Suite #1240, 1140 West Pender Street
Vancouver, British Columbia, V6E 4G1
Tel: (604) 681-8030 Fax: (604) 681-8039

INFORMATION CIRCULAR

As at May 1, 2019 unless otherwise noted

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS TO BE HELD ON JUNE 26, 2019

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of Canada Jetlines Ltd. (formerly Jet Metal Corp.) (the "**Company**") for use at the Annual General and Special Meeting (the "**Meeting**") of the Shareholders of the Company to be held at the time and place and for the purposes set forth in the Notice of Meeting and at any adjournment thereof.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed Instrument of Proxy is solicited by management of the Company ("Management"). Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company does not reimburse Shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining from their principals, authorization to execute the Instrument of Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Information Circular.

NOTICE-AND-ACCESS PROCESS

In accordance with the notice-and-access rules under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, and two exemptions granted by Corporations Canada pursuant to the subsection 151(1) and section 156 of the *Canada Business Corporations Act* ("**CBCA**"), the Company has sent its proxy-related materials to registered holders and non-objecting beneficial owners using notice-and-access and made its annual financials available to Shareholders. Therefore, although Shareholders still receive a proxy or voting instruction form (as applicable) in paper copy, this Information Circular is not physically delivered. Instead, Shareholders may access this Information Circular under the Company's profile on SEDAR at www.sedar.com or at www.envisionreports.com/jet2019. Shareholders may also access the annual audited financial statements of the Company for its fiscal year ended December 31, 2018 and related management discussion and analysis on SEDAR or at www.envisionreports.com/jet2019.

Registered holders may request paper copies of the Information Circular be sent to them by postal delivery at no cost to them. In order to receive a paper copy of the Information Circular, please call toll free within North America 1-866-962-0498 or outside North America, call 514-982-8716. Any beneficial owner who

wishes to receive a paper copy of the Information Circular should contact Broadridge Investor Communications Solutions, Canada at 1-877-907-7643. **Requests for paper copies of the Information Circular should be received by June 16, 2019 in order to receive the Information Circular in advance of the Meeting.** To obtain a paper copy of the Information Circular after the date of the Meeting, please contact 1-866-964-0492.

To obtain additional information about the Notice-and-Access process, a shareholder may contact the Company's transfer agent toll free at 1-866-964-0492.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying Instrument of Proxy are directors or officers of the Company and are nominees of Management. **A Shareholder has the right to appoint a person to attend and act for him/her on his/her behalf at the Meeting other than the persons named in the enclosed Instrument of Proxy. To exercise this right, a Shareholder should strike out the names of the persons named in the Instrument of Proxy and insert the name of his/her nominee in the blank space provided, or complete another proper form of Instrument of Proxy. The completed Instrument of Proxy should be deposited with the Company's Registrar and Transfer Agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.**

The Instrument of Proxy must be dated and be signed by the Shareholder or by his/her attorney in writing, or, if the Shareholder is a Company, it must either be under its common seal or signed by a duly authorized officer.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a Proxy either by (a) signing a Proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the Instrument of Proxy is required to be executed as set out in the notes to the Instrument of Proxy) and either depositing it at the place and within the time aforesaid or with the Chair of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the Scrutineer at the Meeting as a Shareholder present in person, whereupon such Proxy shall be deemed to have been revoked.

NON-REGISTERED HOLDERS OF COMPANY'S SHARES

Only Shareholders whose names appear in the Company's Central Securities Register (the "Registered Shareholders") or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their Common Voting Shares and Variable Voting Shares of the Company ("Voting Shares") in their own name ("Beneficial Shareholders") are advised that only proxies from Shareholders of record can be recognized and voted at the Meeting. Beneficial Shareholders who complete and return an Instrument of Proxy must indicate thereon the person (usually a brokerage house) who holds their Voting Shares as registered Shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied to Beneficial Shareholders is similar to that provided to Registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

If Voting Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Voting Shares will not be registered in such Shareholder's name on the records of the Company. Such Voting Shares will more likely be registered under the name of the Shareholder's broker or agent of that broker. In Canada, the vast majority of such Voting Shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Voting Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the Voting Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Voting Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the Instrument of Proxy provided by the Company to the Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Should a Beneficial Shareholder receive such a form and wish to vote at the Meeting, the Beneficial Shareholder should strike out the Management proxyholder's name in the form and insert the Beneficial Shareholder's name in the blank provided. The majority of brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and requests Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Voting Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Voting Shares directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Voting Shares voted.** All references to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

EXEMPTION ORDER

On May 16, 2016, the Company submitted to the Honourable Marc Garneau, Minister of Transport, a request for the issuance of an exemption order pursuant to subsection 62(1) of the *Canada Transportation Act* ("**CTA**"). The request was for the operating subsidiary of the Company (Canada Jetlines Operations Ltd. ("**Jetlines Operations**")) to be exempt from the current 25 per cent foreign voting interest limit in the CTA and be permitted to have up to an aggregate of 49 per cent foreign voting interests. On November 3, 2016, Minister Garneau announced that he has approved the Company's request for an exemption from current foreign ownership rules and on December 2, 2016 the formal exemption order (the "**Exemption Order**") was issued. The Exemption Order was granted for a five-year term ending on December 1, 2021 and will permit Jetlines Operations to conduct domestic air services once it satisfies all of the remaining licensing requirements.

Subsequent to granting the Exemption Order, on June 27, 2018, Minister Garneau announced that, following the Royal Assent of the Transportation Modernization Act, new rules for airline ownership have officially come into force (the "**CTA Amendments**"). These changes increased foreign voting interest limits from 25 per cent to 49 per cent of voting interests for all Canadian air carriers. A single international investor (individually or in affiliation) cannot hold more than 25 per cent of the voting interests of a Canadian air carrier, and no combination of international air carriers can own more than 25 per cent of a

Canadian carrier (individually or in affiliation). See "*Voting Shares and Principal Holders Thereof*" and "*Particulars of Other Matters to Be Acted Upon – Approval of Amendments to the Company's Articles of Incorporation and to By-Law No. 1"* for further details.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed and, where directions are given by the Shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

If no choice is specified on the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to the matter upon the proxyholder named on the Instrument of Proxy. In the absence of any direction in the Instrument of Proxy, it is intended that the proxyholder named by Management in the Instrument of Proxy will vote the shares represented by the proxy in favour of the motions proposed to be made at the Meeting as stated under the headings in this Information Circular. The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting.

At the time of printing of this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgement of the nominee.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2018 will be presented to the Shareholders at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Description of Voting Shares

The authorized capital of the Company consists of a class of unlimited Common Voting Shares and a class of unlimited Variable Voting Shares.

Common Voting Shares

Dividends and Distributions

The Common Voting Shares rank equally with the Variable Voting Shares with respect to dividends and the distribution of assets in the case of liquidation, dissolution or winding-up of the Company or other distribution of the Company's assets.

Voting Rights

The Common Voting Shares carry one vote per share held.

Conversion

Each issued and outstanding Common Voting Share shall be automatically converted into one (1) Variable Voting Share, without any further act on the part of Company or the holder of such Common Voting Share, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, by a holder who is not a Canadian. On June 27, 2018, certain amendments to the definition of "**Canadian***"* in subsection 55(1) of the CTA, as amended by the CTA Amendments, became effective. The definition of a "**Canadian**" under Subsection 55(1) of the CTA is now summarized as follows:

"**Canadian**" under Section 55(1) of the CTA may be summarized as follows:

(a) A Canadian citizen or a permanent resident within the meaning of Subsection 2(1) of the *Immigration and Refugee Protection Act* (Canada),

(b) A government in Canada or an agent of such a government, or

(c) A corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 51 per cent of the voting interests are owned and controlled by Canadians and where

  (i) no more than 25 per cent of the voting interests are owned directly or indirectly by any single non-Canadian, either individually or in affiliation with another person; and

  (ii) no more than 25 per cent of the voting interests are owned directly or indirectly by one or more non-Canadians authorized to provide an air service in any jurisdiction, either individually or in affiliation with another person.

In the event that an offer is made to purchase Variable Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed, to be made to all or substantially all the holders of Variable Voting Shares, each Common Voting Share shall become convertible at the option of the holder into one Variable Voting Share at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Common Voting Shares for the purpose of depositing the resulting Variable Voting Shares pursuant to the offer and for no other reason, including with respect to voting rights attached thereto, which are deemed to remain subject to the provisions concerning the voting rights for Common Voting Shares notwithstanding their conversion. The Company's transfer agent shall deposit the resulting Variable Voting Shares on behalf of the holder.

Should the Variable Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by the shareholders or not taken up by the offeror, or should the offer be abandoned or withdrawn, the Variable Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Company or on the part of the holder to Common Voting Shares.

The Company is seeking Shareholder approval by way of special resolution at the Meeting to make certain amendments to its Articles and to By-Law No. 1 to align the restrictions on the level of non-Canadian ownership and control within the Articles with those prescribed by the definition of "Canadian" in Subsection 55(1) of the CTA, as amended by the CTA Amendments. See "*Particulars of Other Matters to Be Acted Upon – Approval of Amendments to the Company's Articles of Incorporation and to By-Law No. 1"*.

Constraints on Share Ownership

Common Voting Shares may only be owned and controlled by Canadians. Any Common Voting Share owned or controlled by a person who is not a Canadian is, or must be converted to, a Variable Voting Share.

Variable Voting Shares

Dividends and Distributions

The Variable Voting Shares will rank equally with the Common Voting Shares with respect to dividends and the distribution of assets in the case of liquidation, dissolution or winding-up of the Company or other distribution of the Company's assets.

Voting Rights

Notwithstanding the Exemption Order and the CTA Amendments (as defined herein), the Company's Articles currently include provisions which limit the voting of non-Canadians to 25 per cent or less of the votes cast meetings of Shareholders. Such limitations align with the definition of "Canadian" prior to the adoption of the CTA Amendments. Under the Company's Articles, the Variable Voting Shares carry one vote per Variable Voting Share held, unless (a) the number of issued and outstanding Variable Voting Shares exceeds 25 per cent (or any greater percentage the Governor in Council may specify pursuant to the CTA of the total number of all issued and outstanding Common Voting Shares), or (b) the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting exceeds 25 per cent (or any greater percentage that the Governor in Council may specify pursuant to the CTA) of the total number of votes that may be cast at such meeting.

If either of the above noted thresholds is surpassed at any time, the vote attached to each Variable Voting Share will decrease automatically without further act or formality to equal the maximum permitted vote per Variable Voting Share such that (i) under the circumstance described under (a) in the paragraph above, the Variable Voting Shares as a class shall not carry more than 25 per cent (or any greater percentage that the Governor in Council may specify pursuant to the CTA) of the total voting rights attached to all issued and outstanding Common Voting Shares; and (ii) under the circumstance described under (b) in the paragraph above, the Variable Voting Shares as a class cannot, for a given shareholders meeting, carry more than 25 per cent(or any greater percentage that the Governor in Council may specify pursuant to the CTA) of the total number of votes that can be exercised at the meeting.

Due to the Exemption Order issued to the Company by the Minister of Transport, references above to 25 per cent are increased to 49 percent for the duration of the Exemption Order, including for the Meeting.

Additionally, the Company is seeking Shareholder approval by way of special resolution at the Meeting to make certain amendments to its Articles and to By-Law No. 1 to align the restrictions on the level of non-Canadian ownership and control within the Articles with those prescribed by the definition of "Canadian" in Subsection 55(1) of the CTA, as amended by the CTA Amendments. See "*Particulars of Other Matters to Be Acted Upon – Approval of Amendments to the Company's Articles of Incorporation and to By-Law No. 1".*

Conversion

Each issued and outstanding Variable Voting Share shall be automatically converted into one (1) Common Voting Share, without any further act on the part of Company or the holder of such Variable Voting Share, if (i) such Variable Voting Share is or becomes beneficially owned and controlled, directly or indirectly,

by a Canadian, or (ii) the provisions contained in the CTA relating to foreign ownership restrictions are repealed and not replaced with other similar provisions. Each issued and outstanding Common Voting Share shall be automatically converted into one (1) Variable Voting Share, without any further act on the part of Company or the holder of such Common Voting Share, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, by a holder who is not a Canadian.

In the event that an offer is made to purchase Common Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed, to be made to all or substantially all the holders of Common Voting Shares in a given province of Canada to which these requirements apply, each Variable Voting Share shall become convertible at the option of the holder into one Common Voting Share at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Variable Voting Shares for the purpose of depositing the resulting Common Voting Shares pursuant to the offer, and for no other reason, including with respect to voting rights attached thereto, which are deemed to remain subject to the provisions concerning voting rights for Variable Voting Shares notwithstanding their conversion. The Company's transfer agent shall deposit the resulting Common Voting Shares on behalf of the holder.

Should the Common Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned or withdrawn, the Common Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Company or on the part of the holder, into Variable Voting Shares.

Constraints on Share Ownership

Variable Voting Shares may only be owned or controlled by persons who are not Canadians. Therefore, any Variable Voting Share owned or controlled by a person who is a Canadian, is, or must be converted to a Common Voting Share.

Voting Shares

May 9, 2019 has been determined as the record date as of which holders of Voting Shares or their duly appointed proxies are entitled to receive notice of and attend and to one vote per Voting Share at the Meeting. Shareholders desiring to be represented by proxy at the Meeting must deposit their proxies at the place and within the time set forth in the notes to the Instrument of Proxy in order to entitle the person duly appointed by the proxy to attend and vote thereat.

Quorum and Significant Shareholders

As at May 1, 2019, the Company had the following Voting Shares issued and outstanding:

Voting Share Class	**Issued and Outstanding**	**Percentage of Voting Shares**
Common Voting Shares	68,693,529	84.09%
Variable Voting Shares	12,993,887	15.91%
Total	81,687,416	100.00%

The quorum for a meeting of Shareholders is two (2) persons, present in person or represented by proxy, in number, one of whom shall be, or be representing, a Canadian, and holding or representing not less than five (5%) per cent of the shares entitled to be voted at the meeting.

To the knowledge of the directors or executive officers of the Company, as at the date of this Information Circular, no Shareholder beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to the Voting Shares of the Company.

FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

The persons named in the enclosed Instrument of Proxy intend to vote in favour of the ordinary resolution fixing the number of directors on the board of directors of the Company (the "**Board of Directors**") at eight (8). Each director of the Company is elected annually and holds office until the next Annual General Meeting unless that person ceases to be a director before then. Management of the Company proposes to nominate the persons herein listed for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, the Voting Shares represented by proxy will, on a poll, be voted for the nominees herein listed. MANAGEMENT OF THE COMPANY DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY ON ANY POLL FOR THE ELECTION OF ANY PERSON OR PERSONS AS DIRECTOR UNLESS THE SHAREHOLDER HAS SPECIFIED OTHERWISE IN THE PROXY. **UNLESS AUTHORITY TO DO SO IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY INTEND TO VOTE FOR THE ELECTION OF ALL OF THE NOMINEES.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of Voting Shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, Province or State and Country of Residence[1] of Nominee and Present Positions with the Company	**Principal Occupation and, if not presently an elected director, occupation during last five years[1]**	**Period from which Nominee has been a director**	**Number of Voting Shares Held[2,3,4]**
Mark J. Morabito[5] British Columbia, Canada *Director*	Chairman & Chief Executive Officer of King & Bay West Management Corp. since December 2009.	2015-12-10	2,205,535
Deborah Robinson[7,9] Ontario, Canada *Director*	President and Founder of Bay Street HR since December 2001.	2017-02-28	110,000
Réjean Bourque[6,7] Quebec, Canada *Director*	Senior Vice President of Marsh Canada since August, 2006.	2017-02-28	Nil

Name, Province or State and Country of Residence[1] of Nominee and Present Positions with the Company	Principal Occupation and, if not presently an elected director, occupation during last five years[1]	Period from which Nominee has been a director	Number of Voting Shares Held[2,3,4]
Jason Grant[6,8] Colorado, USA *Director*	Managing Partner and Founder of Headhaul Capital Partners LLC since July 2014.	2017-05-09	Nil
Saad Hammad London, United Kingdom *Director*	Chief Executive Officer of Key Travel from November 2017 to Present; Non Executive Director of Pegasus Airlines from April 2014 to Present; Chief Executive Officer of Flybe PLC from August 2013 to October 2016.	2017-07-01	Nil
Tony Lefebvre[6,8] Virginia, USA *Director*	President and Chief Operating Officer at BBA Aviation since July 2013.	2018-02-05	Nil
Alan Bird[8] London, United Kingdom *Director & Special Advisor to the CEO*	Aviation Advisor to Irelandia Aviation since January 2017; Chief Financial Officer at VivaAerobus from March 2012 to December 2016.	2018-11-13	Nil
Zygimantas Surintas[8] Riga, Latvia *Director*	Chief Executive Officer of SmartLynx Airlines SIA since June 2016; Chief Commercial Officer at Lithuanian Basketball League since 2014.	2019-01-20	Nil

[1] The information as to country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
[2] The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
[3] Voting Shares beneficially owned, or over which control or direction is exercised, directly and indirectly, at the date hereof, is based upon the information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly. These figures do not include shares that may be acquired on the exercise of any share purchase warrants or stock options held by the respective directors or officers.
[4] The director nominees, as a group beneficially own, directly or indirectly, 2,315,535 Voting Shares of the Company representing 2.83% of the total issued and outstanding Voting Shares of the Company as at the date of this Information Circular.
[5] Mr. Morabito also served as a director from November 1998 to August 2013.
[6] Member of the Company's Audit Committee.
[7] Member of the Company's Compensation, Corporate Governance and Nominating Committee.
[8] Member of the Company's Finance and Start-Up Committee.
[9] Lead Director of the Company.

PENALTIES AND SANCTIONS

No proposed director of the Company is, or within the 10 years prior to the date of this Information Circular, has been, a director, chief executive officer or chief financial officer of any company that while that person was acting in that capacity:

(a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(b) was subject to an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or an order that denied the relevant company access to any exemption under securities legislation, for more than 30 consecutive days.

No proposed director of the Company is, or within the 10 years prior to the date of this Information Circular, has been, a director or executive officer of any company that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has individually, within the 10 years prior to this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or Shareholder.

No proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT AND REMUNERATION OF AUDITOR

Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, the current Auditors of the Company, were appointed on June 30, 2007, and are the current Auditors of the Company. **The persons named in the enclosed Instrument of Proxy will vote for the reappointment of Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, as Auditors of the Company, to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the directors.**

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed under the heading "Particulars of Matters to be Acted Upon" in this Information Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed under the heading "Particulars of Matters to be Acted Upon", none of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Voting Shares, nor an associate or affiliate of any of the foregoing persons has had, during the most recently completed financial year of the Company or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company or its subsidiary.

STATEMENT OF EXECUTIVE COMPENSATION

The Form 51-102F6 Statement of Executive Compensation is attached as **Schedule "A**" to this Information Circular.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out particulars of the compensation plans and individual compensation arrangements under which equity securities of the Company are authorized for issuance as of December 31, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights[(2)]	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders[(1)]	14,000,000	$0.39	4,807,500
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	14,000,000	$0.39	4,807,500

(1) At December 31, 2018, the Company had a stock option plan, a fixed Restricted Share Unit Plan and a Performance Share Unit Plan, that collectively reserved for issuance an aggregate 14,000,000 Voting Shares under the Company's Security-Based Compensation Plans (as defined herein).

(2) No exercise price is payable on the vesting of outstanding RSUs.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness, no current or former director, executive officer or senior officer of the Company, employee or any proposed nominee for election as a director of the Company, or any associate or affiliate of any such director, executive officer or senior officer, employee or proposed nominee, is or has been indebted to the Company or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Company or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Company.

MANAGEMENT CONTRACTS

Pursuant to the terms of a management services agreement (the "**King & Bay West Agreement**"), made effective February 28, 2017, the Company engaged King & Bay West Management Corp. (**"King & Bay West**") of Suite 1240, 1140 West Pender Street, Vancouver, British Columbia V6E 4G1, to provide services and facilities to the Company. King & Bay West is a private company which is owned by Mark J. Morabito, the Executive Chair and a director of the Company. The following are the executive officers of King & Bay West, all of whom are residents of British Columbia, Canada: Mark J. Morabito, Chair & CEO, and Sheila Paine, Secretary. King & Bay West provides the Company with administrative and management services. The services provided by King & Bay West include shared facilities, administrative, management, legal and regulatory, finance, accounting, corporate development, information technology support and corporate communications services. The fees for these management services are determined and allocated to the

Company based on the cost or value of the services provided to the Company as determined by King & Bay West, and the Company reimburses King & Bay West for such costs on a monthly basis.

During the fiscal year ended December 31, 2018, the Company incurred fees of $1,094,925 (excluding taxes) to King & Bay West. Of this amount $1,004,065 was for services King & Bay West personnel provided to the Company and $90,860 was for overhead and third-party costs incurred by King & Bay West on behalf of the Company. The Company has provided King & Bay West with a security deposit in the amount of $100,000 in accordance with the King & Bay West Agreement.

AUDIT COMMITTEE

The Audit Committee Charter

The Audit Committee Charter is attached as **Schedule "B"** to this Information Circular.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Jason Grant (Chair)	Independent(1)	Financially Literate(1)
Réjean Bourque	Independent(1)	Financially Literate(1)
Tony Lefebvre	Independent(1)	Financially Literate(1)

(1) As defined by National Instrument 52-110 ("**NI 52-110**").

Relevant Education and Experience

All of the current Audit Committee members are senior level businesspersons with extensive experience in financial matters; each has a broad understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour. In addition, each of the current members of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors and/or senior officers of large private equity and public companies other than the Company.

Mr. Grant has worked in key financial, operational and leadership roles in the airline, transportation, logistics and private equity sectors for over 20 years. Mr. Grant is currently Managing Partner of Headhaul Capital Partners LLC, a New York based private equity investment firm he co-founded in 2014. HeadHaul specializes in acquiring and building businesses in the transportation, logistics and distribution industries. Previously, Mr. Grant served as Executive Vice President, Chief Financial Officer and Chief Commercial Officer at United Maritime Group LLC, a Jefferies Capital Partners LLC portfolio company. He was also Chief Financial Officer at Atlas Air Worldwide Holdings, where he helped the company grow its market capitalization by more than 250% and led an operational transformation that significantly grew earnings and margins and successfully completed the sale of three operating divisions. Mr. Grant has also held senior finance roles at both American Airlines and Canadian Airlines. He obtained his Bachelor of Business Administration from Wilfrid Laurier University and has an MBA from Simon Fraser University.

Mr. Bourque has over 30 years of experience in domestic and international markets, in implementing and managing large and innovative financing transactions. Mr. Bourque has expertise in financial engineering, namely corporate finance, sales, project and international financing and also applied to a large number of government financings. With Marsh in Montreal since 2006, he has been a member of the management

team and plays a leading role in risk management and financial products, surety, credit insurance and infrastructure practices and expertise groups. He has held executive positions in investor relations and spokesperson with financial markets with Bombardier as Vice President of Investor Relations from 2002 to 2006 and in Corporate Finance and Government Relations from 1988 to 2006.

Mr. Lefebvre joined BBA Aviation in July 2013 as its President and Chief Operating Officer of ASIG before becoming President and Chief Operating Officer of Signature TECHNICAir™ in February 2017. He was appointed President and Chief Operating Officer Global Engine Services and Signature TECHNICAir™ on 1 February 2018. Mr. Lefebvre has over 25 years' experience in the aviation industry. Prior to joining BBA Aviation, Mr. Lefebvre was the Chief Operating Officer of Spirit Airlines and previous to that role he was with U.S. Airways serving as their Managing Director Europe. Mr. Lefebvre holds a BA in Business from the University of Maryland.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

During the most recently completed financial year, the Company has not relied on the exemptions contained in section 2.4, 3.2, 3.4, 3.5 or under part 8 of NI 52-110.

Exemption

For the financial year ended December 31, 2017, the Company is relying on the exemption in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement and pre-approval of non-audit services, as described in the attached Audit Committee Charter under the heading "Auditors – Requirements for Pre-Approval of Non-Audit Services". With respect to the engagement of non-audit services, the Audit Committee shall approve in advance any retainer of the external auditors to perform any non-audit service to the Company in accordance with Applicable Requirements, specifically relating to such non-audit services. The Committee may delegate preapproval authority to a member of that Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting. Approval by the Committee of a non-audit service to be performed by the external auditor of the Company shall be disclosed in periodic reports as required by applicable regulatory authorities.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are set out in the table below. "Audit Fees" includes fees for audit services including the audit services completed for the Company's subsidiaries. "Audit-Related Fees" includes fees for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under Audit Fees including the review of interim filings. "Tax Fees" includes fees for professional services rendered by the external auditor for tax

compliance, tax advice, and tax planning. "All Other Fees" includes all fees billed by the external auditors for services not covered in the other three categories.

Year Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2018	$35,700	$--	$--	$--
December 31, 2017	$39,500	$24,276	$--	$--

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian Securities Administrators have introduced National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). The Company has reviewed its own corporate governance practices in light of the NP 58-201 guidelines. In certain cases, the Company's practices comply with NP 58-201, however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore certain guidelines have not been adopted.

Set out below is a description of certain corporate governance practices of the Company, as required by NI 58-101.

Board of Directors

NP 58-201 recommends that boards of directors of reporting issuers be composed of a majority of independent directors. NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board of Directors of the Company is currently comprised of eight directors. Of these, six, being Deborah Robinson, Réjean Bourque, Jason Grant, Saad Hammad, Tony Lefebvre, Alan Bird, are considered by the Board of Directors to be independent. Mark J. Morabito is not independent by virtue of being the Company's current Executive Chair and is also the Chair & CEO of King & Bay West. Zygimantas Surintas is not considered independent due to him being a director and officer of SmartLynx Airlines SIA.

Management of the Company is nominating all eight directors for re-election: Mark J. Morabito, Deborah Robinson, Réjean Bourque, Jason Grant, Saad Hammad, Tony Lefebvre, Alan Bird and Zygimantas Surintas. If the proposed directors are elected, the Company's Board will be composed of eight directors, six independent (Deborah Robinson, Réjean Bourque, Jason Grant, Saad Hammad, Tony Lefebvre and Alan Bird) and two non-independent (Mark J. Morabito and Zygimantas Surintas).

Mr. Morabito currently serves as the Executive Chair of the Company's Board. The Executive Chair is not independent. The Chair's responsibilities include, without limitation, ensuring that the Board of Directors works together as a cohesive team with open communication and works to ensure that a process is in place by which the effectiveness of the Board of Directors, its committees and its individual directors can be evaluated on a regular basis. The Chair also acts as the primary spokesperson for the Company's Board, ensuring that management is aware of concerns of the Company's Board, shareholders, other stakeholders and the public and, in addition, ensures that management strategies, plans and performance are appropriately represented to the Company's Board of Directors.

The Board of Directors considers that management is effectively supervised by the independent directors on an informal basis, as the independent directors are actively and regularly involved in reviewing the operations of the Company and have regular and full access to management. The independent directors of

the Company meeting separately in "in-camera" sessions at Board meetings when considered appropriate. The independent directors are also able to meet at any time without any members of management, including the non-independent directors, being present. In addition, due to the fact the Executive Chair is not independent, the Company has appointed Deborah Robinson as Lead Director. The Lead Director acts as Chair when the Executive Chair is not present at meetings and is responsible for ensuring the Board functions independently of management.

Directorships

Currently, the following nominee directors serve on the following boards of directors of other reporting issuers (or the equivalent in a foreign jurisdiction):

Director	Public Corporation Board Membership
Mark J. Morabito	Alderon Iron Ore Corp. Excelsior Mining Corp. Xineoh Technologies Inc.
Deborah Robinson	None
Réjean Bourque	None
Jason Grant	None
Saad Hammad	Pegasus Hava Tasimaciligi AS
Tony Lefebvre	None
Alan Bird	None
Zygimantas Surintas	None

Orientation and Continuing Education

The Company provides an orientation program to new directors. This program consists of:

- A detailed briefing with the Chair.
- A detailed briefing with the Chief Executive Officer.
- The Company's Vice President, Legal and its Corporate Secretary providing education regarding directors' responsibilities, corporate governance issues and recent and developing issues related to corporate governance and regulatory reporting.
- Provision of the Company's committee charters and corporate governance policies to the new director.
- Access to the Company's independent directors, as required, for the new director to discuss the operation of the Company and the Board.

The Company also encourages senior management to participate in professional development programs and courses and supports Management's commitment to training and developing employees. The Board of Directors provides comprehensive information regarding the Company to new directors and continuing education for directors on an ad hoc basis in respect of issues that are necessary for them to understand to meet their obligations as directors. The Compensation, Corporate Governance and Nominating Committee reviews, monitors and makes recommendations regarding new director orientation and the ongoing development existing directors.

Ethical Business Conduct

The Board of Directors expects Management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. On March 10, 2017 the Board of Directors adopted a formal written Code of Business Conduct and Ethics (the "**Code**") which is available on SEDAR at www.sedar.com.

The Board endeavors to ensure that directors, officers and employees exercise independent judgement in considering transactions and agreements in respect of which a director, officer or employee of the Company has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest. In addition, in accordance with the *Canada Business Corporations Act* if a director is a director or officer of, or has a material interest in, any person who is a party to a transaction or proposed transaction with the Company, that director is not entitled to vote on any directors' resolutions in respect of such transaction, in most circumstances.

The Board of Directors has appointed a Compensation, Corporate Governance and Nominating Committee (the "**CCGN Committee**"), which is currently comprised of Deborah Robinson and Réjean Bourque.

Nomination of Directors

The CCGN Committee, in consultation with the Chair of the Board and the Company's CEO, is responsible for the annual (or as required) identification and recruitment of individuals qualified to become new Board members and for recommending to the Board of Directors, new director nominees for the Company's annual general meetings of shareholders. A set of formal directors' nomination guidelines has been adopted for the identification of new candidates for Board positions. The guidelines include the specific qualifications required of a potential candidate. The CCGN Committee is responsible for reviewing a potential candidate's qualifications, interviewing the potential candidate and evaluating the potential candidate's suitability for Board membership. An invitation to join the Board is made only where Board consensus regarding the proposed candidate is obtained.

Compensation

The quantity and quality of the directors' and executive officers' compensation is reviewed on an annual basis by the CCGN Committee. At present, the Board of Directors is satisfied that the current Board of Directors' compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. Further details about the Company's compensation practices are disclosed in the Company's "Statement of Executive Compensation" attached as **Schedule "A**" to this information circular.

