LIBRA ENERGY MATERIALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-AND NINE-MONTH PERIODS ENDED

SEPTEMBER 30, 2025 AND 2024

(Unaudited - in Canadian Dollars)

Libra Energy Materials Inc.
Condensed Consolidated Interim Statements of Financial Position
At September 30, 2025 and December 31, 2024
(Expressed in Canadian Dollars)

As at		September 30, 2025		December 31, 2024
		(Unaudited)		(Audited)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	954,714	$	708,952
Accounts receivable		129,107		32,008
GST receivable		34,593		45,889
Prepaid expenses		33,791		7,991
		1,152,205		794,840
Property and equipment (Note 5)		46,030		74,181
Investment (Note 7)		6,250		6,250
Investment in Athena BC (Note 8)		-		-
TOTAL ASSETS	**$**	**1,204,485**	**$**	**875,271**
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 11)	$	278,258	$	114,949
Flow-through share liability (Note 10)		-		3,354
Current portion of loan payable (Note 9)		11,119		10,699
TOTAL CURRENT LIABILITIES		289,377		129,002
NON-CURRENT LIABILITIES				
Loan payable (Note 9)		32,953		41,345
TOTAL LIABILITIES		322,330		170,347
SHAREHOLDERS' EQUITY				
Share capital (Note 10)		4,692,686		2,505,068
Obligation to issue shares (Note 10)		17,500		17,500
Contributed surplus (Note 10)		356,699		202,190
Accumulated deficit		(4,184,730)		(2,019,834)
TOTAL SHAREHOLDERS' EQUITY		882,155		704,924
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**1,204,485**	**$**	**875,271**

Nature and continuance of operations (Note 1)
Commitments (Note 14)
Reverse takeover transaction (Note 16)
Subsequent events (Note 17)

Approved on behalf of the Board of Directors:

"Koby Kushner"
Director

"David Goodman"
Director

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

Libra Energy Materials Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three-and nine-month periods ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	Three-month period September 30, 2025 $	Three-month period September 30, 2024 $	Nine-month period September 30, 2025 $	Nine-month period September 30, 2024 $
EXPENSES					
Consulting fees	11	**83,401**	7,500	**130,901**	49,042
Depreciation	5	**9,383**	9,238	**28,151**	29,564
Marketing and advertising		**64,297**	5,280	**70,829**	6,016
Office administration and general		**36,888**	5,221	**56,420**	22,214
Professional fees	11	**97,445**	(29,610)	**219,070**	2,012
Rent		**-**	2,250	**(750)**	6,750
Salaries and benefits		**-**	54,487	**-**	165,950
Share-based payments	10	**56,034**	57,475	**110,509**	147,210
Travel and entertainment		**7,647**	6,586	**19,430**	16,037
Listing expense		**963,911**	-	**963,911**	-
Filing fees		**5,545**	-	**5,545**	-
Exploration and evaluation	4	**860,663**	391,495	**933,983**	334,839
INCOME (LOSS) BEFORE OTHER ITEMS		**(2,185,214)**	(509,922)	**(2,537,999)**	(779,634)
OTHER ITEMS					
Other income	4	**139,278**	-	**351,882**	-
Interest expense		**(590)**	(721)	**(1,871)**	(2,266)
Interest income		**9,222**	3,316	**19,738**	15,018
Gain on settlement of debt		**-**	-	**-**	5,000
Flow-through premium recovery	10	**-**	7,783	**3,354**	10,165
NET LOSS AND COMPREHENSIVE LOSS		**(2,037,304)**	(499,544)	**(2,164,896)**	(751,717)
BASIC AND DILUTED EARNINGS LOSS PER SHARE		**(0.07)**	(0.01)	**(0.04)**	(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED		**30,303,256**	42,087,205	**49,452,989**	41,246,618

