada, approximately 230 kilometres west of Thunder Bay, Ontario, 75 kilometres southwest of Atikokan, Ontario, and 83 kilometres southeast of Fort Francis, Ontario. The property is five kilometres north of the border between Canada and the United States (Figure1).

The Flanders South property has been worked using portable remote camps, consisting of tents, which are located in three locations: Thompson Lake camp, David Lake camp, and Redhorse Lake camp (Figure 3). Access to the Thompson Lake camp and David Lake camp is by float plane. Access to the Redhorse Lake camp is by travelling 239 kilometres northwest along Trans-Canada Highway 11 from Thunder Bay, Ontario and approximately 56 kilometers south on Flanders Road (an all-season road). Flanders Road eventually turns into Lagoon Road, where a trail is accessed to get to the Redhorse Lake camp.

The Flanders South property features a moderately rugged landscape typical of the Canadian Shield, characterized by rolling hills, exposed bedrock, and an abundance of lakes and rivers formed by glacial activity (Crins et al., 2009). The retreat of the glaciers has shaped the terrain, leaving behind numerous lakes, bogs, and marshes. Notable lakes on the property include: (1) Thompson Lake near the eastern edge, (2) Redhorse Lake near the northern edge, and (3) Queer Rock Lake and Blue Lake near the centre (Figure 3). Smaller lakes and rivers cut throughout the property.

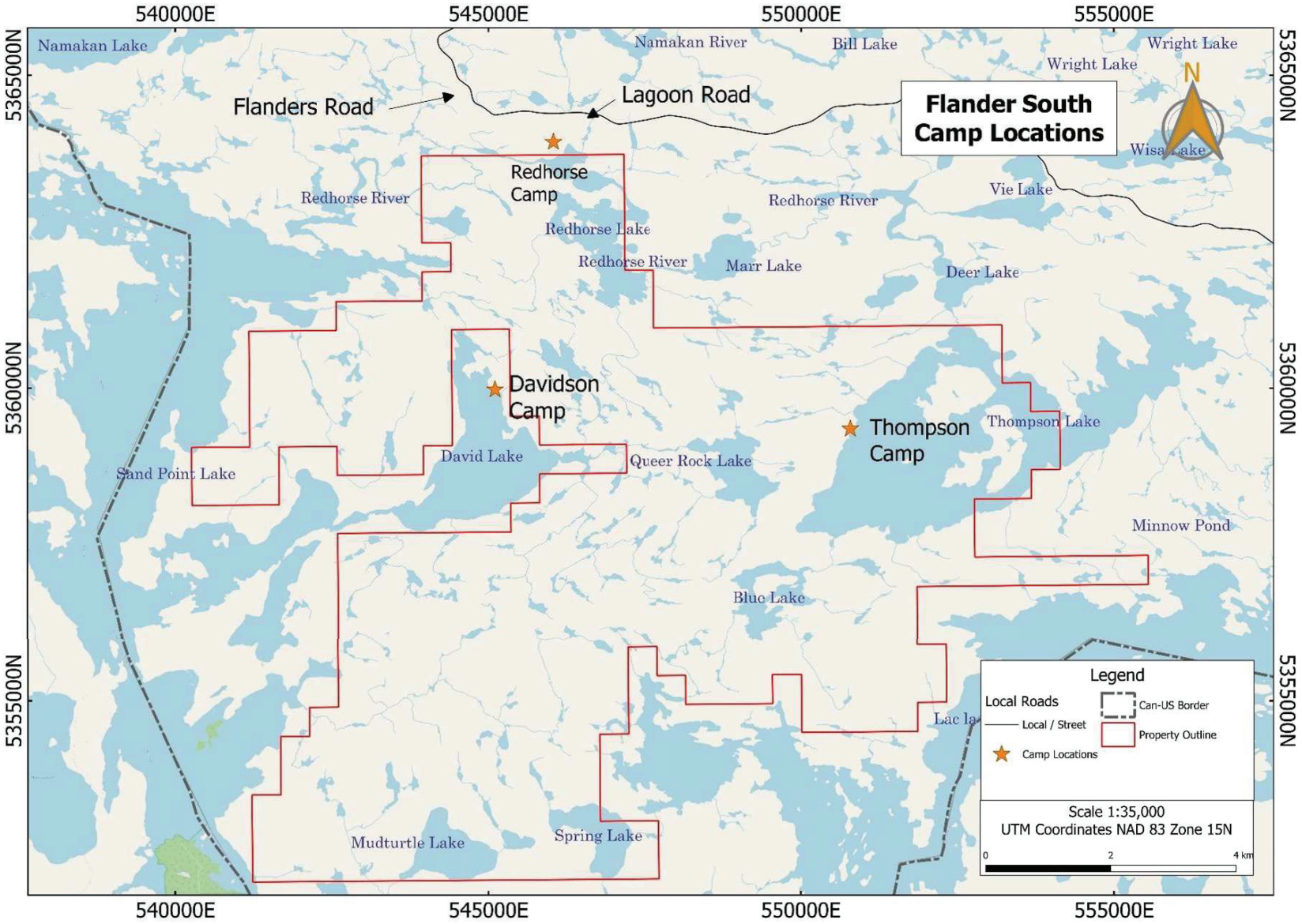
The Flanders South property is in the Ontario Shield Ecozone in Site District 4W-1 of the Pigeon River Ecoregion. Land cover of this region is made up of a mixture of mixed forest (33.2%), sparse forest (19.3%), coniferous forest (11.5%), deciduous forest (10.6%), cutovers (3.6%), and water (17.5%; Crins et al., 2009). The vegetation in the property area comprises a mixture of boreal and Great Lakes-St. Lawrence species. These species include, but are not limited to: white pine, white spruce, jack pine, red pine, aspen, white birch, balsam fir, white spruce, and black spruce (Crins et al., 2009). Mammals, birds and amphibians and reptiles in this ecoregion are diverse. Examples of fauna include: moose, American black bear, snowshoe hare, ruffled grouse, woodpecker, spotted salamander, gray treefrog, and the western painted turtle (Crins et al., 2009).

The climate within the property area is cool and relatively dry, with long, cold and snowy winters lasting from October to April (Crins et al., 2009). The summer season is generally warm and rainy during the day and cool at night. The property area falls within the Moist Low Boreal Ecoclimatic Region (Ecoregions Working Group, 1989). Weather records from Atikokan, Ontario, recorded from 2000 to 2024, indicate average January maximum and minimum temperatures of -10°C and -21°C, respectively. Average July maximum and minimum temperatures are 24° and 13°C, respectively. Average precipitation is 90 mm (January) and 80 mm (July; accessed via The Weather Network, 2024).

Thunder Bay, Ontario, the largest city near the Flanders South property, serves as a crucial regional exploration hub. The city's mining sector is bolstered by a network of over 400 local mine services and supply companies (Thunder Bay CEDC, 2024). The area surrounding Thunder Bay features nine active mines and over 15 major exploration projects (Thunder Bay CEDC, 2024). According to the 2021 Canada Census, Thunder Bay has a population of 123,258. The city's transportation infrastructure offers international market access via road, rail, sea, and air, including the Canadian National and Canadian Pacific railways, Thunder Bay International Airport, and a full-service port. Thunder Bay provides essential services such as food, fuel, restaurants, hotels, and a general hospital. The Flanders South property is approximately 300 kilometres west of Thunder Bay by road (Figure .1).

The Property has sufficient of surface rights for mining operations, potential tailings storage areas, potential waste disposal areas, heap leach pad areas, and potential processing plant sites.

*Figure 3: Property Access and Camp Sites*

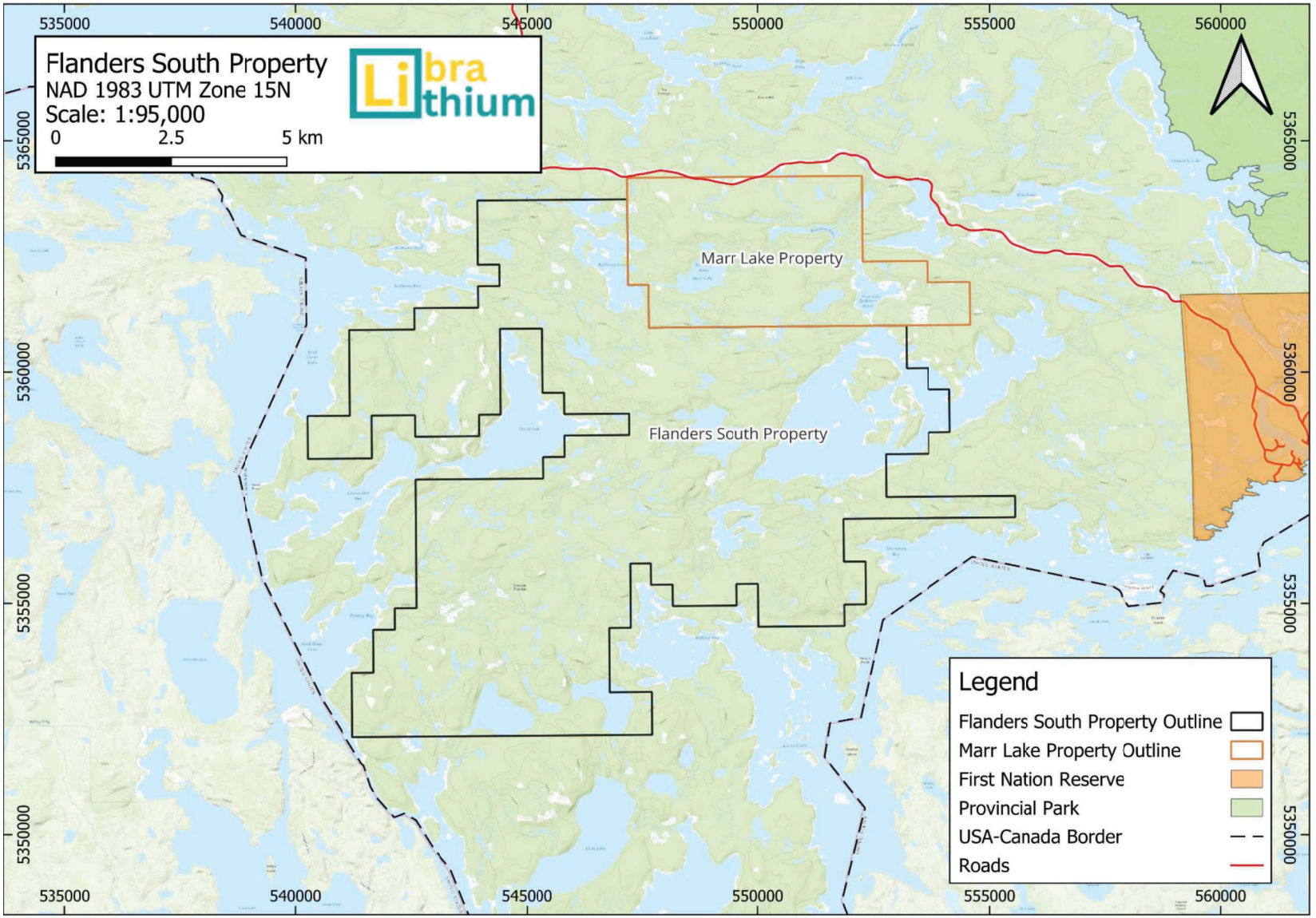


# 6. History

The Property has been historically underexplored and has not been the focus of work directly on the property. Work completed was focussed on adjoining properties to the northeast (Marr Lake and Wisa Lake properties) (Figure 4 and 5).

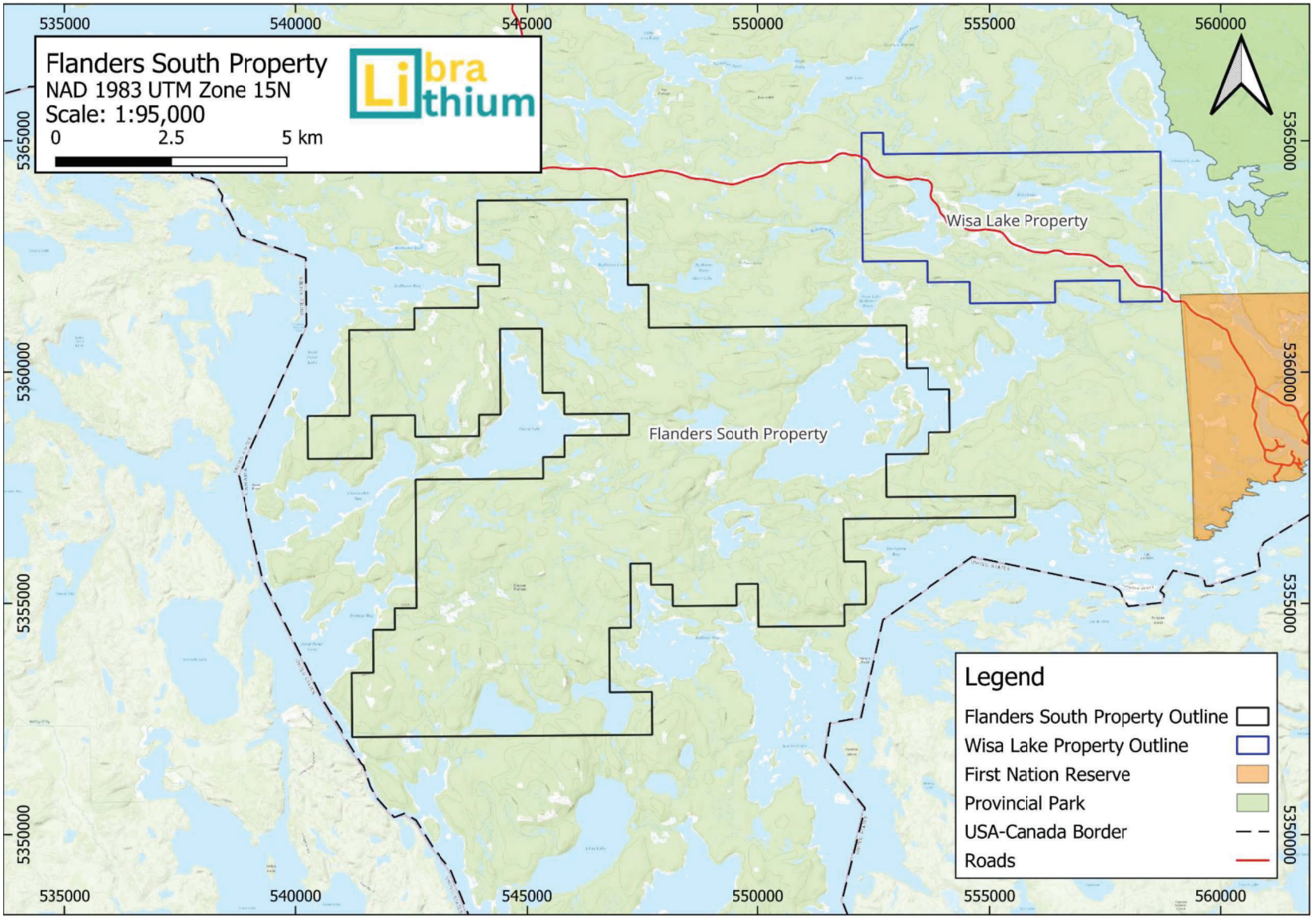
The Marr Lake Ni-Cu-PGE property is located at the northeastern corner of the Flanders South property. The Marr Lake Ni-Cu-PGE occurrence is located along the northeast shoreline where in 2005, 3 samples from a 60-metre-wide pyroxenite dyke averaged 1.1% Cu, 0.20% Ni, 0.02% Co, 6 g/t Ag, 1.3 g/t Pt, 1.3 g/t Pd, and 0.40 g/t Au (Conquest Resources Limited, 2022).

*Figure 4: Location of the Marr Lake Ni-Cu-PGE property and the Flanders South property*



The Wisa Lake property is located approximately five kilometres northeast of Flanders South (Figure 6.2). Within this property, spodumene-bearing pegmatite dykes are present and are the target of economic interest. Historical exploration work commenced in 1956, when Lexindin Gold Mines completed a 1,713 m diamond drill program and 131 metre "packsack" diamond drill program on the 77-claim package. Assay results produced 1.15 wt.% $Li_2O$ in several structures over a strike length of 335 m (Winter, 2013). The next documented historical exploration work occurred on one claim of the Wisa Lake property by Dan Patrie Exploration Ltd in 2010 and 2013. In 2016, Alset Minerals acquired the property and conducted a prospecting program. Rock samples collected during the program from the North Zone Pegmatite returned grades of up to 1.4% $Li_2O$, and rock samples collected from the South Zone Pegmatite returned grades of up to 6.38% $Li_2O$. Alset Minerals later optioned the property to Ardiden Ltd. ("Ardiden"). In 2022, Ardiden sold its remaining interest in the property to Green Technology Metals (Geology Ontario, 2023).

*Figure 5: Location of the Wisa Lake property and the Flanders South property.*



# 7. Geologic Setting and Mineralization

## 7.1 Regional Geology

The Property is situated within the Quetico Basin of the Archean Superior Province. The main rock units within this belt are turbiditic rock-derived schists, migmatites, and peraluminous leucogranites. The Quetico Basin is a metasedimentary-dominant geological domain within the Superior Province (Thurston, 1991).

The Superior province is one the largest stable Archean cratons in the world, spanning around 1,565,000 $km^2$ (Thurston, 1991). It is bordered to the north, west and south by Paleoproterozic aged provinces (Trans-Hudson, Penokean and New Quebec Orogens) and to the southeast by the Grenville Province, which is Mesoproterozoic in age (Percival et al., 2006). The Superior Province is subdivided into several subprovinces (e.g., terranes, domains and basins), based on their lithologies, metamorphism, deformation structures, isotopic ages and geophysical characteristics (Douglas, 1973; Card and Ciesielski, 1986). These east-west trending subprovinces are classified as granite-greenstone (metavolcanic) assemblages, metasedimentary assemblages, plutonic assemblages and high grade metamorphic-granitoid assemblages (Card, 1990; Thurston, 1991).

Greenstone assemblages or belts are broadly defined as thick stratigraphic sequences dominated by mafic and ultramafic metavolcanic rock, which have been metamorphosed mostly to the greenschist facies however, the grade of metamorphism can range from subgreenschist to granulite facies (deWit and Ashwal, 1986). Metasedimentary assemblages are composed of large accumulations of high grade metamorphosed, clastic sedimentary rocks, mostly greywacke-dominant turbidites, with granitic migmatites (Percival et al., 2006). High grade metamorphic-granitoid assemblages are characterized by upper amphibolite- and granulite-facies gneisses of supracrustal and plutonic in origin (Card, 1990). Plutonic assemblages are characterized by tonalitic gneisses with mafic metavolcanic and mafic meta-intrusive rocks.

Granite-greenstone assemblages are interpreted to be remnants of allochthonous island arc terranes, while granitoid-metasedimentary assemblages are interpreted to be remnants of deep sedimentary basins, where sediment from eroded island arcs accumulated (Langford and Morin, 1976). These arcs and basins accreted together, forming the Superior Province by convergent plate tectonics (e.g., Langford and Morin, 1976; Card 1990; Percival et al., 2012).

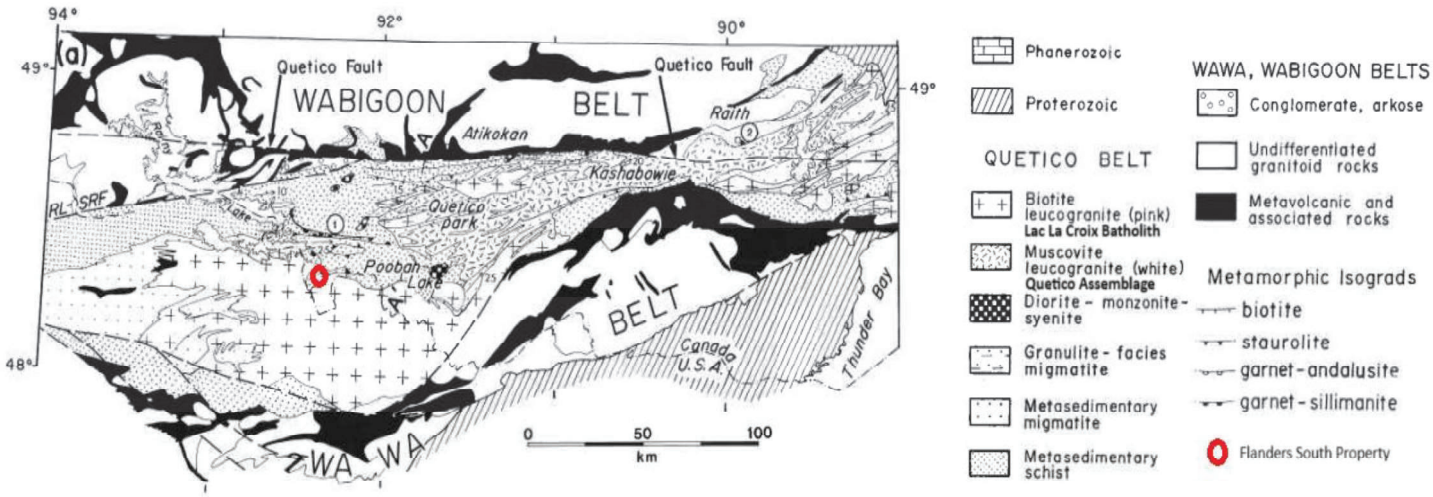
The Quetico Basin consists mainly of Archean rocks and is bounded to the north and west by the Western Wabigoon Terrane and by the Marmion Terrane in the central and eastern sections. To its south, the Quetico Basin is bound by the Wawa-Abitibi Terrane (Figure 7.1; Figure 7.2). These terrane boundaries and rocks formed ~2.7-2.8 Ga, during the late

Archean Eon. Multiple episodes of deformation and metamorphism have affected these rocks, resulting in the development of various lithological units and structural features.

The Quetico Basin has a complex structure due to several overprinting tectonic events. The structures include folds, thrust faults, shear zones, and fractures, reflecting both compressional and extensional tectonic regimes. These structures vary in size from large-scale to small-scale. Schistosity and bedding within the metasedimentary rocks are generally orientated east-west between 075° to 100°, dipping north between 45° to 70° (Percival, 1989).

Most of the metasedimentary rocks in the Quetico Basin were originally wackes and siltstones. Rare iron formations, conglomerates, and metasedimentary rocks derived also occur throughout the basin. Both I-type and S-type intrusive rocks occur throughout the basin. The I-type rocks comprise biotite-, hornblende-, and magnetite-bearing, mafic to felsic intrusive rocks and associated minor ultramafic units. The S-type rocks are metaluminous to peraluminous, one and two-mica leucogranitoids, derived from metasedimentary rocks. Spodumene-bearing pegmatites are strongly associated with S-type granites within the Quetico Basin (Davis, 2000).

*Figure 6: Regional Geology*

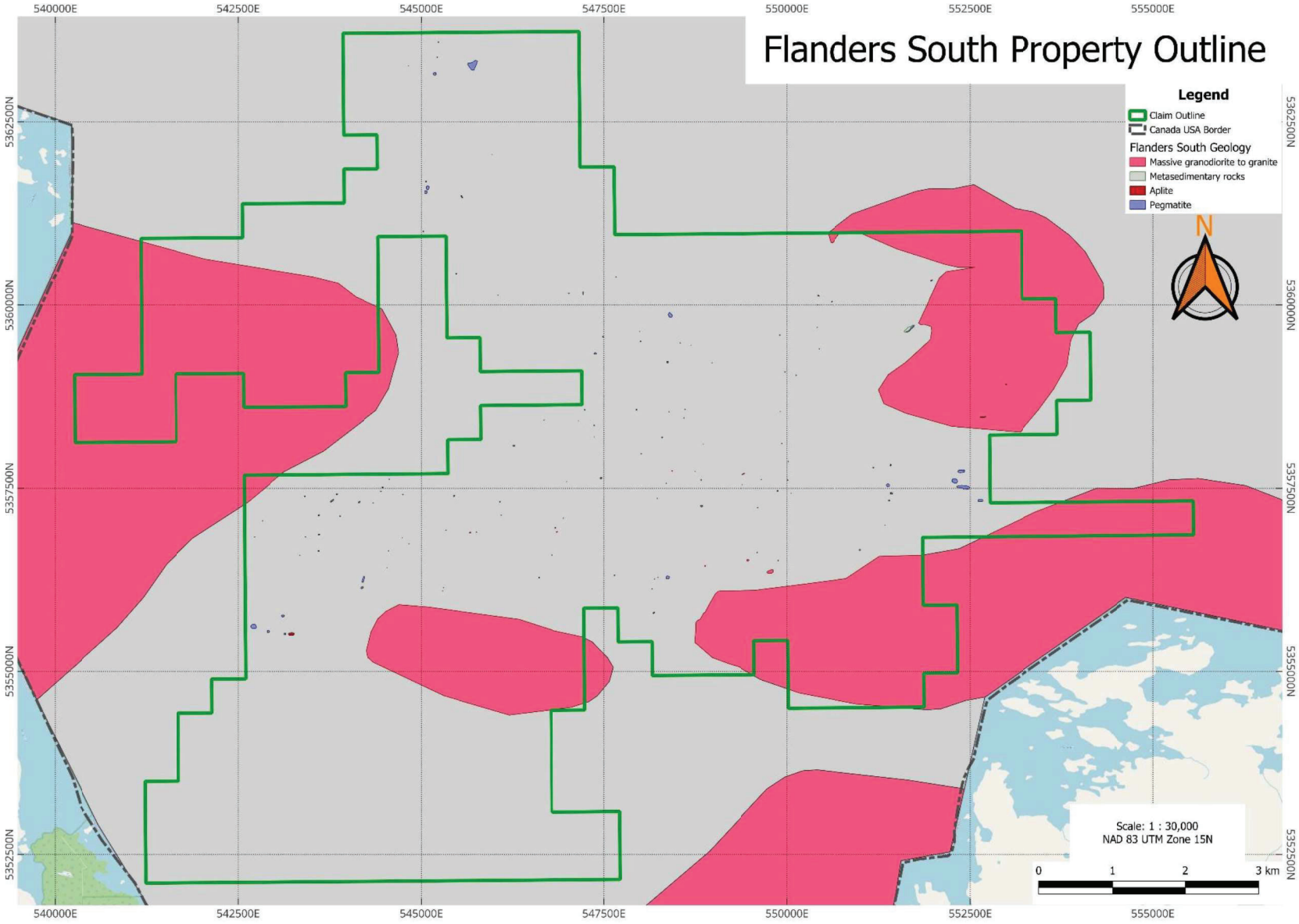



## 7.2 Property Geology

The Flanders South property has undergone limited detailed mapping, with past exploration efforts primarily focused around Marr Lake and Wisa Lake. Previous mapping revealed that the area is predominantly composed of metaturbidites, interspersed with notable granitic to granodioritic intrusions (Figure 7; Stott, 2011).

Exploration assessments of the Marr Lake and Wisa Lake area have reported the presence of various other lithologies, including gabbro, pyroxenite, gneiss, small pegmatitic veinlets, and a narrow east-trending bed of iron formation or magnetite-rich metasedimentary rocks (Kleinboeck, 2023). Similar rock types are found on the Flanders South property.

*Figure 7: Property Geology*



### 7.3 Mineralization and Alteration

The mineralized pegmatites and alteration on the Property are described in Section 9.2.

## 8. Deposit Types

Felsic pegmatites are igneous rocks typically comprised of quartz, feldspar and micas that can reach very large grainsizes, although grainsize is variable throughout the rock (Jahns,1955; Sinclair, 1996; Müller et al., 2022). Felsic pegmatites form small, irregularly shaped and zoned bodies that are internally heterogenous in composition and fabric (Müller et al., 2022). Although the melt source origin can be different, almost all felsic pegmatites are thought to form from the crystallization of fractionated, volatile-rich melts rich in Si, Al, alkali elements, $H_2O$, volatiles, REEs and other less compatible elements (Černý, 1991; Sinclair, 1996). An economically important subset of these pegmatites is rare element, lithium-cesium-tantalum (LCT), pegmatites. The largest LCT pegmatites crystallized from Li-rich, fractionated melts derived from S-type granitic bodies in orogenic hinterlands, often being emplaced into metamorphosed supracrustal rock packages during late syn-tectonic to late post-tectonic stages of Archean or Paleoproterozoic orogenies (Bradley et al., 2017).

Rare element pegmatites are genetically linked to peraluminous (aluminum saturation index >1; e.g., Frost and Frost, 2008) or S-type granites. Fertile granites (i.e., granites that host the potential for Li-Cs-Ta mineralization) display characteristic whole-rock geochemical and mineralogical signatures: Mg/Li ratio < 10, Nb/Ta ratio <8 and commonly contain blocky K-feldspar and green muscovite (Selway et al., 2005). Lithium concentrations in pegmatites increase with increased melt fractionation (Selway et al., 2005). The prolonged fractionation of an S-type granite results in pegmatites displaying characteristic geochemical signatures which can be indicative of Li-Cs-Ta mineralization (Selway et al., 2005). The most strongly fractionated pegmatites tend to display: blocky K-feldspar with >3,000 ppm $Rb_{whole\text{-}rock}$, $K/Rb_{whole\text{-}rock}$ <30, and >100 ppm $Cs_{whole\text{-}rock}$; and coarse-grained green muscovite containing >2,000 ppm Li, >10,000 ppm Rb, >500 ppm Cs, and >65 ppm Ta (Selway et al., 2005). Tantalum mineralization tends to occur in albitic aplite, mica-rich (lepidolite, cleavelandite ± lepidolite), and spodumene/petalite pegmatite zones.

The main mineral constituents of LCT pegmatites are quartz, potassium feldspar, albite, and muscovite, while typical accessory minerals include biotite, garnet, tourmaline, and apatite (Bradley et al., 2017). Lithium-rich varieties of LCT pegmatites can produce lithium ore minerals which comprise spodumene ($LiAlSi_2O_6$), petalite ($LiAlSi_4O_{10}$), and lepidolite ($K[Li,Al]_3[Al,Si,Rb]_4O_{10}[F,OH]_2$). The most common cesium-rich mineral phase is pollucite ($Cs[Si_2Al]O_6{\cdot}nH_2O$) whereas tantalum is mostly concentrated in columbite ($[Fe,Mn]Nb_2O_6$) and tantalite ($[Fe,Mn]Ta_2O_6$; Bradley et al., 2017). Tin ore as cassiterite ($SnO_2$) and beryllium ore as beryl ($Be_3Al_2Si_6O_{18}$) can also occur in economic quantities

in LCT pegmatites. Furthermore, the strongly fractionated nature of pegmatites and their large grainsize are favourable to the formation of gemstones and museum specimens of rare minerals (Sinclair, 1996; Bradley et al., 2017).

