

**EARLY WARNING REPORT PURSUANT TO NATIONAL
INSTRUMENT 62-103**

1. Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

NextSource Materials Inc. (the “**Issuer**”)
130 King Street West,
Exchange Tower, Suite 1940
Toronto, ON M5X 2A2

Common shares of the Issuer (“**Common Shares**”) and Common Share purchase warrants of the Issuer (“**Warrants**”), each Warrant entitling the holder to purchase one Common Share at a price of \$1.00 per share and expiring on May 19, 2023.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Vision Blue Resources Limited (the “**acquiror**”) is exercising its 23,214,286 Warrants.

2. Identity of the Acquiror

2.1 State the name and address of the acquiror

Vision Blue Resources Limited (the “**acquiror**”)
Third Floor, 1 Le Truchot,
St Peter Port, Guernsey GY1 1WD

The acquiror’s principal business is to hold investments.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On October 25, 2022, the acquiror provided notice to the Issuer of its intention to exercise its 23,214,286 Warrants and subscribe for 23,214,286 Common Shares. The subscription price is expected to be delivered on or before October 31, 2022.

A news release announcing the exercise of the Warrants was issued by the Issuer on October 25, 2022 through the facilities of Accesswire and has been filed on SEDAR.

2.3 State the names of any joint actors.

Not applicable.

3. Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's security holding percentage in the class of securities.

Prior to the exercise of the Warrants, the only securities of the Issuer held by the acquiror are 35,214,286 Common Shares, 23,214,286 Warrants, 15,000 restricted share units (each, an "RSU"), entitling the holder to acquire one Common Share for no additional consideration and expiring on June 30, 2024, and 150,000 stock options (each, an "Option"), entitling the holder to purchase one Common Share at a price of \$3.60 per Common Share and expiring on March 19, 2024, representing approximately 34.57% of the outstanding Common Shares on a non-diluted basis and approximately 46.78% on a partially diluted basis.

Upon exercise of the Warrants, the acquiror will acquire 23,214,286 Common Shares. Following exercise of the Warrants the Company's issued share capital will increase to 125,086,900 outstanding Common Shares and the acquiror will hold 58,428,572 Common Shares, 15,000 RSUs and 150,000 Options, representing approximately 46.71% of the outstanding Common Shares on a non-diluted basis and 46.78% on a partially diluted basis (in the event that Vision Blue exercises its outstanding Options and RSUs).

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

See item 2.2 above.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control

See item 3.1 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons other than the acquiror or any joint actor

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of Regulation 62-104 respecting Take-Over Bids and Issuer Bids (chapter V-1.1, r. 35).

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

4. Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Pursuant to the exercise of the Warrants, 23,214,286 Common Shares will be issued at a price of \$1.00 per Common Share, for aggregate gross proceeds to the Issuer of \$23,214,286 paid in cash.

- 4.2** *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

Not applicable.

- 4.3** *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable.

5. Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;*
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;*
- (f) a material change in the reporting issuer's business or corporate structure;*
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;*
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*
- (j) a solicitation of proxies from securityholders;*
- (k) an action similar to any of those enumerated above.*

The acquiror acquired the securities for investment purposes.

The acquiror may from time to time acquire additional securities, dispose of some or all of the existing or additional securities or may continue to hold securities of the Issuer or develop plans or intentions that would relate to or result in the items in (a) to (k) above, in each case, depending on market and economic conditions, the business and prospects of the Issuer and other relevant factors.

6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

7. Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

8. Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

9. Certification

The undersigned hereby certifies that, to the best of its knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated this 25th day of October, 2022.

VISION BLUE RESOURCES LIMITED

By: (s) Sir Mick Davis
Name: Sir Mick Davis
Title: Director