Corporate Governance

The CCGN Committee is responsible for reviewing the Company's corporate governance policies and practices and ensuring that Board members, senior management and employees of the Company adhere to those policies and practices.

Other Board Committees

Currently, the Financing and Start-Up Committee is the only other committee of the Company other than the Audit Committee and CCGN Committee.

The objectives of the Finance and Start-Up Committee are as follows:

- To evaluate specifications and suitability of potential aircrafts and to determine acceptable terms of lease.
- To oversee and support the Company through the air operator certification process.
- To supervise and provide industry insight on the ultra-low cost carrier airline build-out from start-up to operations.
- To arrange sufficient funds to launch airline operations in the earliest possible time frame.
- To evaluate all potential sources of financing including strategic partner funding, debt and equity financing.
- To review potential merger and acquisition transactions.

Assessments

The Board of Directors does not, at present, have a formal process in place for assessing the effectiveness of the Board of Directors as a whole, its committees or individual directors. The Board of Directors conducts informal periodic assessments of the effectiveness of the Board of Directors and its individual directors on an ongoing basis. At present, the CCGN Committee, in consultation with the Chair of the Board, is in the process of developing an appropriate system for evaluating the effectiveness of the Board as a whole, its committees and individual directors.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Amendments to the Company's Articles of Incorporation and By-Law No. 1

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution (the "**Amendments Resolution**") to approve amendments (the "**Amendments**") to the Company's Articles of the Incorporation ("**Articles**") relating to the voting rights of the Variable Voting Shares and to the Company's By-Law No. 1.

Background to the Amendments Resolution

The Company proposes to make the Amendments to align the restrictions on the level of non-Canadian ownership and control within the Articles with those prescribed by the definition of "Canadian" in Subsection 55(1) of the CTA, as amended by the CTA Amendments, which became effective on June 27, 2018. Section 61(1)(a) of the CTA includes a condition that an applicant for a domestic service operating licence be a "Canadian", as defined in the statute. Prior to the CTA Amendments, "Canadian" was defined to include "a corporation or other entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 75 per cent, or such lesser percentage as the Governor in Council may by regulation specify, of the voting interests are owned or controlled by Canadians".

The Government of Canada's stated purpose in proposing the CTA Amendments was to attract more foreign investment and encourage growth in the aviation sector by increasing the permitted level of foreign voting interests allowed in respect of Canadian air service providers to 49 per cent from 25 per cent. At the same time, the CTA Amendments introduced two new limitations on voting control with respect to single non-Canadian holders and one or more non-Canadian holders authorized to provide air service, in each case either individually or in affiliation with another person. See "*Voting Shares and Principal Holders Thereof – Common Voting Shares*" at page 5 above for the applicable definition of "**Canadian**".

As was the case prior to the CTA Amendments, there is nothing in the CTA that restricts non-Canadians from acquiring shares or voting interests. The CTA does not provide a statutory remedy to act against shareholders who exceed the applicable threshold. Rather, Section 63(1) of the CTA provides that the Canadian Transportation Agency (the "**Agency**") shall suspend or cancel the domestic licence of an air service provider where the Agency determines that, in respect of the service for which the licence is issued, the person ceases to meet any of the requirements in the CTA requiring that the carrier meet the definition of Canadian.

Jetlines owns all of the issued and outstanding shares of each of Jetlines Operations, a company that intends to become an air service provider and that has applied to hold a domestic service licence pursuant to the CTA. As a result, Jetlines Operations must meet the definition of Canadian in order to obtain such domestic service licence.

As described in more detail below, to address this issue as it applied in the CTA prior to the CTA Amendments, the Articles include provisions which require that only Canadians are to own and control Common Voting Shares, and only non-Canadians are to own and control Variable Voting Shares, as well as provisions which cause the automatic conversion of Common Voting Shares owned or controlled by non-Canadians into Variable Voting Shares (and vice versa). The Articles also include a provision which reduces the voting power of Variable Voting Shares (and therefore the voting power of non-Canadian holders in aggregate) to 25 per cent of the aggregate votes attached to all outstanding Shares, or any higher percentage that the Governor in Council may by regulation specify. Accordingly, even if non-Canadians acquire a number of shares in excess of the statutory threshold, the voting power of all non-Canadians will be limited to 25 per cent or any higher percentage that the Governor in Council may by regulation specify.

The foreign voting interest restrictions in the CTA Amendments are consistent with the Exemption Order that was granted to the Company. Following the implementation of the CTA Amendments, Management and the Board considered appropriate measures to ensure that the Company realized the benefits of potential increased foreign investor interest arising from the increased limit on voting control by non-Canadians generally beyond the expiry of the Company's Exemption Order in December 2021. At the same time, measures considered by Management and the Board ensured that voting control by single non-Canadian Shareholders and one or more non-Canadian holders authorized to provide an air service, in each case either individually or in affiliation with any other person, does not exceed the applicable 25 per cent thresholds.

After considering potential alternative approaches and after consulting with legal counsel, Management and the Board determined that the most effective approach to address the changes to the new limitations on voting control by non-Canadians under the CTA Amendments would be to effect the Amendments to the Articles and By-Law No. 1 by obtaining Shareholder approval at the Meeting. Specifically, amendments would be made to the Articles to align the voting limitations in the terms of the Variable Voting Shares to the voting limitations in the definition of "Canadian" in the revised Subsection 55(1) of the CTA, together with amendments to By-Law No. 1 to align the authority of the Company to require Shareholders to provide information contained therein with the amended Articles. The proposed amendments to the Articles are substantially the same as amendments to the articles which have been proposed by other publicly listed Canadian air service providers or their holding companies, specifically Air Canada, WestJet, Chorus Aviation Inc. and Transat A.T. Inc. at their respective meetings of shareholders in 2019.

On May 9, 2019, the Board unanimously approved the Amendments to the Articles and By-Law No. 1, determined that the Amendments are in the best interests of the Company and recommended that Shareholders vote in favour of the Amendments Resolution.

The Company's Current Articles

The Articles currently provide for two classes of voting shares, the Common Voting Shares and the Variable Voting Shares.

Prior to the CTA Amendments, the definition of "Canadian" in the CTA prescribed a maximum 25 per cent level of non-Canadian ownership and control. To address this limitation, the Articles currently provide as follows:

- the Common Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians;
- the Variable Voting Shares may only be beneficially owned and controlled, directly or indirectly by non-Canadians;
- each outstanding Common Voting Share automatically converts into a Variable Voting Share if such Common Voting Share is or becomes beneficially owned and controlled, directly or indirectly by a person who is not a Canadian;
- each outstanding Variable Voting Share automatically converts into a Common Voting Share if such Variable Voting Share is or becomes beneficially owned and controlled, directly or indirectly, by a Canadian, or if the provisions in the CTA relating to foreign ownership restrictions are repealed and not replaced with similar provisions;
- each Common Voting Share always carries one vote per share; and
- each Variable Voting Share carries one vote per share unless either:
    - the number of issued and outstanding Variable Voting Shares exceeds 25 per cent of the total number of all issued and outstanding Shares; or
    - the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting exceeds 25 per cent of the total number of votes that may be cast at such meeting,

  in either of which case, the vote attached to each Variable Voting Share shall decrease automatically and proportionally so that the Variable Voting Shares as a class never carry more than 25 per cent of the aggregate votes attached to all of the issued and outstanding Shares, or of the votes which holders of Shares may be entitled to exercise at any meeting of Shareholders.

Proposed Amendments to the Articles

The CTA Amendments increased the overall maximum level of non-Canadian ownership and control of voting interests in an air service provider to 49 per cent, while also introducing and prescribing maximum ownership levels of 25 per cent respectively for:

- any single non-Canadian, either individually or in affiliation with any other persons, and
- any one or more non-Canadian persons authorized to provide air service in any jurisdiction (in the aggregate), either individually or in affiliation with any other persons.

In response to these new legislative thresholds, the Amendments will:

- increase the current single 25 per cent proportional voting limitation with respect to the Variable Voting Shares as a class to 49 per cent;
- add a 25 per cent voting limitation to any single non-Canadian owner, either individually or in affiliation with any other person; and

- add a 25 per cent aggregate voting limitation to all non-Canadian persons authorized to provide air service, either individually or in affiliation with any other persons.

The Amendments provide for automatic reduction of the voting rights attached to Variable Voting Shares in the event any of the applicable limits are exceeded. In such event, the votes attributable to Variable Voting Shares will be affected as follows:

- *first*, if required, a reduction of the voting rights of any single non-Canadian owner (inclusive of any single non-Canadian owner authorized to provide air service) carrying more than 25 per cent of the votes (the **Stage 1 Reduction**) to ensure that such non-Canadian owners never carry more than 25 per cent of the votes that holders of Voting Shares cast at any meeting of shareholders;
- *second*, if required and after giving effect to the Stage 1 Reduction, a further proportional reduction of the voting rights of all non-Canadian owners authorized to provide an air service to ensure that such non-Canadian owners authorized to provide an air service (the **Stage 2 Reduction**), in the aggregate, never carry more than 25 per cent of the votes that holders of Voting Shares cast at any meeting of shareholders;
- *third*, if required and after giving effect to the Stage 1 Reduction and the Stage 2 Reduction if any, a proportional reduction of the voting rights for all non-Canadian owners as a class (the **Stage 3 Reduction**) to ensure that non-Canadians never carry, in aggregate, more than 49 per cent of the votes that owners of Voting Shares cast at any meeting of shareholders.

A copy of the Articles, as amended by the Amendments, is attached as **Schedule "C"** to this Information Circular.

Proposed Amendments to By-Law No. 1

Effective May 9, 2019, the Board adopted certain amendments to By-Law No. 1 (as amended, "**Amended By-Law No. 1**") which are detailed below. The following is a summary only of the amendments effected by the Amended By-Law No. 1 and is qualified by reference to the full text of the Amended By-Law No. 1.

General Amendments

The amendments to By-Law No. 1

- remove the reference to the term "resident Canadian", which was not defined in By-Law No. 1, and clarify that the definition of "Canadian" in Amended By-Law No. 1 is the definition of that term in the CTA;
- clarify that, until changed in accordance with the CBCA, the Board shall consist of such number of Directors as is fixed by the Articles, or where the Articles specify a variable number, shall consist of such number of Directors as is not less than the minimum nor more than the maximum number of Directors provided in the Articles and as shall be fixed from time to time by resolution of the shareholders;
- modernize the manner in which notices must be provided under the by-law; and
- include other minor amendments of an administrative or clerical nature.

Advanced Notice By-Laws

The following amendments have been made to section of the By-Law No. 1 providing for advance notice of director nominations for meetings of Shareholders:

- increase the minimum notice period by which a nominating shareholder must provide notice to the Company of its intention to nominate director(s) to the Board from 30 days prior to a shareholders' meeting to 40 days prior to a shareholders' meeting, where notice-and-access is used for delivery of proxy related materials (and otherwise maintain a minimum notice period by which a nominating shareholder must provide notice to the Corporation of its intention to nominate director(s) to the Board of 30 days prior to a shareholders' meeting);

- remove any maximum timeframe applicable to the notice period in which a nominating shareholder must provide notice to the Company of its intention to nominate director(s) to the Board;

- revise the information that must be included in respect of the proposed nominee director and the nominating shareholder for the notice to be valid; and

- modernize the manner in which notices must be provided under the by-law, and include other minor amendments of an administrative or clerical nature,

The Corporation believes that these amendments conform to current best practices for corporate governance.

Declarations

A new article will be added to By-Law No. 1 to harmonize the mechanisms with respect to identifying holders of Shares that are held by non-Canadian Shareholders with the proposed amendments to the Articles. The amendments to By-Law No. 1 will provide for declarations that may be requested to assist the Company in identifying holders of Variable Voting Shares whose votes may need to be adjusted in accordance with amendments to the Articles. In particular, the amended By-Law No. 1 will specifically authorize the Company to require Shareholders to provide information as to their status in respect of the categories of non-Canadian Shareholders, and persons in affiliation with such non-Canadian shareholders, that may be subject to the 25 per cent limits on voting control under the amended Articles.

Approval of Amended By-Law No. 1

A copy of Amended By-Law No. 1 is attached as **Schedule "D"** to this Information Circular. Amended By-Law No. 1 is in effect until it is confirmed as amended, or rejected by Shareholders at the Meeting. If confirmed, it will continue in effect. If Amended By-Law No. 1 is not confirmed by Shareholders at the Meeting, it will cease to be effective. Accordingly, Shareholders are being asked to confirm Amended By-Law No. 1 at the Meeting so that Amended By-Law No. 1 can continue in effect.

Dissent Rights

A registered Shareholder ("**Registered Shareholder**") is entitled to dissent and be paid the fair value of his or her Voting Shares if such Registered Shareholder dissents in respect of the Amendments Resolution and otherwise complies with the procedure set out in Section 190 of the CBCA.

The statutory provisions dealing with the right of dissent are technical and complex. Any Registered Shareholder who wishes to exercise his or her right to dissent should seek legal advice, as failure to

comply strictly with Section 190 of the CBCA may prejudice such Registered Shareholder right of dissent. The relevant provisions of the CBCA are summarized in Schedule "E" – "Dissent Rights" of this Information Circular, which modify the statutory rights provided in Section 190 of the CBCA.

Requirement for Dissent Notice

A Registered Shareholder who wishes to dissent to the Amendments Resolutions must send a Dissent Notice by mailing or delivering the Dissent Notice at or before the Meeting, by mail, courier or delivery in person to the Company at 1240 – 1140 West Pender Street, Vancouver, BC V6E 4G1 Attention: Lara Wilson, Corporate Secretary.

The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote at the Meeting; however, subsection 190(6) of the CBCA provides, in effect, that a Registered Shareholder who has submitted a Dissent Notice and who votes in favour of the Amendments Resolutions will no longer be considered a Dissenting Shareholder with respect to those shares voted in favour of the Amendments Resolutions. Any proxy granted by a Registered Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Amendments Resolutions, should be validly revoked in order to prevent the proxyholder from voting such Voting Shares in favour of the Amendments Resolutions and thereby causing the Registered Shareholder to forfeit his or her dissent rights.

A vote against the Amendments Resolutions, an abstention, or the execution of a proxy to vote against the Amendments Resolutions does not constitute a Dissent Notice.

A Dissenting Shareholder may only dissent with respect to all of his or her Voting Shares. Beneficial owners of Voting Shares registered in the name of a broker, custodian, nominee or other intermediary who wishes to dissent should be aware that only Registered Shareholder are entitled to dissent. Accordingly, a beneficial owner of Voting Shares desiring to exercise the right to dissent must make arrangements for the Voting Shares beneficially owned by such Shareholder to be registered in his or her name prior to the time the Dissent Notice is required to be received, or alternatively make arrangements for the applicable Registered Shareholder to dissent on the beneficial owner's behalf.

The Company is required, within ten (10) days after Shareholders adopt the Amendments Resolutions, to send a notice of such adoption to each Shareholder who has filed a Dissent Notice. Following receipt of such notice, a Dissenting Shareholder must, within the time periods specified in Section 190 of the CBCA, send a written demand for payment and the share certificates representing the Voting Shares in respect of which he or she dissents.

A Dissenting Shareholder who has complied with the provisions of Section 190 of the CBCA may apply to Court to fix the fair value of Voting Shares held by such Dissenting Shareholder. Once determined, the fair value of such Voting Shares will be paid only in cash.