Globally, approximately one-third of Li, all the Cs and most of the Ta production is derived from pegmatite deposits (United States Geological Survey, 2011). In Canada, LCT pegmatite deposits account for nearly all the historical and present-day production and reserves of lithium, tantalum, cesium (Sinclair, 1996).

# 9. Exploration Program

Exploration on the Property by the Company in the summer and autumn of 2023 comprised an airborne LiDAR survey, orthophotographic imagery, and a prospecting program.

## 9.1. Airborne LiDAR and Orthophotograph Surveys

Eagle Mapping Ltd. ("Eagle Mapping") of Langley, British Columbia, was contracted in the summer of 2023 to complete a LiDAR survey and orthophotographic imagery on the Flanders South property (~48.3 $km^{2)}$). The surveys generated topographic elevations and high-resolution imagery that helped select targets for LCT pegmatite exploration (Figure 8 + 9).

After the individual flight line data were combined with the airborne GPS/IMU information, the multiple flight lines of LiDAR data were merged using Riegl Riprocess software. The LAS data was exported along with the individual trajectories of each scan line. After export, BayesStripAlign software was used to calibrate the LiDAR data. This software corrects both relative and absolute geometric errors and reduces discrepancies between stripes due to IMU altitude and positional errors. Lines with overlapped control points were imported into TerraScan and then examined to identify systematic positioning errors which can be accounted for with further calibration.

Using the TerraSolid suite of software products, such as TerraScan and TerraModeler, Eagle Mapping classified data points as bare-earth ground (2) and unclassified (1). A two-phase processing process (i.e., automated and manual) was conducted to achieve a high-quality bare earth DEM model from the raw data. Automated classification routines were used to clean the data and identify isolated air or low points which occur due to unsuitable atmospheric conditions or erroneous sensor readings. After noise was removed from the data set, ground and non-ground features were classified using proprietary ground classification macros which consider a variety of factors, including terrain relief, vegetation type and man-made structures. A DEM model was then generated and manually checked for inconsistencies by employing 3D visualization techniques. Outliers were subsequently flagged and manually corrected using TerraScan.

For the orthophoto surveys, ground control points were laid out over the property and those locations were surveyed before photo mapping. Imagery was then reviewed and the Airborne GNSS/IMU data was extracted to provide an initial photo orientation. The orientation data was then further refined by incorporating Aerial Triangulation (AT). This process involved tying all photos to each adjacent frame photogrammetrically using tie-points, surface model data, LiDAR intensity, calibrated camera parameters and control. Thereafter, the orientation data was used in the orthophoto rectification process in addition to LiDAR DEM. Imagery is colour balanced to provide even tones with the best radiometry. Thereafter, each frame was rectified to remove distortions caused by

undulating terrain. The rectified frames were then mosaicked together by the careful placement of seamlines. Finally, tiles are extracted from the overall mosaic and visually inspected before being exported into the final delivery format.

*Figure 8: Property LiDAR Hillshade map*

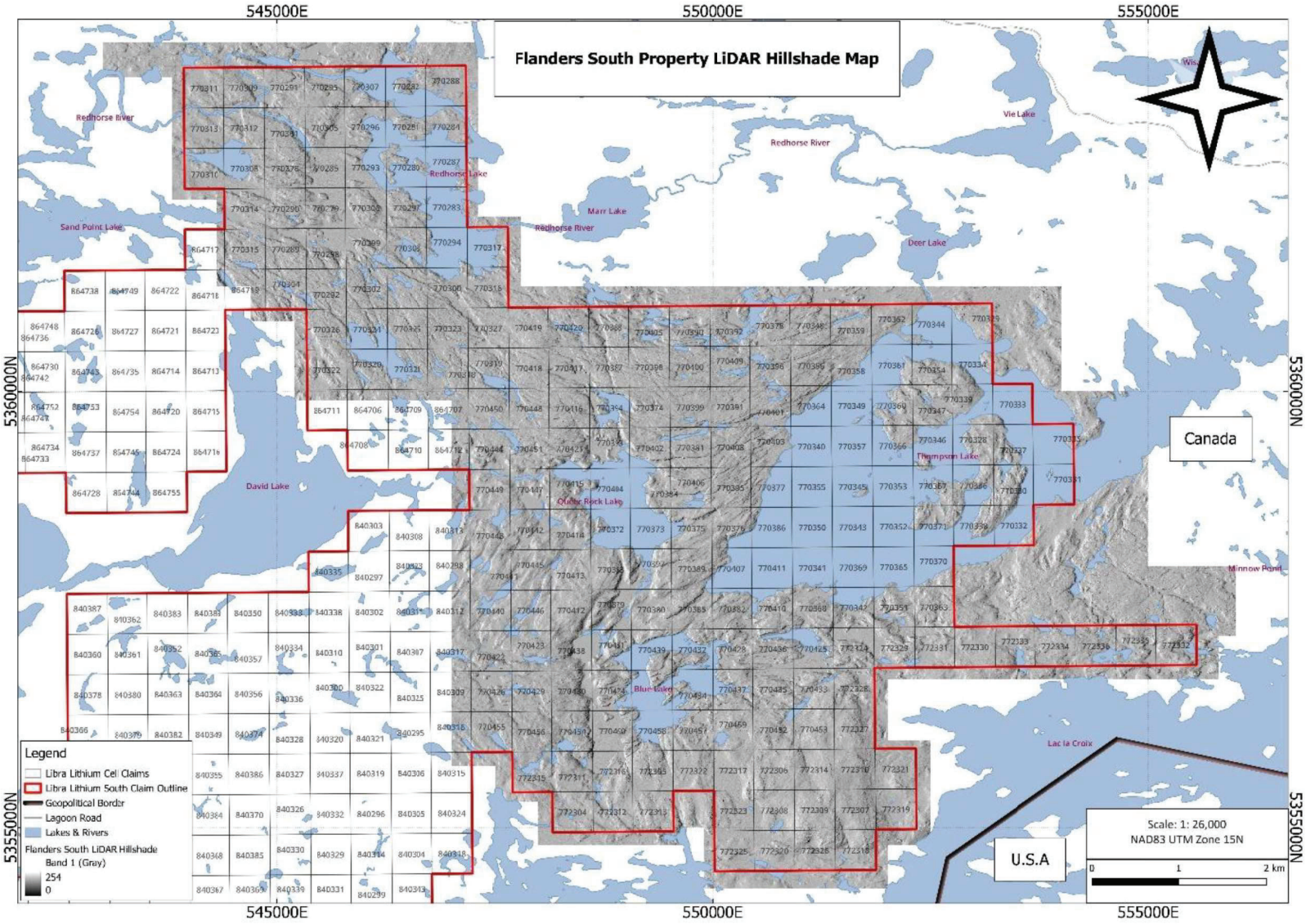
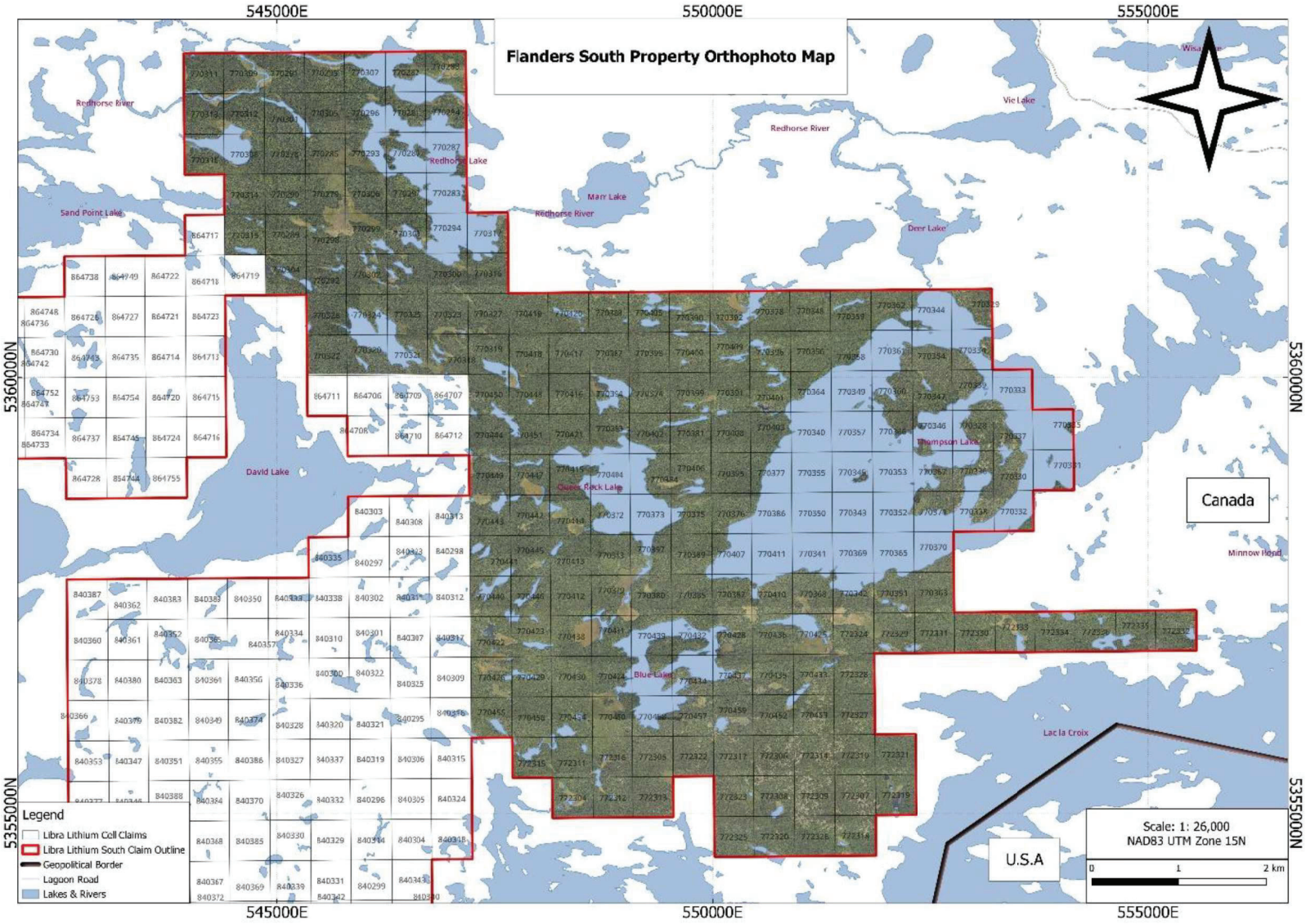


*Figure 9: Property Orthophotographic map*



## 9.2. Airborne LiDAR and Orthophotograph Surveys

Personnel of Libra Lithium and Bayside Geoscience Inc. of Thunder Bay, Ontario completed a prospecting program on the Property. Prospecting occurred intermittently between August 19, 2023 to September 12, 2023, and October 8, 2023 to November 13, 2023. The program utilized the historic government geology map, Lidar and orthographic maps to identify prospective outcrops.

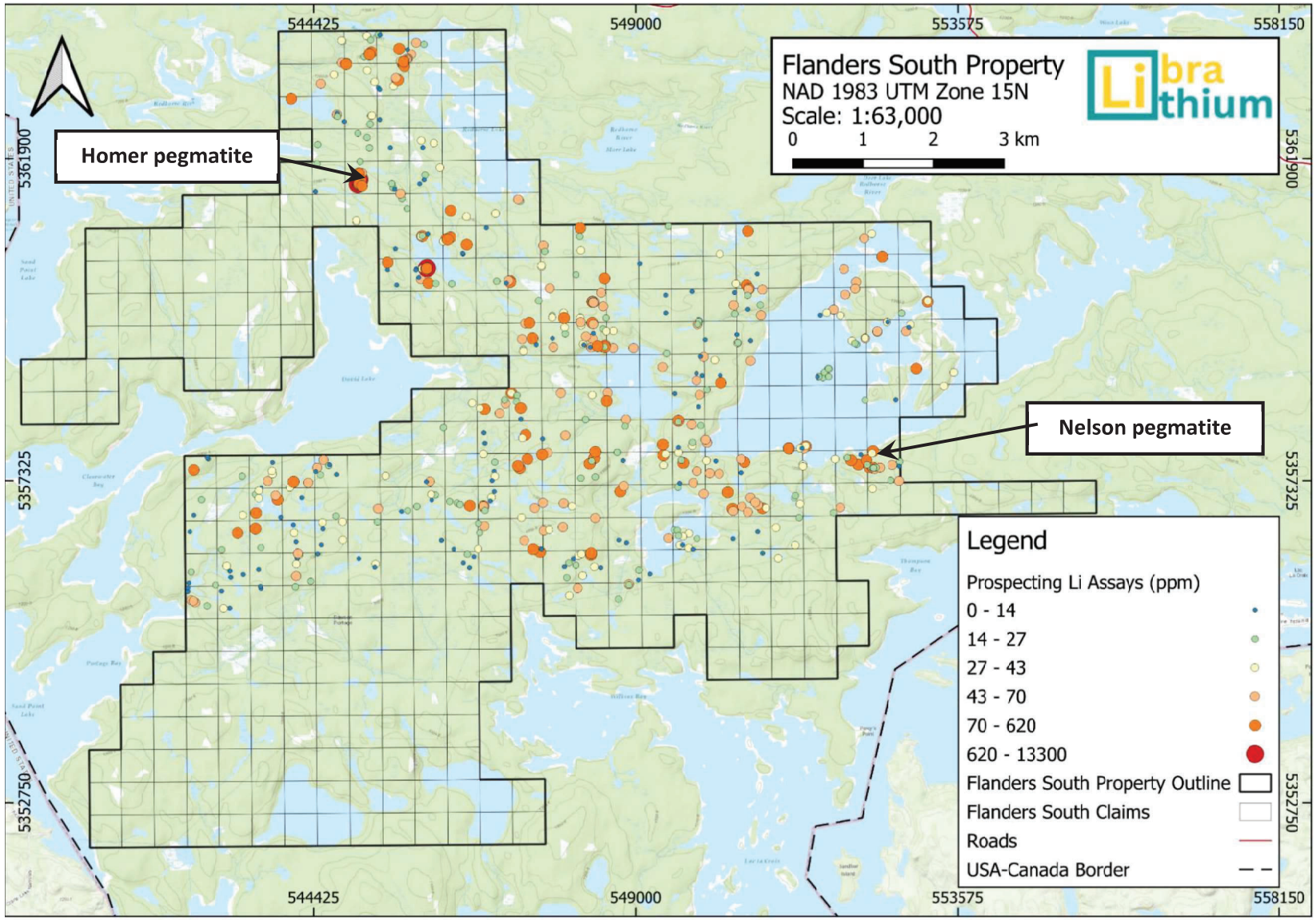
The prospecting program consisted of three steps:

4. pegmatites were identified on the property and sampled for geochemical assay.
5. strongly evolved granites/pegmatites were identified as well as any minerals of LCT pegmatites (e.g., beryl).
6. the prospective samples were examined for any lithium-bearing minerals, such as spodumene.

The prospecting program collected a total of 601 rock samples of prospective outcrops. Sample stations, as well as tracks, were recorded using a Garmin 64s handheld GPS. Sample stations were recorded using the QField application on Samsung Tab A tablets (Figure 10).

Rock samples were submitted to ALS Canada Ltd. in Thunder Bay, Ontario for preparation, whole-rock analysis and lithium-caesium-tantalum assay (.Na-peroxide fusion) (Figure 10). The company also conducted Laser-induced Breakdown Spectroscopy (“LIBS”) on muscovite from 208 samples.

*Figure 10: Sample Locations and Lithium assays (ppm).*



Two new prospective pegmatites were discovered the Homer and Nelson discoveries (Figure 10).

The Homer discovery grab samples assayed as high as 2.86% $Li_20$. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite. The Homer pegmatite body is exposed on surface for over 160 metres and remains open along strike, with exposed widths of up to 35 metres. The pegmatite appears to be sub-vertically dipping, suggesting the mapped surface may represent its approximate true width. The pegmatite has not been fully stripped, with only one side of the contact between the pegmatite and the host rock being identified potentially indicating the pegmatite to be wider. There are adjacent parallel pegmatites that share similar geochemical signatures to the Homer pegmatite, which could represent a stacked pegmatite system in this area.

The Nelson tantalite occurrence was found along the margins of a quartz pod within a 3-metre-wide pegmatite that has been traced for 100 metres and remains open along strike (Figure 8). Coarse-grained tantalite, up to 2 cm in diameter, was discovered pegmatite, with grab samples assays returning up to 4,469 ppm $Ta_2O_5$. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite.

## 10. Drilling

There has not been any drilling documented on the Property. The Company has not completed any drilling on the Property.

## 11. Sample Preparation, Analysis and Security

Field personnel collected a total of 601 rock samples. Rock samples of 3 to 5 kilograms were collected by field personnel using rock hammers, and then placed into sample bags that were labelled with unique station IDs and sample numbers. and contained a sample tag. Sample bags were securely fastened with a zip tie or flagging tape. Field personnel recorded sample information using QField, an application on Samsung Tab A tablets. QField is a sample database with predetermined fields that collects sample ID's, sample types, lithology, mineralization, alteration, and descriptions. Photos of each sample were taken on personal cell phones, renamed, and saved alongside the corresponding station data at the end of each field day. Sample stations, as well as traverse tracks, were also recorded using a Garmin 64s handheld GPS for a more accurate GPS location.

Once a batch of samples was collected, they were placed in rice bags and secured with zip tie or flagging tape. Rock samples were submitted to ALS Canada Ltd. in Thunder Bay, Ontario, an ISO/IEC 17025:2017 accredited mineral analysis laboratory, for preparation and then sent to ALS Canada Ltd. in Vancouver, British Columbia for lithium analysis using a sodium-peroxide fusion plus ICP-MS.

The following methods are summarized from ALS Geochemistry – Canada (2024). In total, 601 rock samples were submitted to ALS Geochemistry laboratories in Thunder Bay, Ontario, for Li assay and trace element characterization. Rock sample preparation for the data presented in this report, and assay data in Appendix H, comprised fine crushing of rock chip samples to 70% passing 2 mm (code: *CRU-31*). The samples were then split with a riffle splitter (code: *SPL-21*) and a 1,000g split was pulverised to a faction of 85% passing 75 microns (code: *PUL-32*). These prepared samples were submitted under the *Trace Level Lithium Exploration* analytical package (code: ME-MS89L™) which reports data for Li, Ta and Cs as ppm, some major elements (ppm). This analytical method comprises a Na-peroxide fusion with ICP-MS measurement allows for the complete analysis of samples with resistant minerals. This fusion is optimized for the complete recovery of whole-rock Li from the sample. Another 39 sub-samples/pulps were submitted under the *FTIR-MIN* package which comprises quantitative determination of mineral abundance using FTIR Spectroscopy and automated mineral abundance interpretation.

## 12. Data Verification

The data presented in this report has come primarily from the Ministry of Mines geology amps assessment files complimented by the exploration work presented and compiled by the Company.

The author can verify that the information has been presented accurately as reported in those files and reports. The Company relied on the QA/QC results from the Lab and the Author reviewed the process and verifies they are within acceptable error parameters and sufficient for this early exploration project.

The author visited the Property on November 14th, 2024. Access to the Property was gained via Lagoon Road ( ~ 50.5 km southward from Highway 11) and a quad trail (300 metres) to a small lake. This lake access is on the property and 200 metres across the lake is a pegmatite found in the Company's prospecting program.

No samples were taken, and the Author relied on the data produced by ALS Canada and the Company.
● ISO 9001:2015

## 13 Mineral Processing and Metallurgical Testing

The Property is an early-stage exploration project, no mineral processing or metallurgical testing has occurred.

## 14 Mineral Resource Estimates

The Property is an early-stage exploration project, resource estimates have not been completed.

## 15 TO 22: NOT APPLICABLE

The Property is an early-stage exploration project and thus these sections do not apply.

## 23. Adjacent Properties

There is no information on adjacent properties which is necessary to make this technical report understandable or not misleading.

## 24. Other Relevant Data and Information

To the author's best knowledge, all the relevant data and information have been provided in the preceding text and there are no omissions to disclose which would make the Technical Report misleading.

## 25. Interpretation and Conclusions

The Property consists of 406 cell claims covering an area of 8,711 hectares. The claims are all held in good standing and 100% owned by Libra. The Property was acquired as a prospective target for LCT Pegmatite mineralization.

The Property has undergone limited detailed mapping, with past exploration efforts primarily focused around Marr Lake and Wisa Lake. The Wisa Lake property is located approximately five kilometres northeast of Flanders South. Within this property, spodumene-bearing pegmatite dykes are present and are the target of economic interest. Historical exploration work commenced in 1956, when Lexindin Gold Mines completed a 1,713 m diamond drill program and 131 metre "packsack" diamond drill program on the 77-claim package. Assay results produced 1.15 wt.% $Li_2O$ in several structures over a strike length of 335 m (Winter, 2013). The next documented historical exploration work occurred on one claim of the Wisa Lake property by Dan Patrie Exploration Ltd in 2010 and 2013. In 2016, Alset Minerals acquired the property and conducted a prospecting program. Rock samples collected during the program from the North Zone Pegmatite returned grades of up to 1.4% $Li_2O$, and rock samples collected from the South Zone Pegmatite returned grades of up to 6.38% $Li_2O$. Alset Minerals later optioned the property to Ardiden Ltd. ("Ardiden"). In 2022, Ardiden sold its remaining interest in the property to Green Technology Metals (Geology Ontario, 2023).

The Property has been historically underexplored and has not been the focus of LCT Pegmatite exploration directly on the Property. Previous mapping revealed that the area is predominantly composed of metaturbidites, interspersed with notable granitic to granodioritic intrusions (Stott, 2011).

Exploration on the Property by the Company in the summer and autumn of 2023 comprised an airborne LiDAR survey, orthophotographic imagery, and a prospecting program.

Utilizing the Hillshade and Orthophoto Maps derived from the Lidar survey the extensive prospecting program sampled 601 prospective samples for whole rock analysis or assays. The program located two significant pegmatite locations the Homer and Nelson discovers.

The Homer discovery grab samples assayed as high as 2.86% $Li_20$. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite. The Homer pegmatite body is exposed on surface for over 160 metres and remains open along strike, with exposed widths of up to 35 metres. The pegmatite appears to be sub-vertically dipping, suggesting the mapped surface may represent its approximate true width. The pegmatite has not been fully stripped, with only one side of the contact between the pegmatite and the host rock being identified potentially indicating the pegmatite to be wider. There are adjacent parallel pegmatites that share similar geochemical signatures to the Homer pegmatite, which could represent a stacked pegmatite system in this area.

The Nelson tantalite occurrence was found along the margins of a quartz pod within a 3-metre-wide pegmatite that has been traced for 100 metres and remains open along strike (Figure 8). Coarse-grained tantalite, up to 2 cm in diameter, was discovered pegmatite, with grab samples assays returning up to 4,469 ppm $Ta_2O_5$. *The author cautions that grab samples are spot samples that do not represent the total value of the pegmatite.

## 26. Recommendations

An exploration program of CAD $1,015,000 is recommended to advance the geological knowledge and enhance the economic potential of the Property. The recommended exploration program should continue to utilize methods employed previously during the initial discoveries and evaluation phases to define additional mineralized pegmatites. A phased budget outlining for this exploration is presented in Table 2.

The Phase 1 ($280,000) program should be comprised of additional prospecting/geological mapping and geochemical sampling to discover additional pegmatites and extend the Homer pegmatite and Nelson tantalite occurrence.

The Phase 2 ($735,000) would be comprised of 1500 metres of diamond drilling on the most prospective targets. The prospective pegmatite targets would meet the criteria of >25 metres in width, traced for >100 metres with >15% spodumene.

Table 2: Proposed Budget

| **Proposed Phase 1 Program** | | |
|---|---|---|
| **Exploration Type** | **Cost per Unit** | **Cost** |
| Prospecting/Mapping | $20,000 per week 6 weeks | $120,000 |
| Analysis 400 Samples | $100 / sample | $40,000 |
| Mob and Demob (flights Inc.) | $40,000 | $40,000 |
| Food and Supplies | | $15,000 |
| Rentals (camp, boats truck etc,) | | $55,000 |
| Report and Maps | | $10,000 |
| Contingencies | | $10,000 |
| **Proposed Phase 1 Budget** | | **$280.000** |
| **Proposed Phase 2 Program** | | |
| Diamond Drilling Helicopter Support– 1500m | $380 / m | $570,000 |
| Geology | $30 / m | $45,000 |
| Assays and Geochem (100 Samples) | $40 / sample | $40,000 |
| Rentals, Lodging and Misc. | | $50,000 |
| Report / Maps/ Contingencies | | $30,000 |
| **Phase 2 Budget** | | **$735,000** |
| **Total Recommendations** | | **$1,015,000** |

## 27. References

Company and Assessment Reports provided by the company or sourced from the Ministry of Mines

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## 28. Certificate of Author

J. Garry Clark
941 Cobalt Cres., Thunder Bay
Canada, P7B 5Z4
Telephone: 807-622-3284, Fax: 807-622-4156
Email: garry@clarkexploration.com

CERTIFICATE OF QUALIFIED PERSON

I, J. Garry Clark, P. Geo. (#0254), do hereby certify that:

1. I am a consulting geologist with an office at 941 Cobalt Crescent, Thunder Bay, Ontario.

2. I graduated with the degree of Honours Bachelor of Science (Geology) from Lakehead University, Thunder Bay, in 1983. My Honours Thesis was completed on the Coldwell Alkalic Complex, Northwestern Ontario. During employment I have worked on pegmatite projects across Ontario. (Mavis Lake, Forgan Lake, Root Lake, Patterson Lake, Seymour Lake, Falcon, Zigzag and Clay Howells)

3. "Technical Report" refers to the report titled " Flanders South Property, Redhorse Lake, Lilac Lake, and Wolseley Lake areas, Thunder Bay Mining District, Northwestern Ontario".

4. I am a registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario (#0254) and a member Ontario Prospectors Association.

5. I have worked as a Geologist for >30 years since my graduation from university.

6. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements as a Qualified Person for the purposes of NI 43-101.

7. I am responsible for the preparation and all items of the Technical Report and completed a property examination November 14, 2024.

8. I am independent of the party or parties (the "issuer") involved in the transaction for which the Technical Report is required, other than providing consulting services, and in the application of all the tests in section 1.5 of NI 43-101.

9. I have had no prior involvement with the mineral Property that forms the subject of this Technical Report.

10. I have read NI-43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that Instrument and Form.

11. As of the date of this certificate, and to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 9th day of December, 2024

SIGNED

"J. Garry Clark"

J. Garry Clark, P.Geo.

**SCHEDULE "H"**

**PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER**

(See attached)

**LIBRA ENERGY MATERIALS INC. (FORMERLY, POWERSTONE METALS CORP.)**
**("Resulting Issuer")**
**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at January 31, 2025**
**(In Canadian Dollars)**
**(UNAUDITED)**

**Libra Energy Materials Inc. (Formerly, PowerStone Metals Corp.)**
**Unaudited Pro Forma Consolidated Statement of Financial Position**
**As at January 31, 2025**
*(Expressed in Canadian dollars)*

| | PowerStone Metals Corp. (January 31, 2025) | Libra Lithium Corp. (Dec 31, 2024) | Note 3(i) | Libra Energy Materials Inc. |
|---|---|---|---|---|
| | (unaudited) | (audited) | | (unaudited) |
| | $ | $ | $ | $ |
| ASSETS | | | | |
| CURRENT | | | | |
| Cash | 537,427 | 708,952 | - | 1,246,379 |
| Accounts receivable | - | 32,008 | - | 32,008 |
| GST/HST receivable | 18,032 | 45,889 | - | 63,921 |
| Prepaids and deposits | 20,000 | 7,991 | - | 27,991 |
| Total current assets | 575,459 | 794,840 | - | 1,370,299 |
| | | | | |
| Property and equipment | - | 74,181 | - | 74,181 |
| Investments | - | 6,250 | - | 6,250 |
| **Total assets** | **575,459** | **875,271** | **-** | **1,450,730** |
| | | | | |
| LIABILITIES | | | | |
| CURRENT | | | | |
| Accounts payable and accrued liabilities | 25,050 | 114,949 | - | 139,999 |
| Flow-through share liability | - | 3,354 | - | 3,354 |
| Current portion of loan payable | - | 10,699 | - | 10,699 |
| Total current liabilities | 25,050 | 129,002 | - | 154,052 |
| | | | | |
| Loan payable | - | 41,345 | - | 41,345 |
| Total liabilities | 25,050 | 170,347 | - | 195,397 |
| | | | | |
| SHAREHOLDERS' EQUITY | | | | |
| | | | | |
| Share capital | 1,594,590 | 2,505,068 | (1,594,590) | 2,505,068 |
| | - | - | 1,377,096 | 1,377,096 |
| Shares to be issued | - | 17,500 | - | 17,500 |
| Contribured surplus | 99,440 | 202,190 | (99,440) | 202,190 |
| | | | 44,000 | 44,000 |
| Deficit | (1,143,621) | (2,019,834) | 1,143,621 | (2,019,834) |
| Listing expense | - | - | (870,687) | (870,687) |
| Total shareholders' equity | 550,409 | 704,924 | - | 1,255,333 |
| **Total liabilities and shareholders' equity** | **575,459** | **875,271** | **-** | **1,450,730** |

*The accompanying notes are an integral part of these unaudited pro forma consolidated statement of financial position.*

## 1. Nature of Operations

The accompanying unaudited pro forma consolidated statement of financial position of Libra Energy Materials Inc. has been prepared by management to reflect the amalgamation of PowerStone Metals Corp. ("PowerStone") with Libra Lithium Corp. ("Libra" or "the Company") after giving effect to the transactions as described in notes 2 and 3. The Pro forma has been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board applied on a basis consistent with accounting policies of Libra and no adjustments were required for new or modified operations.

