

**NAVION CAPITAL INC.**  
**NOTICE OF ANNUAL AND SPECIAL MEETING OF**  
**SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the shareholders of Navion Capital Inc. (the “**Company**”) will be held on Tuesday, June 22, 2021 at 10:00 a.m. (Calgary time) by teleconference call only (dial in details below) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the period ended November 30, 2020, and the report of the auditors thereon;
2. to consider and if thought appropriate, to pass, with or without variation, an ordinary resolution electing the directors of the Company for the ensuing year;
3. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution to appoint Davidson & Company LLP as auditors of the Company for the ensuing year and to authorize the directors of the Company (the “**Board**”) to fix the auditor’s remuneration;
4. to consider, and if deemed appropriate, to pass, with or without variation, an ordinary resolution of disinterested shareholders, approving certain amendments to the Company’s Stock Option Plan as more particularly set forth in the accompanying management information circular (the “**Circular**”);
5. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution of disinterested shareholders to authorize and approve the removal of potential consequences in the event the Company does not complete a Qualifying Transaction within twenty-four months of the date its Common Shares were initially listed on the TSX Venture Exchange;
6. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution of disinterested shareholders to authorize and approve an amendment to the escrow agreement dated February 14, 2018 among the Company, TSX Trust Company and certain shareholders of the Company, as more fully described in the Circular;
7. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution of disinterested shareholders to authorize and approve the payment of a finder’s fee or commission to a Non-Arm’s Length Party (as defined in the Circular) of the Company, upon completion of a Qualifying Transaction in accordance with the updated TSX Venture Exchange Capital Pool Company Policy; and
8. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Circular, which accompanies this Notice.

As at the date of this Notice, the Corporation intends to hold the Meeting via teleconference call only. To participate or submit questions during the Meeting, Shareholders can join by teleconference, using the dial in instructions below. The Corporation reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak.

**Dial in Details**

**Toll-free dial-in number in Canada and the USA: 1-855-453-6957**

**Local dial-in number in Calgary: 403-410-3051**

**International dial-in numbers: [www.conf solutions.ca](http://www.conf solutions.ca)**

**Conference ID: 5774064**

Shareholders may attend the Meeting or may be represented at the Meeting by proxy. Shareholders will not be

able to vote their shares in person. As such, Shareholders are requested to complete, sign and date the form of proxy or follow online voting instructions set out herein. An Instrument of Proxy will not be valid unless it is deposited at the Corporation's registrar and transfer agent, at TSX Trust Company, by mail to Suite 301, 100 – Adelaide Street West, Toronto, Ontario M5H 4H1 Attn: Proxy Department, in the enclosed self-addressed envelope, by facsimile at 1-416-595-9593, or on the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com) (with the control number you have been provided), not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. A person appointed as proxy holder need not be a Shareholder of the Corporation.

Only Shareholders of record as at the close of business on May 11, 2021 (the "**Record Date**") are entitled to receive notice of the Meeting.

**SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER'S RISK.**

DATED at Calgary, Alberta this May 17, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Livio Susin”*

President, Chief Executive Officer,  
Chief Financial Officer, Secretary,  
and Director

**NAVION CAPITAL INC.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO**  
**BE HELD ON JUNE 22, 2021**

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The information contained in this Management Information Circular (the “**Circular**”) is furnished to the holders of common shares (the “**Common Shares**”, and such shareholders, the “**Shareholders**”) of Navion Capital Inc. (the “**Company**”) in connection with the solicitation by management of the Company of proxies to be voted at an annual and special meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. (Calgary time) on June 22, 2021 by conference call only, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the “**Notice of Meeting**”) and at any adjournment thereof. Unless otherwise stated, the information provided in this Circular is provided as of May 17, 2021.

In light of ongoing concerns related to the spread of COVID-19 and the constantly evolving restrictions on the size of public gatherings which are beyond the control of the Company, attendance at the Meeting in person is not permitted at this time. Accordingly, we encourage you to dial in via teleconference and encourage you to vote by proxy.

The Company reserves the right to take any additional precautionary measures deemed appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 pandemic. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of news release. Please monitor the news releases filed under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website at [www.sedar.com](http://www.sedar.com) prior to the Meeting for the most current information. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

Shareholders wishing to attend the Meeting by conference call may do so by using the following access numbers:

**Dial in Details**

**Toll-free dial-in number in Canada and the USA: 1-855-453-6957**

**Local dial-in number in Calgary: 403-410-3051**

**International dial-in numbers: [www.confsolutions.ca](http://www.confsolutions.ca)**

**Conference ID: 5774064**

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY SUBMITTING THEIR COMPLETED FORM OF PROXY (OR VOTING INSTRUCTION FORM) PRIOR TO THE MEETING BY ONE OF THE MEANS DESCRIBED IN THIS CIRCULAR.**

**The solicitation of proxies is made on behalf of the management of the Company.** Such solicitation will be made primarily by mail, but proxies may be solicited personally or by telephone by directors and officers of the Company, who will not be remunerated therefor. The costs incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Circular will be borne by the Company. The cost of the solicitation will be borne by the Company.

The board of directors of the Company (the “**Board**”) has fixed the close of business on May 11, 2021 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the “**Record Date**”).

