

NAVION CAPITAL INC.

Condensed Interim Financial Statements
For the 9 Months Ended August 31, 2022
Unaudited

(Expressed in Canadian Dollars)

**MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING
CONDENSED INTERIM FINANCIAL REPORTING**

The accompanying condensed interim financial statements of Navion Capital Inc. (“the Company”) have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”). Management acknowledges responsibility for the preparation and presentation of the condensed interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances.

NAVION CAPITAL INC.Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	August 31, 2022	November 30, 2021
Assets			
Current			
Cash		\$ 11,730	\$ 51,922
Total assets		\$ 11,730	\$ 51,922
Liabilities			
Current			
Accounts payable		\$ 20,294	\$ 31,788
Current liabilities		20,294	31,788
Shareholders' equity			
Share capital	3	202,961	202,961
Reserves		40,592	40,592
Deficit		(252,117)	(223,419)
Total shareholders' equity (deficit)		(8,564)	20,134
Total liabilities and shareholders' equity (deficit)		\$ 11,730	\$ 51,922

Nature and continuance of operations (Note 1)

On behalf of the Board on October 27, 2022:

"Peter Hughes" Director

"Livio Susin" Director

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

NAVION CAPITAL INC.

Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)
For the 3 and 9 Months Ended

	Three Months Ended August 31, 2022	Three Months Ended August 31, 2021	Nine Months Ended August 31, 2022	Nine Months Ended August 31, 2021
Expenses				
Office expenses	\$ 434	\$ -	\$ 834	\$ 275
Regulatory & investor communications	951	2,068	8,521	7,258
Professional fees	3,633	7,590	19,343	31,866
Loss and comprehensive loss	\$ (5,018)	\$ (9,658)	\$ (28,698)	\$ (39,399)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	2,000,000	2,000,000	2,000,000	2,000,000

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NAVION CAPITAL INC.

Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)

For the period from November 30, 2020 to August 31, 2022

(Unaudited - Expressed in Canadian Dollars)

	Number	Amount	Reserve	Deficit	Total
Balance, November 30, 2020	4,000,000	\$ 202,961	\$ 40,592	\$ (169,123)	\$ 74,430
Net loss for the period	-	-	-	(29,741)	(29,741)
Balance, August 31, 2021	4,000,000	\$ 202,961	\$ 40,592	\$ (208,522)	\$ 35,031
Net loss for the period	-	-	-	(14,897)	(14,897)
Balance, November 30, 2021	4,000,000	\$ 202,961	\$ 40,592	\$ (223,419)	\$ 20,134
Net loss for the period	-	-	-	(28,698)	(28,698)
Balance, August 31, 2022	4,000,000	\$ 202,961	\$ 40,592	\$ (252,117)	\$ (8,564)

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

NAVION CAPITAL INC.

Condensed Interim Statement of Cash Flows
(Unaudited - Expressed in Canadian Dollars)
For the 9 Months Ended

	August 31, 2022	August 31, 2021
Cash flows from operating activities		
Loss for the period	\$ (28,698)	\$ (39,399)
Changes in non-cash working capital balances:		
(Decrease) Increase in accounts payable	(11,494)	10,992
Net cash used in operating activities	(40,192)	(28,407)
Decrease in cash during the period	(40,192)	(28,407)
Cash, beginning of period	51,922	83,253
Cash, end of period	\$ 11,730	\$ 54,846

There were no non-cash financing or investing activities for the nine months ended August 31, 2022 or August 31, 2021.

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

NAVION CAPITAL INC.

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Navion Capital Inc. (the "Company") was incorporated under the Business Corporations Act (Alberta) on October 18, 2017. The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT").

In May, 2018, the Company completed its initial public offering (the "IPO") of 2,000,000 common shares at a price of \$0.10 per common share and filed for listing as a Capital Pool Company on the TSX Venture Exchange (the "TSX-V"). The common shares of the Company commenced trading on May 23, 2018 under the trading symbol NAVN.P.

On August 17, 2018 the Company signed a letter of intent ("LOI") with Hollyweed North Cannabis Inc. ("Hollyweed") and on April 1, 2020, the Company terminated its agreement with Hollyweed. On April 23, 2020, the Company signed a LOI with Daizee Diapers Corp. ("Daizee"), and on June 3, 2021, the Company terminated its agreement with Daizee.