The unaudited pro forma statement of financial position has been prepared for inclusion in the Information Circular of the PowerStone in relation to its merger acquisition of 100% of the issued and outstanding common shares of Libra. Completion of the acquisition is subject to customary closing conditions, including all necessary approvals and consents and all applicable Canadian Securities Exchange ("CSE") approvals. In the opinion of the PowerStone's management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the transactions contemplated in the Amalgamation Agreement.

PowerStone Metals Corp. was incorporated on December 13, 2021, pursuant to the BCBCA under the name "Desk Holdings Ltd." On June 10, 2022, the Company changed its name to "PowerStone Metals Corp." PowerStone is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta, Canada and its common shares were listed for trading on the CSE.

PowerStone is a mineral exploration company focused on the identification and exploration of high-quality critical and precious metals assets, in favorable mining jurisdictions. As of the date of this pro forma, PowerStone does not have any reportable segments pertaining to its operations.

Libra Lithium Corp. was incorporated on November 15, 2022, pursuant to the Business Corporations Act (Ontario). On April 28, 2023, the Company filed articles of amendment to consolidate it shares on basis of 2 old shares for 1 new share. The Company's registered office is located at Suite 6000, 100 King Street West, 1 First Canadian Plance, Toronto, ON M5H 2R2.

Libra is a Canadian mineral exploration company focused on the discovery and development of the critical minerals necessary for the green energy transition.

## 2. PRO FORMA ASSUMPTIONS

The unaudited pro forma consolidated statement of financial position is prepared as if the transaction described below occurred on January 31, 2025.

The unaudited pro forma consolidated statement of financial position may not be indicative of the financial position that would have occurred if the transactions had taken place on the dates indicated or of the financial position which may result in the future. The actual financial position of Libra for any period following December 31, 2024, will likely vary from the amounts set forth in the unaudited pro forma consolidated statement of financial position and such variation may be material.

The unaudited pro forma consolidated statement of financial position of the Resulting Issuer has been compiled from and includes:

a) The unaudited statement of financial position of PowerStone as at January 31, 2025
b) The audited statement of financial position of Libra as at December 31, 2025; and
c) The additional information and assumptions set out in Note 2, Note 3 and Note 4.

For presentation purposes the transaction is assumed to have occurred on January 31, 2025. The unaudited pro forma consolidated statement of financial position is intended to reflect the financial position of the Resulting Issuer which would have resulted had the proposed transactions been affected on the date indicated. Actual amounts recorded upon consummation of the agreement will differ from those recorded in the unaudited pro forma consolidated statement of financial position. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of the PowerStone and Libra.

***Transaction***

On December 31, 2024, PowerStone executed an amalgamation agreement (the "Amalgamation Agreement") with Libra, whereby PowerStone's wholly owned Ontario subsidiary will amalgamate with Libra pursuant to a three-cornered amalgamation that would result in the reverse takeover of PowerStone by Libra (the "Transaction"). As part of the Transaction and pursuant to the terms of the Agreement, PowerStone anticipates seeking shareholder approval for (i) consolidating its issued and outstanding common shares (the "PowerStone Consolidation") on the basis of one post-consolidation common shares for every 2.4966 pre-consolidation common shares of PowerStone, (ii) changing its name to "Libra Energy Materials Inc." (the "PowerStone Name Change"), (iii) amending its articles to allow for the board of directors to implement certain structural changes to its capitalization structure in the future, and (iv) electing a new slate of board directors.

The principal features of the Transaction are summarized as follows:

- Libra will amalgamate with PowerStone's wholly owned subsidiary under the provisions of the OBCA and, as a result, Libra will become a wholly owned subsidiary of PowerStone.

- each Libra Share shall be cancelled, and the holder thereof shall receive that number of Resulting Issuer Shares as is equal to the number of Libra Shares held by such Libra shareholder immediately prior to Amalgamation; and

- each PowerStone Share shall be consolidated prior to the Amalgamation, on the basis of approximately one post-consolidation PowerStone Share for each 2.4966 pre-consolidation PowerStone Shares, such that there are 11,475,802 PowerStone Shares issued and outstanding immediately after the consolidation but prior to the closing of the Amalgamation.

The completion of the Transaction contemplated by the amalgamation agreement is subject to certain conditions, including but not limited to (a) obtaining all necessary regulatory approvals, including Exchange approval of the Transaction, the PowerStone Consolidation and the PowerStone Name Change and other transactions comprising part of the Transaction; (b) the approval by the Libra Shareholders of the Transaction; and (c) other customary conditions. Subsequent to the closing of the Transaction, the common shares of the Resulting Issuer will be listed on the CSE.

## 3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions and adjustments:

i. The transaction will be treated as a reverse takeover ("RTO") for accounting purposes based on the terms within the Amalgamation Agreement. At the time of the Transaction, PowerStone will not constitute a business combination as defined under IFRS 3 Business Combination; therefore, the Transaction will be accounted for under IFRS 2 Share-Based Payment, where the difference between the consideration given to acquire PowerStone and the net liabilities of PowerStone assumed is

recorded as listing expense. For accounting purposes, Libra is identified as the acquirer and PowerStone the acquiree; therefore, the comparative figures that will be presented in the consolidated financial statements after the RTO will be those of Libra.

Accordingly, the assets and liabilities of PowerStone are included in the unaudited pro forma consolidated statement of financial position and are presented at their fair value, which is deemed to be equal to their carrying value; the pre-acquisition equity of PowerStone will be eliminated upon consolidation. This includes its share capital of $1,594,590, contributed surplus of $99,440 and accumulated deficit of $1,143,621.

The purchase price includes the fair value of 11,475,802 post-consolidation shares retained by PowerStone shareholders, valued at $0.12 per share based on Libra's most recent private placement price, for a total value of $1,377,096, and the fair value of 680,917 post-consolidation stock options retained by PowerStone shareholders of $44,000, measured using the Black-Scholes option pricing model using the following weighted average assumptions: 100% expected annualized volatility, based on comparable public companies' volatilities; 2.64% risk-free interest rate; $0.12 share price; $0.19 exercise price; 2.96 years expected life and a 0% expected dividend rate. The excess of the consideration over the fair value of the net assets of PowerStone of $870,687 is charged to listing expense.

| | | |
|---|---|---|
| Fair value of shares retained by Powerstone shareholders | $ | 1,377,096 |
| Fair value of PowerStone stock options | | 44,000 |
| Total purchase consideration | $ | 1,421,096 |
| | | |
| Allocation of Purchase Consideration | | |
| Cash | $ | 537,427 |
| GST/HST receivable | | 18,032 |
| Prepaids and deposits | | 20,000 |
| Accounts payable and accrued liabilities | | (25,050) |
| Net assets acquired | | 550,409 |
| Listing expense | | 870,687 |
| Total | $ | 1,421,096 |

II. PowerStone shares will be consolidated on the basis of one PowerStone Consolidated Share for every 2.4966 Resulting Issuer Share upon completion of the Amalgamation. Existing shareholders of PowerStone, on a post-PowerStone Consolidation basis, will hold an aggregate of 11,475,802 Resulting Issuer Shares representing approximately 20% of the outstanding Resulting Issuer Shares on a non-diluted basis.

III. Former Libra Shareholders will hold an aggregate of 45,903,209 Resulting Issuer Shares representing approximately 80% of the outstanding Resulting Issuer Shares on a non-diluted basis.

## 4. PRO FORMA SHARE CAPITAL

| | Note | Number of Shares | Pro Forma Amount ($) |
|---|---|---|---|
| Libra shares as at December 31, 2024 | | 45,903,209 | 2,505,068 |
| Shares retained by PowerStone shareholders upon RTO | **3** | 11,475,802 | 1,377,085 |
| Pro forma balance at January 31, 2025 | | **57,379,011** | **3,882,153** |

## 5. INCOME TAXES

The effective income tax rate applicable to the combined operations will be 26.5%. No adjustments for income taxes have been made to the unaudited pro forma consolidated statement of financial position as their effect would be immaterial.

**SCHEDULE "I"**

**LIBRA LITHIUM CORP. ANNUAL FINANCIAL STATEMENTS**

for the years ended December 31, 2024 and 2023

(See attached)

# LIBRA LITHIUM CORP.

## ANNUAL FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

**(Expressed in Canadian Dollars)**

Crowe MacKay LLP
1400 - 1185 West Georgia Street
Vancouver, BC V6E 4E6
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

# Independent Auditor's Report

To the Board of Directors of Libra Lithium Corp.

## Opinion

We have audited the financial statements of Libra Lithium Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2024 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Other matter

The financial statements of Libra Lithium Corp. for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on May 24, 2024.

## Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Mackay LLP

**Chartered Professional Accountants**
**Vancouver, Canada**
**March 24, 2025**

**Libra Lithium Corp.**
**Statements of Financial Position**
*(Expressed in Canadian Dollars)*

| As at | | December 31, 2024 | | December 31, 2023 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | $ | 708,952 | $ | 295,811 |
| Accounts receivable | | 32,008 | | 282 |
| GST receivable | | 45,889 | | 131,952 |
| Prepaid expenses | | 7,991 | | 8,969 |
| | | 794,840 | | 437,014 |
| Property and equipment (Note 6) | | 74,181 | | 111,341 |
| Investments (Note 7) | | 6,250 | | 25,000 |
| **TOTAL ASSETS** | **$** | **875,271** | **$** | **573,355** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Accounts payable and accrued liabilities (Note 10) | $ | 114,949 | $ | 118,039 |
| Flow-through share liability (Note 9) | | 3,354 | | 4,315 |
| Current portion of loan payable (Note 8) | | 10,699 | | 9,900 |
| **TOTAL CURRENT LIABILITIES** | | 129,002 | | 132,254 |
| **NON-CURRENT LIABILITIES** | | | | |
| Loan payable (Note 8) | | 41,345 | | 52,313 |
| **TOTAL LIABILITIES** | | 170,347 | | 184,567 |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share capital (Note 9) | | 2,505,068 | | 1,925,388 |
| Obligation to issue shares (Note 9) | | 17,500 | | - |
| Contributed surplus (Note 9) | | 202,190 | | 21,655 |
| Accumulated deficit | | (2,019,834) | | (1,558,255) |
| **TOTAL SHAREHOLDERS' EQUITY** | | 704,924 | | 388,788 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **$** | **875,271** | **$** | **573,355** |

Nature and continuance of operations (Note 1)
Commitments (Note 14)
Subsequent events (Note 16)

Approved on behalf of the Board of Directors:

*"Koby Kushner"*
Director

*"David Goodman"*
Director

*The accompanying notes are an integral part of these financial statements.*

| | Notes | Year Ended December 31, 2024 $ | Year ended December 31, 2023 $ |
|---|---|---|---|
| **EXPENSES** | | | |
| Consulting fees | 10 | 156,125 | 123,219 |
| Depreciation | | 38,915 | 23,723 |
| Marketing and advertising | | 6,016 | 6,798 |
| Office administration and general | | 31,725 | 15,221 |
| Professional fees | | 74,041 | 92,607 |
| Rent | | 9,750 | 1,500 |
| Salaries and benefits | | 200,611 | 147,559 |
| Share-based payments | 9,10 | 186,535 | 21,655 |
| Travel and entertainment | | 24,498 | 12,783 |
| Exploration and evaluation | 5 | 274,913 | 1,098,160 |
| **LOSS BEFORE OTHER ITEMS** | | (1,003,129) | (1,543,225) |
| **OTHER ITEMS** | | | |
| Other income | 5 | 511,115 | - |
| Interest expense | | (2,957) | (3,365) |
| Interest income | | 17,526 | 8,985 |
| Gain on settlement of debt | | 5,017 | - |
| Flow-through premium recovery | 9 | 10,849 | 22,210 |
| **NET LOSS AND COMPREHENSIVE LOSS** | | (461,579) | (1,515,395) |
| **BASIC AND DILUTED LOSS PER SHARE** | | (0.01) | (0.05) |
| **WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING** | | 42,501,066 | 29,386,500 |

*The accompanying notes are an integral part of these financial statements.*

| | Number of Shares | Share Capital | Contributed Surplus | Obligation to issue shares | Deficit | Total Shareholders' Equity |
|---|---|---|---|---|---|---|
| **Balance, December 31, 2022** | **15,000,000** | **$ 60,000** | **$ -** | **$ -** | **$ (42,860)** | **$ 17,140** |
| Shares issued for cash | 23,972,495 | 1,850,400 | - | - | - | 1,850,400 |
| Shares issued for services | 1,805,556 | 7,222 | - | - | - | 7,222 |
| Shares issued as option payment | 333,333 | 66,666 | - | - | - | 66,666 |
| Flow-through share premium | - | (26,525) | - | - | - | (26,525) |
| Share issuance costs | - | (32,375) | - | - | - | (32,375) |
| Share-based payments | - | - | 21,655 | - | - | 21,655 |
| Net loss for the year | - | - | - | - | (1,515,395) | (1,515,395) |
| **Balance, December 31, 2023** | **41,111,384** | **1,925,388** | **21,655** | **-** | **(1,558,255)** | **388,788** |
| Shares issued pursuant to settlement of debt | 136,200 | 19,344 | - | - | - | 19,344 |
| Private placement for cash | 4,183,542 | 519,913 | - | - | - | 519,913 |
| Shares issued as option payment | 239,583 | 28,750 | - | - | - | 28,750 |
| Shares issued for services | 182,500 | 22,125 | - | - | - | 22,125 |
| Shares to be issued for services | - | - | - | 17,500 | - | 17,500 |
| Flow-through share premium | - | (9,888) | - | - | - | (9,888) |
| Share issuance costs | - | (6,564) | - | - | - | (6,564) |
| Share-based payments | 50,000 | 6,000 | 180,535 | - | - | 186,535 |
| Net loss for the year | - | - | - | - | (461,579) | (461,579) |
| **Balance, December 31, 2024** | **45,903,209** | **$ 2,505,068** | **$ 202,190** | **$ 17,500** | **$ (2,019,834)** | **$ 704,924** |

*The accompanying notes are an integral part of these financial statements.*

| | Year ended December 31, 2024 $ | Year ended December 31, 2023 $ |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Net loss | (461,579) | (1,515,395) |
| Add items not affecting cash: | | |
| Share-based payments | 186,535 | 21,655 |
| Flow-through premium liability recovery | (10,849) | (22,210) |
| Depreciation | 38,915 | 23,723 |
| Gain on settlement of debt | (5,017) | - |
| Share issued for services | 22,125 | 7,222 |
| Shares to be issued for services | 17,500 | - |
| Shares issued for option agreements | 28,750 | 66,666 |
| Interest | 2,956 | 1,928 |
| Net changes in non-cash working capital: | | |
| Accounts receivable | (31,726) | (282) |
| GST receivable | 86,063 | (131,952) |
| Prepaid expenses | 978 | (8,969) |
| Accounts payable | 21,271 | 115,819 |
| **Net cash used in operating activities** | **(104,078)** | **(1,441,795)** |
| **INVESTING ACTIVITIES** | | |
| Investments | - | (25,000) |
| Equipment additions | (1,755) | (135,064) |
| Sale of equity securities | 18,750 | - |
| **Net cash provided by (used in) investing activities** | **16,995** | **(160,064)** |
| **FINANCING ACTIVITIES** | | |
| Proceeds from issuance of common shares | 519,913 | 1,850,400 |
| Share issued costs | (6,564) | (32,375) |
| Proceeds from issuance of loans payable | - | 67,936 |
| Repayment of loan payable | (13,125) | (7,651) |
| **Net cash provided by financing activities** | **500,224** | **1,878,310** |
| INCREASE IN CASH AND CASH EQUIVALENTS | 413,141 | 276,451 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 295,811 | 19,360 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | **708,952** | **295,811** |
| **Supplemental cash flow information (Note 15)** | | |
| CASH AND CASH EQUIVALENTS CONSISTS OF: | | |
| Cash | 658,952 | 245,811 |
| Cashable GIC Investment | 50,000 | 50,000 |
| | **708,952** | **295,811** |

*The accompanying notes are an integral part of these financial statements*

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Libra Lithium Corp. (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.

Libra Lithium Corp. was incorporated under the Ontario Company Act on November 15, 2022. The Company's registered office, records office and head office is located at Suite 6000, 100 King Street West, 1 First Canadian Place Toronto, ON M5X 1E2.

As at December 31, 2024, the Company's principal mineral interests were located in Ontario and Quebec, Canada and it has not yet been determined whether these properties contain reserves that are economically recoverable.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at December 31, 2024, the Company had not advanced its resource properties to commercial production or achieved profitable operations. The Company had a net loss for the year ended December 31, 2024 of $461,579 has an accumulated deficit of $2,019,834 since inception and expects to incur further losses in the development of its business. Those factors create material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

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

## 2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved and authorized by the Board of Directors on March 24, 2025.

b) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. All financial information in these financial statements is presented in Canadian dollars which is the functional currency of the Company.

## 3. MATERIAL ACCOUNTING POLICES

The accounting policies set out below have been applied consistently to all years presented in these financial statements unless otherwise indicated.

### a) Cash and cash equivalents

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

## 3. MATERIAL ACCOUNTING POLICES (continued)

### b) Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

### c) Resource property cost

*Pre-exploration costs*

Pre-exploration costs incurred before the Company has the legal right to explore, are expensed in the period in which they are incurred.

*Exploration and evaluation costs*

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

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

### d) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for temporary differences arising on the initial recognition of an asset or liability in a transaction that:

- Is not a business combination;
- At the time of a transaction, affects neither accounting profit nor taxable profit or loss; and
- At the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

### e) Share capital

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

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

## 3. MATERIAL ACCOUNTING POLICES (continued)

### e) Share capital (continued)

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

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

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

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

### f) Share-based payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Company's estimate of options that will eventually vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to operations over the remaining vesting period.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid.

### g) Property and equipment

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

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

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

## 3. MATERIAL ACCOUNTING POLICES (continued)

### g) Property and equipment (continued)

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

### h) Rehabilitation provisions

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

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

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

As at December 31, 2024 and 2023, the Company is not aware of any reclamation costs and no amounts have been recorded.

### i) Financial instruments

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

- At fair value or through profit or loss ("FVTPL"), or
- At amortized cost.

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

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

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

### j) Government grants

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

## 3. MATERIAL ACCOUNTING POLICES (continued)

### k) Investments in private companies

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

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

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or

- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or

- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or

- The investee company is placed into receivership or bankruptcy.

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

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

### l) New accounting standards adopted during the year

Amendments to IAS 1 –The IASB has published Classification of Liabilities as Current or Non-Current which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishments of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. The adoption of the amendments has no material changes to the Company's financial statements.

## 3. MATERIAL ACCOUNTING POLICES (continued)

### m) Accounting standard issued but not yet effective

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements - IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. It introduces several new requirements that are expected to impact on the presentation and disclosure of most, if not all, entities. These include: The requirement to classify all income and expense into specified categories and provide specified totals and subtotals in the statement of profit or loss. Enhanced guidance on the aggregation, location and labeling of items across the primary financial statements and the notes. Mandatory disclosures about management-defined performance measures (a subset of alternative performance measures).

The Company will be assessing the impact of adopting the above standard on the financial statements.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES

### Use of estimates and judgements

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

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

### Significant accounting judgements

Management must make judgement given the various options available as per accounting standards for items included in the financial statements. Judgement involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgement made. A summary of items involving management judgement include, but are not limited to:

a) Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgement based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.

### Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

a) Useful lives of equipment
Estimates of the useful lives of equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES (continued)**

b) Investments in private companies' shares
The Company has investments in two private companies' shares which are measured at FVTPL based on Level 3 of the fair value hierarchy. See Note 7.

## 5. EXPLORATION AND EVALUATION EXPENDITURES

| | Canada Ontario $ | Canada Quebec $ | Total $ |
|---|---|---|---|
| **EXPLORATION COSTS** | | | |
| Option payments | 148,667 | - | 148,667 |
| Staking and filing fees | 132,550 | 2,637 | 135,187 |
| Consulting | 597,738 | - | 597,738 |
| Data interpretation | 179,672 | - | 179,672 |
| Other expenditures | 36,896 | - | 36,896 |
| For the year ended December 31, 2023 | 1,095,523 | 2,637 | 1,098,160 |
| | | | |
| Option payments | 171,550 | - | 171,550 |
| Staking and filing fees | 26,925 | - | 26,925 |
| Consulting | 126,579 | - | 126,579 |
| Data interpretation | 43,201 | - | 43,201 |
| Ontario Junior Exploration Program grant | (378,628) | - | (378,628) |
| Other expenditures | 285,286 | - | 285,286 |
| **For the year ended December 31, 2024** | **274,913** | **-** | **274,913** |

## 5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

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

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

1) within five Business Days of the Acceptance Date paying $57,000 (paid);
2) on or before June 2, 2024 paying $95,000 (paid);
3) on or before June 2, 2025 paying $114,000; 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 "Second Amendment'). The Company reimbursed Bounty for the amount of $5,000, within 10 calendar days of the Second Amendment Date.

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

The 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, ("NI 43-101"), S-K 1300 of the Securities and Exchange Commission of the United States of America ("S-K 1300") or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), that discloses any distinct deposit or orebody exceeding ten million (10,000,000) metric tonnes ("Mt") 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% Net Smelter Return royalty may be reduced to 1% by paying the Company $1,000,000 per specified project. Prior to the exercise of the option, the Company shall at any time have the right to terminate the agreement by providing 30 days' written notice to Bounty.

As at December 31, 2024, this agreement was in good standing.

### (b) 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 (the "Optionor"), to acquire 100% interest to the project, subject to certain milestone payments and a 2% Net Smelter Return 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.

## 5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

### (c) LAIRD LAKE AND ONEMAN LAKE PROJECT

On August 19, 2024 (the "Acceptance Date") the Company entered into an option agreement with Bounty to acquire 100% interest in the mineral claims of the Laird Lake Project and the Oneman Lake Project, in Ontario, subject to milestone payments and a 2% Net Smelter Return royalty upon commencement of commercial production. The Company will pay a separate 1% Net Smelter KRL 4241641 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;
(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.

Immediately upon the Company satisfying all of the conditions set out in the agreement, the Company will be deemed to have exercised the Option and to have earned a 100% interest in the Laird Lake and Oneman Project. The Company has earned 100% interest in the Oneman Lake Property upon the initial issuance of 25,000 shares.

The 2% Net Smelter Return 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 represents 19.9% of the total issued and outstanding shares of Athena BC (Note 7).

## 5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

### (d) 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 initial 51% earn-in thresholds for the Earn-In Properties, KoBold must complete the following:

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

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

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**").

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. In exchange for exploration services, KoBold will pay Libra a monthly cash fee of $35,000.

## 5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

### (d) KOBOLD EXPLORATION EARN-IN AGREEMENT (continued)

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.

During the year ended December 31, 2024, the Company recognized $445,000 of the reimbursement of expenses in other income relating to this agreement (2023 - $Nil).

### (e) CLAIMS HELD DIRECTLY

The Company staked 100% interest in several projects in the Northwest regions of Ontario, including Flanders South, Flanders North, Burton, Energy Hill, Tennant Lake, Bitchu, Kivinen and the Toivo project.

As of December 31, 2024, all claims held directly were in good standing.

## 6. PROPERTY AND EQUIPMENT

| Cost | Mining Evaluation Equipment $ | Office Equipment $ | Vehicle $ | Total $ |
|---|---|---|---|---|
| December 31, 2022 | - | - | - | - |
| Additions | 70,301 | 4,230 | 60,533 | 135,064 |
| December 31, 2023 | 70,301 | 4,230 | 60,533 | 135,064 |
| Additions | - | 1,755 | - | 1,755 |
| **December 31, 2024** | **70,301** | **5,985** | **60,533** | **136,819** |
| **Accumulated Depreciation** | | | | |
| December 31, 2022 | - | - | - | - |
| Depreciation | 15,818 | 843 | 7,062 | 23,723 |
| December 31, 2023 | 15,818 | 843 | 7,062 | 23,723 |
| Depreciation | 23,434 | 1,523 | 13,958 | 38,915 |
| **December 31, 2024** | **39,252** | **2,366** | **21,020** | **62,638** |
| **Net book value** | | | | |
| December 31, 2023 | 54,483 | 3,387 | 53,471 | 111,341 |
| **December 31, 2024** | **31,049** | **3,619** | **39,513** | **74,181** |

## 7. INVESTMENTS

On September 26, 2023, the Company purchased 1,000,000 units (each Unit consisting of one common share and one common share purchase warrant) of Blue Ridge Lithium Corp, a private entity.

| | Number of Units | | Amount |
|---|---|---|---|
| December 31, 2022 | - | $ | - |
| Additions | 1,000,000 | | 25,000 |
| December 31, 2023 | 1,000,000 | | 25,000 |
| Disposals | (750,000) | | (18,750) |
| December 31, 2024 | 250,000 | $ | 6,250 |

During the year ended December 31, 2024, the Company sold 750,000 units for proceeds of $18,750, resulting in no gain or loss. The carrying value represents the fair value of the investment at December 31, 2024, measured at FVTPL based on Level 3 of the fair value hierarchy.

On September 30, 2024, the Company acquired 43,865,217 shares of Athena BC (Note 5), which was valued at $Nil.

The Company has a 19.9% interest in Athena BC which was incorporated for the purpose of completing a re-domestication from the State of Delaware to British Columbia pursuant to an amalgamation of Athena Gold with and into Athena BC, with Athena BC being the surviving entity. Athena BC is not listed on any public stock exchange. The carrying value of the Company's investment in Athena BC is $Nil on December 31, 2024, measured at FVTPL based on Level 3 of the fair value hierarchy.

## 8. LOAN PAYABLE

During the year ended December 31, 2023, the Company received a $67,936 vehicle financing loan. During the year ended December 31, 2024, the Company repaid $13,125 (2023 - $7,651) of this loan. The loan is financed through Royal Bank of Canada for a fixed term of 6 years, a fixed interest rate of 4.99% per annum and is secured by the vehicle. The proceeds of the loan were used to acquire a corporate vehicle to be used for field work.

| | | |
|---|---|---|
| **Balance, December 31, 2022** | **$** | **-** |
| Addition | | **67,936** |
| Interest | | **1,928** |
| Repayments | | **(7,651)** |
| **Balance, December 31, 2023** | | **62,213** |
| Interest | | **2,956** |
| Repayments | | **(13,125)** |
| **Balance, December 31, 2024** | **$** | **52,044** |

| **Loan payable is allocated as:** | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| Current | **10,699** | 9,900 |
| Non-current | **41,345** | 52,313 |
| **Balance** | **52,044** | 62,213 |

| **Undiscounted remaining cash flows** | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| Less than one year | **13,125** | 13,125 |
| Between one and 5 years | **44,843** | 52,499 |
| More than 5 years | **-** | 5,469 |
| Total undiscounted loan payable | **57,968** | 71,093 |
| Amount representing implicit interest | **(5,924)** | (8,880) |
| **Loan payable** | **52,044** | 62,213 |

## 9. SHARE CAPITAL

*Authorized:*
Unlimited voting common shares without par value.

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

On April 28, 2023, the Company consolidated its share capital on a 2:1 basis. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

*Issued:*

During the year ended December 31, 2024, the Company completed the following share capital issuances:

- On January 8, 2024, the Company issued 7,500 common shares for services at a fair value of $0.15 per share.
- On January 9, 2024, the Company issued 100,000 common shares for the settlement of debt at a fair value of $0.15 per share.
- On May 3, 2024, the Company closed a private placement through the issuance of 100,000 common shares at $0.20 per share for gross proceeds of $20,000.
- On August 21, 2024, the Company issued 239,583 common shares as an option payment on the Laird Lake Project and Oneman Lake Project (Note 5) at a value of $0.12 per share.

## 9. SHARE CAPITAL (continued)

- On August 30, 2024, the Company closed a non-brokered private placement, through the issuance of 585,000 common shares on a flow-through basis at $0.13 per FT Share and 1,316,958 common shares on a non-flow-through basis at $0.12 per NFT Share, for total gross proceeds of $234,085, of which $5,850 was recognized as a flow-through premium liability.

- On October 11, 2024, the Company closed a non-brokered private placement, through the issuance of 403,784 common shares on a flow-through basis at $0.13 per FT Share and 1,250,000 common shares on a non-flow-through basis at $0.12 per NFT Share, for total gross proceeds of $202,492, of which $4,038 was recognized as a flow-through premium liability.

- On October 25, 2024, the Company closed a non-brokered private placement through the issuance of 527,800 common shares at a price of $0.12 per share, for total gross proceeds of $63,336.

- On November 4, 2024, the Company issued 50,000 common shares as a bonus to a consultant of the Company at a fair value of $0.12 per share, which is recognized as share-based payments.

- On November 22, 2024, the Company issued 36,200 common shares for settlement of debt of $4,344 at a fair value of $0.12 per share.

- On December 19, 2024, the Company issued 175,000 common shares for services at a fair value of $0.12 per share.

During the year ended December 31, 2023, the Company completed the following share capital issuances:

- 333,333 common shares were issued as an option payment on the Docker Project (Note 5) at a value of $0.20 per share.

- 210,000 common shares were issued on a flow-through basis, with respect of Canadian Exploration Expenditures ("CEE") for proceeds of $50,400. The Company has committed to spend 100% of the gross proceeds on qualifying CEE prior to December 31, 2024. As of December 31, 2023, the Company has incurred $24,507 in E&E expenditures. The excess of the proceeds on issuance of the flow-through shares above the price of a common share without the flow-through feature, being $8,400, was recorded as a flow-through share premium liability.

- 362,500 common shares were issued on a flow-through basis, with respect of CEE for proceeds of $72,500. The Company was committed to spend 100% of the gross proceeds on qualifying CEE prior to December 31, 2024. As of December 31, 2023, the Company had fully incurred these expenditures. The excess of the proceeds on issuance of the flow-through shares above the price of a common share without the flow-through feature, being $18,125, was recorded as a flow-through share premium liability.

- 1,805,556 common shares were issued for services at a fair value of $0.004 per share.

- 6,149,995 common shares were issued for proceeds of $922,500.

- 16,000,000 common shares were issued for proceeds of $800,000.

- 1,250,000 common shares were issued for proceeds of $5,000.