**Appointment of Proxyholders**

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **A Shareholder has the right to appoint, as proxyholder or alternate proxyholder, a person, persons or a company (who need not be a Shareholder) to represent such Shareholder at the Meeting, other than any of the persons designated in the enclosed form of proxy, and may do so either by inserting the name of his chosen nominee in the space provided for that purpose on the form and striking out the other names on the form, or by completing another proper form of proxy.**

### **Deposit of Proxy**

**AN APPOINTMENT OF A PROXYHOLDER OR ALTERNATE PROXYHOLDERS, BY RESOLUTION OF THE DIRECTORS DULY PASSED, WILL NOT BE VALID FOR THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF UNLESS IT IS DEPOSITED WITH THE COMPANY'S TRANSFER AGENT, TSX TRUST COMPANY, SUITE 301, 100 – ADELAIDE STREET WEST, TORONTO, ONTARIO M5H 4H1, ATTENTION PROXY DEPARTMENT, OR DELIVERED BY FAX TO 1-416-595-9593 OR VIA THE INTERNET AT WWW.VOTEPROXYONLINE.COM NOT LATER THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS) PRIOR TO THE TIME SET FOR THE MEETING OR ANY ADJOURNMENT THEREOF. A RETURN ENVELOPE HAS BEEN INCLUDED WITH THE MATERIAL.**

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke the proxy:

- (a) by depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing:
  - (i) with TSX Trust Company not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used;
  - (ii) at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used;
  - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner provided by law.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

### **Exercise of Discretion**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the proxy submitted by a Shareholder will be voted or withheld from voting in accordance with the instructions, if any, of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly by the proxy.

**In the absence of such direction in respect of a particular matter, such Common Shares will be voted in favour of such matter. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting**

**and with respect to other matters which may properly come before the Meeting.** As of the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any such amendments, variations or other matters which are not now known to the management of the Company should properly come before the Meeting, the Common Shares represented by the proxies hereby solicited will be voted thereon in accordance with the best judgment of the person or persons voting such proxies.

Unless otherwise indicated, all matters to be voted upon as set forth in the Notice of Meeting, require approval by a simple majority of all votes cast by Shareholders, present in person or by proxy at the Meeting.

### **Non-Registered Holders**

Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders are “non-registered” Shareholders (“**Non-Registered Shareholders**”) because the Common Shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators (“**NI 54-101**”), the Company has distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy (collectively the “**Meeting Materials**”) to Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders of Common Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Shareholders. A Non-Registered Shareholder who has not waived the right to receive the Meeting Materials will either:

- a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is not otherwise completed. Since the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under “Deposit of Proxy”; or
- b) more typically, be given a voting instruction form which must be completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company (frequently Broadridge Investor Communications) in accordance with the directions accompanying the voting instruction form. **A Non-Registered Shareholder receiving a voting instruction form cannot use that form to vote the common shares held by such Non-Registered Shareholder directly at the Meeting.**

In either case, the purpose of these procedures is to permit the Non-Registered Shareholder to direct the voting of the Common Shares that the Non-Registered Shareholder beneficially owns. Should a Non-Registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert his or her name in the space provided for that purpose on the voting instructions form and return it in accordance with the directions of the Intermediary.

**The Non-Registered Shareholder should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instructions form is to be delivered.**

A Non-Registered Shareholder may revoke a form of proxy or voting instructions form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's Common Shares

are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners (“**OBOs**”) under NI 54-101 the proxy-related materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary*. An OBO is a Non-Registered Shareholder that objects to their intermediary disclosing their ownership information.

### **Voting Shares and Principal Holders**

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value. As of the date hereof, the Company has issued and outstanding 4,000,000 fully paid and non-assessable Common Shares. Each holder of Common Shares is entitled to one vote for each Common Share shown as registered in such holder's name on the list of Shareholders prepared as of the close of business on the Record Date with respect to all matters to be voted on at the Meeting. A quorum will be present at the Meeting if there is at least two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the Common Shares entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Company, no person beneficially owns, directly or indirectly, or exercises control over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

## **BUSINESS OF THE MEETING**

### **1. FINANCIAL STATEMENTS**

The Company's audited financial statements for the period ended November 30, 2020 will be placed before Shareholders at the Meeting. These financial statements have been electronically filed with regulators and are available for viewing through the internet on the SEDAR website at [www.sedar.com](http://www.sedar.com). Copies of the financial statements will also be available upon request by any Shareholder who wishes to receive copies. To request copies, please contact Scott Reeves, a director of the Company, c/o TingleMerrett LLP, at 1250, 639 – 5<sup>th</sup> Ave. S.W., Calgary, Alberta T2P 0M9 - telephone (403) 571-8000, facsimile (403) 571-8008.

### **2. ELECTION OF DIRECTORS**

Each of following nominees (the “**Nominees**”), if elected, will serve as directors of the Company until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time. Each of the Nominees currently serves as a director of the Company and is being nominated by management for re-election as a director at the Meeting.

### **Nominees for Election**

The following are the Nominees proposed for election as directors of the Company, together with the number of shares of the Company that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them. All of the Nominees are currently directors of the Company. Each of the Nominees has agreed to stand for election and we are not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated at the Meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

<u>Name and Residence</u>	<u>Position Held</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Number of Common Shares<sup>(1)</sup></u>
Livio Susin <sup>(2)</sup> Vancouver, British Columbia, Canada	President, Chief Executive Officer, Chief Financial Officer, Secretary and Director	Self-employed businessman. Director of Lucy Scientific Discovery Inc. (private)	October 18, 2017	1,400,000
Peter Hughes <sup>(2)</sup> Vancouver, British Columbia, Canada	Director	Director and officer of a number of reporting issuers and a self-employed businessman	October 18, 2017	500,000
Scott Reeves <sup>(2)</sup> Calgary, Alberta, Canada	Director	Partner at the law firm TingleMerrett LLP	October 18, 2017	100,000

Notes:

- (1) The Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, as at the date of this Circular has been furnished to the Company by the individual directors.
- (2) Member of the Audit Committee.

**Management of the Company recommends that Shareholders vote in favour of the Current Nominees for election as directors. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the Current Nominees as directors of the Company.**

### **3. RE-APPOINTMENT AND REMUNERATION OF AUDITORS**

Davidson & Company LLP (“**Davidson**”) has been the Company's auditors since inception. At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, approve with or without variation an ordinary resolution to re-appoint Davidson as auditor of the Company and to authorize the Board to fix their remuneration.