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

Libra Energy Materials Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the nine-month periods ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Share Capital	Subscription received in advance	Obligation to issue shares	Contributed surplus	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 pursuant to debt settlement	100,000	15,000	-	-	-	-	15,000
Private placement for cash	2,001,958	248,235	-	-	-	-	248,235
Shares issued as option payment	239,583	28,750	-	-	-	-	28,750
Subscriptions received advance	-	-	12,500	-	-	-	12,500
Share-based payments	-	-	-	-	147,210	-	147,210
Net loss for the period	-	-	-	-	-	(751,717)	(751,717)
Balance, September 30, 2024	**43,460,425**	**$ 2,218,498**	**$ 12,500**	**$ -**	**$ 168,865**	**$ (2,309,972)**	**$ 89,891**
Balance, December 31, 2024	**45,903,209**	**$ 2,505,068**	**$ -**	**$ 17,500**	**$ 202,190**	**$ (2,019,834)**	**$ 704,924**
Shares issued pursuant to settlement of debt	87,679	10,522	-	-	-	-	10,522
Shares issued to shareholders of PowerStone	11,475,800	1,377,096	-	-	-	-	1,377,096
PowerStone options assumed upon RTO	-	-	-	-	44,000	-	44,000
Shares issued on acquisition of Brion Minerals Inc.	4,000,000	800,000	-	-	-	-	800,000
Share-based payments	-	-	-	-	110,509	-	110,509
Net loss for the period	-	-	-	-	-	(2,164,896)	(2,164,896)
Balance, September 30, 2025	**61,466,688**	**$ 4,692,686**	**$ -**	**$ 17,500**	**$ 356,699**	**$ (4,184,730)**	**$ 882,155**

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

(Expressed in Canadian Dollars)

	Nine-month period ended September 30, 2025 $	Nine-month period ended September 30, 2024 $
OPERATING ACTIVITIES		
Net Loss	**(2,164,896)**	(751,717)
Add items not affecting cash:		
Share-based payments	**110,509**	147,210
Flow-through premium liability recovery	**(3,354)**	(10,165)
Listing expense	**963,911**	-
Depreciation	**28,151**	29,564
Interest	**1,871**	2,266
Shares issued on acquisition of Brion Minerals Inc.	**800,000**	-
Shares to be issued for services	**-**	29,875
Share issued for services	**-**	20,000
Net changes in non-cash working capital:		
Accounts receivable	**(97,009)**	(25,161)
GST receivable	**12,762**	101,239
Prepaid expenses	**(5,800)**	(709)
Accounts payable and accrued liabilities	**151,875**	(39,902)
Net cash used in operating activities	**(202,070)**	(497,500)
INVESTING ACTIVITIES		
Sale of equity securities	**-**	18,750
Cash received in RTO	**457,675**	-
Net cash provided by investing activities	**457,675**	18,750
FINANCING ACTIVITIES		
Subscriptions received in advance	**-**	12,500
Proceeds from issuance of common shares	**-**	249,085
Repayment of loan payable	**(9,843)**	(9,844)
Net cash (used in) provided by financing activities	**(9,843)**	251,741
NET CHANGE IN CASH AND CASH EQUIVALENTS	**245,762**	(227,009)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**708,952**	295,811
CASH AND CASH EQUIVALENTS, END OF PERIOD	**954,714**	68,802

Supplemental cash flow information (Note 12)

CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	491,650	18,802
Cashable GIC Investment	463,064	50,000
	954,714	68,802

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

1. NATURE AND CONTINUANCE OF OPERATIONS

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

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

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

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

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

The Company's registered office, records office and head office is located 300 – 10911 Shellbridge Way, Richmond, British Columbia, V6X 3C6.

As at September 30, 2025, the Company's principal mineral interests were located in Ontario and Quebec, Canada and Brazil, and it has not yet been determined whether these properties contain reserves that are economically recoverable.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at September 30, 2025, the Company had not advanced its resource properties to commercial production or achieved profitable operations. The Company had a net loss for the nine-months ended September 30, 2025, of $2,164,896, has an accumulated deficit of $4,184,730 (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 unaudited condensed consolidated interim financial statements were approved and authorized by the Board of Directors on November 27, 2025.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34 – Interim Financial Reporting. These condensed consolidated 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 consolidated 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.