Flow-through premium

| | | |
|---|---|---|
| Balance as at December 31, 2022 | $ | - |
| Flow through premium liability recognized | | 26,525 |
| Recognized in profit or loss upon incurring qualifying expenditures | | (22,210) |
| Balance as at December 31, 2023 | | 4,315 |
| Flow through premium liability recognized | | 9,888 |
| Recognized in profit or loss upon incurring qualifying expenditures | | (10,849) |
| **Balance as at December 31, 2024** | **$** | **3,354** |

## 9. SHARE CAPITAL (continued)

Stock Options

The Company has a stock option plan which it will grant stock options to employees, officers, directors and consultants of the Company. Options under the plan are to have an exercise price equal to the estimated fair value of the Company's shares on the grant date, have a life of 10 years and vest as determined by the Board of Directors. The maximum options to be granted under the plan is limited to 10% of the outstanding Common Shares of the Company. The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the estimated value of the Company's common shares on the date of the grant.

A summary of the status of the stock options as of December 31, 2024 and December 31, 2023 and changes during the years then ended is presented below:

| | December 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Number of Options Outstanding | Weighted Average Exercise Price $ | Number of options exercisable | Number of Options Outstanding | Weighted Average Exercise Price $ | Number of Options Exercisable |
| Beginning of year | 3,100,000 | 0.15 | 1,033,333 | - | - | - |
| Granted | 455,000 | 0.15 | 100,000 | 3,100,000 | 0.15 | - |
| End of year | 3,555,000 | 0.15 | 1,133,335 | 3,100,000 | 0.15 | - |
| Weighted-average remaining life, in year | | 3.97 | | | 4.75 | |

As at December 31, 2024, the Company has 3,555,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

| Number | Exercise Price | Expiry Date |
|---|---|---|
| 3,100,000 | $0.15 | November 14, 2028 |
| 155,000 | $0.15 | February 8, 2029 |
| 300,000 | $0.15 | November 4, 2029 |

On November 4, 2024, the Company granted 300,000 common share purchase options exercisable at $0.15 per share, expiring on November 4, 2029. These options vest as follows: 1/3 vested immediately, with 1/3 vesting each year on the anniversary date of the date of grant. The fair value of the options was estimated to be $26,808 based on the Black-Scholes Option Pricing Model.

On February 8, 2024, the Company granted 155,000 common share purchase options exercisable at $0.20 per share, expiring on February 8, 2029. These options vest 1/3 each year on the anniversary date of the date of grant. On September 19, 2024, the options were amended to have an exercise price of $0.15. The fair value of the options was estimated to be $16,981 based on the Black-Scholes Option Pricing Model.

On November 15, 2023, the Company granted 3,100,000 common share purchase options exercisable at $0.15 per share, expiring November 14, 2028. These options vest 1/3 each year on the anniversary date of the date of grant. The fair value of the options was estimated to be $281,170 based on the Black-Scholes Option Pricing Model.

## 9. SHARE CAPITAL (continued)

Stock Options (continued)

The assumptions used to calculate the fair value were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Risk free rate of interest | 3.25% | 3.60% |
| Expected life of options | 5 years | 5 years |
| Exercise price of options | $0.17 | $0.15 |
| Expected annualized volatility | 102.99% | 70% |
| Expected dividend rate | Nil | Nil |

During the year ended December 31, 2024, the Company incurred $180,535 of share-based payments (2023 - $21,655).

As the Company's shares are not listed on a stock exchange, it estimated its expected share price volatility based on a weighted average volatility of similar companies whose shares are publicly traded.

## 10. RELATED PARTY TRANSACTIONS

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

| | Year ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Key management compensation: | $ | $ |
| Wages and benefits | - | 71,250 |
| Consulting fees | 155,000 | 62,625 |
| Share-based payments | 68,485 | 11,351 |
| | 223,485 | 145,226 |

(i) During the year ended December 31, 2024, the Company incurred $95,000 (2023 - $Nil) in consulting fees with a company controlled by the Chief Executive Officer ("CEO") of the Company.

(ii) During the year ended December 31, 2024, the Company incurred $Nil (2023 - $71,250) in wages and benefits for services provided by the CEO of the Company.

(iii) During the year ended December 31, 2024, the Company incurred $60,000 (2023 - $62,625) in consulting fees with companies controlled by the former Chief Financial Officer ("CFO") and a Director of the Company.

Included in December 31, 2024 accounts payable and accrued liabilities is $23,750 (2023 - $Nil) owing to a company controlled by the CEO, $Nil (2023 - $17,049) owing to the CEO, $3,500 (2023- $Nil) owing to a company controlled by the former CFO and a Director, and $361 (2023 - $361) owing to a Director of the Company. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

## 11. INCOME TAXES

The following table reconciles the amount of income tax recovery on application of the statutory Canadian federal and provincial income tax rates:

| For the year ended | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Net loss before taxes | $ (461,579) | $ (1,515,395) |
| Canadian federal and provincial income tax rates | 26.5% | 26.5% |
| Income tax recovery at statutory rate | (122,000) | (402,000) |
| Tax effect of: | | |
| Non-deductible amounts | 48,000 | 20,000 |
| Flow-through shares | 41,000 | 6,000 |
| Share issuance costs | (2,000) | (9,000) |
| True-up | 3,000 | - |
| Change in unrecognized deferred income tax assets | 32,000 | 385,000 |
| Income tax recovery | $ - | $ - |

The Company recognized deferred tax assets on losses or other deductible amounts where it is probable that sufficient future taxable profits will be available to realize such assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following:

| | December 31, 2024 | Expiry | December 31, 2023 | Expiry |
|---|---|---|---|---|
| Non-capital loss carry-forwards | $ 375,000 | 2042-2043 | $ 405,000 | 2042-2043 |
| Resource properties, property, and equipment | 1,225,000 | None | 1,066,000 | None |
| Share issuance costs | 25,000 | 2025-2028 | 32,000 | 2024-2027 |
| Unrecognized deductible temporary differences and tax losses | $ **1,625,000** | | $ **1,503,000** | |

## 12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

There were no changes in the Company's approach to capital management during the year ended December 31, 2024 and the year ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

## 13. FINANCIAL INSTRUMENTS

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

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

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

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

a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. The Company reduces its credit risk on cash and cash equivalents by placing it with institutions of high credit worthiness. As at December 31, 2024, other receivable consists of $31,337 for reimbursement of expenses. As at December 31, 2024, the Company is not exposed to any significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2024, the Company had cash and cash equivalents of $708,952 (2023 - $295,811) and current liabilities of $129,002 (2023 - $132,254). All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

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

| | Within one year | Between one and 5 years | More than 5 years |
|---|---|---|---|
| | $ | $ | $ |
| **December 31, 2024** | | | |
| Accounts payable and accrued liabilities | 114,949 | - | - |
| Loan payable | 13,125 | 44,843 | - |
| | **128,074** | **44,843** | **-** |
| **December 31, 2023** | | | |
| Accounts payable and accrued liabilities | 118,039 | - | - |
| Loan payable | 13,125 | 52,499 | 5,469 |
| | 131,164 | 52,499 | 5,469 |

c) Interest rate risk

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

## 13. FINANCIAL INSTRUMENTS (continued)

d) Price risk

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

e) Foreign currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and the Company currently has no material balances or transactions denominated in foreign currencies. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

## 14. COMMITMENTS

During 2023, the Company issued Flow-through Common shares for total proceeds of $122,900 of which approximately $97,000 of eligible expenditures were incurred by the Company in 2023 with the remaining $25,900 were incurred in 2024.

During 2024, the Company issued Flow-through Common shares for total proceeds of $128,542 of which approximately $84,935 of eligible expenditures were incurred by the Company in 2024 with the remaining $43,607 to be incurred in 2025.

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. 50,000 of the Bonus Shares will be issued on November 4, 2025 and November 4, 2026, respectively, if certain conditions are met.

As at December 31, 2024, the Company has 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.

## 15. SUPPLEMENTAL CASH FLOW INFORMATION

| For the year ended | December 31, 2024<br>$ | December 31, 2023<br>$ |
|---|---|---|
| Cash received for interest during the year | 17,526 | 8,985 |
| Cash paid for interest during the year | 2,957 | 3,365 |
| Cash received (paid) for income taxes during the year | - | - |
| | | |
| Non-cash investing and financing activities: | | |
| Shares issued pursuant to settlement of debt | 19,344 | - |
| Shares issued as option payment | 28,750 | 66,666 |

## 16. SUBSEQUENT EVENTS

a) On January 23, 2025, the Company granted 250,000 common share purchase options exercisable at $0.15 per share, expiring January 23, 2030. These options vest 1/3 immediately and 1/3 each year on the anniversary date of the date of grant.

b) On December 31, 2024, the Company executed an amalgamation agreement (the "Agreement") with PowerStone Metals Corp. ("PowerStone"), whereby the PowerStone's wholly owned Ontario subsidiary will amalgamate with the Company pursuant to a three-cornered amalgamation that would result in the reverse takeover of the PowerStone by the Company (the "Transaction"). As part of the Transaction and pursuant to the terms of the Agreement, PowerStone anticipates seeking shareholder approval for (i) consolidating its issued and outstanding common shares ("the Consolidation") on the basis of one post-Consolidation common shares for every 2.4966 pre-consolidation common shares of PowerStone, (ii) changing its name to "Libra Energy Materials Inc.", (iii) amending its articles to allow for the board of directors to implement certain structural changes to its capitalization structure in the future, and (iv) electing new slate of board directors.

   On February 19, 2025, the Company amended its agreement with PowerStone to extend the outside date to complete the Transaction to June 30, 2025.

   PowerStone is a mineral exploration company focused on the identification and exploration of high-quality critical and precious metals assets, in favorable mining jurisdictions.

c) On March 11, 2025, the Company issued 66,623 common shares for the settlement of debt of $7,995 at a fair value of $0.12 per share.

**SCHEDULE "J"**

**LIBRA LITHIUM CORP. MANAGEMENT'S DISCUSSION AND ANALYSIS**

for the years ended December 31, 2024 and 2023

(See attached)

# Libra Lithium Corp.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**For the years ended December 31, 2024 and 2023**
**(Expressed in Canadian Dollars)**

This Management Discussion and Analysis ("MD&A") of Libra Lithium Corp. (the "Company") for the years ended December 31, 2024 and 2023 has been prepared by management using information available as of March 24, 2025. 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 audited financial statements for years ended December 31, 2024 and 2023, 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 March 24, 2025.

**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 make reference 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 natural resource company engaged in the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

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 Lithium Corp. was incorporated under the Ontario Company Act on November 15, 2022. The Company's registered office, records office and head office is located at Suite 6000, 100 King Street West, 1 First Canadian Place Toronto, ON M5X 1E2.

As at December 31, 2024, the Company's principal mineral interests were located in Ontario and Quebec, Canada and it has not yet been determined whether these properties contain reserves that are economically recoverable.

## SIGNIFICANT ACQUISITION AND DISPOSITIONS

### *Acquisitions*

**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; 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 "Second Amendment'). The Company reimbursed Bounty for the amount of $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 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, ("NI 43-101"), S-K 1300 of the Securities and Exchange Commission of the United States of America ("S-K 1300") or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), that discloses any distinct deposit or orebody exceeding ten million (10,000,000) metric tonnes ("Mt") 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% Net Smelter Return 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.

As at December 31, 2024, 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 (the "Optionor") to acquire 100% interest to the project, subject to certain milestone payments and a 2% Net Smelter Return 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 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;
(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.

Immediately upon the Company satisfying all of the conditions set out in the agreement, the Company will be deemed to have exercised the Option and to have earned a 100% interest in the Laird Lake and Oneman Project. The Company has earned 100% interest in the Oneman Lake Property upon the initial issuance of 25,000 shares.

The mineral claims are subject to milestone payments and a 2% Net Smelter Return royalty upon commencement of commercial production. The Company will pay a separate 1% Net Smelter KRL 4241641 Royalty in respect to the entirety of the legacy claim KRL 4241641.

The 2% Net Smelter Return 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 represents 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 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 CAD$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 Libra (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, 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% |

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. In exchange for exploration services, KoBold will pay Libra a monthly cash fee of $35,000.

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.

During the year ended December 31, 2024, the Company recognized $445,000 of the reimbursement of expenses in other income relating to this agreement (2023 - $Nil).

On February 20, 2025, the Company announced it 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.

Flanders North & Flanders South (KoBold earn-in, lead operator)

In 2025, KoBold is planning to conduct a ~4 weeks field program on the Flanders North & Flanders South project. The work will be focused primarily on the Homer spodumene pegmatite discovered by the Company in 2023 and the nearby area. The Homer pegmatite is poorly characterized and the true width, strike, and mineralogical properties of the pegmatite will be subject to investigation. Additionally, the immediate area around Homer has been poorly explored but has returned promising indications from the preliminary sampling conducted in 2023 (e.g., highly fractionated K/Rb ratios). LiDAR completed by the Company in 2023, along with government sourced LiDAR will guide exploration efforts in conjunction with handhelds LIBS and whole-rock grab samples previously collected by the Company.

SBC (KoBold earn-in)

KoBold is planning a property-wide, 40m spaced high-resolution Heli-GT magnetic survey in Q2 2025. The survey will be used to refine the current geologic map, as well as to locate potentially favourable structures which may host spodumene-bearing pegmatites. A LiDAR survey will then be commissioned, which will cover the newly staked ground. Fieldwork is scheduled to begin in Q3 2025 which will include ~2 weeks of helicopter-supported prospecting/mapping and drill target evaluation.

**Claims Held Directly**

The Company staked 100% interest in several projects in the Northwest regions of Ontario, including Flanders South, Flanders North, Burton, Energy Hill, Tennant Lake, Bitchu, Kivinen and the Toivo project. Each mining claim held equates to a single cell mining unit of land and thus, 3,460 single cell units are held in relation to these claims.

As of December 31, 2024, all claims held directly were in good standing.

## 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, 2024 | Year ended December 31, 2023 | Year ended December 31, 2022 |
|---|---|---|---|
| Total revenues | $ - | $ - | $ - |
| Operating expenses | $ (1,003,129) | $ (1,543,225) | $ (42,860) |
| Loss and comprehensive loss before income taxes | $ (461,579) | $ (1,515,395) | $ (42,860) |
| Loss per share basic and diluted | $ (0.01) | $ (0.05) | $ (0.00) |
| Total assets | $ 875,271 | $ 573,355 | $ 19,360 |
| Total non-current liabilities | $ 41,345 | $ 52,313 | $ - |

## RESULTS OF OPERATIONS AND SELECTED QUARTERLY FINANCIAL DATA

These 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 year ended December 31, 2024 of $(461,579) (($0.01) per share) as compared to $(1,515,395) (($0.05) per share) for the year ended December 31, 2023.

The Company had an accumulated deficit of $2,019,834 as at December 31, 2024 and a deficit of $1,558,255 as at December 31, 2023.

***Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023***

The following table summarizes the Company's financial results for the year ended December 31, 2024 and the year ended December 31, 2023.

| Year Ended | December 31, 2024 $ | December 31, 2023 $ | Changes $ | Changes % |
|---|---|---|---|---|
| **Expenses** | | | | |
| Consulting fees | 156,125 | 123,219 | 32,906 | 27 |
| Depreciation | 38,915 | 23,723 | 15,192 | 64 |
| Marketing and advertising | 6,016 | 6,798 | (782) | (12) |
| Office administration and general | 31,725 | 15,221 | 16,504 | 108 |
| Professional fees | 74,041 | 92,607 | (18,566) | (20) |
| Rent | 9,750 | 1,500 | 8,250 | 550 |
| Salaries and benefits | 200,611 | 147,559 | 53,052 | 36 |
| Share-based payments | 186,535 | 21,655 | 164,880 | 761 |
| Travel and entertainment | 24,498 | 12,783 | 11,715 | 92 |
| Exploration and evaluation expenses | 274,913 | 1,098,160 | (823,247) | (75) |
| **Total Operating Expenses** | 1,003,129 | 1,543,225 | (540,096) | (35) |

During the year ended December 31, 2024, the Company incurred a comprehensive loss of $461,579 compared to $1,515,395 during the year ended December 31, 2023. The following are the significant changes:

- Consulting fees increased by $32,906 to $156,125 for the year ended December 31, 2024 (2023 - $123,219). The increase was mainly due to the Company's increased reliance on consultants in the current year.

- Depreciation expense increased by $15,192 to $38,915 for the year ended December 31, 2024 (2023 - $23,723). The increase was mainly due to equipment being purchased throughout 2023 and depreciation being expensed for part of the year, whereas it was incurred for the full year in 2024.

- Office administration and general expenses increased by $16,504 to $31,725 for the year ended December 31, 2024 (2023 - $15,221). The increase can be attributed to an increase in insurance expenses, which commenced in May 2023, an increase in meals and entertainment, increase in investor relations, dues and subscriptions and office supplies, in the current year as compared to the comparative period.

- Professional fees decreased by $18,566 to $74,041 for the year ended December 31, 2024 (2023 - $92,607). This decrease was due to a decrease in accounting and legal fees incurred in the year ended December 31, 2024, due to less activities.

- Rent expense increased by $8,250 to $9,750 for the year ended December 31, 2024 (2023 - $1,500). The increase was due to rent for office space starting in November 2023, whereas it was incurred for the full year in 2024.

- Stock-based payments increased to $186,535 for the year ended December 31, 2024 (2023 - $21,655). The increase was due to the company incurring share-based compensation on granted and vested stock options for the full year in 2024 to officers, directors and consultants, with the share-based compensation only being incurred for the last quarter of the year ended December 31, 2023.

- Exploration and evaluation expenses decreased by $823,247 to $274,913 for the year ended December 31, 2024 (2023 - $1,098,160). The decrease was due to the Company purchasing various mining claims during the prior year.

## SUMMARY OF QUARTERLY RESULTS

The Company is not a publicly traded company, and in accordance with National Instrument 51-102, only the information that has been previously prepared is included. No interim financial statements for the previous quarters were prepared therefore no data is presented.

## OUTSTANDING SHARE DATA

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

- 45,969,832 common shares issued and outstanding (December 31, 2024 – 45,903,209).
- 3,805,000 common shares stock options (December 31, 2024 – 3,555,000).

On April 28, 2023, the Company consolidated its share capital on a basis of two outstanding common shares for one common share held on such date. The reference to the number of common shares, have been adjusted retroactively to reflect the share subdivision.

*During the year ended December 31, 2024, the following share capital transactions occurred:*

On January 8, 2024, the Company issued 7,500 common shares for services at a fair value of $0.15 per share.

On January 9, 2024, the Company issued 100,000 common shares for settlement of debt at a fair value of $0.15 per share.

On May 3, 2024, the Company closed a private placement through the issuance of 100,000 common shares at $0.20 per share for gross proceeds of $20,000.

On August 21, 2024, the Company issued 239,583 common shares as an option payment on the Laird Lake Project and Oneman Lake Project at a value of $0.12 per share.

On August 30, 2024, the Company closed a non-brokered private placement, through the issuance of 585,000 common shares on a flow-through basis at $0.13 per FT Share and 1,316,958 common shares on a non-flow-through basis at $0.12 per NFT Share, for total gross proceeds of $234,085, of which $5,850 was recognized as a flow-through premium liability.

On October 11, 2024, the Company closed a non-brokered private placement, through the issuance of 403,784 common shares on a flow-through basis at $0.13 per FT Share and 1,250,000 common shares on a non-flow-through basis at $0.12 per NFT Share, for total gross proceeds of $202,492, of which $4,038 was recognized as a flow-through premium liability.

On October 25, 2024, the Company closed a non-brokered private placement through the issuance of 527,800 common shares at a price of $0.12 per share, for total gross proceeds of $63,336.

On November 4, 2024, the Company issued 50,000 common shares as a bonus to a consultant of the Company at a fair value of $0.12 per share, which is recognized as share-based payments.

On November 22, 2024, the Company issued 36,200 common shares for settlement of debt of $4,344 at a fair value of $0.12 per share.

On December 19, 2024, the Company issued 175,000 common shares for services at a fair value of $0.12 per share.

*During the year ended December 31, 2023, the following share capital transactions occurred:*

333,333 common shares were issued as an option payment on the Docker Project at a value of $0.20 per common share.

210,000 common shares were issued on a flow-through basis, with respect of Canadian Exploration Expenditures ("CEE") for proceeds of $50,400. The Company has committed to spend 100% of the gross proceeds on qualifying CEE prior to December 31, 2024. As of December 31, 2023, the Company has incurred $24,507 in E&E expenditures. Officers and directors acquired nil of these flow-through common shares. The excess of the proceeds on issuance of the flow-through shares above the price of a common share without the flow-through feature, being $8,400, was recorded as a flow-through share premium liability.

362,500 common shares were issued on a flow-through basis, with respect of CEE for proceeds of $72,500. The Company was committed to spend 100% of the gross proceeds on qualifying CEE prior to December 31, 2024. As of December 31, 2023, the Company had fully incurred these expenditures. Officers and directors acquired nil of these flow-through common shares. The excess of the proceeds on issuance of the flow-through shares above the price of a common share without the flow-through feature, being $18,125, was recorded as a flow-through share premium liability.

1,805,556 common shares were issued for services at a fair value of $0.004 per share.

6,149,995 common shares were issued for proceeds of $922,500.

16,000,000 common shares were issued for proceeds of $800,000.

1,250,000 common shares were issued for proceeds of $5,000.

Flow-through premium

| | | |
|---|---|---|
| Balance as at December 31, 2023 | $ | 4,315 |
| Flow through premium liability recognized | | 9,888 |
| Recognized in profit or loss upon incurring qualifying expenditures | | (10,849) |
| **Balance as at December 31, 2024** | **$** | **3,354** |

## LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2024, the Company had cash of $708,952 (December 31, 2023 - $295,811) and a working capital of $665,838 (December 31, 2023 - $304,760). The Company had not yet achieved profitable operations and had accumulated losses of $2,019,834 (December 31, 2023 - $1,558,255) 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 year ended December 31, 2024, the Company had cash outflow of $104,078 from operations compared to an outflow of $1,441,795 in the previous year.

During the year ended December 31, 2024, accounts receivables increased by $31,726, GST receivables decreased by $86,063, prepaid expenses decreased by $978, and accounts payable and accrued liabilities decreased by $21,271. The decrease in net cash outflow by operations can also be attributed to the decrease in exploration expenditures during the current year as compared to the prior year.

*Investing Activities*

During the year ended December 31, 2024, the net cash inflow from in investing activities was $16,995 compared to an outflow of $160,064 in the previous year. The Company paid $135,064 on property and equipment acquisition costs during the year ended December 31, 2023, as compared to $1,755 during the current year. The Company also purchased investments in securities during the comparative period for $25,000, whereas they partially sold these securities for total proceeds of $18,750 during the current year.

*Financing Activities*

During the year ended December 31, 2024, the net cash from financing activities was $500,224 compared to $1,878,310 in the previous year. The decrease in cash flows from financing activities was primarily due to the net proceeds of $1,850,400 from the issuance of FT Shares and NFT Shares, pursuant to the FT Offering and NFT Offering during the year ended December 31, 2023, versus $519,913 during the current year. The Company also received $67,936 in proceeds from loans and made $7,651 in loan repayments during the prior year as compared to $13,125 in loan repayments during the current year.

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.

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. 50,000 of the Bonus Shares will be issued on November 4, 2025 and November 4, 2026, respectively, if certain conditions are met.

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

**Vehicle Financing Loan**

During the year ended December 31, 2023, the Company received a $67,936 vehicle financing loan. During the year ended December 31, 2024, the Company repaid $13,125 (2023 - $7,651) of this loan. The loan is financed through Royal Bank of Canada for a fixed term of 6 years, a fixed interest rate of 4.99% per annum and is secured by the vehicle. The proceeds of the loan were used to acquire a corporate vehicle to be used for field work.

As of December 31, 2024, the Company had a loan payable balance of $52,044 (December 31, 2023 - $62,213), of which $10,699 is due within the next fiscal year.

**Flow Through Liability**

During 2023, the Company issued Flow-through Common shares for total proceeds of $122,900 of which approximately $97,000 of eligible expenditures were incurred by the Company in 2023 with the remaining $25,900 were incurred in 2024.

During 2024, the Company issued Flow-through Common shares for total proceeds of $128,542 of which approximately $84,935 of eligible expenditures were incurred by the Company in 2024 with the remaining $43,607 to be incurred in 2025.

## 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:

| | | Year ended December 31, | | |
|---|---|---|---|---|
| | | **2024** | | **2023** |
| Consulting fees: | | | | |
| Brie Inc, a company controlled by Koby Kushner, Chief Executive Officer ("CEO") | **$** | **95,000** | $ | - |
| 2425134 Alberta Ltd. & Helios Corporation, companies controlled by Sameer Uplenchwar, former Chief Financial Officer ("CFO") and Christopher Brown, Director | | **60,000** | | 62,625 |
| Share-based compensation: | | | | |
| Share-based payment to Directors and officers | | **68,485** | | 11,351 |
| Salaries and benefits: | | | | |
| Koby Kushner; CEO | | **-** | | 71,250 |
| | **$** | **223,485** | $ | 145,226 |

Accounts payable and accrued liabilities

As of December 31, 2024, due to related parties balance included $23,750 (2023 - $Nil) owing to Brie Inc. controlled by Koby Kushner, CEO, $Nil (2023 - $17,049) owing to Koby Kushner, $3,500 (2023 - $Nil) owing to 2425134 Alberta Ltd. controlled by Sameer Uplenchwar, former CFO and Christopher Brown, Director and $361 (2023 - $361) to David Goodman, Director. The amounts due to the related parties are unsecured and without interest or stated terms of repayment.

## PROPOSED TRANSACTIONS AND SUBSEQUENT EVENTS

On January 23, 2025, the Company granted 250,000 common share purchase options exercisable at $0.15 per share, expiring January 23, 2030. These options vest 1/3 each year on the anniversary date of the date of grant.

On December 31, 2024, the Company executed an amalgamation agreement (the "Agreement") with PowerStone Metals Corp. ("PowerStone"), whereby the PowerStone's wholly owned Ontario subsidiary will amalgamate with the Company pursuant to a three-cornered amalgamation that would result in the reverse takeover of the PowerStone by the Company (the "Transaction"). As part of the Transaction and pursuant to the terms of the Agreement, PowerStone anticipates seeking shareholder approval for (i) consolidating its issued and outstanding common shares ("the Consolidation") on the basis of one post-Consolidation common shares for every 2.4966 pre-consolidation common shares of PowerStone, (ii) changing its name to "Libra Energy Materials Inc.", (iii) amending its articles to allow for the board of directors to implement certain structural changes to its capitalization structure in the future, and (iv) electing new slate of board directors.

On February 20, 2025, the Company announced it has amended its agreement with PowerStone to extend the outside date to complete the Transaction to June 30, 2025.

PowerStone is a mineral exploration company focused on the identification and exploration of high-quality critical and precious metals assets, in favorable mining jurisdictions.

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

## 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.

*Going concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1 to the financial statements.

*Useful lives of equipment*

Estimates of the useful lives of equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

*Investments in private companies' shares*

The Company has investments in two private companies' shares which are measured at FVTPL based on Level 3 of the fair value hierarchy.

## MATERIAL ACCOUNTING POLICIES

Material accounting policies, including any new IFRS pronouncements that are not yet effective, are set out in Note 3 to the financial statements for the year ended December 31, 2024.

## 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 various tables in Note 13 to the 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 investments is measured at FVTPL based on Level 3 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 year ended December 31, 2024, 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 financial statements for the year ended December 31, 2024.

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:**

| | **Year ended December 31, 2024** | Year ended December 31, 2023 |
|---|---|---|
| **Expenses** | | |
| Consulting fees | **$ 156,125** | $ 123,219 |
| Deprecation | **38,915** | 23,723 |
| Marketing and advertising | **6,016** | 6,798 |
| Office administration and general | **31,725** | 15,221 |
| Professional fees | **74,041** | 92,607 |
| Rent | **9,750** | 1,500 |
| Salaries and benefits | **200,611** | 147,559 |
| Share-based payments | **186,535** | 21,655 |
| Travel and entertainment | **24,498** | 12,783 |
| Exploration expenses and evaluation | **274,913** | 1,098,160 |
| **Loss Before Other Items** | **(1,003,129)** | (1,543,225) |
| **Other Items** | | |
| Gain on settlement of debt | **5,017** | - |
| Interest income | **17,526** | 8,985 |
| Interest expense | **(2,957)** | (3,365) |
| Flow-through premium recovery | **10,849** | 22,210 |
| Other income | **511,115** | - |
| **Net Loss and Comprehensive Loss for the year** | **$ (461,579)** | $ (1,515,395) |

**APPROVAL**

The Company's Board of Directors has approved the financial statements for the year ended December 31, 2024. 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.

**SCHEDULE "B"**
**SUPPLEMENTARY DISCLOSURE**

All terms used but not defined in this Schedule "B" have the meanings given to them in the Circular, attached to this Listing Statement as Schedule "A".

The following supplements the disclosure provided in the Circular.

## 3. Description of the Business

### 3.1 Development of business over past three financial years (and subsequent period)

**KoBold Exploration Earn-In Arrangement**

On November 13, 2024, Libra entered into the Earn-In Agreement with KoBold, to jointly explore Libra's Flanders South, Flanders North and Soules Bay-Caron lithium projects in Ontario, Canada (collectively, the "Earn-In Properties" in this section or the "Libra Core Projects"). Pursuant to the Earn-In Agreement, KoBold has the option to earn a 75% interest in the Earn-In Properties by incurring up to CAD$33,000,000 in cumulative exploration expenditures over six years.

There is no obligation for KoBold to complete and/or meet it's earn-in requirements pursuant to the Earn-In Agreement, and as such there is any no assurance that KoBold will, or may ever, obtain or realize an interest in the Libra Core Projects.

During the earn-in period, KoBold is responsible for expenses and maintenance of the claims subject to the terms of the Earn-In Agreement. 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 Libra (received) – $445,000 within 14 days of the effective date of the Earn-In Agreement as reimbursement of exploration expenditures for work completed before the Earn-In Agreement was finalized;

- Year 1 Anniversary – completion of cumulative exploration expenditures of $750,000, 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% |

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 Earn-In Agreement, or the date on which the Earn-In Agreement is terminated with respect to the project. In exchange for exploration services, KoBold will pay Libra a monthly cash fee of $35,000.