**Management of the Company recommends that Shareholders vote in favour of the re-appointment of Davidson as auditors of the Company and to authorize the directors to fix their remuneration. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of Davidson as auditors of the Company.**

### **4. APPROVAL OF AMENDED STOCK OPTION PLAN**

On January 1, 2021 the Toronto Stock Exchange (the “**Exchange**”) implemented changes to their capital pool company program as outlined in Policy 2.4 (the “**Updated CPC Policy**”), including permitting certain changes to the stock option plans implemented by Capital Pool Companies (“**CPCs**”). In accordance with the Updated CPC Policy, the Company is entitled, subject to the receipt of disinterest shareholder approval, to amend the terms of its existing stock option plan (the “**Stock Option Plan**”) to permit, among other things, that the maximum number of common shares that may be reserved for issuance pursuant to options under stock option plans not exceed 10% of the Common Shares issued and outstanding at the date of grant. Currently, the Stock Option Plan provides that the total number of Common Shares reserved for issuance pursuant to options under

the Stock Option Plan shall not exceed 10% of the Common Shares outstanding on as at the closing of the Company's initial public offering.

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, approve with or without changes, an ordinary resolution of disinterested Shareholders to approve and adopt amendments to the Stock Option Plan (the "**Option Plan Amending Resolution**"). The amendments to the Stock Option Plan are set out in the version of the Stock Option Plan attached hereto as Schedule A (the "**Amended Plan**").

An aggregate of 2,000,000 votes attached to Common Shares held by directors and officers of the Company will be excluded from voting on the Option Plan Amending Resolution. If disinterested shareholder approval is obtained at the Meeting, the Amended Plan will replace the current Stock Option Plan, and the Amended Plan will be filed on SEDAR. If not approved, the current Plan will continue in full force and effect.

**Management of the Company recommends that Shareholders vote in favour of the Option Plan Amending Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the Option Plan Amending Resolution.**

The text of the Option Plan Amending Resolution to be submitted to disinterested Shareholders at the Meeting is set forth below:

"BE IT RESOLVED THAT:

1. Subject to the approval of the TSX Venture Exchange, the adoption of the Company's Amended Plan as described in the Company's Management Information Circular (the "**Circular**"), with such amendments as are set out in the version of the Stock Option Plan attached as Schedule A to the Circular, is hereby authorized, ratified, confirmed and approved; and
2. any director or officer of the Company, is hereby authorized and directed, for and in the name of and on behalf of the Company, to do all such acts and things and to execute, or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver, or cause to be delivered, such other agreements, certificates, documents and instruments, as may in the opinion of such director or officer of the Company be necessary or advisable to carry out and to fulfill the intent of the foregoing resolution."

#### **5. APPROVAL OF ALTERATION TO QUALIFYING TRANSACTION TIMEFRAME**

The Updated CPC Policy includes changes to the timeframe within which CPCs, must complete a Qualifying Transaction, including to the potential consequences that apply upon a failure to complete a Qualifying Transaction within twenty-four months from the date the CPCs shares are listed for trading on TSX Venture Exchange (the "**Exchange**"). In accordance with the Updated CPC Policy, the Company is entitled, subject to the receipt of disinterest shareholder approval, to remove the potential consequences of obtaining majority shareholder approval to list on NEX and cancelling of Seed Shares (as defined in Exchange Policy 1.1) held by Non-Arm's Length Parties (as defined in Exchange Policy 1.1) of the Company.

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, approve with or without changes, an ordinary resolution of disinterested Shareholders to approve removing the potential consequences of obtaining majority shareholder approval to list on NEX and cancelling certain Seed Shares (as defined in Exchange Policy 1.1) held by Non-Arm's Length Parties (as defined in Exchange Policy 1.1) of the Company in the event the Company does not complete a QT within twenty-four months of the date the Company's Common Shares were listed on the Exchange. (the "**Qualifying Transaction Timeframe Resolution**").

An aggregate of 2,000,000 votes attached to Common Shares held by directors, officers and insiders of the Company will be excluded from voting on the Qualifying Transaction Timeframe Resolution.

**Management of the Company recommends that Shareholders vote in favour of the Qualifying**

**Transaction Timeframe Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Qualifying Transaction Timeframe Resolution.**

The text of the Qualifying Transaction Timeframe Resolution to be submitted to disinterested Shareholders at the Meeting is set forth below:

“BE IT RESOLVED THAT:

1. Subject to the approval of the TSX Venture Exchange, the removal of the potential consequences of the Company failing to complete a Qualifying Transaction within 24 months after the date of listing of the Common Shares on the Exchange in accordance with the current version of the Exchange’s policy 2.4, is hereby authorized, confirmed and approved; and
2. any director or officer of the Company, is hereby authorized and directed, for and in the name of and on behalf of the Company, to do all such acts and things and to execute, or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver, or cause to be delivered, such other agreements, certificates, documents and instruments, as may in the opinion of such director or officer of the Company be necessary or advisable to carry out and to fulfill the intent of the foregoing resolution.”

**6. APPROVAL OF ESCROW AGREEMENT AMENDMENT**

The Updated CPC Policy includes changes to the escrow restrictions imposed on certain shareholders. In accordance with the Updated CPC Policy, the Company is entitled, subject to the receipt of disinterest shareholder approval, to amend the terms of its escrow agreement dated February 14, 2018 among the Company, TSX Trust Company, and certain shareholders of the Company (the “**Escrow Agreement**”) to provide that the escrow release schedule be amended to be in line with the following table:

<b>Release Dates</b>	<b>Percentage to be Released</b>
Date of Final QT Exchange Bulletin	25%
Date 6 months following Final QT Exchange Bulletin	25%
Date 12 months following Final QT Exchange Bulletin	25%
Date 18 months following Final QT Exchange Bulletin	25%
<b>TOTAL</b>	<b>100%</b>

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, approve with or without changes, an ordinary resolution of disinterested Shareholders to approve amending the Escrow Agreement to provide that the escrow release schedule be amended to be in the line with the above table (the “**Escrow Agreement Amending Resolution**”).