After the Closing Date, a Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value of such Dissenting Shareholder's Voting Shares. The names of such Dissenting Shareholders will be deleted from the register of holders of Voting Shares.

Caution

The foregoing is only a summary of the dissenting shareholder provisions of the CBCA, which are technical and complex. It is recommended that any Shareholder wishing to exercise his or her dissent rights under those provisions seek legal advice as failure to comply strictly with the provisions of the CBCA may prejudice his or her dissent rights.

Proposals by Shareholders

Pursuant to the CBCA, proposals intended to be presented by Shareholders for action at the next annual meeting must comply with the provisions of the CBCA and must have been deposited at the Company's head office not later than 120 days prior to the anniversary date for the notice of meeting in order to be included in the management information circular relating to the next annual meeting. Any shareholder proposal that was received after such date, will not be considered timely for inclusion in the management information circular relating to the next annual meeting.

Amendments Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following Amendments Resolution in order to approve and ratify the Articles and By-Law No. 1, as amended by the Amendments:

"RESOLVED, as a special resolution of the Shareholders of the Company, that:

1. The articles of incorporation (the "**Articles**") of the Company, as amended, the text of which is reproduced in Schedule "C" to the Information Circular dated May 1, 2019, be approved, ratified and confirmed as the Articles of the Company.

2. The Amended By-Law No. 1 ("**By-Laws**") adopted by the Board of the Company, as amended, the text of which is reproduced in Schedule "D" to the Information Circular dated May 1, 2019, be approved, ratified and confirmed as the By-Laws of the Company.

3. Any one director or officer of the Company be and is hereby authorized to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to the provisions of these resolutions."

Holders of Common Voting Shares and Variable Voting Shares will vote together as a single class in respect of the Amendments Resolution. The Amendments Resolution must be passed, with or without variation, by at least $66^{2/3}$ per cent of the votes cast by the holders of Common Voting Shares and Variable Voting Shares, voting together as a single class, present in person or represented by proxy in respect of the Amendments Resolution at the Meeting. If the Amendments Resolution is not approved at the Meeting, the amended Articles and By-Laws will not be adopted by the Company.

Management recommends that Shareholders vote in favour of the Amendments Resolutions. **In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the Amendments Resolution.**

Registered Shareholders will be entitled to dissent and be paid the fair value of his or her Voting Shares if such Registered Shareholder dissents in respect of the Amendments Resolution and otherwise complies with the procedure set out in Section 190 of the CBCA.

The statutory provisions dealing with the right of dissent are technical and complex. Any Registered Shareholder who wishes to exercise his or her right to dissent should seek legal advice, as failure to comply strictly with Section 190 of the CBCA may prejudice such Registered Shareholder right of dissent. The relevant provisions of the CBCA are summarized in Schedule "E" – "Dissent Rights" of this Information Circular, which modify the statutory rights provided in Section 190 of the CBCA.

Approval of SmartLynx Transaction

As required by the policies of the TSX Venture Exchange (the "**TSXV**"), shareholders will be asked at the Meeting to approve, by way of ordinary resolution, the creation of a control position resulting from the subscription for 22,727,272 subscription receipts (each, a "**Subscription Receipt**") by SmartLynx Airlines SIA ("**SmartLynx**"), a limited liability company based in Latvia. A control position will potentially result from the conversion of the Subscription Receipts acquired by SmartLynx under the arm's length, non-brokered, private placement (the "**SmartLynx Private Placement**") completed on December 27, 2018 for aggregate gross proceeds of $7.5 million. Zygimantas Surintas is Chief Executive Officer and Director of SmartLynx and as a result has an interest in this transaction.

Details of the Private Placement

On November 27, 2018, the Company entered into a subscription agreement with SmartLynx pursuant to which SmartLynx would purchase 22,727,272 Subscription Receipts at a price of $0.33 per Subscription Receipt, for aggregate gross proceeds of $7.5 million. On December 27, 2018, the Company announced that it had closed the SmartLynx Private Placement and that the $7.5 million subscription funds, together with any interest earned thereon, were to be held in escrow pending satisfaction or waiver of the Escrow Release Conditions (as defined below) and delivery of the Release Notice (as defined below) prior to the Escrow Release Deadline (as defined below).

Each Subscription Receipt entitles SmartLynx to receive, without payment of additional consideration or further action on the part of the holder, one unit of the Company (each a "**Unit**" and collectively the "**Units**"), based on the following release schedule:

- $5.25 million (70%) of the proceeds shall be released upon (a) the Company raising additional gross proceeds of $40 million (the "**Funding Milestone**") from a subsequent financing by June 30, 2019 (such completion date subject to waiver by SmartLynx); (b) the receipt by Jetlines Operations from the Agency an order providing an exemption from Section 59 of the CTA, to allow it to sell tickets for air travel; and (c) no termination event having occurred (the "**First Escrow Release Conditions**").

- The remaining $2.25 million (30%) of the proceeds shall be released upon (a) the First Escrow Release Conditions being satisfied, (b) the receipt by Jetlines Operations of its air operator certificate ("**AOC**") from Transport Canada; and (c) no termination event having occurred (the "**Second Escrow Release Conditions**", and together with the First Escrow Release Conditions, the "**Escrow Release Conditions**").

Each Unit consists of one variable voting share ("**Share**") and one warrant ("**SmartLynx Warrant**"), with each SmartLynx Warrant exercisable into an additional Share at an exercise price equal to $0.45 at any given time and for all or part of the SmartLynx Warrants upon sole discretion of SmartLynx during the period of 36 months from the closing date.

The Company, Jetlines Operations and SmartLynx also entered into a framework agreement (the "**Framework Agreement**") that governs aspects of the relationship between the parties. The Framework Agreement covers matters including the right of SmartLynx to appoint a single Board member to the Company and Jetlines Operations, rights to participate on Board committees, arrangements regarding the review of aircraft leases, the grant of a pro-rata right to SmartLynx to participate in future financings and certain other rights detailing with operational and expenditure matters of the Company and Jetlines Operations.

On conversion of the Subscription Receipts upon satisfaction of the Escrow Release Conditions, SmartLynx may become a new "Control Person" (as defined below) and cause a "Change of Control" (as defined below) of the Company. As a result, the Company is required to obtain shareholder approval for SmartLynx to become a Control Person.

It is estimated that upon conversion of the Subscription Receipts, issue of the underlying Voting Shares, and exercise of all SmartLynx Warrants, SmartLynx would hold approximately 35.75% of the issued and outstanding Voting Shares, being 45,454,544 Voting Shares. However, the Company notes that it is required to complete the Funding Milestone prior to conversion of the Subscription Receipts which will result in up to an additional $40 million in equity securities being issued. Accordingly, the Company will have a much larger number of Voting Shares issued and outstanding prior to conversion of the Subscription Receipts, which is expected to significantly diminish the percentage holdings of SmartLynx.

New Control Person

Smartlynx is limited liability company incorporated in Latvia, specializing in full-service ACMI aircraft lease services. To the best of the knowledge of the Company's management, neither SmartLynx nor any of their shareholders, directors, officers, associates or affiliates own any Voting Shares as of the date of this Information Circular. Assuming the conversion of the Subscription Receipts upon satisfaction of the Escrow Conditions, and the exercise of all SmartLynx Warrants,SmartLynx will own and exercise control and direction over approximately 35.75% of the issued and outstanding Voting Shares. Upon conversion of the Subscription Receipts under the SmartLynx Private Placement, SmartLynx will become a "Control Person" (as defined below) pursuant to the policies of the TSXV.

As defined by the policies of the TSXV, "Control Person" means any person or entity that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

Voting Shares acquired in the SmartLynx Private Placement will no longer be subject to a hold period, in accordance with applicable securities legislation. Also, as a "Control Person" under applicable securities regulations, SmartLynx will be subject to various obligations and restrictions, which will require prospective action on the part of SmartLynx, including: (i) reliance on an exemption from the prospectus requirements under securities legislation before effecting a sale (and filing of a Notice of Intention to Distribute Securities in advance of a sale in certain circumstances); (ii) a restriction (among other conditions) to not acquire (except from treasury) more than 5% of the outstanding Common Shares in any 12 month period; and (iii) a shortened insider reporting period for acquisitions or dispositions.

Therefore, at the Meeting, Shareholders will be asked to pass a resolution in the following form:

"BE IT RESOLVED, as an Ordinary Resolution, that:

1. The private placement (the "**SmartLynx Private Placement**"), whereby SmartLynx Airlines SIA ("**SmartLynx**") purchased 22,727,272 subscription receipts (each, a "**Subscription Receipt**") at a price of $0.33 per Subscription Receipt for aggregate gross proceeds of $7.5 million, is hereby ratified, confirmed and approved, the result of which will be that SmartLynx may become a new "Control Person", and to effect a "Change of Control" (as such terms are defined by the policies of the TSX Venture Exchange) of the Company, the details of which are more particularly described in the Information Circular of the Company.

2. Any one director or officer of the Company be and is hereby authorized and directed for and in the name of and on behalf of the Company to execute and deliver, or cause to be executed and delivered, any and all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

Management recommends that Shareholders vote in favour of the resolution to approve the SmartLynx Private Placement. **In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the SmartLynx Private Placement.**

Approval of InHarv Transaction

As required by the policies of the TSXV, shareholders will be asked at the Meeting to approve, by way of ordinary resolution, the creation of a control position resulting from the subscription for units (each, a "**Unit**") by InHarv Partners Ltd. ("**InHarv**"), on behalf of a Korean special purpose fund to be called InHarv ULCC Growth Fund (the "**SPV Fund**"). This control position is proposed to result from the completion of an arm's length, non-brokered, private placement pursuant to which the SPV Fund will subscribe for 7,000 Units, at a purchase price of $1,000.00 per Unit, for aggregate gross proceeds of $7 million.

Details of the Private Placement

On May 14, 2019, the Company entered into a definitive subscription agreement with InHarv, pursuant to which it will conduct a non-brokered private placement (the "**InHarv Private Placement**") of $7 million for 7,000 Units at a price of $1,000.00 per Unit. Each Unit will be comprised of one (1) $1,000 Principal amount 10.00% senior secured convertible debentures (each a "**Debenture**") and 2,439.02439 variable voting share purchase warrants (each, an "InHarv **Warrant**") for every $1,000.00 of principal. Each InHarv Warrant is exercisable into one additional variable voting share (each an "**InHarv Warrant Share**") at an exercise price of $0.41 per InHarv Warrant Share for a period of 36 months from the closing date. Assuming full conversion of the Principal Amount (defined below), the Company will issue a total of 17,073,170 Voting Shares and 17,073,170 InHarv Warrants to the SPV Fund as part of the Units subscribed for by the SPV Fund.

The Debentures have a maturity date on such date that is 36 months from the date of issuance of the Debentures (the "**Maturity Date**") and the $7,000,000 principal amount (the "**Principal Amount**") of the Debentures, together with any accrued and unpaid interest thereon, will be payable on the Maturity Date, unless earlier converted in accordance with its terms. Each draw of the Principal Amount will accrue interest (the "**Interest**") from the drawdown date of such draw at the rate of 10.00% per annum, which Interest will be payable in cash annually. All or a portion of the Principal Amount outstanding is convertible into Voting Shares at the option of the holder at a conversion price of $0.41 per Share. The Debentures are subject to an origination fee of 5%, payable in Shares on each drawdown date at an issue price equal to the market price at the time of such drawdown date.

On closing of the InHarv Private Placement, the SPV Fund shall have a commitment to fund the gross proceeds. The funds shall be available to be drawn down by the Company, in two draws: (i) the first draw of 70% of funds shall occur once Jetlines Operations has received confirmation from the Agency that the Agency will issue to Jetlines Operations an exemption from Section 59 of the CTA, as amended, to allow it to sell tickets for air travel and the Company has completed additional financings for gross proceeds of $33 million; and (ii) the second draw of 30% of funds shall occur once Jetlines Operations has received its AOC from Transport Canada.

Repayment by the Company of amounts owing under the Debentures will be secured by a charge over all of the assets of the Company. The Company will also grant the SPV Fund certain rights in connection with the closing of the InHarv Private Placement that will govern aspects of the relationship between the parties. These include the right of the SPV Fund to appoint two Board members and the grant of a pro-rata right to the SPV Fund to participate in future financings.

As a result of the conversion of the Debentures or exercise of the InHarv Warrants, the SPV Fund may become a new "Control Person" (as defined below) and cause a "Change of Control" (as defined below) of the Company. As a result, the Company is required to obtain shareholder approval for the InHarv Private Placement.

It is estimated that at the Maturity Date, or upon earlier conversion of the Principal Amount of the Debentures, and the exercise of all the SPV Fund would hold approximately 29.48% of the issued and outstanding Voting Shares, being 34,146,340 Voting Shares. However, the Company notes that with the conversion of the Subscription Receipts issued to SmartLynx, and the completion of the Funding Milestone (as outlined above), the Company will have a much larger number of Voting Shares issued and outstanding. This will significantly diminish the percentage holding of the SPV Fund.

The obligation of the Company to repay the Principal Amount and all unpaid Interest thereon to the SPV Fund will be secured by a security interest granted by Jetlines to the SPV Fund over all of the Company's present and after-acquired property pursuant to a general security agreement to be entered into.

The closing of the InHarv Private Placement is conditional on the satisfaction of conditions to closing that will be contained in such subscription agreement. These conditions include the approval of the TSX Venture Exchange and South Korean Government Agency's approval on the SPV Fund. Additionally, it will be a condition of closing of the InHarv Private Placement that the SPV Fund be unable to convert the Debentures or exercise the InHarv Warrants prior to Shareholder approval being obtained at the Meeting.

New Control Person

InHarv is a South-Korean based hybrid venture capital and private equity corporation. InHarv will form the SPV Fund, which shall complete the investment into the Company by acquiring the Units for aggregate gross proceeds of $7 million.

To the best of the knowledge of the Company's management, neither InHarv nor any of its shareholders, directors, officers, associates or affiliates own any Voting Shares as of the date of this Information Circular. Assuming the completion of the InHarv Private Placement, at the Maturity Date, or upon earlier conversion of the Principal Amount of the Debentures, the SPV Fund will become a "Control Person" (as defined below) pursuant to the policies of the TSXV.

As defined by the policies of the TSXV, "Control Person" means any person or entity that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

Voting Shares acquired in the InHarv Private Placement will be subject to a hold period of four months plus one day from the date of closing of the InHarv Private Placement, in accordance with applicable securities legislation. Also, as a "Control Person" under applicable securities regulations, the SPV Fund will be subject to various obligations and restrictions, which will require prospective action on the part of

the SPV Fund, including: (i) reliance on an exemption from the prospectus requirements under securities legislation before effecting a sale (and filing of a Notice of Intention to Distribute Securities in advance of a sale in certain circumstances); (ii) a restriction (among other conditions) to not acquire (except from treasury) more than 5% of the outstanding Voting Shares in any 12 month period; and (iii) a shortened insider reporting period for acquisitions or dispositions.