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 20, 2025, Libra announced it entered into an amending agreement with KoBold to include additional but minor claims recently staked by Libra at the Soules Bay Project and the Caron Project.

*Flanders North & Flanders South (KoBold Earn-in, lead operator)*

In 2025, KoBold is planning to conduct a ~4 weeks field program on the Flanders North & Flanders South project. The work will be focused primarily on the Homer spodumene pegmatite discovered by Libra in 2023 and the nearby area. The Homer pegmatite is poorly characterized and the true width, strike, and mineralogical properties of the pegmatite will be subject to investigation. Additionally, the immediate area around Homer has been poorly explored but has returned promising indications from the preliminary sampling conducted in 2023 (e.g., highly fractionated K/Rb ratios). LiDAR completed by Libra in 2023, along with government sourced LiDAR will guide exploration efforts in conjunction with handhelds LIBS and whole-rock grab samples previously collected by Libra.

*SBC (KoBold Earn-in)*

KoBold is planning a property-wide, 40 metre spaced high-resolution Heli-GT magnetic survey in Q2 2025. The survey will be used to refine the current geologic map, as well as to locate potentially favourable structures which may host spodumene-bearing pegmatites. A LiDAR survey will then be commissioned, which will cover the newly staked ground. Fieldwork is scheduled to begin in Q3 2025 which will include ~2 weeks of helicopter-supported prospecting/mapping and drill target evaluation.

3.6 Issuers with Mineral Projects

The Technical Report has been amended to reflect the below noted changes and the revised Technical Report has been filed on PowerStone's SEDAR+ profile at www.sedarplus.ca as of May 9, 2024.

*Table 1: Property Claims (Ministry of Mines (MOM) November 2024)* The property claims table starting on page 72 of the Circular is revised to reflect the correct tenures of the claims set out therein as follows:

| Tenure ID | Due Date | Tenure Type | Cells | Holder | Mining Division | Township / Area |
|---|---|---|---|---|---|---|
| 895866 | 22-Oct-2025 | Multi-cell Mining Claim | 7 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 878863 | 19-Nov-2025 | Multi-cell Mining Claim | 24 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895876 | 21-Jun-2026 | Multi-cell Mining Claim | 21 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895875 | 21-Jun-2026 | Multi-cell Mining Claim | 19 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895874 | 21-Jun-2026 | Multi-cell Mining Claim | 21 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895877 | 21-Jun-2026 | Multi-cell Mining Claim | 22 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895873 | 21-Jun-2026 | Multi-cell Mining Claim | 25 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895872 | 21-Jun-2026 | Multi-cell Mining Claim | 17 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895852 | 22-Oct-2026 | Multi-cell Mining Claim | 24 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895863 | 22-Oct-2026 | Multi-cell Mining Claim | 19 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895882 | 23-Dec-2026 | Multi-cell Mining Claim | 2 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |

| Tenure ID | Due Date | Tenure Type | Cells | Holder | Mining Division | Township / Area |
|---|---|---|---|---|---|---|
| 895881 | 23-Dec-2026 | Multi-cell Mining Claim | 14 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895883 | 23-Dec-2026 | Multi-cell Mining Claim | 20 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895869 | 23-Dec-2026 | Multi-cell Mining Claim | 16 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895868 | 23-Dec-2026 | Multi-cell Mining Claim | 18 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895867 | 23-Dec-2026 | Multi-cell Mining Claim | 20 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |
| 895884 | 23-Dec-2026 | Multi-cell Mining Claim | 18 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895870 | 23-Dec-2026 | Multi-cell Mining Claim | 16 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895885 | 23-Dec-2026 | Multi-cell Mining Claim | 10 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895871 | 23-Dec-2026 | Multi-cell Mining Claim | 17 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA, LILAC LAKE AREA |
| 895879 | 05-Jan-2027 | Multi-cell Mining Claim | 22 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895880 | 05-Jan-2027 | Multi-cell Mining Claim | 11 | Libra Lithium Corp. (10006639) | Thunder Bay | WOLSELEY LAKE AREA, LILAC LAKE AREA |
| 895878 | 21-Jun-2027 | Multi-cell Mining Claim | 15 | Libra Lithium Corp. (10006639) | Thunder Bay | LILAC LAKE AREA |
| 895865 | 23-Dec-2027 | Multi-cell Mining Claim | 11 | Libra Lithium Corp. (10006639) | Thunder Bay | REDHORSE LAKE AREA |

## 4. Use of Proceeds

### Total Funds Available and Principal Purpose

As of January 31, 2025, PowerStone had a working capital of approximately $550,000 and as at December 31, 2024, Libra had a working capital of $666,000. As of May 31, 2025, PowerStone had a working capital of approximately $510,000 and Libra had a working capital of approximately $577,000. The following table represents the available funds of the Resulting Issuer and the principal purpose of those funds over a 12-month period:

| Source | Funds Available |
|---|---|
| PowerStone Working Capital as of May 31, 2025[(1)] | $ 510,000 |
| Libra Working Capital as of May 31, 2025[(2)] | $ 577,000 |
| **Available Funds of the Resulting Issuer** | **$ 1,087,000** |

| Principal Purpose | Funds |
|---|---|
| Expenses related to the completion of the Transaction | $ 150,000 |
| Expenses related to Exploration Activities[(3)] | $ 500,000 |
| General and administrative costs estimated for operating 12 months[(4)] | $ 300,000 |
| **Total Expenses** | **$ 950,000** |
| **Unallocated Capital** | **$ 137,000** |

Notes:

(1) As of May 31, 2025.

(2) As of May 31, 2025.

(3) As required pursuant to the terms of the Earn-in Agreement, KoBold made payment of $114,000 on or before June 2, 2025 to maintain Libra's Soules Bay, Caron and Nemiscau Lake Projects mineral claims, and this amount is not included in the $500,000 for *Expenses related to Exploration Activities*.

(4) General and administrative costs includes: wages/fees for officers ($200,000), transfer agent, legal, accounting, audit ($90,000); and miscellaneous ($10,000).

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that the Resulting Issuer spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified below, and will depend on a number of factors, including those referred to under Risk Factors below. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

**Selected Pro-Forma Consolidated Financial Information**

The following table summarizes selected pro forma consolidated financial information for the Resulting Issuer. The information should be read in conjunction with the Resulting Issuer's pro forma consolidated statement of financial position, operations and comprehensive loss and related notes and other financial information included and attached as Schedule "E.2" to this Listing Statement.

| | **PowerStone (unaudited) as at January 31, 2025 ($)** | **Libra (unaudited) as at March 31, 2025 ($)** | **Pro Forma Adjustments ($)** | **Resulting Issuer Pro Forma (unaudited) as at March 31, 2025 ($)** |
|---|---|---|---|---|
| Current Assets | 575,459 | 787,613 | - | 1,363,072 |
| Total Assets | 575,459 | 858,661 | - | 1,434,120 |
| Current Liabilities | 25,050 | 183,517 | - | 208,567 |

| | | | | |
|---|---|---|---|---|
| Total Liabilities | 25,050 | 222,101 | - | 247,151 |
| Shareholders' Equity | 550,409 | 636,560 | - | 1,186,969 |

**Selected Pro-Forma Consolidated Capitalization**

The following table summarizes the Resulting Issuer's pro forma common shares, on a consolidated basis, after giving effect to the Transaction, including the Consolidation, but excluding any Concurrent Financing as described in the pro forma financial statements of the Resulting Issuer, a copy of which is attached as Schedule "E.2" to this Listing Statement .

| **Designation of Security** | **Amount Authorized** | **Anticipated Resulting Issuer Securities Outstanding (as of the effective date of the Transaction)** |
|---|---|---|
| Resulting Issuer Common Shares | Unlimited | 57,445,634 |
| Resulting Issuer Options | 10% Rolling | 4,485,926 |

## 12. Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

As required under the policies of the CSE, Principals of the Resulting Issuer will enter into an escrow agreement as if Libra was subject to the requirements of National Policy 46-201 - *Escrow for Initial Public Offerings* ("**NP 46-201**"). Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released upon completion of the Transaction followed by six subsequent releases of 15% every six months thereafter. The form of the escrow agreement must be as provided in NP 46-201. Principals who qualify for an exemption pursuant to NP 46-201 may make such a request to the CSE.

The table below includes the details of escrowed securities that will be held by Principals of the Resulting Issuer upon the completion of the Transaction, including the Consolidation, subject to exemption pursuant to NP 46-201:

| **Name of Security Holder** | **Designation of Class Held in Escrow** | **Number of Securities Held in Escrow** | **Percentage of Class[(1)]** |
|---|---|---|---|
| Zachary Goldenberg[(2)] | Common Shares | 2,531,499[(3)] | 4.4% |
| Carlo Rigillo[(4)] | Common Shares | 60,081[(3)] | 0.1% |
| Koby Kushner[(5)] | Common Shares | 6,861,134 | 11.9% |
| David Goodman[(6)] | Common Shares | 9,450,000 | 16.5% |
| **Total** | **Common Shares** | **18,902,714** | **32.9%** |

Note:

(1) Based on the total issued and outstanding Resulting Issuer Shares expected to be 57,445,634 on an undiluted basis, however this may change upon the completion of the Transaction.
(2) Zachary Goldenberg will also hold 100,136 post-Consolidation options that will be subject to the NP 46-201 escrow.
(3) This amount may vary depending on the actual Consolidation ratio used in the Consolidation.
(4) Carlo Rigillo will also hold 40,054 post-Consolidation options that will be subject to the NP 46-201 escrow.
(5) Koby Kushner will also hold 425,000 post-Consolidation options that will be subject to the NP 46-201 escrow.
(6) David Goodman will also hold 300,000 post-Consolidation options that will be subject to the NP 46-201 escrow.

The PowerStone Fundamental Change Shares issued to Libra Shareholders will also be subject to a voluntary pooling arrangement pursuant to which such PowerStone Fundamental Change Shares will be subject to resale restrictions as follows: (A) 25% will be released on the date that the PowerStone Fundamental Change Shares are listed for trading on the CSE; and (B) 25% will be released on each of the 6, 12 and 18 month anniversaries of the date that the PowerStone Fundamental Change Shares are listed for trading on the CSE and shall bear legends to that effect.

The table below includes the details of Resulting Issuer Shares that will be held by Principals of the Resulting Issuer upon the completion of the Transaction, including the Consolidation, and subject to the Pooling Arrangement:

| Name of Security Holder | Designation of Class Held in Escrow | Number of Securities Held in Escrow | Percentage of Class[(1)] |
|---|---|---|---|
| Zachary Goldenberg | Common Shares | 2,531,499[(2)] | 4.4% |
| Marc Sontrop | Common Shares | 948,489[(2)] | 1.7% |
| Raymond D. Harari | Common Shares | 2,531,499[(2)] | 4.4% |
| Koby Kushner | Common Shares | 6,861,134 | 11.9% |
| David Goodman | Common Shares | 9,450,000 | 16.5% |
| **Total** | **Common Shares** | **22,322,621** | **38.9%** |

Note:
(1) Based on the total issued and outstanding Resulting Issuer Shares expected to be 57,445,634 on an undiluted basis, however this may change upon the completion of the Transaction.
(2) This amount may vary depending on the actual Consolidation ratio used in the Consolidation.

The following founding shareholders of Libra and PowerStone have entered into a voluntary escrow agreement whereby the securities below, held by these founding shareholders, will be held in contractual escrow and are restricted from trading until the date upon which (i) there is a change of control of the Resulting Issuer; or (ii) each and every one of these founding shareholders has unanimously agreed in writing to any such release.

| Founding Shareholder | Class and Number of Securities |
|---|---|
| Zachary Goldenberg or 2578218 Ontario Ltd., a company owned and controlled by Zachary Goldenberg | • 1,233,334 Common Shares of Libra<br>• 3,241,000 Common Shares of PowerStone (2.4966:1 Post Consolidation = 1,298,165[(1)])<br>• 250,000 stock options of PowerStone (2.4966:1 Post Consolidation = 100,136[(1)]) |
| Night Owl SA, a company owned or controlled by Raymond Harari | • 1,233,334 Common Shares of Libra<br>• 3,241,000 Common Shares of PowerStone (2.4966:1 Post Consolidation = 1,298,166[(1)])<br>• 250,000 stock options of PowerStone (2.4966:1 Post Consolidation = 100,136[(1)]) |

| | |
|---|---|
| Koby Kushner or Brie Inc., a company owned and controlled by Koby Kushner | • 6,861,134 Common Shares of Libra<br>• 425,000 stock options of Libra |
| David Goodman or The D2 Financial Corporation., a company owned and controlled by David Goodman | • 9,450,000 Common Shares of Libra<br>• 300,000 stock options of Libra |
| Mark Goodman or 2665839 Ontario Inc., a company owned and controlled by Mark Goodman | • 5,333,333 Common Shares of Libra<br>• 300,000 stock options of Libra |

Notes:

(1) The actual post-Consolidation amounts may vary depending on the final Consolidation ratio used in the Consolidation.

## 12. Audit Committees and Corporate Governance

The Resulting Issuer will have one committee, the Audit Committee. The Audit Committee of the Resulting Issuer will consist of the following members:

| | |
|---|---|
| David Goodman | Independent Member (Financially Literate) |
| Koby Kushner | Non-Independent Member (Financially Literate) |
| Zachary Goldenberg | Non-Independent Member (Financially Literate) |

Relevant Education and Experience

*Koby Kushner, P.Eng., CFA*

Mr. Koby Kushner, P.Eng., CFA, is the Chief Executive Officer and a director of the Resulting Issuer. He has spent most of his career as a mining engineer and more recently, an equity research analyst. Prior to entering finance, Mr. Kushner worked at several mines in Ontario and Manitoba, including Hemlo (Barrick Gold), Detour, Rice Lake, and others. During this time, Mr. Kushner has seen projects advance through all stages of development, including exploration, production, and closure. He then moved into equity research at Red Cloud Securities, a mining-only investment bank, where he wrote on over 100 companies across various stages of development and a wide range of commodities, with a particular focus on precious and energy metals. He holds a BSc in Mining Engineering from Queen's University, is a licensed Professional Engineer in the province of Ontario and is a CFA charter holder.

*David Goodman, B.Com, LL.B (cum laude), CFA*

David Goodman, LLB, CFA, is a director of the Resulting Issuer. Mr. Goodman left an early career as a litigator in 1994 to become a Partner, Vice President and Portfolio Manager at the investment management firm behind Dynamic Funds. He became President and Chief Executive Officer of Dynamic Funds in 2001 and of DundeeWealth, Dynamic's public company parent, in 2007. Under Mr. Goodman's leadership, the firm became one of Canada's best performing and fastest growing investment managers, was recognized as Fund Company of the Year seven times at the Canadian Investment Awards while growing assets under management from $5 billion to approximately $50 billion, until its ultimate sale in 2011 to a Canadian bank. In the past Mr. Goodman was a member of the boards of DundeeWealth,

Repadre Capital Corporation, Dundee Corporation, SickKids Foundation and a trustee of the Dundee REIT. Mr. Goodman was previously the head of Global Asset Management for a major Canadian bank and CEO of Dundee Corporation.

*Zachary Goldenberg J.D.*

Zachary Goldenberg is a Director of the Resulting Issuer. Mr. Goldenberg is a principal of Liberty Venture Partners, a Toronto-based advisory and investment firm focused on startup and growth companies in rapidly emerging industries. A corporate lawyer by background, Mr. Goldenberg has significant experience in both the private and public markets as an advisor, investor and board director and has spent much of the past decade working with companies transitioning from private to public navigate the Canadian public venture markets and to source and close strategic transactions. Mr. Goldenberg is a graduate of the combined JD / HBA from Western Law and Ivey School of Business, is a member of the TSX Venture Exchange's Ontario Advisory Committee and is a recipient of ICD.D designation from the Institute of Corporate Directors.

Each member of the Audit Committee of the Resulting Issuer has adequate education and experience that would provide the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Each member of the Committee is considered to be financially literate, as defined by NI 52-110, in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Resulting Issuers financial statements.

The Committee is comprised of the following members: David Goodman, Zachary Goldenberg and Koby Kushner. Mr. Kushner and Mr. Goldenberg are not considered to be independent of the issuer. Mr. Goodman is considered to be independent. Following completion of listing of the Resulting Issuer on the CSE, the Company intends to comprise its Audit Committee with a majority of members who are independent.

The Audit Committee of the Resulting Issuer will implement and assume the current Audit Committee Charter of PowerStone. A copy of PowerStone's Audit Committee Charter can be obtained electronically under PowerStone's issuer profile on SEDAR+ at www.sedarplus.ca. Physical copies may be obtained on request without charge from Zachary Goldenberg, Chief Executive Officer, at 1900 – 1040 West Georgia Street, Vancouver, BC, Canada V6E 4H3, telephone: (647) 987-5083; fax (604) 689-5177.

## 20. Promoters

Zachary Goldenberg, a director of PowerStone and a proposed director of the Resulting Issuer is a promoter of PowerStone and will be a promoter of the Resulting Issuer.

## 26. Interest of Experts

26.1 Experts

**Interests of Experts**

Crowe MacKay LLP are the auditors of Libra, and provided an audit report for the annual audited financial statements of Libra for the years ended December 31, 2024 and 2023, and are independent with respect to Libra within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct. No director, officer or employee of Crowe MacKay LLP is or is expected to be elected, appointed or employed as a director, officer or employee of Libra or the Resulting Issuer or of any associate or affiliate of Libra or the Resulting Issuer.

RSM Canada LLP were the former auditors of Libra, and provided an audit report for the annual audited financial statements of Libra for the year ended December 31, 2023 and the period from November 15, 2022 (date of incorporation) to December 31, 2022, and are independent with respect to Libra within the meaning of the Chartered Professional Accountants of Alberta Code of Professional Conduct. No director, officer or employee of RSM Canada LLP is or is expected to be elected, appointed or employed as a director, officer or employee of Libra or the Resulting Issuer or of any associate or affiliate of Libra or the Resulting Issuer.

## 28. Financial Statements

28.1 Audited financial statements including auditor's report

The interim financial statements for PowerStone for the three-month period ended January 31, 2025 and the related PowerStone MD&A are incorporated by reference into this Listing Statement and can be obtained electronically under PowerStone's issuer profile on SEDAR+ at www.sedarplus.ca.

The PowerStone MD&A is management's assessment of the results and financial condition of PowerStone, and includes financial information from, and should be read in conjunction with, the financial statements of PowerStone and the notes thereto, as well as the disclosure contained throughout such PowerStone MD&A. The MD&A of PowerStone may contain forward-looking information that involves numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on PowerStone's current plans, objectives, goals, strategies, estimates, assumptions and projections about its industry, business and future financial results. Actual results could differ materially from those discussed in such forward-looking information. See "*Cautionary Statements Regarding Forward-Looking Information*" in the Circular.

Financial information in this Listing Statement and the Circular, unless otherwise indicated, is presented in Canadian dollars and derived from information contained in the financial statements of Libra and related notes thereto, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board and IFRS Interpretations Committee.

The consolidated interim financial statements for Libra for the three month periods ended March 31, 2025 and 2024 and the related MD&A are attached as Schedule "E" to this Listing Statement.

The MD&A of Libra included in Schedule "E" to this Listing Statement is management's assessment of the results and financial condition of Libra, and includes financial information from, and should be read in conjunction with, the financial statements of Libra and the notes thereto, as well as the disclosure contained throughout such Schedule. The MD&A of Libra may contain forward-looking information that involves numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on Libra's current plans, objectives, goals, strategies, estimates, assumptions and projections about its industry, business and future financial results. Actual results could differ materially from those discussed in such forward-looking information. See "*Cautionary Statements Regarding Forward-Looking Information*" in the Circular.

The audited annual financial statements for Libra for the year ended December 31, 2023 and 2022 are attached as Schedule "E.1" to this Listing Statement.

**SCHEDULE "C"**
**CAPITALIZATION TABLES**

All terms used but not defined in Schedule "C" have the meanings given to them in the Circular, attached to this Listing Statement as Schedule "A".

**30. Capitalization Tables**

The following tables provide information about the Issuer's pro forma capitalization, on a consolidated basis, after giving effect to the Transaction, including the Consolidation, but excluding any Concurrent Financing as described in the pro forma financial statements of the Issuer:

| Description of security | Number authorized to be issued | Number outstanding as at the date of Listing |
|---|---|---|
| Common Shares | No maximum | 57,445,634 |
| Options to Purchase Common Shares | No maximum | 4,485,926 |

14.1 The following chart sets out for the Issuer's Common Shares to be listed on the Exchange:

**Issued Capital**

| | Number of Securities (non-diluted)[1] | Number of Securities (fully-diluted)[1] | % (non-diluted) | % (fully diluted) |
|---|---|---|---|---|
| Public Float | | | | |
| Total Outstanding **(A)** | 57,445,634 | 61,931,560 | 100% | 100% |
| Number of issued securities that are pooled, escrowed or non-transferable, and the number of issued securities of the class beneficially owned, or over which control or direction is exercised by: (a) the Listed Issuer; (b) every senior officer or director of the Listed Issuer; and (c) every Principal Security Holder of the Listed Issuer **(B)**[2] | 44,015,209 | 47,365,535 | 77% | 76% |
| Total Public Float **(A-B)** | 13,430,425 | 14,566,025 | 23% | 24% |

| | Number of Securities (non-diluted)[1] | Number of Securities (fully-diluted)[1] | % (non-diluted) | % (fully diluted) |
|---|---|---|---|---|
| Freely Tradable Float | | | | |
| Number of issued securities subject to restrictions on resale or transfer, including restrictions imposed by pooling or other arrangements or in a shareholder agreement **(C)**[2] | 41,338,454 | 44,562,248 | 72% | 72% |
| Total Tradable Float **(A-C)** | 16,107,180 | 17,369,312 | 28% | 28% |

Notes:

(1) Calculated on a post-Consolidation basis using the Consolidation ratio of one post-Consolidation PowerStone Share for each 2.4966 pre-Consolidation PowerStone Shares, the actual consolidation ration is expected to be one post-Consolidation PowerStone Share for each 2.49662653196998 pre-Consolidation PowerStone Shares.

(2) Includes the voluntary escrow of certain founding shareholders of Libra and PowerStone whereby the securities held by these founding shareholders, will be held in contractual escrow and are restricted from trading until the date upon which (i) there is a change of control of the Resulting Issuer; or (ii) each and every one of these founding shareholders has unanimously agreed in writing to any such release.

The PowerStone Fundamental Change Shares issued to Libra Shareholders will be subject to a voluntary pooling arrangement pursuant to which such PowerStone Fundamental Change Shares will be subject to resale restrictions as follows A) 25% will be released on the date that the PowerStone Fundamental Change Shares are listed for trading on the CSE; and (B) 25% will be released on each of the 6, 12 and 18 month anniversaries of the date that the PowerStone Fundamental Change Shares are listed for trading on the CSE and shall bear legends to that effect.

As required under the policies of the CSE, Principals of the Resulting Issuer will enter into an escrow agreement as if Libra was subject to the requirements of National Policy 46-201 - Escrow for Initial Public Offerings ("NP 46-201"). Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released upon completion of the Transaction followed by six subsequent releases of 15% every six months thereafter.

*Public Security Holders (Registered)*

The following table sets forth information regarding the number of registered "public securityholders" of the Company, being persons other than persons enumerated in section (B) of the Issued Capital table above:

| **Class of Security:** | **Common Shares** | | | | | |
|---|---|---|---|---|---|---|
| **Size of Holdings** | **PowerStone Number of Holders[1]** | **PowerStone Number of Securities[1]** | **Libra Number of Holders** | **Libra Number of Securities** | **Total Resulting Issuer Number of Holders** | **Total Resulting Issuer Number of Securities[1]** |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 – 99 securities | 3 | 124 | -- | -- | 3 | 124 |
| 100 – 499 securities | 14 | 4,176 | -- | -- | 14 | 4,176 |
| 500 – 999 securities | 4 | 2,848 | -- | -- | 4 | 2,848 |
| 1,000 – 1,999 securities | 1 | 1,126 | -- | -- | 1 | 1,126 |
| 2,000 – 2,999 securities | 1 | 2,464 | -- | -- | 1 | 2,464 |
| 3,000 – 3,999 securities | -- | -- | -- | -- | -- | -- |
| 4,000 – 4,999 securities | -- | -- | -- | -- | -- | -- |
| 5,000 or more securities | 14 | 1,292,749 | 65[(2)] | 5,464,674 | 79 | 6,757,423 |
| **Total** | **38** | **1,303,487** | **65** | **5,464,674** | **102** | **6,768,161** |

Notes:

(1) Calculated on a post-Consolidation basis using the Consolidation ratio of one post-Consolidation PowerStone Share for each 2.4966 pre-Consolidation PowerStone Shares, the actual consolidation ration is expected to be one post-Consolidation PowerStone Share for each 2.49662653196998 pre-Consolidation PowerStone Shares.

(2) Includes certain persons, a portion of who's Resulting Issuer Shares will be subject to escrow or voluntary pooling arrangements, but who will hold at least a Board Lot of Resulting Issuer Shares that are free trading upon listing of the PowerStone Shares on the CSE.

*Public Security Holders (Beneficial)*

The following table sets forth information regarding the number of beneficial "public securityholders" of the Company, being persons other than persons enumerated in section (B) of the Issued Capital table above who either: (i) hold securities in their own name as registered Shareholders; or (ii) hold securities through an intermediary where the Company has been given written confirmation of shareholdings:

| **Class of Security:** | **Common Shares** |
|---|---|

| Size of Holdings | PowerStone Number of Holders[(1)] | PowerStone Number of Securities[(1)] | Libra Number of Holders | Libra Number of Securities | Total Resulting Issuer Number of Holders | Total Resulting Issuer Number of Securities[(1)] |
|---|---|---|---|---|---|---|
| 1 – 99 securities | 371 | 5,012 | -- | -- | 371 | 12,512 |
| 100 – 499 securities | 242 | 35,409 | -- | -- | 242 | 88,404 |
| 500 – 999 securities | 72 | 46,059 | -- | -- | 72 | 114,990 |
| 1,000 – 1,999 securities | 16 | 24,294 | -- | -- | 16 | 60,652 |
| 2,000 – 2,999 securities | -- | -- | -- | -- | -- | -- |
| 3,000 – 3,999 securities | -- | -- | -- | -- | -- | -- |
| 4,000 – 4,999 securities | -- | -- | -- | -- | -- | -- |
| 5,000 or more securities | 109 | 6,550,059 | -- | -- | 109 | 6,550,059 |
| **Total** | **810** | **6,660,833** | -- | -- | **810** | **6,660,833** |

Notes:

(1) Calculated on a post-Consolidation basis using the Consolidation ratio of one post-Consolidation PowerStone Share for each 2.4966 pre-Consolidation PowerStone Shares, the actual consolidation ration is expected to be one post-Consolidation PowerStone Share for each 2.49662653196998 pre-Consolidation PowerStone Shares. Based on Broadridge share range reports as of April 25, 2025.

*Non-Public Security Holders (Registered)*

Non-Public Securityholders (Registered) have the following issued and outstanding securities according to the below table:

| **Class of Security:** | **Common Shares** |
|---|---|

| Size of Holdings | PowerStone Number of Holders[(1)] | PowerStone Number of Securities[(1)] | Libra Number of Holders | Libra Number of Securities | Total Resulting Issuer Number of Holders | Total Resulting Issuer Number of Securities[(1)] |
|---|---|---|---|---|---|---|
| 1 – 99 securities | - | - | - | - | - | - |
| 100 – 499 securities | - | - | - | - | - | - |
| 500 – 999 securities | - | - | - | - | - | - |
| 1,000 – 1,999 securities | - | - | - | - | - | - |
| 2,000 – 2,999 securities | - | - | - | - | - | - |
| 3,000 – 3,999 securities | - | - | - | - | - | - |
| 4,000 – 4,999 securities | - | - | - | - | - | - |
| 5,000 or more securities | 3[(2)] | 3,510,051 [(3)] | 5[(4)] | 40,505,155[(5)] | 6[(6)] | 44,015,206 |
| **Total** | **3** | **3,510,051** | **5** | **40,505,155** | **6** | **44,015,206** |

Notes:

(1) Calculated on a post-Consolidation basis using the Consolidation ratio of one post-Consolidation PowerStone Share for each 2.4966 pre-Consolidation PowerStone Shares, the actual consolidation ration is expected to be one post-Consolidation PowerStone Share for each 2.49662653196998 pre-Consolidation PowerStone Shares.

(2) Excludes a person, a portion of who's Resulting Issuer Shares will be subject to escrow or voluntary pooling arrangements, but who will hold at least a Board Lot of Resulting Issuer Shares that are free trading upon listing of the PowerStone Shares on the CSE.

(3) Includes the portion of Resulting Issuer Shares held by the person noted in (2) above that will be subject to escrow or voluntary pooling arrangements.

(4) Excludes 65 persons, a portion of who's Resulting Issuer Shares will be subject to escrow or voluntary pooling arrangements, but who will hold at least a Board Lot of Resulting Issuer Shares that are free trading upon listing of the PowerStone Shares on the CSE.

(5) Includes the portion of Resulting Issuer Shares held by the 65 persons noted in (4) above that will be subject to escrow or voluntary pooling arrangements.
(6) Zachary Goldenberg and Raymond D. Harari are non-public registered shareholders, directly or indirectly, of both Libra and PowerStone and so they have only been counted once in this total.

14.2 The following chart sets out details of securities of the Issuer convertible or exchangeable into any class of listed securities:

| **Description of Security (include conversion / exercise terms, including conversion / exercise price)** | **Number of convertible / exchangeable securities outstanding** | **Number of listed securities issuable upon conversion / exercise** |
|---|---|---|
| Options to purchase Common Shares[(1)] | 4,485,926 | 4,485,926 |

Notes:
(1) Calculated on a post-Consolidation basis using the Consolidation ratio of one post-Consolidation PowerStone Share for each 2.4966 pre-Consolidation PowerStone Shares, the actual consolidation ration is expected to be one post-Consolidation PowerStone Share for each 2.49662653196998 pre-Consolidation PowerStone Shares.

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2

None.

**SCHEDULE "D"**
**CHARTER OF THE AUDIT COMMITTEE**

See attached.