An aggregate of 2,000,000 votes attached to Common Shares held by all Shareholders who are party to the Escrow Agreement (which includes all directors, officers and insiders of the Company) will be excluded from voting on the Escrow Agreement Amending Resolution.

**Management of the Company recommends that Shareholders vote in favour of the Escrow Agreement Amending Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Escrow Agreement Amending Resolution.**

The text of the Escrow Agreement Amending Resolution to be submitted to disinterested Shareholders at the Meeting is set forth below:

“BE IT RESOLVED THAT:

1. Subject to the approval of the TSX Venture Exchange, the Company is authorized and approved to amend the Escrow Agreement to make the changes as are deemed necessary for the Escrow Agreement to reflect the current version of the Exchange's policy 2.4, including the changes to the escrow release schedule permitted pursuant to the current version of the Exchange's policy 2.4; and
2. any director or officer of the Company, is hereby authorized and directed, for and in the name of and on behalf of the Company, to do all such acts and things and to execute, or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver, or cause to be delivered, such other agreements, certificates, documents and instruments, as may in the opinion of such director or officer of the Company be necessary or advisable to carry out and to fulfill the intent of the foregoing resolution."

## **7. APPROVAL OF FINDER'S FEE TO NON-ARM'S LENGTH PARTIES**

'Non-Arm's Length Party' is defined in Exchange policies as a promoter, officer, director, other insider or control person of the Company and any Associates or Affiliates (as such terms are defined in Exchange policies) of any of such persons.

Under the old Exchange CPC Policy, a finder's fee could not be paid to a Non-Arm's Length Party to the Company. Under the Updated CPC Policy, the Company may seek disinterested shareholder approval to permit payment of a finder's fee or commission to a Non-Arm's Length Party of the Company, which approval will exclude the votes attaching to common shares owned by Non-Arm's Length Parties to the Company.

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, approve with or without changes, an ordinary resolution of disinterested Shareholders to approve the payments or commissions to Non-Arm's Length Parties of the Company upon completion of a Qualifying Transaction in accordance with the Updated CPC Policy ("**Finder's Fee Amending Resolution**").

Accordingly, an aggregate of 2,000,000 votes attached to Common Shares held by all Shareholders who are Non-Arm's Length Parties to the Company (which includes all directors, officers and insiders of the Company) will be excluded from voting on the Finder's Fee Amending Resolution.

**Management of the Company recommends that Shareholders vote in favour of the Finder's Fee Amending Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Finder's Fee Amending Resolution.**

The text of the Finder's Fee Amending Resolution to be submitted to disinterested Shareholders at the Meeting is set forth below:

"BE IT RESOLVED THAT:

1. Subject to the approval of the TSX Venture Exchange, the Company is authorized and approved to make payments or finder's fees to Non-Arm's Length Parties upon completion of a Qualifying Transaction in accordance with the current version of the Exchange's policy 2.4;
2. any director or officer of the Company, is hereby authorized and directed, for and in the name of and on behalf of the Company, to do all such acts and things and to execute, or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver, or cause to be delivered, such other agreements, certificates, documents and instruments, as may in the opinion of such director or officer of the Company be necessary or advisable to carry out and to fulfill the intent of the foregoing resolution."

## 8. OTHER BUSINESS

Management of the Company is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as of the end of the Company's most recently completed financial year, certain information regarding equity compensation plans under which securities of the Company are authorized for issuance. The only equity compensation plan of the Company currently, is its Stock Option Plan.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup> (c)</b>
Equity compensation plans approved by securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders	400,000	\$0.10	Nil
Total	400,000	\$0.10	Nil

Note:

- (1) The Company's Stock Option Plan provides that the number of Common Shares issuable pursuant to the Company's Stock Option Plan shall be equal to 10% of the issued and outstanding Common Shares at such time.

At the Meeting, Shareholders will be asked to approve the Company's stock option plan. For a summary of the Company's stock option plan, please see "Business of the Meeting – Approval of Stock Option Plan".

### STATEMENT OF EXECUTIVE COMPENSATION

In this section, "Named Executive Officer" or "NEO" means: (a) each individual who served as the Chief Executive Officer or the Chief Financial Officer of the Company, or an individual who acted in a similar capacity during the financial year ended November 30, 2020, regardless of the amount of compensation of that individual; (b) each of the Company's most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers, or acting in a similar capacity, as at November 30, 2020 and whose total compensation, individually, amounted to \$150,000 or more for the financial year ended February 28, 2021; and (c) any additional individual who would have been included under (b) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, as at November 30, 2020.

The Company had two NEOs during the financial year ended November 30, 2020: Livio Susin, the Company's President, Chief Executive Officer, Chief Financial Officer, Secretary and Director.

#### Summary Compensation Table

The following table is a summary of compensation paid, payable, awarded or granted to each director and NEO

for the fiscal years of the Company ended November 30, 2020 and November 30, 2019.

<b>Table of Compensation Excluding Compensation Securities</b>							
<b>Name &amp; position</b>	<b>Year</b>	<b>Salary, Consulting Fee, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of Perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Livio Susin, President, CEO, CFO	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Peter Hughes Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Scott Reeves Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

#### **Stock Options and Other Compensation Securities**

No compensation securities were granted or issued to any NEO and director during the most recently completed financial year ended November 30, 2020.

#### **Exercise of Compensation Securities by Directors and NEOs**

No NEO or director of the Company has exercised a compensation security during the most recently completed fiscal year ended November 30, 2020.