Therefore, at the Meeting, Shareholders will be asked to pass a resolution in the following form:

"BE IT RESOLVED, as an Ordinary Resolution, that:

3. The Company is authorized to complete the private placement (the "**InHarv Private Placement**") with InHarv Partners Ltd. ("**InHarv**") "),on behalf of a Korean special purpose fund to be called InHarv ULCC Growth Fund (the "**SPV Fund**"), pursuant to which the SPV Fund will purchase 7,000 Units, at a purchase price of $1,000.00 per Unit, for aggregate gross proceeds of $7 million, the result of which will be that the SPV Fund will become a new "Control Person", and to effect a "Change of Control" (as such terms are defined by the policies of the TSX Venture Exchange) of the Company, the details of which are more particularly described in the Information Circular of the Company;

4. The Board of Directors of the Company is hereby authorized, in its sole discretion, to proceed with the InHarv Private Placement;

5. Notwithstanding that these resolutions have been duly passed, the directors of the Company are hereby authorized and empowered, without further notice to or approval of the Company's shareholders, to:

    a. not proceed with the InHarv Private Placement; and

    b. to amend the terms of the InHarv Private Placement to the extent permitted by the policies of, and subject to the approval of, the TSX Venture Exchange; and

6. Any one director or officer of the Company be and is hereby authorized and directed for and in the name of and on behalf of the Company to execute and deliver, or cause to be executed and delivered, any and all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

Management recommends that Shareholders vote in favour of the resolution to approve the InHarv Private Placement. **In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the second tranche of the Private Placement.**

Approval of Amended Option Plan

On June 27, 2018, Shareholders approved the Company's "fixed" stock option plan (the "**Option Plan**"). On May 9, 2019, the Board of Directors approved amendments to the Option Plan (the "**Amended Option Plan**") to amend existing limits on Voting Shares reserved for issuance under the Company's Security-Based Compensation Plans (as defined below), which are subject to Shareholder approval.

While the amended number of Voting Shares proposed for issuance under the Security-Based Compensation Plans (as defined below) exceed 10% of Voting Shares, such additional amounts are critical

to the Company's ability to continue to attract experienced management and directors. The Company expects to complete the larger financing required to commence airline operations within the near term. The Company expects the total number of Voting Shares available for issuance under all Security-Based Compensation Plans will become closer to 10% of the Voting Shares outstanding after the completion of such financing.

Description of the Amended Stock Amended Option Plan

The description of the Amended Option Plan set forth below is subject to and qualified in its entirety by the provisions of the Amended Option Plan. Reference should be made to the provisions of the Amended Option Plan with respect to any particular provision described below.

Eligibility

- Options may be granted to directors, officers, employees, management company employees of, or consultants to, the Company or its related entities, or their permitted assigns (each an "**Eligible Person**").

Limitations

- The maximum aggregate number of Voting Shares issuable to insiders at any time pursuant to the Amended Option Plan, together with the Company's amended restricted share unit plan (the "**Amended RSU Plan**") and amended performance share unit (the "**Amended PSU Plan**") (collectively, the "**Security-Based Compensation Plans**") of the Company, may not exceed a fixed number of 16,000,000 Voting Shares (approximately twenty per cent (20%) of the Company's issued and outstanding Voting Shares, as of the date of this Information Circular).
- The aggregate number Voting Shares issuable to any one Eligible Person who is a Consultant (as defined in the Amended Option Plan) shall not, within a one-year period, exceed two percent (2%) of the number of Voting Shares outstanding immediately prior to the grant of any such option.
- The aggregate number of Voting Shares issuable to all Eligible Persons retained in Investor Relations Activities shall not, within a one-year period, exceed two percent (2%) of the number of Voting Shares outstanding immediately prior to the grant of any such option.

Exercise Price

- The Board of Directors has the authority under the Amended Option Plan to determine the exercise price of Options at the time they are granted, but such price shall not be less than the closing price of the Voting Shares on the TSXV on the last trading day preceding the date on which the grant of the option is approved by the Board of Directors.

Vesting

- Options shall vest and be subject to the terms and conditions of the Amended Option Plan and such other terms and conditions as determined in the sole discretion of the Board at the time of grant.
- The Board of Directors may, in its sole discretion, shorten the vesting period of any Options or waive any conditions applicable to such Options.
- In the event of a Change in Control (as defined in the Amended Option Plan), if the surviving corporation fails to continue or assume the obligations with respect to each Option or fails to

provide for the conversion or replacement of each Option with an equivalent award, then all Options that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.

Expiry

- The maximum term of Options is ten (10) years from the day they are granted. However, as permitted by the TSXV, the Amended Option Plan has been amended to include an automatic extension of the expiry date associated with any Option that expires during a trading blackout period imposed by the Company in accordance with insider trading policies. Under the Amended Option Plan, if an option expires within a blackout period, the expiry date will be automatically extended to ten (10) business days following the date on which the blackout period is lifted.

Termination

- All Options granted under the Amended Option Plan are not assignable or transferable other than by will or the laws of dissent and distribution. Other than Eligible Persons engaged in Investor Relations Activities, if an optionee ceases to be an Eligible Person for any reason whatsoever other than termination for cause or death, each fully vested option held by such optionee will cease to be exercisable ninety (90) days following the termination date (being the date on which such optionee ceases to be an Eligible Person), provided that in no event shall such right extend beyond the expiry date of such options. If an optionee dies, the legal representative of the optionee may exercise the optionee's options within one year after the date of the optionee's death but only up to and including the original option expiry date.
- In the case of an optionee who is an Eligible Person engaged in Investor Relations Activities, each fully vested option held by such optionee will cease to be exercisable within thirty (30) days from the date such optionee ceases to provide Investor Relations Activities, provided that in no event shall such right extend beyond the expiry date of such options. In the case of an optionee who is an Eligible Person who is terminated for cause, any option held by such optionee shall expire immediately.

Assignability and Transferability

- All options granted under the Amended Option Plan are not assignable or transferable other than by will or the laws of dissent and distribution.

Amendments to the Amended Option Plan

- The Board of Directors may amend the Amended Option Plan without the approval of Shareholders provided however, that the Shareholders approval must be obtained to effect any of the following modifications to the Amended Option Plan:

  (i) an increase in the benefits under the Amended Option Plan;

  (ii) an increase in the aggregate number of Voting Shares which may be issued under the Security-Based Compensation Arrangements (including the change from a fixed percentage of Voting Shares to a fixed number of Voting Shares);

  (iii) modifications to the requirements as to the eligibility for participation in the Plan;

(iv) modifications to the limitations on the number of options that may be granted to any one person or category of persons under the Amended Option Plan;

(v) modifications to the method for determining the exercise price of options granted under the Plan;

(vi) an increase in the maximum option period; or

(vii) modifications to the expiry and termination provisions applicable to options granted under the Amended Option Plan.

- Examples of amendments to the Amended Option Plan which could be made without the approval of Shareholders include the following:

(i) amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;

(ii) amendments of a "housekeeping" nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained in the Amended Option Plan which may be incorrect or incompatible with any other provision thereof;

(iii) a change in the process by which an optionee who wishes to exercise his or her Option may do so, including the required form of payment of the Voting Shares being acquired, the form of exercise notice and the place where such payments and must notices must be delivered; and

(iv) change the vesting provisions of the Amended Option Plan or any Option, including to provide for accelerated vesting.

Outstanding Options

As at the date of this Information Circular, there were 5,600,000 Options outstanding under the Amended Option Plan, which represent approximately 6.86% of the current number of issued and outstanding Voting Shares. Assuming the approval of the Amended Option Plan, 7,440,000 Options could be available for issuance under the Security-Based Compensation Plans, representing approximately 9.11% of the current number of issued and outstanding Voting Shares.

Disinterested Shareholder Approval

The Company will be required to obtain disinterested shareholder approval for the Amended Option Plan on the basis that:

- The Amended Option Plan permits that the aggregate number of Voting Shares issuable pursuant to options granted under the Amended Option Plan to insiders, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such option.

- The Amended Option Plan permits the grant to insiders (as a group), within a 12-month period, of an aggregate number of Voting Shares issuable pursuant to options granted under the Amended Option Plan, together with Voting Shares issuable under any other Security-Based Compensation

Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such option.

- The Amended Option Plan permits the aggregate number of Voting Shares issuable to any one Eligible Person (and where permitted, any companies that are wholly owned by that Eligible Person), within a one-year period, to exceed five percent (5%) of the number of Voting Shares outstanding immediately prior to the grant of any such option.

Approval of Amended Stock Amended Option Plan

At the Meeting, disinterested Shareholders will be asked to consider and ratify the Amended Option Plan in the following form:

"RESOLVED, as an Ordinary Resolution of the Shareholders of the Company, that:

1. Subject to regulatory approval, the amended stock option plan of the Company, dated May 9, 2019 (as may be further amended, varied or supplemented from time to time) (the "**Amended Option Plan**"), a copy of which has been tabled at this Meeting, be and is hereby ratified, confirmed and approved.

2. The Company be and is hereby authorized to issue Options pursuant to and subject to the terms and conditions of the Amended Option Plan entitling the option holders to purchase Voting Shares of the Company.

3. Any one director or officer of the Company be and is hereby authorized to execute any and all documents as the director or officer deems necessary to give effect to the transactions contemplated in the Amended Option Plan."

The full text of the Amended Option Plan will be available for review at the Meeting and may be obtained from the Company prior to the Meeting by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The foregoing resolution must be passed by a simple majority of disinterested Shareholders, being those Shareholders that are not Eligible Persons who hold Options or may be granted Options under the Amended Option Plan that is the subject of the resolution.

Insiders of the Company holding an aggregate of 2,479,756 Voting Shares are not eligible to vote for the approval of this resolution due to the fact that are eligible to be granted Options under the Amended Option Plan.

Management recommends that Shareholders vote in favour of the resolution to approve the Amended Option Plan. In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the Amended Option Plan.

Approval of Amended Restricted Share Unit Plan

On June 27, 2018, Shareholders approved the Company's restricted share unit plan. On May 9, 2019, the Board of Directors approved the Amended RSU Plan, which amended the existing limits on Voting Shares reserved for issuance under the Company's Security-Based Compensation Plans (as defined below), which are subject to Shareholder approval.

Restricted share units ("**RSUs**") are a bookkeeping entry, with each RSU having the same value as a Voting Share. The number of RSUs awarded is determined by the Board of Directors in its sole discretion and from time to time by resolution.

Upon each vesting date, participants receive (a) the issuance of Voting Shares from treasury equal to the number of RSUs vesting, or (b) a cash payment equal to the number of vested RSUs multiplied by the fair market value of a Voting Share, calculated as the closing price of the Voting Shares on the TSXV for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

Description of Amended RSU Plan

The description of the Amended RSU Plan set forth below is subject to and qualified in its entirety by the provisions of the Amended RSU Plan. Reference should be made to the provisions of the Amended RSU Plan with respect to any particular provision described below.

Eligibility

- RSUs may be granted to a person who is a director, officer, employee, management company employees of, or consultants to, the Company or its related entities, or their permitted assigns (each, a "**Participant**").

Limitations

- The maximum aggregate number of Voting Shares issuable to Participants at any time pursuant to the Amended RSU Plan, together with all other Security-Based Compensation Plans of the Company, may not exceed a fixed number of 16,000,000 Voting Shares (approximately twenty percent (20%) of the Company's Outstanding Voting Shares as of the date of this Information Circular).

Fair Market Value

- At any particular date, the market value of a Voting Share at that date will be the closing price of the Voting Shares on the principal stock exchange where the Voting Shares are listed for the trading day immediately preceding such date; provided that if the Voting Shares are no longer listed on any stock exchange, then the fair market value will be the fair market value of the Voting Shares as determined by the Board.

Vesting

- RSUs shall vest and be subject to the terms and conditions of the Amended RSU Plan and such other terms and conditions, in each case, as determined in the sole discretion of the Board at the time of grant.
- The Board of Directors may, in its sole discretion, (i) shorten the vesting period of any RSUs or waive any conditions applicable to such RSUs and (ii) determine on the grant date of RSUs that such RSUs may not be satisfied by the issuance of Voting Shares and such RSUs must be satisfied by cash payment only.
- In the event of a Change in Control (as defined in the Amended RSU Plan), if the surviving corporation fails to continue or assume the obligations with respect to each RSU or fails to provide for the conversion or replacement of each RSU with an equivalent award, then all RSUs credited

to a Participant's account that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.

- If vesting occurs during a period when a blackout on trading has been imposed, or within ten business days following the end of a blackout, the redemption date of such vested units shall be extended to a date which is the earlier of (i) ten (10) business days following the end of such blackout and (ii) the expiry date, provided that in order to avoid a salary deferral arrangement, in the case of a Participant that is a Canadian taxpayer, any redemption that is effected during a blackout period will be redeemed for cash

Termination

- Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant, all RSUs credited to the Participant's account which have not yet vested shall be cancelled and no further payments shall be made under the Amended RSU Plan in relation to such RSUs and the Participant shall have no further rights, title or interest with respect to such RSUs.

Assignability and Transferability

- RSUs are not assignable or transferable and payments with respect to vested RSUs may only be made to the Participant, other than in the case of the death of the Participant.

Amendments to the Amended RSU Plan

- The Amended RSU Plan provides that the Board may amend the Amended RSU Plan without the approval of Shareholders, provided however, that the Shareholders must approve any amendment to the Amended RSU Plan which:

  (ii) increases the fixed number of Voting Shares issuable pursuant to the Amended RSU Plan (in combination with all of the Company's other Share-Based Compensation Plans);

  (iii) amends the definition of "Participant" so as to broaden the categories of persons eligible to receive RSUs;

  (iv) amends the provisions of the Amended RSU Plan with respect to the assignability and transferability of units; or

  (v) amends the provisions of the RSU plan so as to increase the ability of the Board of Directors to amend or modify the Amended RSU Plan.

- Examples of amendments to the Amended RSU Plan which could be made without the approval of Shareholders include the following:

  (i) amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;

  (ii) amendments of a "housekeeping" nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained in the Amended RSU Plan which may be incorrect or incompatible with any other provision thereof;

  (iii) amendments, modification or termination of any outstanding RSU, including, but not limited to, substituting another award of the same or of a different type; and

(iv) changing the vesting provisions of the Amended RSU Plan or any RSU, including to provide for accelerated vesting.

Outstanding RSUs

As at the date of this Information Circular, there were 2,960,000 RSUs outstanding under the Amended RSU Plan, which represent approximately 3.62% of the issued and outstanding Voting Shares. Assuming the approval of the Amended RSUs Plan, 7,440,000 RSUs could be available for issuance under the Security-Based Compensation Plans, representing approximately 9.11% of the issued and outstanding Voting Shares.

Disinterested Shareholder Approval

The Company will be required to obtain disinterested shareholder approval for the Amended RSU Plan on the basis that:

- The Amended RSU Plan permits that the aggregate number of Voting Shares issuable pursuant to RSUs granted under the Amended RSU Plan to insiders, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such RSU.
- The Amended RSU Plan permits the grant to insiders (as a group), within a 12-month period, of an aggregate number of Voting Shares issuable pursuant to RSUs granted under the Amended RSU Plan, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such RSU.
- The Amended RSU Plan permits the aggregate number of Voting Shares issuable to any one Participant (and where permitted, any companies that are wholly owned by that Participant), within a one-year period, to exceed five percent (5%) of the number of Voting Shares outstanding immediately prior to the grant of any such RSU.

