

NAVCO PHARMACEUTICALS INC.

(the “**Company**”)

c/o Suite 1500 – 1055 West Georgia Street
Vancouver, British Columbia, V6E 4N7

Form 51-102F6V

*Statement of Executive Compensation – Venture Issuers
(for financial year ended September 30, 2024)*

STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS

GENERAL

The following information, dated March 28, 2025, is provided as required under Form 51-102F6V for Venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

“**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;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with the Form, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

Qualifying Transaction

Effective on April 13, 2023 BMGB Capital Corp. (“**BMGB**”) closed a Qualifying Transaction where a share exchange agreement was entered into between BMGB and NAVCO Pharmaceuticals Inc. (a private company) resulting in NAVCO Pharmaceuticals Inc. being the resulting reporting issuer, whose shares commenced trading on the TSX Venture Exchange effective April 18, 2023 and with BGMB shares being delisted. Effective April 11, 2023, BMGB’s name was changed to Navco Pharmaceuticals Inc.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Based on the definition above, the current NEOs of the Company are: Geoffrey Lee, CEO, Christopher R. Cooper, CFO and Mark Jasinski, COO and Director. The current Directors who are not NEOs are: Jatinder Dhaliwal, Thomas Jurdanis and Judy Su.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

The following table provides information regarding compensation paid, payable, awarded to, or earned by the Company’s Chief Executive Officer and Chief Financial Officer, (together, the “**Named Executive Officers**”) and any director who is not a Named Executive Officer at financial year ended September 30, 2023 and September 30, 2024. There were no other executive officers of the Company or individuals who individually earned more than \$150,000 in total compensation.

Name and principal position	Year	Salary	Bonus	Committee or meeting fees	Value of Perquisites	Value of All other compensation	Total compensation
Geoffrey Lee, CEO ⁽¹⁾	2024	\$72,000	Nil	Nil	Nil	Nil	\$72,000
	2023	\$45,000	Nil	Nil	Nil	Nil	\$45,000
Christopher R. Cooper, CFO ⁽²⁾	2024	\$31,500	Nil	Nil	Nil	Nil	\$31,500
	2023	\$30,100	Nil	Nil	Nil	\$1,500 ⁽²⁾	\$31,600
Marek Jasinski, COO ⁽³⁾	2024	\$72,000	Nil	Nil	Nil	Nil	\$72,000
	2023	\$72,000	Nil	Nil	Nil	Nil	\$72,000
Thomas Jusdanis, Corporate Secretary and Director ⁽⁴⁾	2024	\$11,250	Nil	Nil	Nil	Nil	\$11,250
	2023	\$20,700	Nil	Nil	Nil	\$34,833 ⁽⁴⁾	\$55,533
Jatinder Dhaliwal Director ⁽⁵⁾	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Judy Su Director ⁽⁶⁾	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Abkar Khan former Director ⁽⁷⁾	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Peter Espig former Director ⁽⁸⁾	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Brian Morrison former Director ⁽⁹⁾	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Geoffrey Lee was appointed CEO of the Company on April 13, 2023.
- (2) Christopher R. Cooper was appointed CFO of the Company on April 13, 2023.
- (3) Marek Jasinski was appointed COO of the Company on April 13, 2023.
- (4) Thomas Judanis was appointed a Director and Corporate Secretary of the Company on April 13, 2023.
- (5) Jatinder Dhaliwal was appointed a Director of the Company on January 18, 2024.
- (6) Judy Su was appointed a Director of the Company on January 18, 2024.
- (7) Abkar Khan resigned as a director of the Company on January 18, 2024.
- (8) Peter Espig resigned as a Director of the Company on January 18, 2024.
- (9) Brian Morrison resigned as a Director of the Company on January 18, 2024.

Stock Option Plans and Other Incentive Plans

Stock Option Plan (Option-Based Awards)

The Company has a 10% rolling share option plan which was approved by the Shareholders of the Company at the Company's June 4, 2024 annual general meeting (the "**Option Plan**"). The Option Plan is attached as Schedule "B" to the Company's Information Circular to its June 4, 2024 annual meeting.

The Option Plan is a rolling share option plan pursuant to which up to 10% of the outstanding shares may be reserved for issue from time to time.

Material Terms of the Option Plan

Capitalized terms used but not otherwise defined below shall have the meanings ascribed to such terms in the Option Plan.