#### **Stock Option Plans and Other Incentive Plans**

The Company was a CPC during the year ended November 30, 2020. Accordingly, except for the stock option grants which occurred in connection with the Company's initial public offering, no compensation was paid by the Company to the NEO or the directors in their capacity as executive officers of the Company, in their capacity as members of the Board, or as consultants or experts during the Company's most recently completed financial year. The stock options issued to the NEOs and directors of the Company were issued pursuant to the Company's shareholder approved, rolling 10% stock option plan which is being presented for re-approval at this year's shareholder meeting. Please see "*Business of the Meeting - Approval of Stock Option Plan*" for specific details concerning the Plan.

#### **Employment, Consulting and Management Agreements**

During the financial year ended November 30, 2020, the Company did not enter into any employment, consulting and/or management agreements.

#### **Oversight and Description of Director and Named Executive Officer Compensation**

The determination of director and NEO compensation and how and when such compensation is to be determined is subject to the consideration of the Board, as disclosed in more detail below under "Corporate Governance".

During the financial year ended November 30, 2020, the Company did not provide any compensation to its NEO and directors.

### **Pension Benefits**

The Company does not provide any pension benefits to its NEOs or directors.

## **AUDIT COMMITTEE**

### **Audit Committee Charter**

The charter for the Audit Committee of the Company's Board is attached to this Circular as Schedule "B".

### **Audit Committee Members**

Livio Susin, Peter Hughes and Scott Reeves are the members of the Audit Committee. Mr. Hughes and Mr. Scott are considered by the Board to be "independent" and all three of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### **Relevant Education and Experience**

All of the Audit Committee members are persons with varying experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, internal controls and procedures necessary for financial reporting, which has been garnered from working in their individual fields of endeavour.

#### ***Livio Susin, Director***

Mr. Susin attended the British Columbia Institute of Technology, with a degree in Business Administration. He has been active in public markets for over 40 years having been on the boards of numerous public companies. Activities included being a co-founder of mining companies, early-stage start-ups, exploration financing, all aspects of corporate governance, regulatory details and project management. Locations including Canada, USA, Italy and Chile.

#### ***Peter Hughes, Director***

Mr. Hughes has 35 years' business experience including senior-level executive and director positions in both private and public companies specializing in pharmaceuticals, alternative energy, mining, aquaculture, food/nutrition and sports technology. Mr. Hughes is a graduate of the University of British Columbia with a Bachelors' degree in Science, Canadian Securities Course and Director's and Officer's Course. Mr. Hughes currently serves on the Board of four public companies in Canada and has many years' experience on independent committees including; audit, corporate governance and compensation committees.

#### ***Scott Reeves, Director***

Mr. Reeves has been a partner at the law firm TingleMerrett LLP, a corporate boutique firm in Calgary, Alberta since 2003. Prior thereto, he had been a lawyer with Bennett Jones LLP. Mr. Reeves specializes in advising emerging and mid-market companies on corporate/commercial and securities law related matters, including corporate finance and M&A transactions.

Mr. Reeves holds a Bachelor of Laws degree from the University of Alberta and is a member of the Law Society

of Alberta.

### **Pre-Approved Policies and Procedures for Non-audit Services**

The Company's Audit Committee Charter provides that the Audit Committee pre-approve all non-audit services to be provided to the Company by our external auditor.

### **External Auditor Service Fees**

The table that follows sets out the aggregate fees billed by our external auditor, MNP LLP, Chartered Accountants, for services rendered to the Company during the financial years ended November 30, 2020 and November 30, 2019.

	<b>Fiscal period ended November 30, 2020</b>	<b>Fiscal period ended November 30, 2019</b>
Audit Fees .....	\$8,947.54	\$11,159.51
Non-Audit .....	\$nil	\$nil
Related Fees		
Tax Fees .....	\$nil	\$nil
Other .....	\$nil	\$nil

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed fiscal year ended November 30, 2020, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### **Reliance on Exemptions and Exemptive Relief**

As the Company is a “venture issuer” pursuant to relevant securities legislation, we are relying on the exemption in Section 6.1 of National Instrument 52-110 — *Audit Committees* (“NI 52-110”) from the Audit Committee composition requirements of Part 3 and the reporting obligations of Part 5 of NI 52-110.

At no time since the commencement of the Company's most recently completed fiscal year ended November 30, 2020, has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-Audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

## **CORPORATE GOVERNANCE**

As a Capital Pool Company pursuant to the policies of the Exchange, the Company has been in the process of identifying a business or assets to define its operations going forward. The Company’s corporate governance policies will be developed and refined after it completes a Qualifying Transaction.

### **Composition of Board of Directors**

The Board of the Company facilitates its exercise of independent supervision over management by ensuring that there are directors on the Board who are independent of management. The Board, at present, is comprised of three directors, three of whom, Livio Susin, Peter Hughes and Richard Steed are considered to be independent of management. In determining whether a director is independent, the Board considers applicable

securities legislation and stock exchange policies. On this basis, Livio Susin, as President, Chief Executive Officer, Chief Financial Officer, Secretary and Director is not considered to be independent. Assuming all management nominees are appointed directors of the Company at the Meeting, the Board will be comprised of three directors, each of whom would be considered independent of management on the date hereof.

Board consideration and approval is required for all material contracts, business transactions and all debt and equity financing proposals. The Board delegates to management, through the President, Chief Executive Officer, Chief Financial Officer and Secretary, responsibility for meeting corporate objectives.

The directors believe that, at this early stage of the Company's development, the current composition of the Board adequately facilitates its exercise of independent supervision over management. The Board anticipates that, as the Company matures as a business enterprise, it will identify and may add additional qualified candidates that have experience relevant to the Company's needs at such time.