Amended RSU Plan Resolution

At the Meeting, disinterested Shareholders will be asked to consider and approve the Amended RSU Plan in the following form:

"RESOLVED, as an Ordinary Resolution of the Shareholders of the Company, that:

1. The amended restricted unit plan of the Company, dated May 9, 2019 (as may be further amended, varied or supplemented from time to time) (the "**Amended RSU Plan**"), a copy of which has been tabled at this Meeting, be and is hereby ratified, confirmed and approved.

2. The Company be and is hereby authorized to issue restricted share units ("**RSUs**") pursuant to and subject to the terms and conditions of the Amended RSU Plan entitling the holders to receive Voting Shares of the Company or a cash payment equal to the number of vested RSUs (as set out in the Amended RSU Plan).

3. Any one director or officer of the Company be and is hereby authorized to execute any and all documents as the director or officer deems necessary to give effect to the transactions contemplated in the Amended RSU Plan."

The full text of the Amended RSU Plan will be available for review at the Meeting and may be obtained from the Company prior to the Meeting by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The resolution approving the Amended RSU Plan must be passed by a simple majority of disinterested Shareholders, being those Shareholders that are not also eligible Participants under the Amended RSU Plan who may benefit from approval of the resolution. Please refer to the disclosure above under "Particulars of Other Matters to be Acted Upon – Approval of Amended Stock Amended Option Plan" for discussion regarding the identity of, and number of Voting Shares held by, persons that will not be eligible to vote for this resolution.

Insiders of the Company holding an aggregate of 2,479,756 Voting Shares are ineligible to vote for the approval of this resolution due to the fact that they are eligible to be granted RSUs under the Amended RSU Plan.

Management recommends that Shareholders vote in favour of the resolution to approve the Amended RSU Plan. In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the Amended RSU Plan.

Approval of Amended Performance Stock Unit Plan

On June 27, 2018, Shareholders approved the Company's performance stock option plan. On May 9, 2019, the Board of Directors approved the Amended PSU Plan, which amended the existing limits on Voting Shares reserved for issuance under the Company's Security-Based Compensation Plans (as defined below), which are subject to Shareholder approval.

Performance share units ("**PSUs**") are a bookkeeping entry, with each PSU having the same value as a Voting Share. The number of PSUs awarded and the target milestones for vesting of PSUs, including performance and/or time targets, is determined by the Board of Directors in its sole discretion and from time to time by resolution.

Upon each vesting date, participants receive (a) the issuance of Voting Shares from treasury equal to the number of PSUs vesting, or (b) a cash payment equal to the number of vested PSUs multiplied by the fair market value of a Voting Share, calculated as the closing price of the Voting Shares on the TSXV for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

Description of Amended PSU Plan

The description of the Amended PSU Plan set forth below is subject to and qualified in its entirety by the provisions of the Amended PSU Plan. Reference should be made to the provisions of the Amended PSU Plan with respect to any particular provision described below.

Eligibility

- PSUs may be granted to a person who is an officer, employee or consultant of the Company or of a related entity of the Corporation (each, a "**Participant**").

Limitations

- The maximum aggregate number of Voting Shares issuable to Participants at any time pursuant to the Amended PSU Plan, together with all other Security-Based Compensation Plans of the

Company, may not exceed a fixed number of 16,000,000 Voting Shares (approximately twenty percent (20%) of the Company's Outstanding Voting Shares as of the date of this Information Circular).

Fair Market Value

- At any particular date, the market value of a Voting Share at that date will be the closing price of the Voting Shares on the principal stock exchange where the Voting Shares are listed for the trading day immediately preceding such date; provided that if the Voting Shares are no longer listed on any stock exchange, then the fair market value will be the fair market value of the Voting Shares as determined by the Board.

Vesting

- PSUs shall vest and be subject to the terms and conditions of the Amended PSU Plan and applicable target milestones, including performance and/or time targets, and such other terms, in each case, as determined in the sole discretion of the Board at the time of grant.
- The Board of Directors may, in its sole discretion, (i) alter the applicable target milestones for vesting of any PSUs or waive any other conditions applicable to such PSUs and (ii) determine on the grant date of PSUs that such PSUs may not be satisfied by the issuance of Voting Shares and such PSUs must be satisfied by cash payment only.
- In the event of a Change in Control (as defined in the Amended PSU Plan), if the surviving corporation fails to continue or assume the obligations with respect to each PSU or fails to provide for the conversion or replacement of each PSU with an equivalent award, then all PSUs credited to a Participant's account that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.
- If vesting occurs during a period when a blackout on trading has been imposed, or within ten business days following the end of a blackout, the redemption date of such vested units shall be extended to a date which is the earlier of (i) ten (10) business days following the end of such blackout and (ii) the expiry date, provided that in order to avoid a salary deferral arrangement, in the case of a Participant that is a Canadian taxpayer, any redemption that is effected during a blackout period will be redeemed for cash

Termination

- Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant, all PSUs credited to the Participant's account which have not yet vested shall be cancelled and no further payments shall be made under the Amended PSU Plan in relation to such PSUs and the Participant shall have no further rights, title or interest with respect to such PSUs.

Assignability and Transferability

- PSUs are not assignable or transferable and payments with respect to vested PSUs may only be made to the Participant, other than in the case of the death of the Participant.

Amendments to the Amended PSU Plan

- The Amended PSU Plan provides that the Board may amend the Amended PSU Plan without the approval of Shareholders, provided however, that the Shareholders must approve any amendment to the Amended PSU Plan which:

  (i) increases the fixed number of Voting Shares issuable pursuant to the Amended PSU Plan (in combination with all of the Company's other Share-Based Compensation Plans);

  (ii) amends the definition of "Participant" so as to broaden the categories of persons eligible to receive PSUs;

  (iii) amends the provisions of the Amended PSU Plan with respect to the assignability and transferability of units; or

  (iv) amends the provisions of the PSU plan so as to increase the ability of the Board of Directors to amend or modify the Amended PSU Plan.

- Examples of amendments to the Amended PSU Plan which could be made without the approval of Shareholders include the following:

  (i) amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;

  (ii) amendments of a "housekeeping" nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained in the Amended PSU Plan which may be incorrect or incompatible with any other provision thereof;

  (iii) amendments, modification or termination of any outstanding PSU, including, but not limited to, substituting another award of the same or of a different type; and

  (iv) changing the target milestone and vesting provisions of the Amended PSU Plan or any PSU.

Outstanding PSUs

As at the date of this Information Circular, the Company has not granted any PSUs and as such, no PSUs have been satisfied through the issuance of Voting Shares. No PSUs will be granted until the Company has received TSXV and disinterested shareholder approval of the Amended PSU Plan.

Disinterested Shareholder Approval

The Company will be required to obtain disinterested shareholder approval for the Amended PSU Plan on the basis that:

- The Amended PSU Plan permits that the aggregate number of Voting Shares issuable pursuant to PSUs granted under the Amended PSU Plan to insiders, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such PSU.
- The Amended PSU Plan permits the grant to insiders (as a group), within a 12-month period, of an aggregate number of Voting Shares issuable pursuant to options granted under the Amended PSU Plan, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such PSU.

- The Amended PSU Plan permits the aggregate number of Voting Shares issuable to any one Participant (and where permitted, any companies that are wholly owned by that Participant), within a one-year period, to exceed five percent (5%) of the number of Voting Shares outstanding immediately prior to the grant of any such PSU.

Amended PSU Plan Resolution

At the Meeting, Shareholders will be asked to pass a resolution in the following form:

"RESOLVED, as an Ordinary Resolution of the Shareholders of the Company, that:

1. The amended performance unit plan of the Company, dated May 9, 2019 (as may be further amended, varied or supplemented from time to time) (the "**Amended PSU Plan**"), a copy of which has been tabled at this Meeting, be and is hereby ratified, confirmed and approved.

2. The Company be and is hereby authorized to issue performance share units ("**PSUs**") pursuant to and subject to the terms and conditions of the Amended PSU Plan entitling holders to receive Voting Shares of the Company or a cash payment equal to the number of vested PSUs (as set out in the Amended PSU Plan).

3. Any one director or officer of the Company be and is hereby authorized to execute any and all documents as the director or officer deems necessary to give effect to the transactions contemplated in the Amended PSU Plan."

The full text of the Amended PSU Plan will be available for review at the Meeting and may be obtained from the Company prior to the Meeting by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The resolution approving the Amended PSU Plan must be passed by a simple majority of disinterested Shareholders, being those Shareholders that are not also eligible Participants under the Amended PSU Plan who may benefit from approval of the resolution.

Insiders of the Company holding an aggregate of 2,479,756 Voting Shares are ineligible to vote for the approval of this resolution due to the fact that they are eligible to be granted PSUs under the Amended PSU Plan.

Management recommends that Shareholders vote in favour of the resolution to approve the Amended PSU Plan. In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the Amended PSU Plan.

OTHER MATTERS

It is not known if any other matters will come before the Meeting other than set forth above and in the Notice of Meeting, but if such should occur, the persons named in the accompanying Proxy intend to vote on any poll, on such matters in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR at www.sedar.com. Shareholders can obtain copies of the Company's financial statements and management discussion and analysis of financial results by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1. Financial information regarding the Company is provided in the Company's audited comparative financial statements for the year ended December 31, 2018 and in the accompanying management discussion and analysis, both of which are available on SEDAR at www.sedar.com or at www.envisionreports.com/jet2019.

DATED at Vancouver, British Columbia, this 1st day of May, 2019.

"Mark J. Morabito"
Mark J. Morabito
Executive Chair of the Board of Directors

SCHEDULE "A"

CANADA JETLINES LTD.
(the "Company")

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(For the Year Ended December 31, 2018)

GENERAL

The following information, dated as of May 1, 2019, is provided as required under Form 51-102F6V for Venture Issuers (the **"Form"**), as such term is defined in National Instrument 51-102.

For the purposes of this Form, a "**Named Executive Officer**", or "**NEO**", means each of the following individuals:

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;

(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NEO COMPENSATION

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the two most recently completed financial years ended December 31, 2018 and 2017. Options and compensation securities are disclosed under the heading "Stock Options and Other Compensation Securities and Instruments" of this Form.

Table of Compensation excluding Compensation Securities

Name and position	Year[1]	Salary, consulting fee, retainer or commission ($)[2]	Bonus ($)[2]	Committee or meeting fees ($)[2]	Value of perquisites ($)[2]	Value of all other compensation ($)[2]	Total compensation ($)[2]
Mark J. Morabito[3] Executive Chairman	2018 2017	145,000 130,833	Nil Nil	Nil Nil	Nil Nil	Nil Nil	145,000 130,833
Stan Gadek[4] Director & CEO	2018 2017	135,897 116,667	Nil Nil	Nil Nil	Nil 25,000	Nil Nil	135,897 141,667
Carlo Valente[5] CFO	2018 2017	87,317 60,331	Nil Nil	Nil Nil	Nil Nil	Nil Nil	87,317 60,331
Mark Lotz[6] Director	2018 2017	3,000 20,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	3,000 20,000
John Sutherland[7] Director	2018 2017	14,750 105,749	Nil Nil	Nil Nil	Nil Nil	Nil Nil	14,750 105,749
Deborah Robinson[7] Director	2018 2017	30,000 20,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	30,000 20,000
Réjean Bourque[7] Director	2018 2017	30,000 20,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	30,000 20,000
John Stephenson[8] Director	2018 2017	19,318 40,815	Nil Nil	Nil Nil	Nil Nil	Nil Nil	19,318 40,815
Jason Grant[9] Director	2018 2017	39,375 24,586	Nil Nil	Nil Nil	Nil Nil	Nil Nil	39,375 24,586
Saad Hammad[10] Director	2018 2017	39,375 18,825	Nil Nil	Nil Nil	Nil Nil	Nil Nil	39,375 18,825
Vic Charlebois[11] VP, Flight Operations	2018 2017	160,047 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	160,047 Nil
Phillip Larsen[12] VP, Maintenance	2018 2017	134,427 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	134,427 Nil
Tony Lefebvre[13] Director	2018 2017	35,613 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	35,613 Nil
Lukas Johnson[14] Director & CEO	2018 2017	167,442 Nil	100,000 Nil	Nil Nil	Nil Nil	Nil Nil	267,442 Nil
Javier Suarez[15] CEO	2018 2017	143,846 Nil	50,000 Nil	Nil Nil	Nil Nil	Nil Nil	193,846 Nil

Alan Bird[16] Director	2018 2017	8,912 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	8,912 Nil

NOTES:

(1) Financial years ended December 31.

(2) All amounts shown in the above table are in Canadian currency, the reporting currency of the Company. However, amounts paid to non-Canadian directors by Company are paid in USD.

(3) Mr. Morabito was appointed as Executive Chair on February 28, 2017. For the period March 1, 2017 to December 31, 2018, Mr. Morabito received annual consulting fees of $145,000, with such amount payable to MJM Consulting Corp. Mr. Morabito formerly served as CEO & President from November 27, 2016 to February 28, 2017 and received his compensation in the form of consulting fees. Mr. Morabito received a monthly fee of $5,000 for his services as Chief Executive Officer & President during the period January 1, 2017 to February 28, 2017, with such amount also payable to MJM Consulting Corp.

(4) Mr. Gadek served as Chief Executive Officer of the Company from June 1, 2017 to June 18, 2018. He received an annual base salary of $200,000 in connection with his services as CEO. During this time, he also received a monthly living allowance of $5,000. Mr. Gadek served as a director of the Company from February 28, 2017 to June 27, 2018, but was not compensated for his services as a director. In connection with his resignation as CEO, Mr. Gadek received a payment equal to $9,231 for accrued vacation pay.

(5) Mr. Valente was appointed CFO of the Company on February 28, 2017. He is also an employee of King & Bay West. The amount set out for Mr. Valente under the heading "Salary, consulting fee, retainer or commission" is the amount paid by King & Bay West directly to Mr. Valente during the applicable period based on the estimated time Mr. Valente spent providing services to the Company.

(6) Mr. Lotz resigned as a director of the Company effective February 5, 2018.

(7) Messrs. Sutherland and Bourque and Ms. Robinson were appointed as directors of the Company on February 28, 2017. Mr. Sutherland did not stand for reelection at the Company's 2018 Annual General Meeting held June 27, 2018 (the "2018 AGM").

(8) Mr. Stephenson was appointed as a director of the Company on May 2, 2017 and did not stand for reelection at the 2018 AGM.

(9) Mr. Grant was appointed as a director of the Company on May 9, 2017.

(10) Mr. Hammad was appointed as a director of the Company on July 1, 2017.

(11) Mr. Charlebois was appointed as the Company's VP, Flight Operations on January 23, 2018. For the period January 23, 2018 to December 31, 2018, Mr. Charlebois' compensation includes living allowance of $18,380. He was not paid a vehicle allowance.

(12) Mr. Larsen was appointed as the Company's VP, Maintenance on January 23, 2018.

(13) Mr. Lefebvre was appointed as a director of the Company on February 5, 2018.

(14) Mr. Johnson served as the Company's CEO from June 18, 2018 to September 10, 2018. Mr. Johnson also served as a director of the Company from June 27, 2018 to September 10, 2018. Following his resignation on September 10, 2018, Mr. Johnson was paid as a consultant of the Company until November 9, 2018. In connection with his resignation as CEO, Mr. Johnson received a payment equal to $10,769 for accrued vacation pay.

(15) Mr. Suarez replaced Mr. Johnson as CEO of the Company effective September 10, 2018. Previously, Mr. Suarez served as the Company's Chief Commercial Officer from July 30, 2018 to September 9, 2018.