# LIBRA ENERGY MATERIALS INC.

## CHARTER OF THE AUDIT COMMITTEE

**1. Membership.**

1.1 The audit committee (the "**Committee**") of the board of directors (the "**Board**") of Libra Energy Materials Inc. (the "**Company**") shall consist of three or more directors.

1.2 Each member of the Committee must be financially literate, as this term is defined under National Instrument 52-110 - Audit Committees (the "**Instrument**").

1.3 The Board shall appoint members to the Committee. The members of the Committee shall be appointed for one-year terms after each annual securityholders' meeting and shall serve until a successor is duly appointed by the Board or until the member's earlier death, resignation, disqualification or removal. The Board may remove any member from the Committee at any time with or without cause. The Board shall fill Committee member vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members shall exercise all the Committee's powers so long as a quorum exists.

1.4 New Committee members shall be provided with an orientation program to educate them on the Company, their roles and responsibilities on the Committee and the Company's financial reporting and accounting practices. Committee members shall also receive training, as necessary, to increase their understanding of financial, accounting, auditing and industry issues applicable to the Company.

1.5 The Board shall appoint the chair of the Committee (the "**Chair**") from the Committee members. The Chair must be a non-executive Director. Subject to Section 1.3, the Board shall determine the Chair's term of office.

1.6 A quorum for decisions of the Committee shall be two members.

**2. Committee Meetings.**

2.1 The Committee shall meet at least quarterly at such times and places as determined by the Committee. The Committee is governed by the same rules regarding meetings (including the procedure used to call meetings, and conducting meetings electronically, in person or by telephone), notice of meetings and waiver of notice by committee members, written resolutions in lieu of a meeting and voting at meetings that apply to the Board.

2.2 Notice of the time and place of a Committee meeting shall be given by the Committee to the Company's external auditor (the "**Auditor**") in the same manner notice is provided to Committee members. The Committee shall provide the Auditor with all meeting materials in advance of the meeting.

2.3 The Chair shall seek input from Committee members, the Company's management, the Auditor and Board members when setting each Committee meeting's agenda.

2.4 Any written material to be provided to Committee members for a meeting must be distributed in advance of the meeting to give Committee members time to review and understand the information.

2.5 The chair of the Board (the "**Board Chair**"), the chief executive officer of the Company ("**CEO**") and chief financial officer of the Company ("**CFO**") and any other member of senior management may, if invited by the Chair, attend, give presentations relating to their responsibilities and otherwise participate at Committee meetings. Other Board members may also, if invited by the Chair, attend and participate at Committee meetings.

2.6 The Committee may appoint a Committee member or any other attendee to be the secretary of a meeting. The Chair shall circulate minutes of all Committee meetings to the Company's Board members and its Auditor. The Committee shall report its decisions and recommendations to the Board promptly after each Committee meeting.

2.7 The Committee may meet for a private session, excluding management or other third parties, following each Committee meeting or as otherwise determined by the Committee.

## 3. Purpose, Role and Authority.

3.1 The purpose of the Committee is to oversee the Company's accounting and financial reporting processes and the preparation and auditing of the Company's financial statements.

3.2 The Committee is authorized by the Board to investigate any matter set out in this Charter or otherwise delegated to the Committee by the Board.

## 4. Duties and Responsibilities.

4.1 The Committee has the duties and responsibilities set out in Section 5 to Section 14 of this Charter, as may be amended, supplemented or restated from time to time.

## 5. External Auditor - Appointment and Removal.

The Committee shall:

5.1 Consider and recommend to the Board, to put forward for shareholder approval at the annual meeting, an Auditor that will be appointed or reappointed to prepare or issue an auditor's report and perform audit, review, attest or other services for the Company in compliance with the Instrument and, if necessary, recommend to the Board the Auditor's removal.

5.2 Recommend to the Board the Auditor's compensation and otherwise setting the terms of the Auditor's engagement (including reviewing and negotiating the Auditor's engagement letter).

5.3 Review and monitor the independence of the Auditor.

5.4 At least once per fiscal year, review the qualifications and performance of the Auditor and the Auditor's lead partners and consider and decide if the Company should adopt or maintain a policy of rotating the accounting firm serving as the Company's Auditor.

## 6. Auditor Oversight - Audit Services.

The Committee shall:

6.1 Require the Auditor to report directly to the Committee.

6.2 Discuss with the Auditor: (a) before an audit commences, the nature and scope of the audit, the Auditor's responsibilities in relation to the audit, the overall audit strategy, the timing of the audit, the processes used by the Auditor to identify risks and reporting such risks to the Committee; and (b) any other matters relevant to the audit.

6.3 Review and discuss with the Auditor all critical accounting policies and practices to be used in the audit, all alternative treatments of financial information that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the Auditor.

6.4 Review any major issues regarding accounting principles and financial statement presentation with the Auditor and the Company's management, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

6.5 Review and discuss with the Auditor and management any problems or difficulties encountered during the audit, including restrictions on the scope of activities or access to information, and any significant disagreements between the Auditor and management in relation to financial reporting. The Committee may meet with the Auditor and management (together or separately) to discuss and resolve such disagreements.

6.6 Review all material communications between management and the Auditor, including reviewing the Auditor's management letter and management's response.

6.7 Create (if required), review and approve the Company's policies respecting the Company's hiring of any (former or current) Auditor's past or present employees or past or present partners that participated in any capacity in any Company audit.

6.8 Oversee any other matters relating to the Auditor and the performance of audit services on the Company's behalf.

## 7. Auditor Oversight - Non-Audit Services.

The Committee shall:

7.1 Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries in accordance with the Instrument.

7.2 Notwithstanding Section 7.1, delegate the pre-approval of non-audit services to a member or certain members of the Committee. These member or members shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.

**8. Internal Controls.**

The Committee shall:

8.1 Monitor and review the effectiveness of the Company's internal audit function, including ensuring that any internal auditors (the "**Internal Auditors**") have adequate monetary and other resources to complete their work and appropriate standing within the Company and, if the Company has no Internal Auditors, consider, on an annual basis, whether the Company requires Internal Auditors and make related recommendations to the Board.

8.2 Oversee an effective system of internal controls and procedures for the Company relating to the financial reporting process and disclosure of the financial results ("**Internal Controls**").

8.3 Review with management and the Internal Auditors (with each privately or together) the adequacy and effectiveness of the Company's Internal Controls, including any significant deficiencies or material weaknesses in the design or operation of the Internal Controls and determine if any special steps must be adopted by the Auditor during its audit in light of any such deficiencies or weaknesses.

8.4 Review management's roles, responsibilities and performance in relation to the Internal Controls.

8.5 Review, discuss and investigate: (a) any alleged fraud involving the Company's management or employees in relation to the Internal Controls, including management's response to any allegations of fraud; (b) implement corrective and disciplinary action in cases of proven fraud; and (c) determine if any special steps must be adopted by the Auditor during its audit in light of any proven fraud or any allegations of fraud.

8.6 Establish and monitor the procedures for: (a) the receipt, retention and treatment of complaints that the Company receives relating to its Internal Controls; (b) the anonymous submission of employees' concerns relating to questionable accounting or audit matters engaged in by the Company; and (c) the independent investigation of the matters set out in Section 8.6(a) and Section 8.6(b), including appropriate follow up actions.

8.7 Review and discuss with the CEO and CFO, or those officers who perform the duties similar to a CEO or CFO, the steps taken to complete the required certifications of the annual and interim filings with applicable securities commissions.

**9. Financial Statements.**

The Committee shall:

9.1 Review and discuss with the Auditor and management the Company's annual audited financial statements and the accompanying Auditor's report and management discussion and analysis ("**MD&A**"). The Committee's review of the annual audited financial statements will include a review of the notes contained in the financial statements, in particular the notes on: (a) significant accounting policies, including any changes made to them and the effect this may have on the Company; (b) significant estimates and assumptions; (c) significant adjustments resulting from the an audit; (d) the going concern assumption; (e) compliance with accounting standards; (f)

investigations and litigation undertaken by regulatory authorities; (g) the impact of unusual transactions; and (h) off-balance sheet and contingent asset and liabilities, and related disclosures.

9.2 Assess (a) the quality of the accounting principles applied to the financial statements; (b) the clarity of disclosure in the financial statements; and (c) whether the audited annual financial statements present fairly, in all material respects, in accordance with GAAP, the Company's financial condition, operational results and cash flows.

9.3 Upon satisfactory completion of its review, recommend the annual audited financial statements, Auditor's report and annual MD&A for Board approval.

9.4 Review the interim financial statements and related MD&A with the Auditor and management, and if satisfied that the interim financial statements meet the criteria set out in Section 9.2 to recommend to the Board that it approve the interim financial statements and accompanying MD&A.

**10. Disclosure of Other Financial Information.**

The Committee shall:

10.1 Review and discuss with management the design, implementation and maintenance of effective procedures relating to the Committee's prior review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements ("**Disclosure Procedures**"); ensure that the Disclosure Procedures put in place are followed by the Company's management and employees; and periodically assess the adequacy of the Disclosure Procedures.

10.2 Review the Company's profit and loss press releases and other related press releases before they are released to the public, including the Company's annual information form, earnings press releases and any other public disclosure documents required by applicable securities commissions; and review the nature of any financial information and ratings information provided to agencies and analysts in accordance with the Company's disclosure policy.

10.3 Monitor and review the Company's policy on confidentiality and disclosure on a yearly basis.

**11. Risk Management.**

The Committee shall:

11.1 Review and discuss with management and the Internal Auditors (each privately or together) policies and guidelines to govern the processes by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and fraud, and the steps management has taken to monitor and control such exposures.

11.2 Review the periodic reports delivered to the Committee by the Internal Auditors; and oversee the processes by which major Company risks are reviewed by either the Committee, another Board committee or the full Board.

12. **Legal Compliance.** The Committee shall review with legal counsel any legal matters, including inquiries received from regulators and governmental agencies, that may have a significant effect on the Company's financial statements, cash flows or operations, and review and oversee any policies, procedures and programs designed by the Company to promote legal compliance.

13. **Related Party Transactions**. The Committee shall review all proposed related party transactions, other than those reviewed by a special committee of disinterested directors in accordance with Canadian corporate or securities laws.

14. **Other Duties and Responsibilities.** The Committee shall complete any other duties and responsibilities delegated by the Board to the Committee from time to time.

15. **Meetings with the Auditor.** Notwithstanding anything set out in this Charter to the contrary, the Committee may meet privately with the Auditor or Internal Auditors as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities and to discuss any concerns of the Committee or Auditor in relation to the matters covered by the Committee's Charter, including the effectiveness of the Company's financial recording procedures and systems and management's cooperation and responsiveness to matters arising from the audit and non-audit services performed by the Auditor.

16. **Meetings with Management.** The Committee may meet privately with management and the Company's Internal Auditors (together or separately) as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities to discuss any concerns of the Committee, management or the Internal Auditors.

17. **Outside Advisors.** The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

18. **Reporting.** The Committee shall report to the Board on all matters set out in this Charter and other matters assigned to the Committee by the Board, including: (a) the Auditor's independence; (b) the Auditor's performance and the Committee's recommendation to reappoint or terminate the Auditor; (c) the Internal Auditors' performance; (d) the adequacy of the Internal Controls; (e) the Committee's review of the Company's annual and interim financial statements, and any GAAP reconciliation, including any issues respecting the quality and integrity of financial statements, along with the MD&A; (f) the Company's compliance with legal and regulatory matters and such matters affect the financial statements; and (g) the Company's risk management programs and any risks identified in accordance with this program.

19. **Charter Review.** The Committee shall review this Charter and recommend any proposed changes to the Board for approval.

20. **Performance Evaluation.** The Committee shall conduct an annual evaluation of the performance of its duties and responsibilities under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

21. **No Rights Created.** This Charter is a broad policy statement and is intended to be part of Committee's flexible governance framework. While this Charter should comply with all applicable laws, regulations and listing requirements and the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company.

**SCHEDULE "E"**
**LIBRA FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024 AND THE RELATED MD&A**

See attached.

# LIBRA LITHIUM CORP.

## FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024

**(Unaudited - in Canadian Dollars)**

**Libra Lithium Corp.**
**Condensed Interim Statements of Financial Position**
**At March 31, 2025 and December 31, 2024**
*(Expressed in Canadian Dollars)*

| As at | | March 31, 2025 | | December 31, 2024 |
|---|---|---|---|---|
| | | (Unaudited) | | (Audited) |
| **ASSETS** | | | | |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | $ | 701,767 | $ | 708,952 |
| Accounts receivable | | 58,380 | | 32,008 |
| GST receivable | | 22,418 | | 45,889 |
| Prepaid expenses | | 5,048 | | 7,991 |
| | | 787,613 | | 794,840 |
| Property and equipment (Note 5) | | 64,798 | | 74,181 |
| Investments (Note 6) | | 6,250 | | 6,250 |
| **TOTAL ASSETS** | **$** | **858,661** | **$** | **875,271** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Accounts payable and accrued liabilities (Note 9) | $ | 172,680 | $ | 114,949 |
| Flow-through share liability (Note 8) | | - | | 3,354 |
| Current portion of loan payable (Note 7) | | 10,837 | | 10,699 |
| **TOTAL CURRENT LIABILITIES** | | 183,517 | | 129,002 |
| **NON-CURRENT LIABILITIES** | | | | |
| Loan payable (Note 7) | | 38,584 | | 41,345 |
| **TOTAL LIABILITIES** | | 222,101 | | 170,347 |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share capital (Note 8) | | 2,513,063 | | 2,505,068 |
| Obligation to issue shares (Note 8) | | 17,500 | | 17,500 |
| Contributed surplus (Note 8) | | 233,004 | | 202,190 |
| Accumulated deficit | | (2,127,007) | | (2,019,834) |
| **TOTAL SHAREHOLDERS' EQUITY** | | 636,560 | | 704,924 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **$** | **858,661** | **$** | **875,271** |

Nature and continuance of operations (Note 1)
Commitments (Note 12)
Subsequent events (Note 14)

Approved on behalf of the Board of Directors:

| | |
|---|---|
| *"Koby Kushner"* | *"David Goodman"* |
| Director | Director |

*The accompanying notes are an integral part of these condensed interim financial statements.*

**Libra Lithium Corp.**
**Unaudited Condensed Interim Statements of Loss and Comprehensive Loss**
**For the three-month periods ended March 31, 2025 and 2024**
*(Expressed in Canadian Dollars)*
(*Unaudited*)

| | Notes | Three-month period March 31, 2025 $ | Three-month period March 31, 2024 $ |
|---|---|---|---|
| **EXPENSES** | | | |
| Consulting fees | 9 | 26,250 | 31,959 |
| Depreciation | 5 | 9,383 | 11,089 |
| Marketing and advertising | | 2,533 | - |
| Office administration and general | | 12,196 | 6,298 |
| Professional fees | | 87,059 | 21,767 |
| Rent | | 2,250 | 2,250 |
| Salaries and benefits | | - | 47,815 |
| Share-based payments | 8,9 | 30,814 | 44,314 |
| Travel and entertainment | | 8,060 | 5,477 |
| Exploration and evaluation (recovery) | 4 | 44,260 | (171,560) |
| **INCOME (LOSS) BEFORE OTHER ITEMS** | | (222,805) | 591 |
| **OTHER ITEMS** | | | |
| Other income | 4 | 107,241 | - |
| Interest expense | | (658) | (785) |
| Interest income | | 5,695 | 3,965 |
| Gain on settlement of debt | | - | 5,000 |
| Flow-through premium recovery | 8 | 3,354 | 2,339 |
| **NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)** | | (107,173) | 11,110 |
| **BASIC AND DILUTED EARNINGS (LOSS) PER SHARE** | | (0.00) | 0.00 |
| **WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED** | | 45,918,754 | 41,209,516 |

*The accompanying notes are an integral part of these condensed interim financial statements.*

**Libra Lithium Corp.**
**Unaudited Condensed Interim Statements of Changes in Shareholders' Equity**
**For the three-month periods ended March 31, 2025 and 2024**
*(Expressed in Canadian Dollars)*
*(Unaudited)*

| | Number of Shares | Share Capital | Contributed Surplus | Obligation to issue shares | Accumulated Deficit | Total Shareholders' Equity |
|---|---|---|---|---|---|---|
| **Balance, December 31, 2023** | **41,111,384** | **$ 1,925,388** | **$ 21,655** | **$ -** | **$ (1,558,255)** | **$ 388,788** |
| Shares issued for cash | 7,500 | 1,125 | - | - | - | 1,125 |
| Shares issued for services | 100,000 | 15,000 | - | - | - | 15,000 |
| Subscriptions received advance | - | - | - | 24,000 | - | 24,000 |
| Share-based payments | - | - | 44,314 | - | - | 44,314 |
| Net income for the period | - | - | - | - | 11,110 | 11,110 |
| **Balance, March 31, 2024** | **41,218,884** | **$ 1,941,513** | **$ 65,969** | **$ 24,000** | **$ (1,547,145)** | **$ 484,337** |
| | | | | | | |
| **Balance, December 31, 2024** | **45,903,209** | **$ 2,505,068** | **$ 202,190** | **$ 17,500** | **$ (2,019,834)** | **$ 704,924** |
| Shares issued pursuant to settlement of debt | 66,623 | 7,995 | - | - | - | 7,995 |
| Share-based payments | - | - | 30,814 | - | - | 30,814 |
| Net loss for the period | - | - | - | - | (107,173) | (107,173) |
| **Balance, March 31, 2025** | **45,969,832** | **$ 2,513,063** | **$ 233,004** | **$ 17,500** | **$ (2,127,007)** | **$ 636,560** |

*The accompanying notes are an integral part of these condensed interim financial statements.*

**Libra Lithium Corp.**
**Unaudited Condensed Interim Statements of Cash Flows**
**For the three-month periods ended March 31, 2025 and 2024**
*(Expressed in Canadian Dollars)*
*(Unaudited)*

| | Three-month period ended March 31, 2025 $ | Three-month period ended March 31, 2024 $ |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Net Income (loss) | (107,173) | 11,110 |
| Add items not affecting cash: | | |
| Share-based payments | 30,814 | 44,314 |
| Flow-through premium liability recovery | (3,354) | (2,339) |
| Depreciation | 9,383 | 11,089 |
| Gain on settlement of debt | - | (5,000) |
| Share issued for services | - | 1,125 |
| Net changes in non-cash working capital: | | |
| Accounts receivable | (26,372) | (1,017) |
| GST receivable | 23,471 | (6,510) |
| Prepaid expenses | 2,943 | 4,169 |
| Accounts payable and accrued liabilities | 65,726 | (12,471) |
| **Net cash (used in) provided by operating activities** | **(4,562)** | 44,470 |
| **INVESTING ACTIVITIES** | | |
| Sale of equity securities | - | 18,750 |
| **Net cash provided by investing activities** | **-** | 18,750 |
| **FINANCING ACTIVITIES** | | |
| Subscriptions received in advance | - | 24,000 |
| Repayment of loan payable | (2,623) | (2,496) |
| **Net cash (used in) provided by financing activities** | **(2,623)** | 21,504 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (7,185) | 84,724 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 708,952 | 295,811 |
| **CASH AND CASH EQUIVALENTS, END OF PERIOD** | **701,767** | 380,535 |
| **Supplemental cash flow information (Note 13)** | | |
| CASH AND CASH EQUIVALENTS CONSISTS OF: | | |
| Cash | 651,767 | 330,535 |
| Cashable GIC Investment | 50,000 | 50,000 |
| | **701,767** | 380,535 |

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Libra Lithium Corp. (the "Company" OR "Libra") 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.

Libra Lithium Corp. was incorporated under the Ontario Company Act on November 15, 2022. The Company's registered office, records office and head office is located at Suite 6000, 100 King Street West, 1 First Canadian Place Toronto, ON M5X 1E2.

As at March 31, 2025, the Company's principal mineral interests were located in Ontario and Quebec, Canada and it has not yet been determined whether these properties contain reserves that are economically recoverable.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at March 31, 2025, the Company had not advanced its resource properties to commercial production or achieved profitable operations. The Company had a net loss for the three-months ended March 31, 2025 of $107,173, has an accumulated deficit of $2,127,007 (December 31, 2024 - $2,019,834) since inception and expects to incur further losses in the development of its business. Those factors create material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

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

These condensed interim financial statements were approved and authorized by the Board of Directors on June 4, 2025.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### Statement of compliance

These condensed interim financial statements have been prepared in accordance with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2024 which have been prepared in accordance with IFRS.

### Basis of preparation

The unaudited condensed interim financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

## 2. MATERIAL ACCOUNTING POLICES (continued)

### Cash and cash equivalents

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

### Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

### Resource property cost

*Pre-exploration costs*

Pre-exploration costs incurred before the Company has the legal right to explore are expensed in the period in which they are incurred.

*Exploration and evaluation costs*

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

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

### Share capital

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

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

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

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

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

## 3. MATERIAL ACCOUNTING POLICES (continued)

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

**Share-based payments**

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Company's estimate of options that will eventually vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options measured immediately before and after the modification, is also charged to operations over the remaining vesting period.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid.

**Property and equipment**

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

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

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

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

**Rehabilitation provisions**

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

## 3. MATERIAL ACCOUNTING POLICES (continued)

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

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

As at March 31, 2025 and December 31, 2024, the Company is not aware of any reclamation costs and no amounts have been recorded.

**Financial instruments**

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

- At fair value or through profit or loss ("FVTPL"), or
- At amortized cost.

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

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

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

**Government grants**

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

**Investments in private companies**

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

**3. MATERIAL ACCOUNTING POLICES (continued)**

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

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or

- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or

- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or

- The investee company is placed into receivership or bankruptcy.

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

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

**Accounting standards and Interpretations**

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

**Use of estimates and judgements**

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

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

## 3. MATERIAL ACCOUNTING POLICES (continued)

### Significant Estimates and Judgements

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

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

Ability to continue as a going-concern

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

**Critical accounting estimates**

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

a) Useful lives of equipment
Estimates of the useful lives of equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

a) Investments in private companies' shares
The Company has investments in two private companies' shares which are measured at FVTPL based on Level 3 of the fair value hierarchy.

## 4. EXPLORATION AND EVALUATION EXPENDITURES

| | Canada Ontario $ | Canada Quebec $ | Total $ |
|---|---|---|---|
| **EXPLORATION COSTS** | | | |
| Option payments | 17,050 | - | 17,050 |
| Staking and filing fees | 2,156 | - | 2,156 |
| Data interpretation | 6,152 | - | 6,152 |
| Other expenditures | 3,082 | - | 3,082 |
| Ontario Junior Exploration Program Grant | (200,000) | - | (200,000) |
| For the three-months ended March 31, 2024 | 171,560 | - | (171,560) |
| | | | |
| Staking and filing fees | - | 3,091 | 3,091 |
| Consulting | 2,125 | - | 2,125 |
| Operators fee | 36,000 | - | 36,000 |
| Other expenditures | 3,044 | - | 3,044 |
| **For the three-months ended March 31, 2025** | **41,169** | **3,091** | **44,260** |

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

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

1) within five Business Days of the Acceptance Date paying $57,000 (paid);
2) on or before June 2, 2024 paying $95,000 (paid);
3) on or before June 2, 2025 paying $114,000; 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 "Second Amendment'). The Company reimbursed Bounty for the amount of $5,000, within 10 calendar days of the Second Amendment Date.

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

The 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, ("NI 43-101"), S-K 1300 of the Securities and Exchange Commission of the United States of America ("S-K 1300") or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), that discloses any distinct deposit or orebody exceeding ten million (10,000,000) metric tonnes ("Mt") with an average grade equal to 1.0% Li2O or greater, shall trigger a single, non-recurring cash payment of $1,000,000.

## 4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

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

On June 2, 2025, the milestone payment of $114,000 was made by KoBold.

As at March 31, 2025, this agreement was in good standing.

### (b) 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 (the "Optionor"), to acquire 100% interest to the project, subject to certain milestone payments and a 2% Net Smelter Return 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.

### (c) LAIRD LAKE AND ONEMAN LAKE PROJECT

On August 19, 2024 (the "Acceptance Date") the Company entered into an option agreement with Bounty to acquire 100% interest in the mineral claims of the Laird Lake Project and the Oneman Lake Project, in Ontario, subject to milestone payments and a 2% Net Smelter Return royalty upon commencement of commercial production. The Company will pay a separate 1% Net Smelter KRL 4241641 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;
(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% Net Smelter Return 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.

## 4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

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 represents 19.9% of the total issued and outstanding shares of Athena BC (Note 6).

### (d) 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 initial 51%, earn-in thresholds for the Earn-In Properties, KoBold must complete the following:

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

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

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**").

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. In exchange for exploration services, KoBold will pay Libra a monthly cash fee of $35,000.

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 |

## 4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

*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.

During the three months ended March 31, 2025, the Company recognized $107,241 (March 31, 2024- $Nil) of the reimbursement of expenses in other income relating to this agreement.

### (e) CLAIMS HELD DIRECTLY

The Company staked 100% interest in several projects in the Northwest regions of Ontario, including Flanders South, Flanders North, Burton, Energy Hill, Tennant Lake, Bitchu, Kivinen and the Toivo project.

As of March 31, 2025, all claims held directly were in good standing.

## 5. PROPERTY AND EQUIPMENT

| Cost | Mining Evaluation Equipment $ | Office Equipment $ | Vehicle $ | Total $ |
|---|---|---|---|---|
| December 31, 2023 | 70,301 | 4,230 | 60,533 | 135,064 |
| Additions | - | 1,755 | - | 1,755 |
| **December 31, 2024 and March 31, 2025** | **70,301** | **5,985** | **60,533** | **136,819** |
| **Accumulated Depreciation** | | | | |
| December 31, 2023 | 15,818 | 843 | 7,062 | 23,723 |
| Depreciation | 23,434 | 1,523 | 13,958 | 38,915 |
| December 31, 2024 | 39,252 | 2,366 | 21,020 | 62,638 |
| Depreciation | 5,858 | 499 | 3,026 | 9,383 |
| **March 31, 2025** | **45,110** | **2,865** | **24,046** | **72,021** |
| **Net book value** | | | | |
| December 31, 2024 | 31,049 | 3,619 | 39,513 | 74,181 |
| **March 31, 2025** | **31,049** | **3,619** | **39,513** | **64,798** |

## 6. INVESTMENTS

On September 26, 2023, the Company purchased 1,000,000 units (each Unit consisting of one common share and one common share purchase warrant) of Blue Ridge Lithium Corp, a private entity.

| | Number of Units | | Amount |
|---|---|---|---|
| December 31, 2023 | 1,000,000 | $ | 25,000 |
| Disposals | (750,000) | | (18,750) |
| **December 31, 2024 and March 31, 2025** | **250,000** | **$** | **6,250** |

During the three-months ended March 31, 2025, the Company sold nil units (December 31, 2024 – 750,000) for proceeds of $nil (December 31, 2024 - $18,750), resulting in no gain or loss. The carrying value represents the fair value of the investment at March 31, 2025, measured at FVTPL based on Level 3 of the fair value hierarchy.

On September 30, 2024, the Company acquired 43,865,217 shares of Athena BC (Note 4), which was valued at $Nil.

The Company has a 19.9% interest in Athena BC which was incorporated for the purpose of completing a re-domestication from the State of Delaware to British Columbia pursuant to an amalgamation of Athena Gold with and into Athena BC, with Athena BC being the surviving entity. Athena BC is not listed on any public stock exchange. The carrying value of the Company's investment in Athena BC is $Nil on March 31, 2025, measured at FVTPL based on Level 3 of the fair value hierarchy.

## 7. LOAN PAYABLE

During the year ended December 31, 2023, the Company received a $67,936 vehicle financing loan. During the three-months ended March 31, 2025, the Company repaid $3,281 (December 31, 2024 - $13,125) of this loan. The loan is financed through Royal Bank of Canada for a fixed term of 6 years, a fixed interest rate of 4.99% per annum and is secured by the vehicle. The proceeds of the loan were used to acquire a corporate vehicle to be used for field work.

| | | |
|---|---|---|
| **Balance, December 31, 2023** | **$** | **62,213** |
| Interest | | 2,956 |
| Repayments | | (13,125) |
| **Balance, December 31, 2024** | | **52,044** |
| Interest | | 658 |
| Repayments | | (3,281) |
| **Balance, March 31, 2025** | **$** | **49,421** |

| **Loan payable is allocated as:** | **March 31, 2025** | December 31, 2024 |
|---|---|---|
| | **$** | $ |
| Current | **10,837** | 10,699 |
| Non-current | **38,584** | 41,345 |
| **Balance** | **49,421** | 52,044 |

| **Undiscounted remaining cash flows** | **March 31, 2025** | December 31, 2024 |
|---|---|---|
| | **$** | $ |
| Less than one year | **13,125** | 13,125 |
| Between one and 5 years | **41,562** | 44,843 |
| Total undiscounted loan payable | **54,687** | 57,968 |
| Amount representing implicit interest | **(5,266)** | (5,924) |
| **Loan payable** | **49,421** | 52,044 |

## 8. SHARE CAPITAL

*Authorized:*

Unlimited voting common shares without par value.

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

*Issued:*

During the three months ended March 31, 2025, the Company completed the following share capital issuances:

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

During the three months ended March 31, 2024, the Company completed the following share capital issuances:

- On January 8, 2024, the Company issued 7,500 common shares for services at a fair value of $0.15 per share.
- On January 9, 2024, the Company issued 100,000 common shares for the settlement of debt at a fair value of $0.15 per share.

Flow-through premium

| | | |
|---|---|---|
| Balance as at December 31, 2023 | $ | 4,315 |
| Flow through premium liability recognized | | 9,888 |
| Recognized in profit or loss upon incurring qualifying expenditures | | (10,849) |
| **Balance as at December 31, 2024** | | **3,354** |
| Recognized in profit or loss upon incurring qualifying expenditures | | (3,354) |
| **Balance as at March 31, 2025** | **$** | **-** |

Stock Options

The Company has a stock option plan which will grant stock options to employees, officers, directors and consultants of the Company. Options under the plan are to have an exercise price equal to the estimated fair value of the Company's shares on the grant date, have a life of 10 years and vest as determined by the Board of Directors. The maximum options to be granted under the plan is limited to 10% of the outstanding common shares of the Company. The Company has granted employees and directors common share purchase options.