### **Directorships**

The following directors of the Corporation presently serve as directors of other reporting issuers (all of which are in Canada):

Name of Director, Officer or Promoter	Name of Reporting Issuer
Livio Susin	N/A
Peter Hughes	SIQ Mountain Industries Inc. (TSXV) Gourmet Ocean Products Inc. (TSXV) Kelso Technologies Inc. (TSX)
Scott Reeves	Tree of Knowledge International Corp. (CSE) Radiko Holdings Corp. (CSE) Centaurus Energy Inc. (TSXV) CanadaBis Capital Inc. (TSXV) Eastwest Bioscience Inc. (TSXV) Starrex International Ltd. (CSE)

### **Orientation and Continuing Education**

Given that the Company is a Capital Pool Company pursuant to the policies of the Exchange and does not have, as yet, business operations, as well as the fact that the current directors have prior experience from serving as directors of other public companies, the Company has not yet developed an official orientation or training program for new directors. As may be required in the future, new directors will have the opportunity to become familiar with the Company by meeting with the Board and with management. It is proposed that orientation activities, as required, will be tailored to the particular needs and experience of each director and the overall needs of the Board in the future.

### **Ethical Business Conduct**

The Board monitors the ethical business conduct of the Company. The Board believes that the fiduciary duties

placed on individual directors by our governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, are currently sufficient to promote a culture of ethical business conduct.

### **Nomination of Directors**

As the Company progresses as a business enterprise, the Board plans to consider corporate objectives each year when it considers the number of directors to recommend to its shareholders for election at annual general meetings, taking into account the number required to carry out the Board's duties effectively and to maintain diversity of view and experience. The Board has not, as yet, appointed a nominating committee and these functions are expected, in the near term, be performed by the Board as a whole.

### **Compensation**

Since its incorporation and in accordance with Exchange Policy 2.4, the Company has not awarded any compensation to any of its executive officers, other than grants of incentive stock options pursuant to the Stock Option Plan. Going forward, the Board, or a committee of the Board, will be responsible for determining all forms of compensation to be awarded to our executive officers and to the directors, and for reviewing such arrangements to reflect the responsibilities, risks and objectives associated with each position.

### **Committees of the Board of Directors**

As of the date of this Circular, our Board has appointed only one committee, the Audit Committee. *See: Audit Committee.*

### **Assessments**

Given that the Company is a Capital Pool Company, the Board does not presently formally review the contributions of individual directors; however, it believes that its current size facilitates informal discussion and evaluation of members' contributions within that framework.

## **INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth herein (including with respect to the Option Plan Amending Resolution, the Qualifying Transaction Timeframe Resolution and the Escrow Agreement Amending Resolution) or as previously disclosed, the Company is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, or any shareholder holding more than 10% of the voting rights attached to the Common Shares or an associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Company which has or will materially affect the Company. There are potential conflicts of interest to which the directors and officers of the Company will be subject in connection with the operations of the Company. In particular, certain of the directors and officers of the Company are involved in managerial and/or director positions with other companies whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company. Conflicts, if any, will be subject to the procedures and remedies available under the *Business Corporations Act* (Alberta) (the "ABCA"). The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

During the most recently completed financial year, no director, executive officer, employee, promoter,

member of management, nominee for election as director of the Company, or any of their associates or affiliates, is or has been indebted to the Company.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). A copy of this Circular is available to anyone, upon request, from Scott Reeves, a director of the Company at c/o TingleMerrett LLP, 1250, 639 – 5 Avenue SW Calgary, AB T2P 0M9. All financial information in respect of the Company is provided in the comparative financial statements and management discussion and analysis for its recently completed financial year.

#### **APPROVAL OF THE BOARD OF DIRECTORS**

This Circular and the mailing of same to Shareholders have been approved by the Board.

DATED the 17<sup>th</sup> day of May, 2021.

#### **BY ORDER OF THE BOARD OF DIRECTORS,**

*Livio Susin*  
President, Chief Executive Officer,  
Chief Financial Officer, Secretary and a Director

**SCHEDULE "A"**  
**STOCK OPTION PLAN**  
**NAVION CAPITAL INC.**

**1. PURPOSE**

The purpose of the Stock Option Plan (the "**Plan**") of Navion Capital Inc., a corporation incorporated under the *Business Corporations Act* (Alberta) (the "**Company**") is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Company (the "**Shares**"), thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

**2. ADMINISTRATION**

The Plan shall be administered by the Board of Directors of the Company or by a special committee of the directors appointed from time to time by the Board of Directors of the Company pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Company, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Company and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

**3. STOCK EXCHANGE RULES**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares are then listed and any other regulatory body having jurisdiction (hereinafter collectively referred to as, the "**Exchange**").

Without limiting the generality of the foregoing, during such period as the Shares are listed for trading on the Exchange:

- a) the Exchange Hold Period (as defined in the policies of the Exchange) will apply to all options granted to Insiders of the Company (as defined in the policies of the Exchange) and to all options granted at a discount to the Market Price (as defined in the policies of the Exchange); and
- b) any acceleration or removal of required Exchange vesting provisions are subject to the prior written approval of the Exchange.