1. Service Provider – Service Providers are eligible for awards of Options under the Option Plan. "**Service Provider**" means a person who is a Director, Officer, Employee, Management Company Employee, or Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers.
2. Maximum Shares – The maximum aggregate number of Common Shares that may be reserved for issuance under the Option Plan, together with all other Security Based Compensation Plans, at any point in time is up to 10% of the Outstanding Shares as at the date of grant or issuance of any Security Based Compensation under any of such Security Based Compensation Plans.
3. Limitations on Issue - The following restrictions on issuances of Options are applicable under the Option Plan, together with all other Share Compensation Arrangements:
 - (a) Unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to any one Participant (and where permitted pursuant to the policies of the TSX Venture) any company that is wholly-owned by the Participant pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 5% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
 - (b) Unless Disinterested Shareholder approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 10% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
 - (c) Unless Disinterested Shareholder Approval is obtained the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company may not exceed 10% of the Outstanding Shares at any point in time;
 - (d) The maximum aggregate number of Common Shares that may be issuable to any Consultant of the Company pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
 - (e) The maximum aggregate number of Common Shares that may be issuable to all Investor Relations Services Providers pursuant to Options granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of any Options and Investor Relations Services Providers may not receive any Security Based Compensation other than Options.
4. Maximum Percentage to Insiders – Subject to Disinterested Shareholder Approval, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company may not exceed 10% of the Outstanding Shares at any point in time.
5. Maximum Percentage to Insiders within any 12-month period - Subject to Disinterested Shareholder Approval, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period

may not exceed 10% of the Outstanding Shares calculated on the date of grant of any new Security Based Compensation.

6. Exercise Price – The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Option Plan, and cannot be less than the Discounted Market Price (as defined in TSX Venture Exchange Policy 1.1).
7. Vesting of Options - Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Option Plan, in the absence of a vesting schedule being specified at the time of grant, Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
 - (a) the Participant remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
 - (b) the Participant remaining as a Director of the Company or any of its Affiliates during the vesting period.
8. Vesting of Options Granted to Investor Relations Service Providers - Options granted to Investor Relations Service Providers will vest such that:
 - (a) no more than 25% of the Options vest no sooner than three months after the Options were granted;
 - (b) no more than another 25% of Options vest no sooner than six months after the Options were granted;
 - (c) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
 - (d) the remainder of the Options vest no sooner than 12 months after the Options were granted.
9. Term of Option – The term of an Option will be set by the Board at the time such Option is allocated under the Option Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date.
10. Optionee Ceasing to be a Director, Employee or Service Provider – Options may be exercised after the Participant has left his/her employ/office or has been advised by the Company or its subsidiary as applicable that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:
 - (a) in the case of the death of an Optionee, any vested Option held by him/her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
 - (b) an Option granted to any Participant will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the Termination Date, and only to the extent that such Option was vested at the Termination Date, and
 - (c) in the case of an Optionee being dismissed from employment or service for Cause, such Optionee’s Options, whether or not vested at the date of dismissal will immediately terminate on the Termination Date without right to exercise same.
11. Non-assignable – Except in the case of death of an Optionee, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.
12. Amendment of the Option Plan by the Board of Directors - Subject to the requirements of the TSXV Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion amend, or modify the Option Plan or any Option granted as follows:
 - (a) it may make amendments which are of a typographical, grammatical or clerical nature only;

- (b) amendments of a housekeeping nature;
 - (c) it may make amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSXV;
 - (d) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market.
13. Amendments Requiring Disinterested Shareholder Approval - The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:
- (a) the Option Plan, together with any other Security Based Compensation, could result in:
 - (i) the aggregate number of Common Shares issuable pursuant to Security Based Compensation to Insiders (as a group) exceeding 10% of the Outstanding Shares at any time;
 - (ii) the aggregate number of Common Shares reserved for issuance to Insiders within a 12-month period exceeding 10% of the Outstanding Shares; or
 - (iii) the aggregate number of Common Shares issuable pursuant to Security Based Compensation granted or issued within any 12-month period to Insiders (as a group) exceeding 10% of the Outstanding Shares calculated at the date of grant or issue; or
 - (b) any reduction in the Exercise Price or the extension of the term of an Option held by an insider or any other amendment to an Option that results in a benefit to an Insider.
14. Take Over Bid - If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding other applicable vesting requirements or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.
15. Acceleration of Vesting on Change of Control – In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities. Notwithstanding the foregoing, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.
16. Extension of Options Expiring during Black-out Period. - The Option Plan also contains provision for a “Black-out Period”. Should the Expiry Date for an Option fall within a Black-out Period, such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Black-out Period, such tenth (10th) Business Day to be considered the Expiry Date for such Option for all purposes under the Option Plan, provided that such automatic extension of the Expiry Date for an Option will not apply where the Participant or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company’s securities.
17. Cashless Exercise – The Option Plan also contains a “cashless exercise” or “net exercise” basis. “Cashless exercise” is a method of exercising stock options in which a securities broker is engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations as determined by the Company against delivery of the Common Shares to settle the applicable trade. “Net exercise” is a method in which the Company issues to the Optionee, Common Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Common Shares. An option holder does not make any payment to the issuer for the exercise of their options and receives on exercise a number of shares equal to the intrinsic value (current market price less the exercise price) of the option valued at