Basis of Presentation

These unaudited condensed consolidated interim financial statements include the account of the Company, its wholly owned subsidiary Libra Lithium Corp. and Brion Minerals Inc. All significant inter-company balances and transactions have been eliminated on consolidation.

Name of Subsidiary	Jurisdiction of Incorporation	Proportion of Ownership interest September 30, 2025
Brion Minerals Inc.	Cayman Islands	100%
Libra Lithium Inc.	Ontario, Canada	100%

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.

3. MATERIAL ACCOUNTING POLICES (continued)

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.

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.

3. MATERIAL ACCOUNTING POLICES (continued)

Property and equipment

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

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

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

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

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 September 30, 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:

- FVTPL, or
- At amortized cost.

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

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

3. MATERIAL ACCOUNTING POLICES (continued)

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

Government grants

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

Investment in associate

An associate is an entity in which the Company has significant influence, and which is neither a subsidiary nor a joint venture.

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost or the fair value of any previously held ownership interest. The consolidated financial statements include the Company's share of the income and expenses, and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company from the date that significant influence or joint control commences, until the date that significant influence or joint control ceases. Profits and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued, except to the extent that the Company has obligation, or has made payments on behalf of the investee.

When the Company no longer exercises significant influence over an investee, it discontinues the equity method of accounting. The Company recognizes its proportionate share of income or loss in the investee until the date of loss of significant influence and thereafter accounts for the investment at fair value through profit and loss. Any difference between the carrying value of the investment and its fair value on the date of loss of significant influence is recorded as a gain or loss in the consolidated statement of loss.

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.

3. MATERIAL ACCOUNTING POLICES (continued)

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.

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.

Reverse Takeover

The Company determined that the Transaction (Note 14) constitutes a reverse takeover. Management used its judgment and estimate to determine the fair value of the purchase consideration.

3. MATERIAL ACCOUNTING POLICES (continued)

Acquisition of Brion Minerals Inc.

The Company determined that the acquisition of Brion Minerals Inc. ("Brion") constitutes an asset acquisition as Brion does not meet the definition of a business under IFRS 3 Business Combinations (Note 6).

Investment in Athena BC. – significant influence

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not represent control or joint control over those decisions. Management reviews the relevant factors and applies judgment in determining whether significant influence exists in associates. Relevant factors to consider include representation on the board of directors, participation in policy making decisions, material transactions between the investee and the entity, interchange of managerial personnel, and provision of essential technical or exploration information.

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.

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.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES

	Canada Ontario $	Canada Quebec $	Brazil $	Total $
EXPLORATION COSTS				
Option payments	47,800	-	-	47,800
Staking and filing fees	26,324	-	-	26,325
Consulting	126,579	-	-	126,579
Data interpretation	38,577	-	-	38,577
Other expenditures	295,559	-	-	295,559
Ontario Junior Exploration Program Grant	(200,000)	-	-	(200,000)
For the nine months ended September 30, 2024	334,839	-	-	334,839
Acquisition costs			800,000	800,000
Staking and filing fees	1,950	3,091	-	5,041
Consulting	2,125	-	-	2,125
Operators fee	96,000	-	-	96,000
Other expenditures	30,817	-	-	30,817
For the nine months ended September 30, 2025	**130,892**	**3,091**	**800,000**	**933,983**

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

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

1) within five Business Days of the Acceptance Date paying $57,000 (paid);
2) on or before June 2, 2024 paying $95,000 (paid);
3) on or before June 2, 2025 paying $114,000 (paid by KoBold); 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:

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Filing of mineral resource estimates prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators, S-K 1300 of the Securities and Exchange Commission of the United States of America or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, that discloses any distinct deposit or orebody exceeding ten million (10,000,000) metric tonnes with an average grade equal to 1.0% Li2O or greater, shall trigger a single, non-recurring cash payment of $1,000,000. The 2% NSR royalty may be reduced to 1% by paying the Company $1,000,000 per specified project. Prior to the exercise of the option, the Company shall at any time have the right to terminate the agreement by providing 30 days' written notice to Bounty.