**4. SHARES SUBJECT TO PLAN**

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Company's authorized but unissued common shares. The aggregate number of Shares

issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Company from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

## **5. MAINTENANCE OF SUFFICIENT CAPITAL**

The Company shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

## **6. ELIGIBILITY AND PARTICIPATION**

Directors, officers, consultants, and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Company or Management Company Employees, the option agreements to which they are party must contain a representation of the Company that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Company or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

## **7. EXERCISE PRICE**

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. Without limiting the generality of the foregoing, prior to the completion of the Company’s Qualifying Transaction the exercise price shall in no event be less than the greater of the offering price per share under the Company’s initial public offering and the Discounted Market Price (as defined in Exchange policies).
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months.
- (c) have elapsed since the later of the date of the commencement of the term, the date the Company’s shares commenced trading or the date the exercise price was reduced. In the case of options held by insiders of the Company (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

## **8. NUMBER OF OPTIONED SHARES**

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equaling more than 5% of the issued common shares of the Company in any twelve-month period unless the Company has

obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve-month period to any one consultant of the Company (or any of its subsidiaries).
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve month period to persons employed to provide investor relation activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3 month period.
- (e) The aggregate number of options granted and outstanding to Eligible Charitable Organizations (as defined in the policies of the Exchange) must not at any time exceed 1% of the issued Shares of the Company, as calculated immediately subsequent to the grant of any options to Eligible Charitable Organizations, and any such options must expire after the earlier of (i) ten years from the date of grant; and (ii) ninety days after the optionee ceases to be an Eligible Charitable Organizations.

## **9. DURATION OF OPTION**

- (a) Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange, being 10 years for the TSX Venture Exchange.
- (b) Subject to compliance with Exchange Policy 4.4, the expiry date of an option granted hereunder will be automatically extended if such expiry date falls within a blackout period during which the Company prohibits optionees from exercising their options. Such automatic extension shall in no event exceed 10 business days following the end of such blackout period.

## **10. OPTION PERIOD, CONSIDERATION AND PAYMENT**

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Company or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Company.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Company or any of its subsidiaries, or a Management Company Employee of the Company or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares

with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Company unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan; provided, however, that until the completion of the Company's Qualifying Transaction, no Option granted pursuant to this plan may be granted unless the Participant first enters into an escrow agreement with the Company agreeing to deposit the Options, and the Common Shares acquired pursuant to the exercise of such Options, into escrow until completion of the Company's Qualifying Transaction (as such term is defined in the policies of the Exchange) and in accordance with the terms of the escrow agreement and the policies of the Exchange.

#### **11. CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE**

- (a) Subject to subsection (b), if a Participant shall cease to be a director, officer, consultant, employee of the Company, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Company.
- (b) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon completion of the Company's Qualifying Transaction (as such terms are defined in the policies of the Exchange), the options granted hereunder must be exercised by the Participant within the later of 12 months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.
- (c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Company or of any of its subsidiaries or affiliates.

#### **12. DEATH OF PARTICIPANT**

Notwithstanding section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

#### **13. RIGHTS OF OPTIONEE**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Company in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

#### **14. PROCEEDS FROM SALE OF SHARES**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Company and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

#### **15. ADJUSTMENTS**

If the outstanding common shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

## **16. TRANSFERABILITY**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

## **17. AMENDMENT AND TERMINATION OF PLAN**

Subject to the policies, rules and regulations of any lawful authority having jurisdiction (including any exchange on which the Shares are listed for trading), the Board may at any time, without further action by the shareholders, amend the Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate the Plan. The Board may not, however, without the consent of the option holder, alter or impair any of the rights or obligations under any option theretofore granted.

## **18. NECESSARY APPROVALS**

The ability of a Participant to exercise options and the obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Company and any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Shares shall terminate and any option exercise price paid to the Company will be returned to the Participant.

## **19. WITHHOLDING TAXES**

The Company's obligation to deliver Shares issuable on the exercise of an option shall be subject to a Participant's satisfaction of all applicable income, employment and non-resident withholding tax obligations. Without limiting the generality of the foregoing, if the Company determines in its sole discretion that under the requirements of applicable taxation laws or regulations of any governmental authority whatsoever it is obliged to withhold for remittance to a taxing authority any amount upon exercise of an option, the Company may take any steps it considers necessary or appropriate in the circumstances to withhold in connection with any option or other benefit under the Plan including, without limiting the generality of the foregoing:

- (a) requiring the Participant exercising the option to pay the Company, in the same manner as the exercise price for the Shares issuable on exercise of an option, such amount as the Company is obliged to remit to such taxing authority in respect of the exercise of the option, with any such additional payment, in any event, being due no later than the date as of which any amount with respect to the option exercised first becomes included in the gross income of the Participant for tax purposes; or
- (b) issuing the Shares issuable on the exercise of an option to an agent on behalf of the Participant and directing the agent to sell a sufficient number of such Shares on behalf of the Participant to satisfy the

amount of any such withholding obligation, with the agent paying the proceeds of any such sale to the Company for this purpose;

to the extent permitted by law, deducting the amount of any such withholding obligation from any payment of any kind otherwise due to the Participant.

**20. EFFECTIVE DATE OF PLAN**

The Plan shall be effective as of June 22, 2021, subject to the approval by shareholders of the Company at an annual general meeting and acceptance by the Exchange.

**21. INTERPRETATION**

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

**SCHEDULE "B"**  
**AUDIT COMMITTEE CHARTER**

**NAVION CAPITAL INC.**  
(the "Corporation")

1. **Establishment of Audit Committee:** The directors of the Corporation (the "Directors") have established an audit committee (the "Audit Committee").
2. **Membership:** The membership of the Audit Committee shall be as follows:
  - (a) The Audit Committee shall be composed of three members or such greater number as the Directors may from time to time determine.
  - (b) The majority of the members of the Audit Committee shall be independent Directors and not less than one-quarter (1/4) of the members shall be Canadian residents.
  - (c) Each member of the Audit Committee shall be financially literate. For purposes hereof "financially literate" has the meaning set forth under NI 52-110 (as amended from time to time) and currently means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation's financial statements.
  - (d) Members shall be appointed annually from among members of the Directors. A member of the Audit Committee shall *ipso facto* cease to be a member of the Audit Committee upon ceasing to be a Director of the Corporation.
3. **Oversight Responsibility:** The external auditor is ultimately accountable to the Directors and the Audit Committee, as representatives of the shareholders and such shareholders representatives have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the external auditors (or to nominate the external auditors to be proposed for shareholder approval in any management information circular and proxy statement). The external auditor shall report directly to the Audit Committee and shall have the responsibilities as set forth herein.
4. **Mandate:** The Audit Committee shall have responsibility for overseeing:
  - (a) the accounting and financial reporting processes of the Corporation; and
  - (b) audits of the financial statements of the Corporation.

