

Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Item 1 – Security and Reporting Issuer

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

The designation of securities to which this report relates is common shares ("Common Shares") in the capital of NXT Energy Solutions Inc. (the "Issuer").

The Issuer's head office is located at:

Suite 302
3320 - 17th Avenue SW
Calgary, Alberta
T3E 0B4

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

The occurrence giving rise to this report is the disposition of Common Shares by way of private agreement (and not through the facilities of the Toronto Stock Exchange or the OTCQB Venture Marketplace, being the two exchanges upon which the Common Shares are currently listed).

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Alberta Green Ventures Limited Partnership ("AGV LP" or the "acquiror") a limited partnership established under the laws of Alberta whose principal business is venture capital investment in technology and natural resources.

AGV LP's head office is located at:

1600 421- 7th Avenue SW
Calgary, Alberta
T2P 4K9

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

On November 15, 2019, AGV LP sold and disposed ownership of 2,230,000 Common Shares, at price of CDN\$0.30 per Common Share, such Common Shares being acquired by the Issuer for cancellation pursuant to a targeted issuer bid (the "**Targeted Issuer Bid**"). In connection with the Targeted Issuer Bid, AGV LP and the Issuer

agreed that the 3,421,646 Common Share purchase warrants ("**Warrants**") of the Issuer held by AGV LP expired as of October 31, 2019.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

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

On November 15, 2019, pursuant to the Targeted Issuer Bid, AGV LP sold and disposed ownership of 2,230,000 Common Shares at a price of CDN\$0.30 per Common Share and agreed that the 3,421,646 Warrants held by AGV LP expired as of October 31, 2019. As a result, AGV LP now owns a total of 8,034,946 Common Shares and 0 Warrants, representing approximately 12.11% of the Issuer's 66,343,558 outstanding Common Shares (after cancellation of the 2,230,000 Common Shares sold by AGV LP pursuant to the Targeted Issuer Bid).

Prior to Targeted Issuer Bid, AGV LP held 10,264,946 Common Shares and 3,421,646 Warrants representing approximately 19.96% of the Issuer's then outstanding Common Shares (including the Common Shares issuable upon exercise of the Warrants).

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

Please see paragraph 3.1 above.

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

Not applicable.

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

Please see paragraph 3.1 above.

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

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

Please see paragraph 3.1 above.

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

Not applicable.

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

Not applicable.

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

AGV LP and the Issuer have entered into a lending arrangement whereby the Issuer loaned to AGV LP US\$250,000.00, as evidenced by a promissory note dated September 6, 2019 (the "**Promissory Note**"). Pursuant to the terms of the Promissory Note, the Issuer may, in its sole and absolute discretion, elect to receive payment(s) by way of (i) wire transfer or other immediately available funds, or (ii) delivery for cancellation of Common Shares, such number of Common Shares to be determined in using the five-day volume weighted average price of the Common Shares on the Toronto Stock Exchange at the date of repayment, such date being on or before December 15, 2019 (the "**Loan Repayment**").

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

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104 (as defined below).

Not applicable.

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

Please see paragraph 3.6 above.

Item 4 – Consideration Paid

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

In consideration for the 2,230,000 Common Shares sold by AGV LP pursuant to the Targeted Issuer Bid, the Issuer paid CDN\$0.30 per Common Share to the AGV LP, for a total consideration of CDN\$669,000.00.

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

Please see paragraph 4.1 above. The purchase price of CDN\$0.30 per Common Share represented a discount of approximately 22.88% relative to the market price of approximately CDN\$0.389 per Common Share (calculated in accordance with section 1.11(1)(a) of NI 62-104).

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

Not applicable.

Item 5 – Purpose of the Transaction

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

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

AGV LP disposed of the Common Shares and agreed to the expiration of the Warrants in the normal course of its investment activity, and the proceeds received in connection with the Targeted Issuer Bid provide AGV LP with the additional funds necessary to continue advancing the common objectives of AGV LP and the Issuer under the previously disclosed agreements entered into thereby, including the Co-operation Agreement dated February 18, 2019 and the Sales Representative Agreement dated February 26, 2019.

In the future, AGV LP may discuss with management and/or the board of directors of the Issuer any of the transactions listed in clauses (a) to (k) of this item 5 and it may further purchase, hold, vote, trade, dispose or otherwise deal in the securities of the Issuer, in such manner as it deems advisable to benefit from changes in market prices of the Issuer securities, publicly disclosed changes in the operations of the Issuer, its business strategy or prospects or from a material transaction of the Issuer.

In connection with the Targeted Issuer Bid, AGV LP has agreed to sell and dispose ownership of an additional 1,936,667 Common Shares to the Issuer at a price of CDN\$0.30 per Common Share, subject to receipt of all necessary regulatory approvals, including approval of the Alberta Securities Commission (please see item 8 for additional detail).

