

NAVION CAPITAL PROVIDES UPDATE AND ANNOUNCES EXECUTION OF DEFINITIVE AGREEMENT WITH NOA LITHIUM FOR ITS PROPOSED QUALIFYING TRANSACTION

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August 12, 2022, Calgary, Alberta – Navion Capital Inc. (TSX.V: NAVN.P) (the “**Company**” or “**Navion**”), a capital pool company listed on the TSX Venture Exchange (the “**TSXV**”), further to its press release dated June 16, 2022, is pleased to announce that it has entered into a binding definitive agreement dated August 4, 2022 (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 Transaction is intended to constitute the Company’s qualifying transaction (the “**Qualifying Transaction**”) pursuant to Policy 2.4 – *Capital Pool Companies* (“**Policy 2.4**”) of the TSXV Corporate Finance Manual (the “**TSXV Manual**”). The Transaction is subject to condition precedents in the Definitive Agreement, approval of the TSXV and other closing conditions customary for a transaction of this nature. The resulting issuer of the Transaction will carry on the business of NOA (“**Resulting Issuer**”) and it is anticipated that the common shares of the Resulting Issuer (the “**Resulting Issuer Shares**”) will be listed for trading on the TSXV.

NOA Private Financing

Prior to completion of the Share Exchange (defined below), NOA completed a non-brokered private placement of 320,327 common shares of NOA (each, a “**NOA Share**”) and 3,203,270 units of NOA (each, a “**NOA Unit**”) at a price of CDN \$0.10 per securities for gross proceeds of CDN \$320,327, as each NOA Share entitles the holder to acquire 10 NOA Units. Each NOA Unit consists of one NOA Share and one NOA Share purchase warrant (“**NOA Unit Warrant**”), which upon closing of the Transaction, each NOA Share and NOA Unit Warrant will be exchangeable into one Resulting Issuer Share, and one Resulting Issuer warrant which will be exercisable at a price of CDN \$0.20 at anytime within 24 months from the date the Resulting Issuer Shares are listed on the TSXV.

NOA’s current share structure consists of an aggregate of 5,500,000 outstanding registered non-endorsable NOA Shares and upon subscription of the NOA Shares, the NOA shareholders were also granted 55,000,000 NOA Units, as each NOA Share entitles the holder to acquire 10 NOA Units. Each NOA Unit was acquired at a price of CDN \$0.10 per NOA Unit and each NOA Unit consists of one NOA Share and one NOA Unit Warrant. The NOA Units will be issued to the NOA shareholders upon closing of the Transaction and will be exchanged for securities with the same economic terms, subject to adjustments, in the Resulting Issuer.

NOA currently has approximately CDN \$900,000 in cash on hand and its capital expenditures for the remainder of 2022 are estimated to be approximately CDN \$850,000, which it anticipates will be used to pay the annual option payments on certain properties acquired and the exploration costs of its projects.

NOA is currently preparing financial statements for the years ended December 31, 2021, 2020 and 2019 and interim financial statements for the period ended June 30, 2022 and will press release selected financial information from these financial statements, as required by the TSXV Manual, when this information becomes available.

Terms of 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.

Definitive Agreement

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.

Shareholder Meetings

If and as required, the Company will hold an annual and special meeting of its shareholders in due course (the “**Company Meeting**”) for the purposes of approving its annual meeting matters and to approve the necessary matters related to the Transaction, and NOA will also obtain shareholder approval relating to the Transaction pursuant to Argentina laws.

Conditions to the Proposed Transaction

Completion of the Transaction is subject to certain conditions precedent including, among other things:

- (a) all necessary shareholder and board approvals, requisite approval of the TSXV and all other required regulatory authorities and third party approvals to the Transaction;
- (b) each of NOA and the Company having completed the NOA Subscription Receipt Financing (defined below) and the Company Subscription Receipt Financing (defined below), respectively;
- (c) the Transaction and Name Change (defined below) shall have been approved by the shareholders at the Company Meeting;
- (d) the Transaction shall have been approved by the shareholders of NOA;
- (e) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Definitive Agreement, including, without limitation, the Share Exchange;
- (f) all the representations, warranties and covenants of each of the Company and NOA shall be true and correct in all material respects as at the closing date; and
- (g) no adverse material change shall have occurred in the business, affairs, financial condition assets or operations of the Company and NOA prior to closing.

Name Change and Resulting Issuer Shares Listed

In connection with the closing of the Transaction, it is anticipated that the Company (Resulting Issuer) will change its name to “NOA Lithium Brines Inc.” (the “**Name Change**”), or such other name as determined by NOA, subject to the approval of the Company’s shareholders, applicable regulatory authorities and the TSXV. On closing of the Transaction, it is anticipated that the Resulting Issuer Shares will be listed on the TSXV, and the Resulting Issuer will meet the TSXV’s initial listing requirements for a Tier 2 mining company.