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

As at September 30, 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 to acquire 100% interest to the project, subject to certain milestone payments and a 2% NSR royalty upon commencement of commercial production, by making payments totaling $150,000 cash, issuing 1,500,000 common shares of the Company, and incurring at least $1,200,000 in expenditures over three years.

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

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

(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% NSR royalty upon commencement of commercial production. The Company will pay a separate 1% NSR royalty in respect to the entirety of the legacy claim KRL 4241641, by making cash payments totaling $1,251,000 and issuing 25,000 common shares, over five years as follows:

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

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

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

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

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

(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 (completed), which is a firm commitment and may be allocated across any of the Earn-In Properties; and
- Year 3 Anniversary – completion of cumulative exploration expenditures of up to $11,000,000 to earn a 51% interest on a project-by-project basis ("Stage 1").

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

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

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

Furthermore, KoBold has retained Libra as an exploration contractor for a period ending on the earlier of two years from the effective date of the EIA, or the date on which the EIA is terminated with respect to the SBC project. On October 16, 2025, the Company's role as temporary contractor was paused, with resumption expected for 2026.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES (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 nine months ended September 30, 2025, the Company recognized $351,882 (September 30, 2024- $Nil) of the reimbursement of expenses in other income relating to this agreement.

(e) STIMSON PROJECT

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

- Bonus Shares: Libra will issue additional shares to the vendors based on drilling results within three years from the commencement of initial drilling, as follows:
    - $100,000 payable in shares if drill results yield at least 20 metres grading greater than one percent (1%) Lithium Oxide.
    - $250,000 payable in shares if drill results yield at least 5 metres grading greater than three percent (3%) of Cesium Oxide.
    - NSR Royalty: Upon commencement of commercial production, Libra will pay a two percent (2%) NSR royalty to the Vendors, with an option to repurchase half of the royalty (for $250,000.

(f) CLAIMS HELD DIRECTLY

The Company staked 100% interest in several projects in the Northwest regions of Ontario and Quebec, including Flanders South, Flanders North, Burton, Energy Hill, Tennant Lake, Bitchu, Kivinen, Toivo and the Wegucci project.

As of September 30, 2025, the Company lapsed the Tennant Lake, Twist, Energy Hill, Bitchy, Kivinen and Burton claims, with all other projects remaining in good standing.

(Expressed in Canadian Dollars)

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 September 30, 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	17,575	1,496	9,080	28,151
September 30, 2025	**56,827**	**3,862**	**30,100**	**90,789**
Net book value				
December 31, 2024	31,049	3,619	39,513	74,181
September 30, 2025	**13,474**	**2,123**	**30,433**	**46,030**

6. ACQUISITION OF BRION MINERALS INC.

On September 30, 2025, the Company announced the acquisition of Brion Minerals Inc. ("Brion"), a Cayman Islands domiciled company and portfolio company of Frontera Minerals Inc., a Brazilian focused critical minerals investment, exploration and development group (the "Acquisition"). The Acquisition provides the Company with a 100% interest in a diverse portfolio of critical minerals projects in Brazil, including twenty-one hard-rock lithium projects, eight graphite projects, and one cobalt-nickel project.

The Company acquired all of the issued and outstanding shares of Brion, resulting in Brion becoming a wholly owned subsidiary of Libra. In consideration for the Acquisition, the Company issued an aggregate of 4,000,000 common shares to Brion's shareholders at a fair value of $0.20 (issued shares to have a deemed value of $0.30 per share). Additionally, the Brion shareholders shall be entitled to a milestone payment of US$1,500,000, payable in cash or Libra common shares at Libra's discretion, should the Company announce a preliminary economic assessment by December 31, 2030 demonstrating a project net present value exceeding US$100 million on any mineral project located in Brazil controlled by Libra. Management has assessed the likelihood of this payment and has determined that it is currently unlikely.