the current market price. The current market price must be the 5-day volume weighted average trading price prior to option exercise. “Net exercise” may not be utilized by Options held by any Investor Relations Service Provider.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each named executive officer or director of the Company or one of its subsidiaries at financial year ended September 30, 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 of class⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Geoffrey Lee, <i>Chief Executive Officer</i>	Stock Options	1,225,000 (20.25%)	March 14, 2024	\$0.05	\$0.03	\$0.03	March 14, 2034
		350,000 (5.79%)	April 13, 2023	\$0.15	\$0.00 ⁽²⁾	0.03	April 13, 2033
Chris Cooper, <i>Chief Financial Officer</i>	Stock Options	650,000 (10.74%)	March 14, 2024	\$0.05	\$0.03	\$0.03	March 14, 2034
		250,000 (4.13%)	April 13, 2024	\$0.15	\$0.00 ⁽²⁾	\$0.03	April 13, 2033
Marek Jasinski, <i>Chief Operating Officer</i>	Stock Options	725,000 (11.98%)	March 14, 2024	\$0.05	\$0.03	\$0.03	March 14, 2034
		350,000 (5.79%)	April 13, 2023	\$0.15	\$0.00 ⁽²⁾	\$0.03	April 13, 2033
Thomas Jusdanis <i>Corporate Secretary and Director</i>	Stock Options	725,000 (11.98%)	March 14, 2024	\$0.05	\$0.03	\$0.03	March 14, 2034
		350,000 (5.79%)	April 13, 2023	\$0.15	\$0.00 ⁽²⁾	\$0.03	April 17, 2033
Jatinder Dhaliwal <i>Director</i>	Stock Options	225,000 (3.72%)	March 14, 2024	\$0.05	\$0.03	\$0.03	March 14, 2034

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Judy Su <i>Director</i>	Stock Options	225,000 (3.72%)	March 14, 2024	\$0.05	\$0.03	\$0.03	March 14, 2034
Abkar Khan ⁽³⁾ <i>former Director</i>	Stock Options	150,000 (2.48%)	April 13, 2023	\$0.15	\$0.00 ⁽²⁾	\$0.03	April 13, 2033
Peter Espig ⁽⁴⁾ <i>former Director</i>	Stock Options	200,000 (3.31%)	April 13, 2023	\$0.15	\$0.00 ⁽²⁾	\$0.03	April 13, 2033

Notes:

- (1) The percentage of class is based on the total number of options and common shares outstanding as at September 30, 2024: 57,069,541 common shares and 3,900,000 stock options.
- (2) Stock Options were issued on closing of the Company's Qualifying Transaction as described above.
- (3) Abkar Khan resigned as a director of the Company on January 18, 2024. Mr. Khan had within 90 days to exercise his stock options from the date ceasing to be an Optionee. Mr. Khan's Options expired on April 17, 2024, without having been exercised.
- (4) Peter Espig resigned as a director of the Company on January 18, 2024. Mr. Espig had within 90 days to exercise his stock options from the date ceasing to be an Optionee. Mr. Espig's 200,000 Options expired on April 17, 2024, without having been exercised.

Cancellation of Incentive Stock Options effective on May 10, 2024

Effective on May 10, 2024, the Company cancelled (or had lapsed) a total of 2,150,000 incentive stock options at an exercise price of \$0.15 expiring on April 13, 2033 as referenced in chart above (a total of 1,650,000 Options granted to directors and officers, including Options granted to Abkar Khan and Peter Espig (see notes (3) and (4) above)) and a total of 500,000 Options granted to two Consultants of the Company (150,000 and 350,000 respectively), at an exercise price of \$0.15 expiring on April 13, 2033. The Options granted to two Consultants of the Company expired 90 days from the dates of their resignations as Consultants of the Company, not having been exercised. The total 1,650,000 Options granted to directors and officers granted on April 17, 2023 at an exercise price of \$0.15 expiring on April 17, 2033 were cancelled and reset by the Board on March 14, 2024 all at exercise prices of \$0.05 per share expiring on March 13, 2034 (refer to outstanding Options chart above).

No stock options were cancelled of the current outstanding stock options granted to NEOs and Directors of the Company.

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of the Company during financial year ended September 30, 2024.

Employment, Consulting and Management Agreements

The Company does not have any employment, consulting or management agreement or arrangement with any of the Company's current NEOs or directors.

Oversight and Description of Director and Named Executive Officer Compensation

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation currently is based upon a negotiated fee, with stock options and bonuses potentially being issued and paid as an incentive for performance. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program.

Philosophy and Objectives

The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its Option Plan. Recommendations for senior management compensation are presented to the board of directors (the "Board") for review.

Base Salary

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Board. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Board. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's Option Plan in which certain securities are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasizes the provisions of option grants to maintain executive motivation.

Compensation Review Process

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation currently is based upon a negotiated fee, with stock options and bonuses potentially being issued and paid as an incentive for performance. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program.

Risks Associated with the Company's Compensation Program

The Board has assessed the Company's compensation plan and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with the plan and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plan and programs.

Benefits and Perquisites

The Company does not, as of the date of this Form, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options or as otherwise disclosed and discussed herein.

Hedging by Directors or NEOs

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.