A summary of the status of the stock options as of March 31, 2025 is presented below:

| | March 31, 2025 | |
|---|---|---|
| | Number of Options Outstanding | Weighted Average Exercise Price $ |
| Beginning of period | 3,555,000 | 0.15 |
| Forfeited | (500,000) | (0.15) |
| Granted | 250,000 | 0.15 |
| End of period | 3,305,000 | 0.15 |
| Weighted-average remaining life, in year | | 3.45 |

## 8. SHARE CAPITAL (continued)

Stock Options (continued)

As at March 31, 2025, the Company has 3,305,000 (December 31, 2024 – 3,555,000) share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

| Number of Options Outstanding | Exercise Price | Expiry Date | Number of Options exercisable |
|---|---|---|---|
| 2,600,000 | $0.15 | November 14, 2028 | 866,668 |
| 155,000 | $0.15 | February 8, 2029 | 51,667 |
| 300,000 | $0.15 | November 4, 2029 | 100,000 |
| 250,000 | $0.15 | January 23, 2030 | 83,333 |
| 3,305,000 | | | 1,101,668 |

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

On November 4, 2024, the Company granted 300,000 common share purchase options exercisable at $0.15 per share, expiring on November 4, 2029. These options vest as follows: 1/3 vested immediately, with 1/3 vesting each year on the anniversary date of the date of grant. The fair value of the options on the grant date was estimated to be $26,808 based on the Black-Scholes Option Pricing Model.

On February 8, 2024, the Company granted 155,000 common share purchase options exercisable at $0.20 per share, expiring on February 8, 2029. These options vest 1/3 each year on the anniversary date of the date of grant. On September 19, 2024, the options were amended to have an exercise price of $0.15. The fair value of the options on the grant date was estimated to be $16,981 based on the Black-Scholes Option Pricing Model.

| The assumptions used to calculate the fair value were as follows: | **For the period ended March 31, 2025** | **For the period ended March 31, 2024** |
|---|---|---|
| Risk free rate of interest | 2.95% | 3.66% |
| Expected life of options | 5 years | 5 years |
| Exercise price of options | $0.15 | $0.20 |
| Expected annualized volatility | 105% | 102% |
| Expected dividend rate | Nil | Nil |

During the three-month period ended March 31, 2025, the Company incurred $30,814 of share-based payments (March 31, 2024 - $44,314).

As the Company's shares are not listed on a stock exchange, it estimated its expected share price volatility based on a weighted average volatility of similar companies whose shares are publicly traded.

## 9. RELATED PARTY TRANSACTIONS

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

| | Three months ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Key management compensation: | $ | $ |
| Consulting fees | 26,250 | 30,417 |
| Share-based payments | 8,231 | 18,310 |
| | 34,481 | 48,727 |

(i) During the three months ended March 31, 2025, the Company incurred $23,750 (March 31, 2024 - $7,917) in consulting fees with a company controlled by the Chief Executive Officer ("CEO") of the Company.

(ii) During the three months ended March 31, 2025, the Company incurred $2,500 (March 31, 2024 - $22,500) in consulting fees with companies controlled by the former Chief Financial Officer ("CFO") and a Director of the Company.

Included in March 31, 2025 accounts payable and accrued liabilities is $26,838 (December 31, 2024 - $23,750) owing to a company controlled by the CEO, $7,000 (December 31, 2024 - $3,500) owing to a company controlled by the former CFO and a Director, and $361 (December 31, 2024 - $361) owing to a Director of the Company. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

## 10. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

There were no changes in the Company's approach to capital management during the three months ended March 31, 2025 and 2024. The Company is not subject to externally imposed capital requirements.

## 11. FINANCIAL INSTRUMENTS

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

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

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

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

a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. The Company reduces its credit risk on cash and cash equivalents by placing it with institutions of high credit worthiness. As at March 31, 2025, other receivable consists of $55,781 for reimbursement of expenses (December 31, 2024 - $31,337). As at March 31, 2025, the Company is not exposed to any significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At March 31, 2025, the Company had cash and cash equivalents of $701,767 (December 31, 2024 - $708,952) and current liabilities of $183,517 (December 31, 2024 - $129,002). All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

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

| | Within one year | Between one and 5 years | More than 5 years |
|---|---|---|---|
| | $ | $ | $ |
| **March 31, 2025** | | | |
| Accounts payable and accrued liabilities | 172,680 | - | - |
| Loan payable | 13,125 | 41,562 | - |
| | **185,805** | **41,562** | **-** |
| **December 31, 2024** | | | |
| Accounts payable and accrued liabilities | 114,949 | - | - |
| Loan payable | 13,125 | 44,843 | - |
| | 128,074 | 44,843 | - |

c) Interest rate risk

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

## 11. FINANCIAL INSTRUMENTS (continued)

d) Price risk

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

e) Foreign currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and the Company currently has no material balances or transactions denominated in foreign currencies. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

## 12. COMMITMENTS

During 2024, the Company issued Flow-through Common shares for total proceeds of $128,542 of which approximately $84,935 of eligible expenditures were incurred by the Company in 2024 with the remaining $43,607 incurred in the period ended March 31, 2025.

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. 50,000 of the Bonus Shares will be issued on November 4, 2025 and November 4, 2026, respectively, if certain conditions are met.

As at March 31, 2025, 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.

## 13. SUPPLEMENTAL CASH FLOW INFORMATION

| For the period ended | March 31, 2025<br>$ | March 31, 2024<br>$ |
|---|---|---|
| Cash received for interest | 4,813 | 3,965 |
| Cash paid for interest | 658 | 785 |
| Cash received (paid) for income taxes | - | - |
| | | |
| Non-cash investing and financing activities: | | |
| Shares issued pursuant to settlement of debt | 7,995 | - |
| Shares issued for services | - | 15,000 |

## 14. SUBSEQUENT EVENTS

On December 31, 2024, the Company executed an amalgamation agreement (the "Agreement") with PowerStone Metals Corp. ("PowerStone"), whereby the PowerStone's wholly owned Ontario subsidiary will amalgamate with the Company pursuant to a three-cornered amalgamation that would result in the reverse takeover of the PowerStone by the Company (the "Transaction"). As part of the Transaction and pursuant to the terms of the Agreement, PowerStone anticipates seeking shareholder approval for (i) consolidating its issued and outstanding common shares ("the Consolidation") on the basis of one post-Consolidation common shares for every 2.4966 pre-consolidation common shares of PowerStone, (ii) changing its name to "Libra Energy Materials Inc.", (iii) amending its articles to allow for the board of directors to implement certain structural changes to its capitalization structure in the future, and (iv) electing new slate of board directors.

On February 19, 2025, the Company amended its agreement with PowerStone to extend the outside date to complete the Transaction to June 30, 2025.

Subsequent to March 31, 2025, the Company based on review dropped the following projects; Flanders North, Burton, Battery Hill, Bitchu and Kivinen.

# Libra Lithium Corp.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**For the three-month periods ended March 31, 2025 and 2024**
**(Expressed in Canadian Dollars)**

This Management Discussion and Analysis ("MD&A") of Libra Lithium Corp. (the "Company" or "Libra") for the three-month periods ended March 31, 2025, has been prepared by management using information available as of June 4, 2025. 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 condensed interim financial statements for three-month periods ended March 31, 2025 and 2024, and the related notes thereto. These are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting.

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 June 4, 2025.

**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 make reference 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 natural resource company engaged in the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

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 Lithium Corp. was incorporated under the Ontario Company Act on November 15, 2022. The Company's registered office, records office and head office is located at Suite 6000, 100 King Street West, 1 First Canadian Place Toronto, ON M5X 1E2.

As at March 31, 2025, the Company's principal mineral interests were located in Ontario and Quebec, Canada and it has not yet been determined whether these properties contain reserves that are economically recoverable.

## SIGNIFICANT ACQUISITION AND DISPOSITIONS

***Acquisitions***

**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; 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 "Second Amendment'). 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 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, ("NI 43-101"), S-K 1300 of the Securities and Exchange Commission of the United States of America ("S-K 1300") or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), that discloses any distinct deposit or orebody exceeding ten million (10,000,000) metric tonnes ("Mt") 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% Net Smelter Return 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 June 2, 2025, the milestone payment of $114,000 was made by KoBold.

As at March 31, 2025, 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 (the "Optionor") to acquire 100% interest to the project, subject to certain milestone payments and a 2% Net Smelter Return 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 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;
(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 mineral claims are subject to milestone payments and a 2% Net Smelter Return royalty upon commencement of commercial production. The Company will pay a separate 1% Net Smelter KRL 4241641 Royalty in respect to the entirety of the legacy claim KRL 4241641.

The 2% Net Smelter Return 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 represents 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 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 Libra (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, 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% |

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. In exchange for exploration services, KoBold will pay Libra a monthly cash fee of $35,000.

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.

During the three-month period ended March 31, 2025, the Company recognized $107,241 (March 31, 2024 - $nil) of the reimbursement of expenses in other income relating to this agreement.

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.

Flanders North & Flanders South (KoBold earn-in, lead operator)

In 2025, KoBold is planning to conduct a ~4 weeks field program on the Flanders North & Flanders South project. The work will be focused primarily on the Homer spodumene pegmatite discovered by the Company in 2023 and the nearby area. The Homer pegmatite is poorly characterized, and the true width, strike, and mineralogical properties of the pegmatite will be subject to investigation. Additionally, the immediate area around Homer has been poorly explored but has returned promising indications from the preliminary sampling conducted in 2023 (e.g., highly fractionated K/Rb ratios). LiDAR completed by the Company in 2023, along with government sourced LiDAR will guide exploration efforts in conjunction with handhelds LIBS and whole-rock grab samples previously collected by the Company.

SBC (KoBold earn-in)

KoBold is planning a property-wide, 40m spaced high-resolution Heli-GT magnetic survey in Q2 2025. The survey will be used to refine the current geologic map, as well as to locate potentially favourable structures which may host spodumene-bearing pegmatites. A LiDAR survey will then be commissioned, which will cover the newly staked ground. Fieldwork is scheduled to begin in Q3 2025 which will include ~2 weeks of helicopter-supported prospecting/mapping and drill target evaluation.

**Claims Held Directly**

The Company staked 100% interest in several projects in the Northwest regions of Ontario, including Flanders South, Flanders North, Burton, Energy Hill, Tennant Lake, Bitchu, Kivinen and the Toivo project. Each mining claim held equates to a single cell mining unit of land and thus, 3,460 single cell units are held in relation to these claims.

As of March 31, 2025, all claims held directly were in good standing.

## 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, 2024 | Year ended December 31, 2023 | Year ended December 31, 2022 |
|---|---|---|---|
| Total revenues | $ - | $ - | $ - |
| Operating expenses | $ (1,003,129) | $ (1,543,225) | $ (42,860) |
| Loss and comprehensive loss before income taxes | $ (461,579) | $ (1,515,395) | $ (42,860) |
| Loss per share basic and diluted | $ (0.01) | $ (0.05) | $ (0.00) |
| Total assets | $ 875,271 | $ 573,355 | $ 19,360 |
| Total non-current liabilities | $ 41,345 | $ 52,313 | $ - |

## RESULTS OF OPERATIONS AND SELECTED QUARTERLY FINANCIAL DATA

These 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, 2025, of $107,173 or ($0.00) per share as compared to net income of $11,110 or $0.00 per share for the three-months ended March 31, 2024.

The Company had an accumulated deficit of $2,127,007 as at March 31, 2025 and a deficit of $2,019,834 as at December 31, 2024.

***Three-months ended March 31, 2025 Compared to the three-months ended March 31, 2024***

The following table summarizes the Company's financial results for the three-month periods ended March 31, 2025 and 2024.

| Three-months Ended | March 31, 2025 $ | March 31, 2024 $ | Changes $ | Changes % |
|---|---|---|---|---|
| **Expenses** | | | | |
| Consulting fees | 26,250 | 31,959 | (5,709) | (18) |
| Depreciation | 9,383 | 11,089 | (1,706) | (15) |
| Marketing and advertising | 2,533 | - | 2,533 | N/A |
| Office administration and general | 12,196 | 6,298 | 5,898 | 94 |
| Professional fees | 87,059 | 21,767 | 65,292 | 300 |
| Rent | 2,250 | 2,250 | - | - |
| Salaries and benefits | - | 47,815 | (47,815) | (100) |
| Share-based payments | 30,814 | 44,314 | (13,500) | (30) |
| Travel and entertainment | 8,060 | 5,477 | 2,583 | 47 |
| Exploration and evaluation (recovery) | 44,260 | (171,560) | 215,820 | (126) |
| **Total Operating Expenses (recovery)** | 222,805 | (591) | (223,396) | (37,800) |

During the three-months ended March 31, 2025, the Company incurred a comprehensive loss of $107,173 compared to net income of $11,110 during the three-months ended March 31, 2024. The following are the significant changes:

- Professional fees increased by $65,292 to $87,059 for the three-months ended March 31, 2025 (2024 - $21,767). The increase was mainly due to the fees incurred for its amalgamation agreement with PowerStone. The Company increased spending on legal and audit as it works towards closing the agreement.

- Salaries and benefits decreased by $47,815 for the three-months ended March 31, 2025 (2024 - $47,815). The decrease in salaries and benefits is related to the Company having no employees for the period ended March 31, 2025. The Company began using outsourced consultants for its day-to-day support.

- Exploration and evaluation expenses decreased by $215,820 to $44,260 for the three-months ended March 31, 2025 (2024 - $171,560 recovery). The decrease was due to the Ontario Junior Exploration Program Grant that was received during the first quarter of 2024.

## SUMMARY OF QUARTERLY RESULTS

The Company is not a publicly traded company, and in accordance with National Instrument 51-102, only the information that has been previously prepared is included. No interim financial statements for the previous quarters were prepared therefore no data is presented.

## OUTSTANDING SHARE DATA

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

- 45,969,832 common shares issued and outstanding.
- 3,305,000 common shares stock options.

*During the three-months ended March 31, 2025, the following share capital transactions occurred:*

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

## LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2025, the Company had cash of $701,767 (December 31, 2024 - $708,952) and a working capital of $604,096 (December 31, 2024 - $665,838). The Company had not yet achieved profitable operations and had accumulated losses of $2,127,007 (December 31, 2024 - $2,019,834) 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, 2025, the Company had cash outflow of $4,562 from operations compared to cash provided by operations of $44,470 in the previous period.

During the three months ended March 31, 2025, accounts receivables increased by $26,372, GST receivables decreased by $23,471, prepaid expenses decreased by $2,943, and accounts payable and accrued liabilities increased by $65,726. The increase in net cash outflow by operations can also be attributed to the decrease in Ontario Junior Exploration Program Grant received during the current period as compared to the prior period.

*Investing Activities*

During the three months ended March 31, 2025, the net cash inflow from in investing activities was $nil compared to an inflow of $18,750 from the sale of equity securities during the period ended March 31,2024.

*Financing Activities*

During the three months ended March 31, 2025, the net cash from used in financing activities was $2,623 compared to $21,504 cash inflow in the previous period. The decrease in cash inflows from financing activities was primarily due to $24,000 subscriptions received in advance in the previous period.

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.

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. 50,000 of the Bonus Shares will be issued on November 4, 2025, and November 4, 2026, respectively, if certain conditions are met.

As at March 31, 2025, the Company has obligation to issue 112,500 common shares for total fair value of $17,500 to two companies, both 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, | |
|---|---|---|
| | 2025 | 2024 |
| Key management compensation: | $ | $ |
| Consulting fees | 26,250 | 30,417 |
| Share-based payments | 8,231 | 18,310 |

| | | |
|---|---|---|
| | 34,481 | 48,727 |

(i) During the three months ended March 31, 2025, the Company incurred $23,750 (March 31, 2024 - $7,917) in consulting fees with a company controlled by the Chief Executive Officer ("CEO") of the Company.

(ii) During the three months ended March 31, 2025, the Company incurred $2,500 (March 31, 2024 - $22,500) in consulting fees with companies controlled by the former Chief Financial Officer ("CFO") and a Director of the Company.

Included in March 31, 2025 accounts payable and accrued liabilities is $26,838 (December 31, 2024 - $23,750) owing to a company controlled by the CEO, $7,000 (December 31, 2024 - $3,500) owing to a company controlled by the former CFO and a Director, and $361 (December 31, 2024 - $361) owing to a Director of the Company. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

## PROPOSED TRANSACTIONS AND SUBSEQUENT EVENTS

On December 31, 2024, the Company executed an amalgamation agreement (the "Agreement") with PowerStone Metals Corp. ("PowerStone"), whereby the PowerStone's wholly owned Ontario subsidiary will amalgamate with the Company pursuant to a three-cornered amalgamation that would result in the reverse takeover of the PowerStone by the Company (the "Transaction"). As part of the Transaction and pursuant to the terms of the Agreement, PowerStone anticipates seeking shareholder approval for (i) consolidating its issued and outstanding common shares ("the Consolidation") on the basis of one post-Consolidation common shares for every 2.4966 pre-consolidation common shares of PowerStone, (ii) changing its name to "Libra Energy Materials Inc.", (iii) amending its articles to allow for the board of directors to implement certain structural changes to its capitalization structure in the future, and (iv) electing a new slate of board directors.

On February 19, 2025, the Company amended its agreement with PowerStone to extend the outside date to complete the Transaction to June 30, 2025.

Subsequent to March 31, 2025, the Company based on review dropped the following projects; Flanders North, Burton, Battery Hill, Bitchu and Kivinen.

## 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.

*Going concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1 to the financial statements.

*Useful lives of equipment*

Estimates of the useful lives of equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

*Investments in private companies' shares*

The Company has investments in two private companies' shares which are measured at FVTPL based on Level 3 of the fair value hierarchy.

## MATERIAL ACCOUNTING POLICIES

Material accounting policies, including any new IFRS pronouncements that are not yet effective, are set out in Note 3 to the financial statements for the period ended March 31, 2025.

## 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 11 to the 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 investments is measured at FVTPL based on Level 3 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, 2025, 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 condensed interim financial statements for the three month periods ended March 31, 2025 and 2024.

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:**

| | **Three-month period March 31, 2025** | Three-month period March 31, 2024 |
|---|---|---|
| **Expenses** | | |
| Consulting fees | **$ 26,250** | $ 31,959 |
| Deprecation | **9,384** | 11,089 |
| Marketing and advertising | **2,532** | - |
| Office administration and general | **12,196** | 6,298 |
| Professional fees | **87,059** | 21,767 |
| Rent | **2,250** | 2,250 |
| Salaries and benefits | **-** | 47,815 |
| Share-based payments | **30,814** | 44,314 |
| Travel and entertainment | **8,060** | 5,477 |
| Exploration expenses and evaluation | **44,260** | (171,560) |
| **Income (loss) Before Other Items** | **(222,805)** | 591 |
| **Other Items** | | |
| Gain on settlement of debt | **-** | 5,000 |
| Interest income | **5,695** | 3,965 |
| Interest expense | **(658)** | (785) |
| Flow-through premium recovery | **3,354** | 2,339 |
| Other income | **107,241** | - |
| **Net Income (loss) and Comprehensive Income (loss) for the period** | **$ (107,173))** | 11,110 |

**APPROVAL**

The Company's Board of Directors has approved the condensed interim financial statements for the three-month periods ended March 31, 2025. 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.

**SCHEDULE "E.1"**

**LIBRA AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 AND THE PERIOD FROM NOVEMBER 15, 2022 (DATE OF INCORPORATION) TO DECEMBER 31, 2022**

See attached.

# LIBRA LITHIUM CORP.

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023 AND THE PERIOD FROM NOVEMBER 15, 2022 (DATE OF INCORPORATION) TO DECEMBER 31, 2022

**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Libra Lithium Corp.

*Opinion*

We have audited the financial statements of Libra Lithium Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the periods then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards.

*Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of $1,515,395 during the year ended December 31, 2023 and, as of that date, the Company had an accumulated deficit of $1,558,255. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



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*Auditor's Responsibilities for the Audits of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

RSM Canada LLP

Chartered Professional Accountants
May 24, 2024
Calgary, Alberta

**LIBRA LITHIUM CORP.**
**STATEMENTS OF FINANCIAL POSITION**
**(Expressed in Canadian dollars)**

| | Note | December 31, 2023 $ | December 31, 2022 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | | 295,811 | 19,360 |
| Accounts receivable | | 282 | - |
| GST receivable | | 131,952 | - |
| Prepaid expenses | | 8,969 | - |
| | | 437,014 | 19,360 |
| Property, plant and equipment | 6 | 111,341 | - |
| Investments in equity securities | 4 | 25,000 | - |
| **TOTAL ASSETS** | | **573,355** | **19,360** |
| **CURRENT LIABILITIES** | | | |
| Accounts payable and accrued liabilities | 8 | 118,039 | 2,220 |
| Flow-through share liability | 7 | 4,315 | - |
| Current portion of loan payable | 9 | 9,900 | - |
| | | 132,254 | - 2,220 |
| Loan payable | 9 | 52,313 | - |
| **TOTAL LIABILITIES** | | **184,567** | 2,220 |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | | 1,925,388 | 60,000 |
| Contributed surplus | | 21,655 | - |
| Accumulated deficit | | (1,558,255) | (42,860) |
| **TOTAL SHAREHOLDERS' EQUITY** | | 388,788 | 17,140 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **573,355** | **19,360** |

Subsequent events (Note 14)
Going concern (Note 2)
Commitments (Note 13)

Approved on behalf of the Board of Directors:

*"Koby Kushner"*
Director

*"David Goodman"*
Director

**The accompanying notes are an integral part of these Financial Statements.**

**LIBRA LITHIUM CORP.**
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**
**(Expressed in Canadian Dollars)**

| | Notes | Year Ended December 31, 2023 $ | Period from Incorporation November 15, 2022 to December 31, 2022 $ |
|---|---|---|---|
| **EXPENSES** | | | |
| Accounting and audit fees | | 45,000 | - |
| Consulting fees | 8 | 123,219 | - |
| Depreciation | | 23,723 | - |
| Legal and professional fees | | 47,607 | 2,220 |
| Loan interest | | 3.365 | |
| Marketing and advertising | | 6,798 | - |
| Office administration and general | 8 | 11,987 | 40 |
| Office and field equipment | | 3,234 | - |
| Rent | | 1,500 | - |
| Share-based payments | 7,8 | 21,655 | - |
| Travel, conferences and promotion | | 12,783 | - |
| Wages and benefits | 8 | 147,559 | - |
| Exploration and evaluation | 5 | 1,098,160 | 40,600 |
| **LOSS BEFORE THE FOLLOWING** | | (1,546,590) | (42,860) |
| Other income | 7 | 22,210 | - |
| Interest income | | 8,985 | - |
| **NET LOSS AND COMPREHENSIVE LOSS** | | (1,515,395) | (42,860) |
| **BASIC AND DILUTED LOSS PER SHARE** | | (0.052) | (0.003) |
| **WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING** | | 29,386,500 | 15,000,000 |

**The accompanying notes are an integral part of these Financial Statements.**

**LIBRA LITHIUM CORP.**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**(Expressed in Canadian Dollars)**

| | Notes | Common Stock | | Contributed Surplus | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|
| | | Issued Shares | Amount $ | $ | $ | $ |
| Balance, November 15, 2022 | | - | - | - | - | - |
| Shares issued for cash - $0.004 | 7 | 15,000,000 | 60,000 | - | - | 60,000 |
| Net loss for the year | | - | - | - | (42,860) | (42,860) |
| Balance, December 31, 2022 | | 15,000,000 | 60,000 | - | (42,860) | 17,140 |
| Shares issued for cash - $0.004 | 7 | 1,250,000 | 5,000 | - | - | 5,000 |
| Shares issued for services - $0.004 | 7 | 1,805,556 | 7,222 | | | 7,222 |
| Shares issued for cash - $.05 | 7 | 16,000,000 | 800,000 | - | - | 800,000 |
| Shares issued for cash - $0.15 | 7 | 6,149,995 | 922,500 | | | 922,500 |
| Flow-through shares issued for cash - $0.24 | 7 | 210,000 | 50,400 | | | 50,400 |
| Shares issued as option payment - $0.20 | 5 | 333,333 | 66,666 | | | 66,666 |
| Flow-through shares issued for cash - $0.20 | 7 | 362,500 | 72,500 | | | 72,500 |
| Flow-through share premium | 7 | | (26,525) | | | (26,525) |
| Share issue costs | | - | (32,375) | - | - | (32,375) |
| Share-based payments | 7 | - | - | 21,655 | - | 21,655 |
| Net loss for the year | | - | - | - | (1,515,395) | (1,515,395) |
| Balance, December 31, 2023 | | 41,111,384 | 1,925,388 | 21,655 | (1,558,255) | 388,788 |

On April 28, 2023, the Company consolidated its share capital on a 2:1 basis. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

**The accompanying notes are an integral part of these Financial Statements.**

**LIBRA LITHIUM CORP.**
**STATEMENTS OF CASH FLOWS**
**(Expressed in Canadian Dollars)**

| | Year Ended December 31, 2023 $ | Period from Incorporation November 15, 2022 to December 31, 2022 $ |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Net loss and comprehensive loss | (1,515,395) | (42,860) |
| Add items not affecting cash: | | |
| Share-based payments | 21,655 | - |
| Depreciation | 23,723 | - |
| Other income | (22,210) | |
| Non-cash services | 7,222 | |
| Net changes in non-cash working capital: | | |
| Accounts receivable | (282) | - |
| GST receivable | (131,952) | - |
| Prepaid expenses | (8,969) | - |
| Accounts payable | 115,820 | 2,220 |
| Net cash used in operating activities | (1,510,388) | (40,640) |
| **FINANCING ACTIVITIES** | | |
| Proceeds from issuance of common shares | 1,917,066 | 60,000 |
| Share issuance costs | (32,375) | |
| Proceeds from issuance of loans payable | 67,936 | - |
| Repayment of loans payable | (5,724) | - |
| Net cash provided by financing activities | 1,946,903 | 60,000 |
| **INVESTING ACTIVITIES** | | |
| Investments | (25,000) | - |
| Equipment additions | (135,064) | - |
| Net cash used in investing activities | (160,064) | - |
| INCREASE IN CASH AND CASH EQUIVALENTS | 276,451 | 19,360 |
| CASH AND CASH EQUIVLAENTS, BEGINNING OF PERIOD | 19,360 | - |
| **CASH AND CASH EQUIVALENTS, END OF PERIOD** | **295,811** | **19,360** |
| CASH CONSISTS OF: | | |
| Cash | 245,811 | 19,360 |
| GIC Investment | 50,000 | - |
| | **295,811** | **19,360** |

The accompanying notes are an integral part of these Financial Statements

## NOTE 1 NATURE OF OPERATIONS

Libra Lithium Corp. (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.

Libra Lithium Corp. was incorporated under the Ontario Company Act on November 15, 2022. The Company's registered office, records office and head office is located at Suite 6000, 100 King Street West, 1 First Canadian Place Toronto, ON M5X 1E2.

As at December 31, 2023, the Company's principal mineral interests were located in Ontario and Quebec, Canada and it has not yet been determined whether these properties contain reserves that are economically recoverable.

## NOTE 2 BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on May 24, 2024.

b) Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at December 31, 2023, the Company had not advanced its resource properties to commercial production or achieved profitable operations. The Company had a net loss for the year ended December 31, 2023 of $1,515,395 has an accumulated deficit of $1,558,255 since inception and expects to incur further losses in the development of its business. Those factors create material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

c) Basis of Measurement

These financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency except as noted below.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgments made by management in the application of IFRS.

## NOTE 3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements unless otherwise indicated.

a) Cash and Cash Equivalents

Cash and cash equivalents consists of amounts on deposit with banks and other highly liquid deposits with initial maturities of 90 days or less.

b) Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

c) Resource Property Costs

*Pre-exploration costs*

Pre-exploration costs incurred before the Company has the legal right to explore, are expensed in the period in which they are incurred.

*Exploration and evaluation costs*

All expenditures on exploration and evaluation activities, including costs incurred to acquire and secure exploration property licenses, are recorded as exploration expenses until it has been established that a mineral property is commercially viable and technically feasible. The Company expenses all exploration and evaluation costs as incurred.

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

d) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax assets and liabilities are presented as non-current.

e) Share Capital

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

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

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value of the shares issued reduced by an estimate of transaction costs normally incurred when issuing shares for cash, as determined by the board of directors of the Company.

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

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

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

f) Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

The maximum number of options available for grant equates to 10% of the number of outstanding common shares in accordance with the Company's stock option plan.

g) Property, Plant and Equipment

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

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

| | |
|---|---|
| Computer equipment | 3 years |
| Mining evaluation equipment | 3 years |
| Vehicles | 5 years |

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

h) Impairment of Long-lived Assets

The Company's property, plant and equipment assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

i) Rehabilitation Provisions

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

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

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

As at December 31, 2023 and 2022, the Company is not aware of any reclamation costs and no amounts have been recorded.

j) Translation of Foreign Currencies

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except were deferred in equity as a qualifying cash flow or net investment hedge.

k) Financial Instruments

*Financial Assets - Classification*

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

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss ("FVTPL"), and

- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows.

The Company has measured cash and cash equivalents and accounts receivables, excluding GST receivable, at amortized cost. The investment is measured at FVTPL.

*Financial Assets - Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss in the statement of loss in the period which it arises.

*Impairment of Financial Assets at Amortized Cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date

to the amount that is required to be recognized.

*Financial Liabilities*

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable, accrued liabilities and loan payable as financial liabilities held at amortized cost.

l) Accounting standard issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements.

- *Non-current liabilities with covenants*

  An amendment to IAS 1 was issued in November 2022 and applies to annual reporting periods beginning on or after January 1, 2024. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period and aims improve information provided related to liabilities subject to these criterion.

The Company anticipates that there will be no material changes to the financial statements upon adoption.

## NOTE 4 USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in these Financial Statements are as follows:

a) Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

b) Investments in equity securities

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and/or significant influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. The Company has an interest less than 20%, therefore it does not have the current ability to control or significantly influence the key operating activities of the company. Accordingly, the investment was accounted for as an investment at FVTPL.

c) Expenditures

The classification/allocation of expenditures as acquisition, exploration and evaluation expenditures, development, or operating expenses.

d) Share-based payments
The assessment of the fair value of share-based payments and the likelihood of vesting conditions being met.

e) Income taxes

The assessment of the probability of future utilization of deferred tax assets.