The common shares issued to Brion's shareholders are subject to a statutory hold period and may be traded until January 31, 2026. In addition, the below table identifies the contractual restrictions on transfers.

Date of release	Number of Shares
January 30, 2026	1,075,000
September 30, 2026	537,500
March 30, 2027	537,500
Contractual escrow release terms	1,850,000
Total	4,000,000

(Expressed in Canadian Dollars)

7. INVESTMENT

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 September 30, 2025	**250,000**	**$**	**6,250**

During the nine-months ended September 30, 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 September 30, 2025, measured at FVTPL based on Level 3 of the fair value hierarchy.

8. INVESTMENT IN ATHENA BC

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

On April 24, 2025, Athena Gold completed the amalgamation with Athena BC. Athena BC's shares were exchanged for Athena Gold's shares on a 1:1 basis. Athena Gold is listed on the CSE. As of the effective date of the amalgamation, Libra beneficially owned and controlled 43,865,217 shares of Athena Gold, representing approximately 18.4% of Athena Gold's issued and outstanding shares. The threshold for significant influence as defined in IAS 28 was met and the investment is accounted for using the equity method. Athena Gold and Libra have a director and an officer in common.

The carrying value of the Company's investment in Athena Gold is $Nil on September 30, 2025. As at September 30, 2025, the trading price of Athena Gold was $0.07 per share.

9. LOAN PAYABLE

During the year ended December 31, 2023, the Company received a $67,936 vehicle financing loan. During the nine months ended September 30, 2025, the Company repaid $9,843 (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	**$**	**62,213**
Interest		2,956
Repayments		(13,125)
Balance, December 31, 2024		**52,044**
Interest		1,871
Repayments		(9,843)
Balance, September 30, 2025	**$**	**44,072**

(Expressed in Canadian Dollars)

9. LOAN PAYABLE (continued)

Loan payable is allocated as:	**September 30, 2025**	December 31, 2024
	$	$
Current	**11,119**	10,699
Non-current	**32,953**	41,345
Balance	**44,072**	52,044

Undiscounted remaining cash flows	**September 30, 2025**	December 31, 2024
	$	$
Less than one year	**13,125**	13,125
Between one and 5 years	**38,280**	44,843
Total undiscounted loan payable	**51,405**	57,968
Amount representing implicit interest	**(7,333)**	(5,924)
Loan payable	**44,072**	52,044

10. SHARE CAPITAL

Authorized:

Unlimited voting common shares without par value.

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

Issued:

During the nine months ended September 30, 2025, the Company completed the following share capital issuances:

- On March 11, 2025, the Company issued 66,623 common shares for debt settlement at a fair value of $0.12 per share.
- On May 7, 2025, the Company issued 21,056 commons shares for debt settlement at a fair value of $0.12 per share.
- On July 9, 2025, issued 11,475,800 common shares at a fair value of 1,377,096 to former holders of PowerStone Metals Corp.
- On September 30, 2025, 4,000,000 common shares at a fair value of $0.20 to the former owners of Brion Minerals Inc.

During the nine months ended September 30, 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 a $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.
- 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.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

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 September 30, 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 September 30, 2025 is presented below:

	September 30, 2025	
	Number of Options Outstanding	Weighted Average Exercise Price $
Beginning of period	3,555,000	0.15
Forfeited	(500,000)	(0.15)
Assumed on RTO	390,530	0.13
Granted	250,000	0.15
Granted	250,000	0.30
End of period	3,945,530	0.14
Weighted-average remaining life, in year		3.15

Stock Options (continued)

As at September 30, 2025, the Company has 3,945,530 (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
390,530	$0.13	December 1, 2027	-
2,600,000	$0.15	November 14, 2028	1,033,335
300,000	$0.15	November 10, 2025	300,000
155,000	$0.15	February 8, 2029	51,667
250,000	$0.15	January 23, 2030	83,333
250,000	$0.30	July 10, 2030	83,332
3,945,530			1,551,667