At the Annual and Special Meeting of Shareholders on June 22, 2021, the Shareholders approved amendments in accordance with the new TSX Venture Exchange Capital Pool Company policy. Updated agreements include changes to the Company's Stock Option Plan and its Escrow agreement; removal of certain consequences of not completing its Qualifying Transaction ("QT") within the previous 24 month time limit; and permitting payment of a finder's fee to a Non-arms length person in connection with a QT.

On August 4, 2022 the Company entered into a binding definitive agreement (the "Definitive Agreement") with NOA Lithium Brines S.A. ("NOA"), with regard to the acquisition by the Company of all of the issued and outstanding securities of NOA (the "Transaction"). The Definitive Agreement between the Company and NOA includes representations, warranties, covenants and conditions typical for a transaction of this nature. The Transaction is subject to, among other things, receipt of all applicable shareholder and regulatory approvals, the final approval of the TSXV and the satisfaction of various condition precedents and customary closing conditions.

Pursuant to the Definitive Agreement, the Company will acquire all of the issued and outstanding securities of NOA ("Company Shares") at a deemed price of \$0.10 per share, which is expected to be completed by way of a share exchange (the "Share Exchange") of Company Shares as follows: 55,000,000 NOA Shares and 55,000,000 NOA Unit Warrants will be exchanged for securities with the same economic terms, subject to adjustments, in the Resulting Issuer.

In connection with the Transaction, the parties anticipate completing a brokered and/or non-brokered private placement of between 20,000,000 and 30,000,000 subscription receipts of NOA (the "NOA Subscription Receipts") at a price of CDN \$0.25 per NOA Subscription Receipt, subject to market conditions, for aggregate gross proceeds of between CDN \$5,000,000 and CDN \$7,500,000. Each NOA Subscription Receipt is anticipated to be comprised of one NOA Share and one NOA share purchase warrant (the "NOA Subscription Receipt Warrant"), with each NOA Subscription Receipt Warrant being exercisable at a price of CDN \$0.50 at any time with twenty-four (24) from the date of issuance (the "NOA Subscription Receipt Financing"). Upon completion of the Transaction and satisfaction of the escrow release conditions in accordance with the terms of a subscription receipt agreement, and without any further action on the part of the holder or payment of any additional consideration, each NOA Subscription Receipt will automatically convert and be exchanged for one Resulting Issuer Share and one Resulting Issuer share purchase warrant with the same economic terms as set forth above, subject to adjustments.

NAVION CAPITAL INC.

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Unaudited - Expressed in Canadian Dollars)

In connection with the NOA Subscription Receipt Financing, it is anticipated that compensation may be provided (i) as a cash commission to be negotiated on a percentage of the aggregate gross proceeds raised under the NOA Subscription Receipt Financing, and/or (ii) the issuance of such number of broker warrants of NOA (each, a "NOA Broker Warrant") to be negotiated on the basis of the number of NOA Subscription Receipts issued pursuant to the NOA Subscription Receipt Financing. Upon completion of the Transaction, the NOA Broker Warrants will be exchanged for broker warrants of the Resulting Issuer (the "Resulting Issuer Broker Warrants").

In connection with the NOA Subscription Receipt Financing, it is anticipated that certain finders may receive a cash commission to be negotiated on a percentage of the aggregate gross proceeds raised and/or a number of securities to be negotiated on the basis of the number of NOA Subscription Receipts issued pursuant to the NOA Subscription Receipt Financing.

Concurrently with the NOA Subscription Receipt Financing, the Company anticipates completing a non-brokered private placement of up to 1,500,000 subscription receipt (the "Company Subscription Receipt Financing") of the Company (each, a "Company Subscription Receipt") at a price of CDN \$0.10 per Company Subscription Receipt for aggregate proceeds of up to CDN \$150,000, with each Company Subscription Receipt consisting of one Company Share and one common share purchase warrant ("Company Subscription Receipt Warrant") of the Company. Each Company Subscription Receipt Warrant is exercisable into one Company Share at a price of CDN \$0.20 at anytime within 24 months from the date of issuance. Upon completion of the Transaction and satisfaction of the escrow release conditions in accordance with the terms of a subscription receipt agreement, and without any further action on the part of the holder or payment of any additional consideration, each Company Subscription Receipt will automatically convert and be exchanged for one Resulting Issuer Share and one Resulting Issuer share purchase warrant with the same economic terms as set forth above, subject to adjustments.