In addition to any other duties assigned to the Audit Committee by the Directors, from time to time, the role of the Audit Committee shall include meeting with the external auditor and the senior financial management of the Corporation to review all financial statements of the Corporation which require approval by the Directors, including year end audited financial statements. Specifically, the Audit Committee shall have authority and responsibility for:

- (a) reviewing the Corporation's financial statements, MD&A and earnings press releases before the information is publicly disclosed;
- (b) overseeing the work of the external auditors engaged for purpose of preparing or issuing, an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) reviewing annually and recommending to the Directors:
  - (i) the external auditors to be nominated for purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; and
  - (ii) the compensation of the external auditors.

- (d) discussing with the external auditor:
  - (i) the scope of the audit, in particular their view of the quality of the Corporation's accounting principles as applied in the financials in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Corporation's financial disclosure and reporting, degree of conservatism or aggressiveness of the Corporation's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure and reviewed by the auditors;
  - (ii) significant changes in the Corporation's accounting principles, practices or policies; and
  - (iii) new developments in accounting principles, reporting matters or industry practices which may materially affect the Corporation.
- (e) reviewing with the external auditor and the Corporation's senior financial management the results of the annual audit regarding:
  - (i) the financial statements;
  - (ii) MD&A and related financial disclosure contained in continuous disclosure documents;
  - (iii) significant changes, if any, to the initial audit plan;
  - (iv) accounting and reporting decisions relating to significant current year events and transactions;
  - (v) the management letter, if any, outlining the auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and
  - (vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under Canadian generally accepted auditing standards.
- (f) reviewing and discussing with the Corporation's senior financial management and, if requested by the Audit Committee, the external auditor:
  - (i) the interim financial statements;
  - (ii) the interim MD&A; and
  - (iii) any other material matters relating to the interim financial statements, including, inter alia, any significant adjustments, management judgments or estimates, new or amended accounting policies.
- (g) receipt from external auditor of a formal written statement delineating all relationships between the auditor and the Corporation and considering whether the advisory services performed by the external auditor during the course of the year have impacted their independence, and also ensuring that no relationship or services between ) the external auditor and the Corporation is in existence which may affect the objectivity and independence of the auditor or recommending appropriate action to ensure the independence of the external auditor.
- (h) pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditors or the external auditors of the Corporation's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit committee.
- (i) reviewing and discussing with the external auditors and senior financial management: the adequacy of procedures for review of disclosure of financial information extracted or derived from financial statements, other than the disclosure referred to in subparagraph (a) above.

- (j) establishing and reviewing of procedures for:
  - (i) receipt, retention and treatment of complaints received by the Corporation and its subsidiary entities regarding internal accounting controls, or auditing matters;
  - (ii) anonymous submission by employees of the Corporation and its subsidiary entities of concerns regarding questionable accounting or auditing matters; and
  - (iii) hiring policies regarding employees and former employees of present and former external auditors of the Corporation and its subsidiary entities.
- (k) reviewing with the external auditor, the adequacy of management's internal control over financial reporting relating to financial information and management information systems and inquiring of management and the external auditor about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements, and inquiring of the external auditor as to the efforts of management to mitigate such risks and exposures.
- (l) reviewing and/or considering that, with regard to the previous fiscal year,
  - management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;
  - the external auditors and the Audit Committee have discussed the external auditors' judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's financial statements;
  - the Audit Committee, on its own (without management or the external auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and
  - in reliance on review and discussions conducted with senior financial management and the external auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects and that the financial statements fairly reflect the financial condition of the Corporation.

**5. Administrative Matters:** The following general provisions shall have application to the Audit Committee:

- (a) A quorum of the Audit Committee shall be the attendance of a majority of the members thereof, provided that at least one member in attendance is a Canadian resident. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all the members of the Audit Committee.
- (b) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Directors of the Corporation. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of shareholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed.
- (c) The Audit Committee may invite such Directors, directors, officers and employees of the Corporation or affiliates thereof as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee. The external auditors are to appear before the Audit Committee when requested to do so by the Audit Committee.

- (d) The time and place for the Audit Committee meetings, the calling and the procedure at such meetings shall be determined by the Audit Committee having regard to the Articles and By-Laws of the Corporation.
- (e) The Chair shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chair, the other members of the Audit Committee shall appoint a representative amongst them to act as Chair for that particular meeting.
- (f) Notice of meetings of the Audit Committee may be given to the external auditors and shall be given in respect of meetings relating to the annual audited financial statements. The external auditors have the right to appear before and to be heard at any meeting of the Audit Committee. Upon the request of the external auditors, the Chair of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditors believe should be brought to the attention of the Directors or shareholders of the Corporation.
- (g) The Audit Committee shall report to the Directors of the Corporation on such matters and questions relating to the financial position of the Corporation or any affiliates of the Corporation as the Directors of the Corporation may from time to time refer to the Audit Committee.
- (h) The members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Corporation with the Directors, directors, officers, employees and external auditors of the Corporation and its affiliates.
- (i) Minutes of the Audit Committee meetings shall be recorded and maintained. The Chair of the Audit Committee will report to the Directors on the activities of the Audit Committee and/or the minutes of the Audit Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of Directors.
- (j) The Audit Committee shall have the authority to:
  - (i) engage independent counsel and other advisors or consultants as it determines necessary to carry out its duties;
  - (ii) set and pay the compensation for any advisors employed by the Audit Committee; and
  - (iii) communicate directly with the internal (if any) and external auditors and qualified reserves evaluators or auditors.