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 July 10, 2025, the Company granted 250,000 common share purchase options exercisable at $0.30 per share, expiring on July 10, 2030. These options vest as follows: 1/3 vest immediately, with 1/3 vesting three months from the date of grant and the final 1/3 vesting on the date that is six months from the date of grant. The fair value of the options on grant date was estimated to be $24,928 based on the Black-Scholes Option Pricing Model.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

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 September 30, 2025**	**For the period ended December 31, 2024**
Risk free rate of interest	2.95%	3.25%
Expected life of options	5 years	5 years
Exercise price of options	$0.15	$0.17
Expected annualized volatility	105%	103%
Expected dividend rate	Nil	Nil

During the nine-month period ended September 30, 2025, the Company incurred $110,509 of share-based payments (September 30, 2024 - $147,210).

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

Restricted Share Units ("RSUs")

On July 10, 2025, the Company issued 1,000,000 RSUs with a fair value of $5,389. Share-based payments relating to RSU's vesting during the period using fair value of the common shares of the Company on the date of grant. The RSUs vest over a five-year period from the date of grant.

11. RELATED PARTY TRANSACTIONS

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

	Nine months ended September 30, 2025	2024
Key management compensation:	$	$
Consulting fees	71,250	47,917
Share-based payments	30,402	60,070
	101,652	107,987

(i) During the nine months ended September 30, 2025, the Company incurred $71,250 (September 30, 2024 - $47,917) in consulting fees with a company controlled by the Chief Executive Officer ("CEO") of the Company.

(ii) During the nine months ended September 30, 2025, the Company incurred $nil (September 30, 2024 - $60,070) in consulting fees with companies controlled by the former Chief Financial Officer ("CFO") and a Director of the Company.

Included in September 30, 2025 accounts payable and accrued liabilities is $23,750 (December 31, 2024 - $23,750) owing to a company controlled by the CEO, $nil (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.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so.

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

There were no changes in the Company's approach to capital management and there were no external restrictions during the nine months ended September 30, 2025.

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 September 30, 2025, other receivable consists of $129,107 for reimbursement of expenses (December 31, 2024 - $31,337). As at September 30, 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 September 30, 2025, the Company had cash and cash equivalents of $954,714 (December 31, 2024 - $708,952) and current liabilities of $289,377 (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.

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS (continued)

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
	$	$	$
September 30, 2025			
Accounts payable and accrued liabilities	278,258	-	-
Loan payable	13,125	38,280	-
	291,383	**38,280**	**-**
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 cashflows of a financial instrument will fluctuate because of changes in market interest rates. When excess cash exists, the Company's current policy is to invest the excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the financial institutions with which they are held. The Company is not subject to interest rate price risk as its loan payable has a fixed interest rate.

d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and 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 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 during the period ended September 30, 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.

(Expressed in Canadian Dollars)

14. COMMITMENTS (continued)

As at September 30, 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.

15. SUPPLEMENTAL CASH FLOW INFORMATION

For the period ended	September 30, 2025 $	September 30, 2024 $
Cash received for interest	19,738	15,018
Cash paid for interest	1,871	2,266
Cash received (paid) for income taxes	-	-
Non-cash investing and financing activities:		
Shares issued pursuant to settlement of debt	10,522	15,000

16. REVERSE TAKEOVER

On December 31, 2024, the Company executed an amalgamation agreement with Libra Lithium Corp. 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").

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

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

Total Purchase price consideration

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

Allocation of Purchase Consideration	
Cash	$ 457,675
HST receivable	1,466
Prepaids	20,000
Accounts payable and accrued liabilities	(21,956)
Net asset acquired	**457,185**
Listing expense	963,911
Total	**$ 1,421,096**

17. SUBSEQUENT EVENTS

On November 3, 2025, the Company also announced the settlement of debts owed by the Company to certain service providers with the issuance of common shares, subject to CSE approval ("Shares for Debt"). Pursuant to the Shares for Debt transaction and subject to CSE approval, an aggregate of 152,578 common shares of the Company will be issued at a price of $0.185 per common share for services rendered. The securities issued in this Shares for Debt settlement will have a statutory hold period of four months and a day from the date of issuance.