Filing Statement

A filing statement in respect of the proposed Qualifying Transaction will be prepared and filed in accordance with Policy 2.4 of the TSXV on SEDAR at www.sedar.com prior to the closing of the Qualifying Transaction. A press release will also be issued once the filing statement has been filed as required pursuant to the TSXV Policies.

Summary of Concurrent Financings

NOA Subscription Receipt Financing

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.

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.

Company 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.

Use of Proceeds of the Concurrent Financings

The NOA Subscription Receipt Financing and the Company Subscription Receipt Financing (collectively, the “**Concurrent Financings**”) are intended to raise aggregate gross proceeds of between CDN \$5,150,000 and CDN \$7,650,000.

Net proceeds of the NOA Subscription Receipt Financing and Company Subscription Receipt Financing will be held in escrow pending completion of the Transaction.

It is anticipated that net proceeds of the Concurrent Financings will be used: (i) to fund the business plan of the Resulting Issuer; (ii) for expenses related to the Transaction; and (iii) for general corporate purposes and future working capital of the Resulting Issuer. Although the Resulting Issuer intends to use the net proceeds of the Concurrent Financings as described herein, the actual allocation of proceeds may vary from the uses set forth herein, depending on future operations or unforeseen events or opportunities.

Arm’s Length Qualifying Transaction

If completed, the Transaction will not be a Non-Arm's Length Qualifying Transaction (as defined in Policy 2.4) and would constitute the Company’s Qualifying Transaction. No Insider, Promoter or Control Person of the Company (as such terms are defined in the TSXV Manual) are also insiders of NOA. No Insider, Promoter or Control Person of the Company has any material interest in NOA prior to giving effect to the Transaction.

Sponsorship

Sponsorship of the Transaction, as the Qualifying Transaction of the Company, is required by the TSXV unless an exemption from this requirement can be obtained in accordance with the policies of the TSXV. The Company intends to apply for an exemption to the sponsorship requirement. There is no assurance that an exemption from this requirement will be obtained.

Trading Suspended

In accordance with the policies of the TSXV, trading in the Company Shares is currently suspended and will remain suspended until completion of the Transaction. The Company does not intend to apply to the TSXV for reinstatement of trading of the Company Shares at this time.

Further Information

The Company will provide further details in respect of the Transaction in due course by way of subsequent news release(s) and the Company will make available to the TSXV all information, including financial information, as may be requested or required by the TSXV.

All information contained in this news release with respect to the Company and NOA was supplied by the respective party, for inclusion herein, without independent review by the other party, and each party and its directors and officers have relied on the other party for any information concerning the other party.

The completion of the Transaction is subject to a number of conditions, including but not limited to completion of the Concurrent Financings, approval of each of the Company and NOA shareholders, regulatory and TSXV acceptance, and if applicable pursuant to TSXV Requirements, and majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

Neither the TSXV nor the TSX has in any way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

For Further Information Please Contact

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Cautionary Note Regarding Forward-Looking Statements:

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to: the entering into and the terms and conditions of the Definitive Agreement and completion of the transactions contemplated therein; the Concurrent Financings, including amounts anticipated to be raised thereunder, the use of net proceeds from the Concurrent Financings; receipt of TSXV approval; the details of any securities issuances, conversions, exchanges or cancellations; the anticipated directors, officers and insiders of the Resulting Issuer; and the closing of the Transaction. Often, but not always, forward-looking statements or information can be identified by the use of words such as "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information.

With respect to forward-looking statements and information contained herein, the Company and NOA have made numerous assumptions including among other things, assumptions about general business and economic conditions of NOA and the market in which it operates. The foregoing list of assumptions is not exhaustive.

Although management of the Company and NOA believe that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to: risks relating to the Concurrent Financings; risks relating to the receipt of all requisite approvals for the Transaction, including the approval of shareholders and the TSXV; risks associated with the business of NOA; the supply and demand for labour and other project inputs; changes in commodity prices; changes in interest and currency exchange rates; risks relating to unanticipated operational difficulties (including failure of technology or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); changes in general economic conditions or conditions in the financial markets; changes in laws; risks related to the direct and indirect impact of COVID-19 including, but not limited to, its impact on general economic conditions, the ability to obtain financing as required; and other risk factors as detailed from time to time. The Company and NOA do not undertake to update any forward-looking information, except in accordance with applicable securities laws.

NEITHER THE TSXV NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSXV) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.