NOTE 5 EXPLORATION AND EVALUATION EXPENDITURES

| | Canada Ontario $ | Canada Quebec $ | Total $ |
|---|---|---|---|
| **ACQUISITION COSTS** | | | |
| Balance, November 15, 2022 | - | - | - |
| Staking and filing fees | 40,600 | - | 40,600 |
| Balance, December 31, 2022 | 40,600 | | 40,600 |
| Contracts | 727,041 | - | 727,041 |
| Staking and filing fees | 132,550 | 2,637 | 135,187 |
| Balance, December 31, 2023 | 900,191 | 2,637 | 902,828 |

| | Canada Ontario $ | Canada Quebec $ | Total $ |
|---|---|---|---|
| **DEFEERRED EXPLORATION AND DEVELOPMENT COSTS** | | | |
| Balance, December 31, 2021 | - | - | - |
| Geological consulting | - | - | - |
| Balance, December 31, 2022 | - | - | - |
| Consulting | 122,245 | - | 122,245 |
| Data interpretation | 80,349 | - | 80,349 |
| Other expenditures | 33,338 | - | 33,338 |
| Balance, December 31, 2023 | 235,932 | - | 235,932 |
| Total December 31, 2023 | 1,136,123 | 2,637 | 1,138,760 |

*BOUNTY GOLD CORP.*

On June 2, 2023 (the "Acceptance Date") the Company (the "Optionee") entered into an option agreement with Bounty Gold Corp. (the "Optionor") to acquire the mineral claims of the Soules Bay Project (104 claims), Caron Project in Ontario (230 claims) and the Nemiscau Lake Project (10 claims) in Quebec. The Agreement grants to the Optionee the exclusive right and option to acquire one hundred percent of the right, title and interest of the Optionor in and to the properties, subject to milestone payments and a 2% Net Smelter Return royalty upon commencement of commercial production, payable to the Optionor, by making cash payments to the Optionor totaling $380,000 over three years as such:

1) within five Business Days of the Acceptance Date paying $57,000 to Optionor (paid);
2) on or before the first anniversary of the Acceptance Date paying $95,000 to Optionor;
3) on or before the second anniversary of the Acceptance Date paying $114,000 to Optionor; and
4) on or before the third anniversary of the Acceptance Date paying $114,000 to Optionor.

Immediately upon the Optionee satisfying all of the conditions set out in the agreement, the Optionee will be deemed to have exercised the Option and to have earned a 100% interest in and to the properties which will vest to the Optionee, except that the Optionee will be deemed to have exercised the Option in respect of the Nemiscau Lake Property only and to have earned a 100% interest in and to the Nemiscau Lake Property only, which will vest to the Optionee immediately upon satisfying the initial $57,000 payment, which is yet to be made by the Company.

Filing of mineral resource estimates prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators, ("NI 43-101"), S-K 1300 of the Securities and Exchange Commission of the United States of America ("S-K 1300") or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), that discloses any distinct deposit or orebody exceeding ten million (10,000,000) metric tonnes ("Mt") 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% Net Smelter Return royalty may be reduced to 1% by paying $1,000,000 per specified project. Prior to the exercise of the option, the agreement may be terminated by the Optionor by notice in writing to the Optionee if the Optionee should be in default in performing any of its obligations under the agreement. The Optionee shall at any time have the right to terminate the agreement by providing 30 days' written notice to the Optionor.

As at December 31, 2023 this agreement was in good standing.

*DOCKER PROJECT*

On December 11, 2023 the Company (the "Optionee") entered into an option agreement with an individual (the "Optionor"). The Optionor is the beneficial owner of one hundred percent of the right, title and interest in the mineral claims of the Docker Project (248 claims). The Agreement grants to the Optionee the exclusive right and option to acquire one hundred percent of the right, title and interest of the Optionor in and to the project, subject to milestone payments and a 2% Net Smelter Return royalty upon commencement of commercial production, payable to the Optionor, by making payments to the Optionor totaling $150,000 cash and 1,500,000 common shares of the Company, and incurring at least $1,200,000 in expenditures over three years as such:

1) within five (5) calendar days of the Effective Date, pay to or at the direction of the Optionor $25,000 in cash and 333,333 common shares (paid);
2) on or before the first anniversary of the Effective Date, pay $50,000 in cash and issue 500,000 common shares to the Optionor;
3) on or before April 1, 2025, incur Expenditures of not less than $400,000;
4) on or before the second anniversary of the Effective Date, pay $75,000 in cash and issue 666,667 common shares to the Optionor; and
5) on or before April 1, 2026, incur additional Expenditures of not less than $800,000.

Upon Optionee incurring the expenditures, making the payments and issuing the common shares, the Optionee will be deemed to have exercised the Option and will be entitled to a one hundred percent (100%) interest in the project, subject to the rights of the Optionor. On exercise of the Option, the Optionor will transfer recorded and beneficial ownership of the mining claims comprising the project to the Optionee.

If the Company has not had a liquidity event, as defined in the agreement, within one year of the effective date, the 500,000 common shares to be issued under 2) above will be deferred until the second anniversary date and the Company shall make an additional $25,000 cash payment along with the number of shares to be issued increasing to 750,000. If the Company has not had a liquidity event within two years of the effective date, then all common share payments in 2) and 4) above must be made in cash at a deemed value of $0.20 per common share.

The Optionee will pay to the Optionor $1,000,000 upon completion of a mineral resource estimate on the Property comprising at least 5Mt grading 1.0% Li2O, and an additional $1,000,000 for each increase in such mineral resource estimate of 10Mt grading at least 1.0% Li2O. For the purposes of this agreement, "mineral resource" has the meaning ascribed to that term by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

The 2% Net Smelter Return royalty may be reduced to 1% by the Company paying $1,000,000.

The Agreement shall terminate upon the occurrence of the earliest of a) a written agreement by the Optionor and Optionee to terminate; b) the Optionee giving 15 days' notice of termination to the Optionor, or c) default of any requirement set forth in the agreement.

As at December 31, 2023 this agreement was in good standing.

*CLAIMS HELD DIRECTLY*

The Company holds mining claims that are purchased directly and entitle the Company to an immediate one hundred percent interest in these projects. The Company holds 3,460 mining claims of this type, comprised of several projects in the Northwest regions of Ontario, including Flanders South, Flanders North, Burton, Battery Hill, Tennant, Bitchu, Kivinen and the Twist project. Each mining claim held equates to a single cell mining unit of land and thus, 3,460 single cell units are held in relation to these claims.

As of December 31, 2023, all claims held directly were in good standing.

## NOTE 6 PROPERTY, PLANT AND EQUIPMENT

| **Cost** | **Mining Evaluation Equipment $** | **Office Equipment $** | **Vehicle $** | **Total $** |
|---|---|---|---|---|
| December 31, 2022 | - | - | - | - |
| Additions | 70,301 | 4,230 | 60,533 | 135,064 |
| December 31, 2023 | 70,301 | 4,230 | 60,533 | 135,064 |
| **Depreciation** | | | | |
| December 31, 2022 | - | - | - | - |
| Depreciation | 15,818 | 843 | 7,062 | 23,723 |
| December 31, 2023 | 15,818 | 843 | 7,062 | 23,723 |
| **Net book value** | | | | |
| December 31, 2022 | - | - | - | - |
| December 31, 2023 | 54,483 | 3,387 | 53,471 | 111,341 |

## NOTE 7 SHARE CAPITAL

*Authorized:*

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

*Issued:*

During the year ended December 31, 2023, the Company completed the following share capital issuances:

- 333,333 common shares were issued as an option payment on the Docker Project (Note 5) at a value of $0.20 per common share.

- 210,000 common shares were issued on a flow-through basis, with respect of Canadian Exploration Expenditures ("CEE") for proceeds of $50,400. The Company has committed to spend 100% of the gross proceeds on qualifying CEE prior to December 31, 2024. As at December 31, 2023 the Company has incurred $24,507 in E&E expenditures. Officers and directors acquired nil of these flow-through common shares. The excess of the proceeds on issuance of the flow-through shares above the price of a common share without the flow-through feature, being $8,400, was recorded as a flow-through share premium liability.

- 362,500 common shares were issued on a flow-through basis, with respect of Canadian Exploration Expenditures ("CEE") for proceeds of $72,500. The Company was committed to spend 100% of the gross proceeds on qualifying CEE prior to December 31, 2024. As at December 31, 2023, the Company had fully incurred these expenditures. Officers and directors acquired nil of these flow-through common shares. The excess of the proceeds on issuance of the flow-through shares above the price of a common share without the flow-through feature, being $18,125, was recorded as a flow-through share premium liability.

- 6,149,995 common shares were issued for proceeds of $922,500. Officers and directors acquired 1,350,001 of these common shares.

- 16,000,000 common shares were issued for proceeds of $800,000. Officers and directors acquired 4,000,000 of these common shares.

- 3,055,556 common shares were issued for proceeds of $12,222. Officers and directors acquired nil of these common shares.

During the year ended December 31, 2022, the Company completed the following share capital issuances:

- 15,000,000 common shares for proceeds of $60,000. Officers and directors acquired 15,000,000 of these common shares.

Stock Options

The Company has a stock option plan which it will grant stock options to employees, officers, directors and consultants of the Company. Options under the plan are to have an exercise price equal to the estimated fair value of the Company's shares on the grant date, have a life of 10 years and vest as determined by the Board of Directors. The maximum options to be granted under the plan is limited to 10% of the outstanding Common Shares of the Company. The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the estimated value of the Company's Common shares on the date of the grant.

A summary of the status of the stock option plan as of December 31, 2023 and 2022 and changes during the years then ended is presented below:

| | December 31, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| | Shares | Weighted Average Exercise Price $ | Shares | Weighted Average Exercise Price $ |
| Outstanding, at beginning of period | - | - | - | - |
| Granted | 3,100,000 | 0.15 | - | - |
| Outstanding, at end of period | 3,100,000 | 0.15 | - | - |
| Weighted-average remaining life, in year | | 4.75 | | - |

At December 31, 2023, the Company has 3,100,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

| Number | Exercise Price | Expiry Date |
|---|---|---|
| 3,100,000 | $0.15 | November 14, 2028 |

On November 15, 2023, the Company granted 3,100,000 common share purchase options exercisable at $0.15 per share, expiring November 14, 2028. These options vest 1/3 each year on the anniversary date of the date of grant.

The Company granted no options during the year ended December 31, 2022.
In valuing the options, the Company employed the Black-Scholes option-pricing model using the following assumptions.

| | November 15, 2023 |
|---|---|
| Risk free interest rate | 3.6% |
| Expected life of options in years | 5 years |
| Expected volatility | 70% per annum |
| Dividend per share | - |
| Forfeiture rate | - |

During the year ended December 31, 2023, the Company incurred $21,655 of share-based payments expense (2022: $nil) and estimated the total value of each option granted to be $0.09 per option

As the Company's shares are not listed on a stock exchange, it estimated its expected share price volatility based on a weighted average grouping of similar companies whose shares are publicly traded.

## NOTE 8 RELATED PARTY TRANSACTIONS

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

| | 2023 $ | 2022 $ |
|---|---|---|
| Key management compensation: | | |
| Wages and benefits | 71,250 | - |
| Consulting fees | 62,625 | - |
| Share-based payments | 11,351 | - |
| | 145,226 | - |

Included in December 31, 2023 accounts payable and accrued liabilities is $17,771 (December 31, 2022: $nil) owing to related party individuals and companies with common officers and directors.

## NOTE 9 LOAN PAYABLE

During the year ended December 31, 2023, the Company received a $67,936 vehicle financing loan (December 31, 2022: $nil) The Company repaid $5,724 of this loan during the year. The loan is financed through Royal Bank of Canada for a fixed term of 6 years, a fixed interest rate of 4.99% per annum and is secured by the vehicle. The proceeds of the loan were used to acquire a corporate vehicle to be used for field work.

At December 31, 2023, the Company had a loans payable balance of $62,213 (December 31, 2022: $nil), of which $9,900 is due within the next fiscal year.

## NOTE 10 CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Management defines capital to include shareholders' equity and loan payable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

## NOTE 11 FINANCIAL INSTRUMENTS

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

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

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

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

a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash and cash equivalents by placing it

with institutions of high credit worthiness. As at December 31, 2023, the Company is not exposed to any significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2023, the Company had cash and cash equivalents of $295,811 (2022: $19,360) and current liabilities of $132,254 (2022: $2,220). All of the Company's accounts payable ($118,039 have contractual maturities of less than 30 days and are subject to normal trade terms. Principal and interest repayments required related to the loan payable are approximately $13,125 per year for 2024 through 2028 and $4,375 in 2029.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. When excess cash exists, the Company's current policy is to invest the excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the financial institutions with which they are held. The Company is subject to interest rate price risk as its loan payable has a fixed interest rate.

d) Price risk

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

e) Foreign currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and the Company currently has no material balances or transactions denominated in foreign currencies. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

NOTE 12 CORPORATION INCOME TAXES

A reconciliation of Canadian income taxes at statutory rates is as follows:

| | 2023 | 2022 |
|---|---|---|
| Corporate tax rate | 26.5% | 26.5% |
| | $ | $ |
| Net loss for the year before income taxes | (1,515,395) | (42,860) |
| Expected income tax recovery | (401,580) | (11,358) |
| Share based payments | - | - |
| Flow-through shares | 5,739 | - |
| Non-deductible amounts | 20,060 | - |
| Share issue costs | 132 | - |
| Change in deferred tax assets not recognized | (8,579) | - |
| | 384,228 | 11,358 |
| Total income tax recovery | - | - |

The significant components of the Company's deferred income tax assets are as follows:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Deferred income tax assets: | | |
| Resource properties and property and equipment | 282,100 | 10,000 |
| Non-capital loss carry-forwards | 106,600 | |
| Share issue costs and other | 6,900 | - |
| | | - |
| | 395,600 | 10,000 |
| Less: Tax assets not recognized | (395,600) | (10,000) |
| Deferred tax assets | - | - |

Non-Capital Losses:

The Company has non-capital losses of approximately $404,560 to apply against future taxable income. If not utilized, the non-capital losses will expire as follows:

| | $ |
|---|---|
| 2042 | 2,260 |
| 2043 | 402,300 |
| | 404,560 |

## NOTE 13 COMMITMENTS

During 2023, the Company issued Flow-through Common shares for total proceeds of $122,900 of which approximately $97,000 of eligible expenditures were incurred by the Company in 2023 with the remaining $25,900 to be incurred in 2024. The Company has indemnified the subscribers for the amount of income tax they would incur should the Company fail to incur eligible expenditures within the allowable time frames and/or if the expenditures are deemed to not be eligible by Canada Revenue Agency.

## NOTE 14 SUBSEQUENT EVENTS

a) In the first quarter of 2024, the Company reduced its investment in equity securities for proceeds of $18,750 equal to its carrying amount resulting in no gain or loss The Company maintains a 2.5% interest in the private entity.

b) In January 2024, the Company issued 100,000 Common Shares for gross proceeds of $20,000.

**SCHEDULE "E.2"**
**LIBRA ENERGY MATERIALS INC. (RESULTING ISSUER) PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

See attached.

**LIBRA ENERGY MATERIALS INC. (FORMERLY, POWERSTONE METALS CORP.)**
**("Resulting Issuer")**
**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at March 31, 2025**
**(In Canadian Dollars)**
**(UNAUDITED)**

**Libra Energy Materials Inc. (Formerly, PowerStone Metals Corp.)**
**Unaudited Pro Forma Consolidated Statement of Financial Position**
**As at March 31, 2025**
*(Expressed in Canadian dollars)*

| | PowerStone Metals Corp. (January 31, 2025) (unaudited) | Libra Lithium Corp. (March 31, 2025) (unaudited) | Note 3(i) | Libra Energy Materials Inc. (unaudited) |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| ASSETS | | | | |
| CURRENT | | | | |
| Cash | 537,427 | 701,767 | - | 1,239,194 |
| Accounts receivable | - | 58,380 | - | 58,380 |
| GST/HST receivable | 18,032 | 22,418 | - | 40,450 |
| Prepaids and deposits | 20,000 | 5,048 | - | 25,048 |
| Total current assets | 575,459 | 787,613 | - | 1,363,072 |
| Property and equipment | - | 64,798 | - | 64,798 |
| Investments | - | 6,250 | - | 6,250 |
| **Total assets** | **575,459** | **858,661** | **-** | **1,434,120** |
| LIABILITIES | | | | |
| CURRENT | | | | |
| Accounts payable and accrued liabilities | 25,050 | 172,680 | - | 197,730 |
| Current portion of loan payable | - | 10,837 | - | 10,837 |
| Total current liabilities | 25,050 | 183,517 | - | 208,567 |
| Loan payable | - | 38,584 | - | 38,584 |
| Total liabilities | 25,050 | 222,101 | - | 247,151 |
| SHAREHOLDERS' EQUITY | | | | |
| Share capital | 1,594,590 | 2,513,063 | (1,594,590) | 2,513,063 |
| | - | - | 1,377,096 | 1,377,096 |
| Shares to be issued | - | 17,500 | - | 17,500 |
| Contribured surplus | 99,440 | 233,004 | (99,440) | 233,004 |
| | | | 44,000 | 44,000 |
| Deficit | (1,143,621) | (2,127,007) | 1,143,621 | (2,127,007) |
| Listing expense | - | - | (870,687) | (870,687) |
| Total shareholders' equity | 550,409 | 636,560 | - | 1,186,969 |
| **Total liabilities and shareholders' equity** | **575,459** | **858,661** | **-** | **1,434,120** |

*The accompanying notes are an integral part of these unaudited pro forma consolidated statement of financial position.*

**Libra Energy Materials Inc. (Formerly, PowerStone Metals Corp.)**
**Unaudited Pro Forma Consolidated Statement of Operations**
**For the three-months ended March 31, 2025**
*(Expressed in Canadian dollars)*

| | PowerStone Metals Corp. (January 31, 2025) | Libra Lithium Corp. (March 31, 2025) | Note 3(i) | Libra Energy Materials Inc. |
|---|---|---|---|---|
| | (unaudited) | (unaudited) | | (unaudited) |
| | $ | $ | $ | $ |
| Expenses | | | | |
| Professional and Consulting fees | 26,538 | 113,309 | - | 139,847 |
| Depreciation | - | 9,383 | - | 9,383 |
| Shares based payments | 685 | 30,814 | - | 31,499 |
| Filing fees | 10,006 | - | - | 10,006 |
| General & administrative | 428 | 12,196 | - | 12,624 |
| Marketing & advertising | - | 2,533 | - | 2,533 |
| Rent | - | 2,250 | - | 2,250 |
| Travel and entertainment | - | 8,060 | - | 8,060 |
| Exploration and evaluation | - | 44,260 | - | 44,260 |
| Loss before other items | (37,657) | (222,805) | - | (260,462) |
| Other income | 4,738 | 107,241 | - | 111,979 |
| Interest expense | - | (658) | - | (658) |
| Interest income | - | 5,695 | - | 5,695 |
| Flow-through premium recovery | - | 3,354 | - | 3,354 |
| Listing expense | - | - | (870,687) | (870,687) |
| **Net loss and comprehensive loss** | **(32,919)** | **(107,173)** | **(870,687)** | **(1,010,779)** |
| Net loss per share (basic and diluted) | (0.00) | (0.00) | - | (0.02) |
| Weighted average number of shares outstanding (basic and diluted) | 11,475,802 | 45,969,832 | - | 45,969,832 |

*The accompanying notes are an integral part of these unaudited pro forma consolidated statement of operations.*

**Libra Energy Materials Inc. (Formerly, PowerStone Metals Corp.)**
**Unaudited Pro Forma Consolidated Statement of Operations**
**For the twelve months ended December 31, 2024**
*(Expressed in Canadian dollars)*

| | PowerStone Metals Corp. (October 31, 2024) (audited) | Libra Lithium Corp. (December 31, 2024) (audited) | Note 3(i) | Libra Energy Materials Inc. (unaudited) |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Expenses | | | | |
| Professional and Consulting fees | 197,395 | 230,166 | - | 427,561 |
| Depreciation | - | 38,915 | - | 38,915 |
| Shares based payments | 10,500 | 186,535 | - | 197,035 |
| Filing fees | 18,375 | - | - | 18,375 |
| General & administrative | 14,466 | 31,725 | - | 46,191 |
| Marketing & advertising | 1,273 | 6,016 | - | 7,289 |
| Rent | - | 9,750 | - | 9,750 |
| Salaries and benefits | - | 200,611 | - | 200,611 |
| Travel and entertainment | - | 24,498 | - | 24,498 |
| Exploration and evaluation | 2,860 | 274,913 | - | 277,773 |
| Loss before other items | (244,869) | (1,003,129) | - | (1,247,998) |
| Other income | 37,771 | 511,115 | - | 548,886 |
| Interest expense | - | (2,957) | - | (2,957) |
| Interest income | - | 17,526 | - | 17,526 |
| Gain on settlement of debt | - | 5,017 | - | 5,017 |
| Flow-through premium recovery | - | 10,849 | - | 10,849 |
| Listing expense | - | - | (870,687) | (870,687) |
| **Net loss and comprehensive loss** | **(207,098)** | **(461,579)** | **(870,687)** | **(1,539,364)** |
| Net loss per share (basic and diluted) | (0.02) | (0.01) | - | (0.03) |
| Weighted average number of shares outstanding (basic and diluted) | 11,475,802 | 45,903,209 | - | 45,903,209 |

*The accompanying notes are an integral part of these unaudited pro forma consolidated statement of operations.*

## 1. Nature of Operations

The accompanying unaudited pro forma consolidated statement of financial position of Libra Energy Materials Inc. has been prepared by management to reflect the amalgamation of PowerStone Metals Corp. ("PowerStone") with Libra Lithium Corp. ("Libra" or "the Company") after giving effect to the transactions as described in notes 2 and 3. The Pro forma has been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board applied on a basis consistent with accounting policies of Libra and no adjustments were required for new or modified operations.

The unaudited pro forma statement of financial position has been prepared for inclusion in the Information Circular of the PowerStone in relation to its merger acquisition of 100% of the issued and outstanding common shares of Libra. Completion of the acquisition is subject to customary closing conditions, including all necessary approvals and consents and all applicable Canadian Securities Exchange ("CSE") approvals. In the opinion of the PowerStone's management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the transactions contemplated in the Amalgamation Agreement.

PowerStone Metals Corp. was incorporated on December 13, 2021, pursuant to the BCBCA under the name "Desk Holdings Ltd." On June 10, 2022, the Company changed its name to "PowerStone Metals Corp." PowerStone is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta, Canada and its common shares were listed for trading on the CSE.

PowerStone is a mineral exploration company focused on the identification and exploration of high-quality critical and precious metals assets, in favorable mining jurisdictions. As of the date of this pro forma, PowerStone does not have any reportable segments pertaining to its operations.

Libra Lithium Corp. was incorporated on November 15, 2022, pursuant to the Business Corporations Act (Ontario). On April 28, 2023, the Company filed articles of amendment to consolidate it shares on basis of 2 old shares for 1 new share. The Company's registered office is located at Suite 6000, 100 King Street West, 1 First Canadian Plance, Toronto, ON M5H 2R2.

Libra is a Canadian mineral exploration company focused on the discovery and development of the critical minerals necessary for the green energy transition.

## 2. PRO FORMA ASSUMPTIONS

The unaudited pro forma consolidated statement of financial position is prepared as if the transaction described below occurred on March 31, 2025.

The unaudited pro forma consolidated statement of operations is prepared for the period starting January 1, 2024 for the annual statements and starting January 1, 2025 for the interim period, respectively.

The unaudited pro forma consolidated statement of financial position may not be indicative of the financial position that would have occurred if the transactions had taken place on the dates indicated or of the financial position which may result in the future. The actual financial position of Libra for any period following December 31, 2024, will likely vary from the amounts set forth in the unaudited pro forma consolidated statement of financial position and such variation may be material.

The unaudited pro forma consolidated statement of financial position of the Resulting Issuer has been compiled from and includes:

a) The unaudited statement of financial position of PowerStone as at January 31, 2025
b) The unaudited statement of financial position of Libra as at March 31, 2025;
c) The audited statement of operations of PowerStone for the year ended October 31, 2024;
d) The audited statement of operations of Libra for the year ended December 31, 2024;
e) The unaudited statement of operations of PowerStone for the three months ended January 31, 2025;
f) The unaudited statement of operations of Libra for the three months ended March 31, 2025 and
g) The additional information and assumptions set out in Note 2, Note 3 and Note 4.

For presentation purposes the transaction is assumed to have occurred on March 31, 2025. The unaudited pro forma consolidated statement of financial position is intended to reflect the financial position of the Resulting Issuer which would have resulted had the proposed transactions been affected on the date indicated. Actual amounts recorded upon consummation of the agreement will differ from those recorded in the unaudited pro forma consolidated statement of financial position. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of the PowerStone and Libra.

***Transaction***

On December 31, 2024, PowerStone executed an amalgamation agreement (the "Amalgamation Agreement") with Libra, whereby PowerStone's wholly owned Ontario subsidiary will amalgamate with Libra pursuant to a three-cornered amalgamation that would result in the reverse takeover of PowerStone by Libra (the "Transaction"). As part of the Transaction and pursuant to the terms of the Agreement, PowerStone anticipates seeking shareholder approval for (i) consolidating its issued and outstanding common shares (the "PowerStone Consolidation") on the basis of one post-consolidation common shares for every 2.4966 pre-consolidation common shares of PowerStone, (ii) changing its name to "Libra Energy Materials Inc." (the "PowerStone Name Change"), (iii) amending its articles to allow for the board of directors to implement certain structural changes to its capitalization structure in the future, and (iv) electing a new slate of board directors.

The principal features of the Transaction are summarized as follows:

- Libra will amalgamate with PowerStone's wholly owned subsidiary under the provisions of the OBCA and, as a result, Libra will become a wholly owned subsidiary of PowerStone.

- each Libra Share shall be cancelled, and the holder thereof shall receive that number of Resulting Issuer Shares as is equal to the number of Libra Shares held by such Libra shareholder immediately prior to Amalgamation; and

- each PowerStone Share shall be consolidated prior to the Amalgamation, on the basis of approximately one post-consolidation PowerStone Share for each 2.4966 pre-consolidation PowerStone Shares, such that there are 11,475,802 PowerStone Shares issued and outstanding immediately after the consolidation but prior to the closing of the Amalgamation.

The completion of the Transaction contemplated by the amalgamation agreement is subject to certain conditions, including but not limited to (a) obtaining all necessary regulatory approvals, including Exchange approval of the Transaction, the PowerStone Consolidation and the PowerStone Name Change and other transactions comprising part of the Transaction; (b) the approval by the Libra Shareholders of the Transaction; and (c) other customary conditions. Subsequent to the closing of the Transaction, the common shares of the Resulting Issuer will be listed on the CSE.

## 3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions and adjustments:

i. The transaction will be treated as a reverse takeover ("RTO") for accounting purposes based on the terms within the Amalgamation Agreement. At the time of the Transaction, PowerStone will not constitute a business combination as defined under IFRS 3 Business Combination; therefore, the Transaction will be accounted for under IFRS 2 Share-Based Payment, where the difference between the consideration given to acquire PowerStone and the net liabilities of PowerStone assumed is recorded as listing expense. For accounting purposes, Libra is identified as the acquirer and PowerStone the acquiree; therefore, the comparative figures that will be presented in the consolidated financial statements after the RTO will be those of Libra.

Accordingly, the assets and liabilities of PowerStone are included in the unaudited pro forma consolidated statement of financial position and are presented at their fair value, which is deemed to be equal to their carrying value; the pre-acquisition equity of PowerStone will be eliminated upon consolidation. This includes its share capital of $1,594,590, contributed surplus of $99,440 and accumulated deficit of $1,143,621.

The purchase price includes the fair value of 11,475,802 post-consolidation shares retained by PowerStone shareholders, valued at $0.12 per share based on Libra's most recent private placement price, for a total value of $1,377,096, and the fair value of 680,917 post-consolidation stock options retained by PowerStone shareholders of $44,000, measured using the Black-Scholes option pricing model using the following weighted average assumptions: 100% expected annualized volatility, based on comparable public companies' volatilities; 2.64% risk-free interest rate; $0.12 share price; $0.19 exercise price; 2.96 years expected life and a 0% expected dividend rate. The excess of the consideration over the fair value of the net assets of PowerStone of $870,687 is charged to listing expense.

| | | |
|---|---|---|
| Fair value of shares retained by Powerstone shareholders | $ | 1,377,096 |
| Fair value of PowerStone stock options | | 44,000 |
| Total purchase consideration | $ | 1,421,096 |
| | | |
| Allocation of Purchase Consideration | | |
| Cash | $ | 537,427 |
| GST/HST receivable | | 18,032 |
| Prepaids and deposits | | 20,000 |
| Accounts payable and accrued liabilities | | (25,050) |
| Net assets acquired | | 550,409 |
| Listing expense | | 870,687 |
| Total | $ | 1,421,096 |

II. PowerStone shares will be consolidated on the basis of one PowerStone Consolidated Share for every 2.4966 Resulting Issuer Share upon completion of the Amalgamation. Existing shareholders of PowerStone, on a post-PowerStone Consolidation basis, will hold an aggregate of 11,475,802 Resulting Issuer Shares representing approximately 20% of the outstanding Resulting Issuer Shares on a non-diluted basis.

III. Former Libra Shareholders will hold an aggregate of 45,969,832 Resulting Issuer Shares representing approximately 80% of the outstanding Resulting Issuer Shares on a non-diluted basis.

## 4. PRO FORMA SHARE CAPITAL

| | Note | Number of Shares | Pro Forma Amount ($) |
|---|---|---|---|
| Libra shares as at March 31, 2025 | | 45,969,832 | 2,513,063 |
| Shares retained by PowerStone shareholders upon RTO | **3** | 11,475,802 | 1,377,096 |
| Pro forma balance at January 31, 2025 | | **57,445,634** | **3,890,159** |

## 5. INCOME TAXES

The effective income tax rate applicable to the combined operations will be 26.5%. No adjustments for income taxes have been made to the unaudited pro forma consolidated statement of financial position as their effect would be immaterial.