The Company's ability to continue as a going concern is dependent upon its ability to complete its QT, to continue raising equity financing, to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of interest. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statement of loss and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not be appropriate.

As at August 31, 2022, the Company has a cumulative deficit of \$252,117 (2021 - \$208,522) and a working capital deficit of \$8,564 (2021 – working capital of \$35,031). There can be no assurance that a viable business opportunity that can be adequately financed will be identified and available to the Company. Additional equity and/or debt financing is subject to the global financial markets and prevailing economic conditions, which have recently been volatile and distressed. These factors will likely make it more challenging to obtain financing for the Company going forward. These matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The registered office of the Company is located at 639 – 5th Avenue S.W., Suite 1250, Calgary, Alberta, Canada T2P 0M9. The Company does not have any subsidiaries.

NAVION CAPITAL INC.

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements should be read in conjunction with the Company’s financial statements for the year ended November 30, 2021, which include information necessary or useful to understanding the Company’s business and financial statement presentation.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. Additionally, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements of Navion Capital Inc. for the period ended August 31, 2022 were approved and authorized for issue by the Board of Directors on October 27, 2022.

Standards issued but not yet effective

The Company has not yet applied certain new standards, interpretations or amendments to standards that have been issued as at August 31, 2022 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations and intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material, unless otherwise stated.

NAVION CAPITAL INC.

Notes to the Condensed Interim Financial Statements

August 31, 2022

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3. SHARE CAPITAL

(a) Authorized share capital:

As at August 31, 2022, the authorized share capital of the Company was as follows:

- an unlimited number of Class A common shares, of which there are 4,000,000 Class A common shares outstanding. Class A common shares are entitled to one vote per Class A common share, shall be entitled to receive and participate in any dividends declared, subject to the rights of the holders of the preferred shares.
- An unlimited number of Class B common shares, of which none are issued and outstanding. Class B shares are not entitled to voting rights and may receive dividends after preferred shares and Class A common shares; and
- An unlimited number of preferred shares without par value, of which none are issued and outstanding. Preferred shares may be issued from time to time in one or more series having the rights, privileges, restrictions and conditions which the board of directors determines prior to the issue. Preferred shares rank prior to the commons shares with respects to the payment of dividends.

As at August 31, 2022, 2,000,000 Class A common shares are held in escrow.

(b) Stock options

There was no stock option activity during the periods ended August 31, 2022 or August 31, 2021. A summary of stock option activity for the years ended November 30, 2021 and November 30, 2020 is as follows:

	Year ended November 30, 2021		Year ended November 30, 2020	
	Number of options	Weighted avg. exercise price	Number of options	Weighted avg. exercise price
Outstanding, beginning of the year	400,000	\$ 0.10	600,000	\$ 0.10
Granted	-	\$ -	-	\$ -
Exercised	-	\$ -	-	\$ -
Expired	-	\$ -	(200,000)	\$ 0.10
Outstanding, end of year	400,000	\$ 0.10	400,000	\$ 0.10
Exercisable, end of year	400,000	\$ 0.10	400,000	\$ 0.10

At August 31, 2022, the weighted average remaining contractual life of the outstanding options is 0.71 years.

At August 31, 2022, there were 400,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held. The options have an exercise price of \$0.10 and expire on May 18, 2023.

NAVION CAPITAL INC.

Notes to the Condensed Interim Financial Statements

August 31, 2022

(Unaudited - Expressed in Canadian Dollars)

4. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes certain executive directors, and entities controlled by such persons.

For the nine months ended August 31, 2022, the Company incurred professional fees of \$1,779 (2021 - \$19,055) from a company of which a director is a partner.

5. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

6. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

At August 31, 2022, the Company's financial instruments consist of cash and due to related party. The fair value of cash is based on level 1 inputs of the fair value hierarchy. The fair value of accounts payables and accrued liabilities approximates its carrying values due to the relatively short-term to maturity.

The Company is exposed to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at August 31, 2022, the Company had cash of \$16,644 (2021 - \$70,582) and due to related party of \$12,690 (2021 - \$12,315).

Interest rate risk

The Company has cash balances and is not exposed to any significant interest rate risk.