(16) Mr. Bird was appointed as director of the Company on November 13, 2018. Mr. Bird also serves as a Special Advisor to the CEO and receives consulting fees in connection with his services.

Security-Based Compensation Plans

The Company currently has an Amended Option Plan, an Amended RSU Plan and an Amended PSU Plan (collectively, (the "**Security-Based Compensation Plans**"), which are subject to Shareholder approval. Readers are referred to *"Particulars of Other Matters to be Acted Upon"* at "*Approval of Amended Option Plan*", "*Approval of Amended RSU Plan*" and "*Approval of Amended PSU Plan*" in the Company's Information Circular dated May 1, 2019 for a description of the Company's Security-Based Compensation Plans.

Stock Options and Other Compensation Securities and Instruments

The following table of compensation securities provides a summary of all compensation securities granted or issued under the Security-Based Compensation Plans by the Company to each NEO and director of the Company for the financial year ended December 31, 2018, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date**
Vic Charlebois VP, Flight Operations	Options[(1)]	250,000	2018-01-29	0.74	0.71	0.55	2023-01-29
Phillip Larsen VP, Maintenance	Options[(1)]	200,000	2018-01-29	0.74	0.71	0.55	2023-01-29
Tony Lefebvre Director	Options[(1)]	225,000	2018-02-05	0.70	0.65	0.55	2023-02-05
Alan Bird Director	Options[(1)]	225,000	2018-11-08	0.57	0.68	0.55	2023-11-08
Lukas Johnson Director & CEO	RSUs[(3)]	1,778,004	2018-06-27	N/A	0.59	0.55	2018-10-31[(2)]
Javier Suarez Casado Chief Executive Officer	RSUs[(3)] RSUs[(3)]	750,000 750,000	2018-07-30 2018-09-10	N/A	0.46 0.54	0.55	N/A
Mark Morabito Executive Chairman	RSUs[(4)]	250,000	2018-09-19	N/A	0.50	0.55	N/A
Carlo Valente CFO	RSUs[(4)]	125,000	2018-09-19	N/A	0.50	0.55	N/A

NOTES:

(1) Options vest over a period of two years such that 25% become available for exercise on each of the sixth, twelfth, eighteenth and twenty-fourth month anniversaries of the date of grant.

(2) Following his resignation as a director and CEO of the Company in June 2018, Mr. Johnson acted a consultant of the Company. On October 31, 2018, Mr. Johnson's 1,778,004 unvested RSUs were cancelled.

(3) These RSUs vest over a period of three years with one-third vesting on the yearly anniversary of the date of grant over a three-year period. No exercise price is payable on the vesting of RSUs.

(4) These RSUs vest over a period of two years with one-half vesting each yearly anniversary of the date of grant. No exercise price is payable on the vesting of RSUs.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the financial year ended December 31, 2018:

Exercise of Compensation Securities							
Name and position	**Type of compensation security**	**Number of underlying securities exercised**	**Exercise price per security ($)**	**Date of exercise**	**Closing price per security on date of exercise ($)**	**Difference between exercise price and closing price on date of exercise ($)**	**Total value on exercise date ($)**
Mark J. Morabito Executive Chairman	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Stan Gadek Director & CEO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Carlo Valente CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Mark Lotz Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
John Sutherland Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Deborah Robinson Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Réjean Bourque Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
John Stephenson Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Jason Grant Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Saad Hammad Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Vic Charlebois VP, Flight Operations	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Phillip Larsen VP, Maintenance	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Tony Lefebvre Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Lukas Johnson Director & CEO	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Javier Suarez CEO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Alan Bird Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Employment, Consulting and Management Agreements

The material terms of the employment, consulting and management agreements of the Company are described under the heading "Director and NEO Compensation, Excluding Options and Compensation Securities".

Termination and Change of Control Benefits

During the year ended December 31, 2018, the Company had entered into consulting or employment agreements with the following NEOs: Mark Morabito, Vic Charlebois, Phillip Larsen and Javier Suarez Casado. A description of each consulting or employment agreement with the NEOs is set forth below.

For the purposes of the NEOs employee and consulting agreements:

- A "**Change of Control**" is defined as the acquisition by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Canada Business Corporations Act*) of: (1) shares or rights or options to acquire shares of the Company or securities which are convertible into shares of the Company or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders of the Company; (2) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Company or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (3) more than 50% of the material assets of the Company, including the acquisition of more than 50% of the material assets of any material subsidiary of the Company.

For the purposes of the MJM Consulting Agreement (as defined below) consulting agreement:

- "**Good Reason**" means without the employee's written consent, the occurrence of any of the following circumstances: (i) reduction by the Company in the employee's base salary; (ii) the failure of the employee to be appointed or re-appointed to the employee's position with the Company; (iii) a material diminution in the employee's duties or the assignment to the employee of any duties inconsistent with his position and status with the Company, provided however that in the event of a Change of Control, the mere fact that the Company ceases to be publicly traded or becomes a subsidiary of another corporation shall not constitute Good Reason; (iv) a change in the employee's reporting relationship such that the Employee no longer reports directly to his current supervisor; or (v) a relocation of place of work.

Mark Morabito

On February 28, 2017, the Company entered into a consulting agreement (the "**MJM Consulting Agreement**") with MJM Consulting Corp. ("**MJM**"), pursuant to which MJM provides the services of Mr. Morabito who acts in the capacity of Executive Chair. During the year ended December 31, 2018, the base fees for Mr. Morabito's services as Executive Chair was $145,000 per year, together with reimbursement for travel and other business expenses incurred on behalf of the Company, and an annual targeted bonus in the amount of up to 30% of the annual base salary. The

MJM Consulting Agreement may be terminated at any time by the Company without cause by making a payment to MJM that is equivalent to twelve (12) months base fees.

In the event that there is a Change of Control of the Company and within one year from the date of such Change of Control either (i) the Company terminates Mr. Morabito's agreement or (ii) Mr. Morabito resigns from his position with the Company for Good Reason, the Company will be obliged to make a lump sum termination payment to MJM that is equivalent to twenty-four (24) months base fees, plus an amount that is equivalent to all cash bonuses paid to MJM in the twelve (12) months prior to the Change of Control.

Vic Charlebois

On January 21, 2018, the Company entered into an executive employment agreement (the "**Charlebois Employment Agreement")** with Vic Charlebois (as amended December 21, 2018 and May 7, 2019), pursuant to which Mr. Charlebois is employed as the Company's VP, Flight Operations. During the year ended December 31, 2018, the annual salary for Mr. Charlebois' employment was $150,000 per year, with reimbursement for travel and other business expenses incurred on behalf of the Company, and an annual targeted bonus in the amount of up to 100% of the annual base salary. Mr. Charlebois is entitled to a monthly accommodation allowance and monthly vehicle allowance. In addition, Mr. Charlebois is also entitled to receive a one-time bonus payment of $30,000, payable on the first pay period after the Company receives its Air Operator Certificate ("**AOC**"). The Charlebois Employment Agreement has a fixed term expiring on June 30, 2019 and may only be terminated by the Company for cause.

Phillip Larsen

On January 29, 2018, the Company entered into an executive employment agreement (the "**Larsen Employment Agreement")** with Phillip Larsen, pursuant to which Mr. Larsen is employed as the Company's VP, Maintenance. During the year ended December 31, 2018, the base fees for Mr. Larsen's employment was $145,000 per year, together with reimbursement for travel and other business expenses incurred on behalf of the Company, and an annual targeted bonus in the amount of up to 100% of the annual base salary. In addition, Mr. Larsen is entitled to receive a one-time bonus payment of $20,000, payable on the first pay period after the Company receives its AOC. The Larsen Employment Agreement may be terminated at any time by the Company without cause by making a payment to Mr. Larsen that is equivalent to six (6) weeks base salary.

Javier Suarez Casado

On June 6, 2018, the Company entered into an executive employment agreement with Javier Suarez Casado, pursuant to which Mr. Suarez is employed as the Company's Chief Commercial Officer ("**CCO**"). On September 10, 2018, the Company entered into an amended executive employment agreement (the "**Amended Suarez Employment Agreement**"), whereby Mr. Suarez was promoted to the position of CEO of the Company. During the period July 30, 2018 to September 9, 2018, Mr. Suarez's base salary as CCO was $300,000 per year. Commencing on September 10, 2018, Mr. Suarez's base fees as CEO was $350,000 per year, together with reimbursement for reasonable relocation expenses, reimbursement for travel and other business expenses incurred on behalf of the Company, and an annual targeted bonus in the amount of 100% of the annual base salary.

During the year ended 2018, Mr. Suarez received a one-time signing bonus of $50,000, which was payable on the first pay period that occurred ninety (90) days after the commencement of the Amended Suarez Employment Agreement. Mr. Suarez is also entitled to receive a one-time bonus payment of $250,000, payable on the first pay period after the Company closes a financing that raises the funds necessary to start-up operations. In addition, in the event that such start-up financing is not completed by December 31, 2019, and Mr. Suarez remains employed by the Company at such time, Mr. Suarez is entitled to receive a one-time lump sum retention payment of $500,000 (the "**Suarez Retention Bonus**"). Further, in the event that (i) the Company terminates Mr. Suarez employment, without cause, prior to completion of such financing, or (ii) the Company becomes insolvent prior to completion of such financing, then Mr. Suarez is entitled to immediately receive the Suarez Retention Bonus. The payment of the Suarez Retention Bonus shall represent Mr. Suarez's full entitlement to severance in the event that his employment is

terminated prior to the completion of a start-up financing. Subject to the Suarez Retention Bonus, the Amended Suarez Employment Agreement may be terminated at any time by the Company without cause by making a payment to Mr. Suarez that is equivalent to six (6) months base salary.

In the event that there is a Change of Control of the Company and within thirteen months, beginning one month before the date of such Change of Control, the Company terminates Mr. Suarez's employment, the Company will be obliged to make a lump sum termination payment to Mr. Suarez that is equivalent to twenty-four (24) months base fees, plus an amount that is equivalent to any actual annual cash bonus paid to Mr. Suarez in the twelve (12) months prior to the Change of Control.

Change of Control

The following table shows estimated incremental payments triggered pursuant to termination of employment of a Named Executive Officer in the event of a Change of Control in accordance with the termination provisions described above:

Name[(1)]	**Mark Morabito**	**Vic Charlebois**	**Phillip Larsen**	**Javier Suarez Casado**
Severance Entitlement	24 months plus actual annual bonuses paid in prior 12 months	--	--	24 months plus actual annual bonuses paid in prior 12 months
Severance Period	24 months	--	--	24 months
Severance Payment (Salary/ Fee Portion)	$290,000	--	--	$700,000
Severance Payment (Bonus Portion)	--	--	--	--
Unvested Stock Options[(2)]	$297,000	--	--	--
Unvested RSUs[(3)]	$137,500	--	--	$825,000
Benefits[(4)]	--	--	--	--
TOTALS	$724,500	--	--	$1,525,000

NOTES:

(1) The termination value assumes that the triggering event took place on the last business day of the Company's financial year-end (December 31, 2018).

(2) Subject to any resolution of the Board of Directors, if there is a Change of Control, all stock options vest immediately prior to such Change of Control. This calculation is based on the closing price of the Voting Shares on the TSXV on December 31, 2018, being $0.55 per share.

(3) Subject to any resolution of the Board of Directors, if there is a Change of Control, all RSUs vest immediately prior to such Change of Control. This calculation is based on the closing price of the Voting Shares on the TSXV on December 31, 2018, being $0.55 per share.

(4) This amount includes health and medical plan premiums.

Termination Without Cause

The following table shows estimated incremental payments triggered pursuant to termination of employment of a Named Executive Officer in the event of a termination without cause in accordance with the termination provisions described above:

Name[(1)]	Mark Morabito	Vic Charlebois	Phillip Larsen	Javier Suarez Casado
Severance Entitlement	12 months	N/A	6 weeks	6 months[(2)]
Severance Period	12 months	N/A	6 weeks	6 months[(2)]
Severance Payment (Salary/ Fee Portion)	$145,000	N/A	$16,730	$175,000
Severance Payment (Bonus Portion)	--	N/A	--	--
Unvested Stock Options[(3)]	--	N/A	--	--
Unvested RSUs[(3)]	--	N/A	--	--
Benefits[(4)]	--	N/A	--	--
TOTALS	$145,000	N/A	$16,730	$175,000

NOTES:
(1) The termination value assumes that the triggering event took place on the last business day of the Company's financial year-end (December 31, 2018).
(2) Mr. Suarez's entitlement to severance upon termination without cause is subject to the Suarez Retention Bonus.
(3) There is no acceleration of vesting on a termination without cause.
(4) This amount includes health and medical plan premiums.

Oversight and Description of Director and NEO Compensation

The Company has the CCGN Committee that is responsible for determining all forms of compensation to be granted to the Named Executive Officers and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company. The Company's NEOs are compensated through employment agreements, consulting agreements and or management services arrangements. The CCGN Committee does not have a pre-determined compensation plan and does not engage in benchmarking practices.

Compensation for the NEOs is composed of three components: base salary, performance bonuses and stock options. Performance bonuses are considered from time to time. The CCGN Committee does not rely on any formula, or objective criteria and analysis to determine an exact amount of compensation to pay. The establishment of base salary, award of stock options and performance bonuses is based on subjective criteria including individual performance, level of responsibility, length of service and available market data. The target is for the total compensation package granted to the NEOs to be approximately in the middle range of other comparably sized exploration and development stage companies, however there is no fixed formula, or pre-determined set of peer companies that is used for this determination.

Base compensation is determined following a review of comparable compensation packages for that position, together with an assessment of the responsibility and experience required for the position to ensure that it reflects the contribution expected from each NEO. Information regarding comparable salaries and overall compensation is derived from the knowledge and experience of the CCGN Committee, which takes into consideration a variety of factors. These factors include overall financial and operating performance of the Company and the Board's overall assessment of each NEO's individual performance and contribution towards meeting corporate objectives, levels of responsibility and length of service. Each of these factors is evaluated on a subjective basis.

Base Salary

In the Board's view, paying base compensation that is competitive in the markets in which the Company operates is

a first step to attracting and retaining talented, qualified and effective executives. The Board considers each NEO's responsibilities based on subjective factors and made appropriate base salary increases or decreases.

On February 28, 2017, Carlo Valente was appointed Chief Financial Officer of the Company. Mr. Valente does not receive compensation directly from the Company. He is also an employee of King & Bay West.

On March 10, 2017, Mr. Morabito was appointed Executive Chair of the Company' Board of Directors. Mr. Morabito receives annual consulting fees of $145,000 for his services as Executive Chair.

Mr. Stan Gadek served as Chief Executive Officer from May 31, 2017 to June 18, 2018. During this period, Mr. Gadek received an annual base salary of $200,000 in connection with his role as Chief Executive Officer. Mr. Lukas Johnson served as Chief Executive Officer from June 18, 2018 to September 10, 2018. During this period, Mr. Johnson received an annual base salary of $350,000. On September 10, 2018, Mr. Javier Suarez Casado was appointed as Chief Executive Officer. Mr. Suarez receives an annual base salary of $350,000.

Mr. Vic Charlebois acts as Vice President, Flight Operations. Mr. Charlebois receives an annual base salary of $150,000. Mr. Phillip Larsen acts as Vice President, Maintenance. Mr. Larsen receives an annual base salary of $145,000.