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

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

Please see paragraph 3.6 above.

Item 7 – Change in Material Fact

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

Not applicable.

Item 8 – Exemption

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

National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("NI 62-104")

The Targeted Issuer Bid constitutes an "issuer bid" as defined in section 1.1 of NI 62-104 by virtue of the fact that an offer is being made by an issuer to a person in the local jurisdiction to acquire or redeem securities of the issuer (i) for valuable consideration, (ii) not as part of an amalgamation, merger, reorganization or arrangement that requires approval in a vote of security holders, and (iii) the securities being acquired are not debt securities, and the Targeted Issuer Bid would therefore be subject to the requirements applicable to issuer bids pursuant to Part 2 of NI 62-104 unless one or more exemptions are available.

Pursuant to section 4.7 of NI 62-104, an issuer bid is exempt from Part 2 of NI 62-104 if the issuer acquires the securities from a consultant of the issuer and, if there is a published market in respect of the securities, (i) the value of the consideration paid is not greater than the market price, and (ii) the aggregate number of securities acquired by the issuer within any 12 month period in reliance on the exemption in section 4.7 does not exceed 5% of the securities of that class outstanding at the beginning of the 12-month period. As:

- (i) AGV LP constitutes a "consultant" of the Issuer as defined in section 1.1 of NI 62-104 (incorporating by reference the definition of "consultant" in section 2.22 of National Instrument 45-106 *Prospectus Exemptions*) by virtue of the relationship established between the AGV LP and the Issuer under the Sales Representative Agreement; and
- (ii) the purchase price of CDN\$0.30 per Common Share represented a discount of approximately 22.88% relative to the market price of approximately CDN\$0.389 per Common Share (calculated in accordance with section 1.11(1)(a) of NI 62-104).

the acquisition by the Issuer on November 15, 2019 of 2,230,000 Common Shares was therefore exempt from the requirements typically applicable to issuer bids pursuant to Part 2 of NI 62-104, and the Issuer may acquire up to an additional 1,200,037 Common Shares from AGV LP, in connection with the Targeted Issuer Bid, the Loan Repayment or otherwise, without being subject to the requirements typically applicable to issuer bids pursuant to Part 2 of NI 62-104. An application for exemptive relief from the requirements typically applicable to issuer bids pursuant to Part 2 of NI 62-104 has been filed with the Alberta Securities Commission with respect to the potential acquisition by the Issuer of Common Shares in excess of 1,200,037 Common Shares.

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101")

AGV LP constitutes a "related party" of the Issuer as defined in section 1.1 of MI 61-101 by virtue of the fact that AGV LP has beneficial ownership of more than 10% of the voting rights attached to all of the Issuer's outstanding voting securities. Accordingly, the Targeted Issuer Bid constitutes a "related party transaction" as defined in section 1.1 of MI 61-101 by virtue of the fact that the Issuer is acquiring an asset from a related party for valuable consideration, and would therefore be subject to the requirements applicable to related party transactions pursuant to sections 5.4 and 5.6 of MI 61-101 unless one or more exemptions are available.

Pursuant to section 5.5(a) and 5.7(a) of MI 61-101, a related party transaction is exempt from sections 5.4 and 5.6 of MI 61-101, respectively, if, at the time of the transaction, the fair market value of neither the subject matter, being the Common Shares, nor the consideration exceeds 25% of the issuer's market capitalization. As, at the time the Targeted Issuer Bid was agreed to:

- (i) the Issuer's market capitalization was approximately CDN\$26,675,114.06 (calculated in accordance with section 1.1 of MI 61-101);
- (ii) the aggregate fair market value of the Common Shares was approximately CDN\$1,620,833.46 (calculated in accordance with section 1.1 of MI 61-101), representing approximately 6.1% of the Issuer's market capitalization; and
- (iii) the total consideration received by AGV LP for the Common Shares was approximately CDN\$1,250,000.00 (including the 2,230,000 Common Shares acquired on November 15, 2019 and the additional 1,936,667 Common Shares to be acquired subject to receipt of all necessary regulatory approvals), representing approximately 4.7% of the Issuer's market capitalization; and,

the Targeted Issuer Bid is therefore exempt pursuant to the exemptions in section 5.5(a) and 5.7(a) of MI 61-101 from the requirements applicable to related party transactions pursuant to sections 5.4 and 5.6 of MI 61-101, respectively.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

November 29, 2019

"Benjamin Shani" (signed)

Benjamin Shani, Director

Alberta Green Ventures GP Inc., general partner of Alberta Green Ventures LP