Bonus Payments

Pursuant to the MJM Consulting Agreement, Mr. Morabito is entitled to receive an annual bonus in the amount of up to 30% of his annual base salary. Pursuant to the Charlebois Employment Agreement and the Larsen Employment Agreement, Mr. Charlebois and Mr. Larsen are entitled to receive an annual bonus in the amount of up to 100% of their annual base salary. In addition, Mr. Charlebois and Mr. Larsen are entitled to receive one-time bonus payments of $30,000 and $20,000, respectively, payable on the first pay period after the Company receives its AOC. Pursuant to the Amended Suarez Employment Agreement, Mr. Suarez is entitled to receive an annual bonus in the amount of 100% of his annual base salary. Mr. Suarez received a one-time signing bonus of $50,000, which was paid by the Company on the first pay period that occurred ninety (90) days after the commencement of the Amended Suarez Employment Agreement. Mr. Suarez is also entitled to receive a one-time bonus payment of $250,000, payable on the first pay period after the Company completes the financing that raises the funds necessary to start-up operations. In addition, Mr. Suarez is entitled to receive the Suarez Retention Bonus, as outlined in detail above.

The compensation committee does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather, the compensation committee uses informal goals typical for early stage companies such as strategic acquisitions, operations and development, equity and debt financings and other transactions and developments that serve to increase the Company's valuation. Precise goals or milestones are not pre-set by the compensation committee. Except as outlined above, during the two most recently completed financial years, the Company has not paid any discretionary cash bonuses to its NEOs.

Long-Term Incentives

The Company believes that granting incentive compensation stock, including stock options, RSUs and PSUS, to key personnel encourages retention and more closely aligns the interests of executive management with the intent of shareholders. The inclusion of incentive compensation stock in compensation packages allows the Company to compensate employees while not drawing on limited cash resources. Further, the Company believes that the incentive compensation stock component serves to further align the interests of management with the interests of the Company's Shareholders. The amount of incentive compensation stock to be granted is based on the relative contribution and involvement of the individual in question, as well as taking into consideration previous grants. There are no other specific quantitative or qualitative measures associated with incentive compensation stock grants and no specific weights are assigned to any criteria individually, rather, the performance of the Company is broadly considered as a whole when determining the number of incentive stock-based compensation (if any) to be granted and the Company

does not focus on any particular performance metric. During the financial year ended December 31, 2018, the Company granted an aggregate 450,000 Options and 3,653,004 RSUs to its NEOs. On October 31, 2018, 1,778,004 of these granted 3,653,004 RSUs were cancelled unvested. No PSUs were granted during the year ended December 31, 2018.

Hedging Restrictions

The Company does not have any policies that restrict a NEO or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Risk Management and Assessment

With respect to the management of risk, the Board takes a conservative approach to executive compensation, rewarding individuals with additional performance-based compensation dependent upon the success of the Company and when such success can be demonstrated. The compensation committee is responsible for reviewing the Company's compensation program to ensure that risks are identified and mitigated to the extent possible. Care is taken in measuring this success, while ensuring it is achieved within normal operating procedures and standards, including those related to the environment, health, safety and sustainable development.

The nature of the business and the competitive environment in which the Company operates requires some level of risk-taking to achieve growth and desired results in the best interest of stakeholders. The Company's executive compensation program seeks to encourage behaviours directed towards increasing long-term value, while limiting incentives that promote excessive risk taking.

While the Company has not awarded any discretionary bonuses in the past three financial years, there is a risk associated with its approach to discretionary bonuses as there are no pre-defined objectives, target amounts or caps. As a result, there is some incentive for Named Executive Officers to take on unmanageable risk and unsustainable performance over the long term in order to achieve a short term discretionary bonus payout. The Company is aware of this risk and at such time the Company moves to a more advanced stage of development, it is expected that the compensation committee will develop a bonus program with pre-defined objectives and target amounts in order to mitigate these risks.

The Company views incentive compensation stock as a valuable tool for aligning the interest of management and Shareholders in the long-term growth and success of the Company. The Company is aware that incentive compensation stock grants that vest immediately may create an incentive for management to maximize short term gains at the expense of the long-term success of the Company. In order to mitigate this risk, incentive compensation stock grants are generally subject to minimum vesting periods of two years from the date of grant.

Director Compensation

On May 1, 2017, the Company implemented a quarterly retainer director compensation program whereby Canadian resident directors receive CAD $7,500 per quarter and non-Canadian resident directors receive US$7,500 per quarter. Directors who were also NEO's during the fiscal year ended December 31, 2018, being Mark J. Morabito, Stan Gadek and Lukas Johnson did not receive quarterly retainer payments during the period December 1, 2018 to December 31, 2018. All directors are eligible to receive incentive compensation stock pursuant to the Company's Security-Based Compensation Plans.

Changes Subsequent to Year-End

Subsequent to the year ended December 31, 2018, the Company has not made any significant changes to its compensation practices. Once the Company commences airline operations it intends to update its compensation practices by adding more formal goal, objectives and targets that would be more typical for an operating airline based in Canada.

Pension

The Company does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

SCHEDULE "B"

CANADA JETLINES LTD.
(the "Company")

AUDIT COMMITTEE CHARTER

A. Introduction and Purpose

1. The primary function of the Audit Committee (the "Committee") of Canada Jetlines Ltd ("Jetlines" or the "Company") is to oversee the accounting and financial reporting processes of the Company and the audits of the Company's financial statements and to exercise the responsibilities and duties set forth below, including, but not limited to, assisting the Board in fulfilling its responsibilities in reviewing the following financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company's compliance with the binding requirement of any stock exchanges on which the securities of the Company are listed and applicable Canadian securities laws (collectively, the "Applicable Requirements"); selecting the external auditors for shareholder approval; reviewing the qualifications, independence and performance of the external auditor; reviewing the qualifications, independence and performance of the Company's financial management; and identifying, evaluating and monitoring the management of the Company's principal risks impacting financial reporting . The Committee also assists the Board with the oversight of the financial strategies and overall risk management.

2. The Committee is not responsible for: planning or conducting audits; certifying or determining the completeness or accuracy of the Company's financial statements or that the financial statements are in accordance with generally accepted accounting principles or international financial reporting standards, as applicable; or guaranteeing the report of the Company's external auditor. The fundamental responsibility for the Company's financial statements and disclosure rests with management and the external auditor.

B. Composition and Committee Organization

1. Composition – The Committee shall consist of not less than three independent members of the Board.

2. Appointment and Removal of Committee Members – Each member of the Committee shall be appointed by the Board on an annual basis at its first meeting following each annual shareholders meeting and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of the Company's shareholders at which the member's term of office expires, (b) the death of the member, or (c) the resignation, disqualification or removal of the member from the Committee or from the Board. The Board may fill a vacancy in the membership of the Committee.

3. Independence – Each member of the Committee shall meet the independence and audit committee composition requirements of the Applicable Requirements.

4. Financial Literacy – Each member of the Committee shall meet the financial literacy requirements of the Applicable Requirements.

5. The Committee should meet privately at least annually with management to discuss any matters that the Committee or management believes should be discussed. In addition, a portion of each Committee meeting shall be held, in camera, without any member of management being present.

C. Meetings

1. Number of Meetings - Number of Meetings - The members of the Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually.

2. The external auditors and non-Committee board members are entitled to receive notice of and attend and be heard at each Committee meeting. The Chair, any member of the Committee, the external auditors, the Chairman of the Board, the Chief Executive Officer (the "CFO") or the Chief Financial Officer (the "CEO") may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Committee.

3. The Chair shall chair all Committee meetings that he or she attends, and in the absence of the Chair, the members of the Committee present may appoint a chair from their number of a meeting.

4. Quorum - No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

5. Minutes - The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held and file a copy of the minutes with the Corporate Secretary. The Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

6. Attendance of Non-Members - The Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

7. Procedure - The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

8. Funding – The Company shall provide appropriate funding, as determined by the Committee, for:

    a. the payment of compensation to any external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services of the Company;
    b. payment for the services of any advisors retained by the Committee; and
    c. the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

D. Functions and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by the Applicable Requirements.

1. Financial Reports

    a. General – The Committee is responsible for overseeing the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the account principles and the reporting policies used by the Company. The external auditors are responsible for auditing the

Company's annual consolidated financial statements and for reviewing the Company's unaudited interim financial statements.

b. Review of Annual Financial Reports – The Committee shall review the annual consolidated audited financial statements of the Company, the external auditors' report thereon, the related management's discussion and analysis of the Company's financial condition and results of operation ("MD&A"), and the financial disclosure in any earnings press release. After completing its review, if advisable, the Committee shall recommend for Board approval the annual financial statements, the related MD&A, and the earnings release.

c. Review of Interim Financial Reports – The Committee shall review the interim consolidated financial statements of the Company, the external auditors' review report thereon, the related MD&A, and the financial disclosure in any earnings press release as well as the release of significant new financial information. After completing its review, if advisable the Committee shall recommend for Board approval, or if delegated the authority by the Board approve, the interim financial statements, the related MD&A, and the earnings release.

d. Review Considerations – In conducting its review of the annual financial statements or the interim financial statements, the Committee shall:

i. meet with management, the external auditors to discuss the financial statements and MD&A;
ii. review the disclosures in the financial statements;
iii. review the audit report or review report prepared by the external auditors;
iv. discuss with management, the external auditors and legal counsel, as requested, any pending or threatened litigation claims and assessments or other contingency that could have a material effect on the financial statements;
v. review critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
vi. review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;
vii. review critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
viii. review the use of any non-GAAP financial measures, including "pro forma" or "adjusted" information;
ix. review management's report on the design and effectiveness of disclosure controls and procedures and internal controls over financial reporting;
x. review results of the Company's whistle blower program;
xi. meet in private with external auditors and one or more senior executives; and
xii. review any other matters related to the financial statements that are brought forward by the external auditors and amendment or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.
xiii. If the Company's lists its securities on a stock exchange in a jurisdiction other than Canada the Audit Committee should review the equivalent applicable documentation and procedures.
xiv. Maintain minutes of meetings and periodically report to the Board of Directors (the "Board") on significant results of the foregoing activities.

e. Approval of Other Financial Disclosures – The Committee shall review and if advisable, approve and recommend for Board approval financial related disclosure in a prospectus or other securities officering documents, annual report, annual information form and managements information or proxy circular of the Company.

The Committee will be satisfied that adequate procedures are in place of the review of the Company's public disclosure of financial information extracted or derived from the financial statements and must periodically assess the adequacy of those procedures.

2. Auditors

a. General – The Committee shall be directly responsible for oversight of the work of the external auditors, including the external auditors work in preparing or issuing an audit report, performing other audit review, or attest services of any other related work. The external auditors shall report directly to the Committee and the Committee shall have authority to communicate directly with the Company's external auditors.

b. Appointment of Other Financial Disclosures – The Committee shall review and if advisable select and recommend to the Board the appointment of the external auditors. The Committee shall review and recommend for Board approval the compensation of the external auditors.

c. Resolution of Disagreements – The Committee shall resolve any disagreements between management and the external auditors as to financial reporting matters brought to its attention.

d. Discussions with External Auditor – At least annually, the Committee shall discuss with the external auditor such matters as are required by applicable auditing standards to be discussed by the external auditor with the audit committee, including the matters required to be discussed by Applicable Requirements and review with the external auditor any difficulties encountered in the course of the audit work or otherwise, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management; receive from and review with the independent auditor any accounting adjustments that were noted or proposed by the auditor but that were "passed" (as immaterial or otherwise), any "management" or "internal control" letter or schedule of unadjusted differences issued, or proposed to be issued, by the auditor to the Company, or any other material written communication provided by the auditor to the Company's management.

e. External Audit Plan – At least annually, the Committee shall review a summary of the external auditors/ annual audit plan. The Committee shall consider and review with the external auditors any material changes to the scope of the plan.

f. Quarterly Review Report – The Committee shall review a report prepared by the external auditors in respect of each of the interim financial statements of the Company and any other material communication between the external auditor and management.

g. Independence of External Auditors – At least annually, and before the external auditors issue their report on the annual financial statements, the Committee shall: obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company; discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs and other Applicable Requirements. The Committee shall take appropriate action to oversee the independence of the external auditors.

h. Evaluation and Rotation of Lead Partner – At least annually, the Committee shall review the qualifications and performance of the lead partner of the external auditors. The Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.

i. Hiring of Former Employees of External Auditor – The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

j. Requirements for Pre-Approval of Non-Audit Services – The Committee shall approve in advance any retainer of the external auditors to perform any non-audit service to the Company in accordance with Applicable Requirements, specifically relating to such non-audit services. The Committee may delegate preapproval authority to a member of that Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting. Approval by the Committee of a non-audit service to be performed by the external auditor of the Company shall be disclosed in periodic reports as required by the Applicable Requirements.

3. Internal Accounting and Disclosure Controls

a. General – The Committee shall review the adequacy of the Company's internal accounting and disclosure controls, its management information systems and its financial, auditing and accounting organizations and systems.

b. Establishment, Review and Approval – the Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over maintenance of records, financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall consider and review with management and the external auditors:

i. the effectiveness of, or weaknesses or deficiencies in: the design or operating effectiveness of the Company's internal controls the overall control environment for management business risks; and accounting, financial and disclosure controls (including without limitation, controls over financial reporting) non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
ii. any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
iii. any material issues raised by any inquiry or investigation by the Company's regulators;
iv. the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
v. any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

4. Compliance with Legal and Regulatory Requirements – The Committee shall receive and review regular reports from the Company's General Counsel and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific Applicable Requirements, and management's plans to remediate any deficiencies identified.

5. Committee Whistleblower Procedures – The Committee shall establish or oversee the establishment of procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding outside advisors, as necessary or appropriate, to

investigate the matter and will work with management, external auditors, and the general counsel to reach a satisfactory conclusion.

6. Compliance with Code of Business Conduct – The Committee shall:

   a. at least annually, review and assess the adequacy of and, if advisable, approve and recommend for Board approval, any amendments to the Company's Code of Business Conduct;

   b. review and, if advisable, approve the Company's processes for administering the Code of Business Conduct;

   c. review, on a regular basis, summaries of the usage of, and the matters being reported to, the whistle blower services;

   d. review with management the results of their assessment of the Company's compliance with the Code of Business Conduct and their plans to remediate any deficiencies identified; and

   e. review and, if advisable, approve any waiver from a provision of the Code of Business Conduct requested by a member of the Board or senior management.

7. Committee Disclosure – The Committee shall prepare, review and approve any audit committee disclosures required by the Applicable Requirements in the Company's disclosure documents.

8. Delegation – The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Committee deems appropriate.

E. Financial Instruments, Risk Assessment and Risk Management

1. Monitor – The Committee shall review and monitor the management of the principal financial risks that could materially impact the reporting of the Company.

2. Processes – the Committee shall review and monitor the processes in place for identifying principal financial risks and reporting them to the Board.

3. Assessment – the Committee shall review policies with respect to the management of capital and financial instrument risk management, including:

   a. Review and periodic approval of managements financial instrument risk philosophy and management policies;

   b. Review management reports of demonstrating compliance with risk management policies; and

   c. Discussing with management, at least annually, the Company`s major financial risk exposures and the steps management has taken to monitor, control and report such risks.

F. Reporting to the Board

The Chair shall report to the Board, as required by Applicable Requirements or as deemed necessary by the Committee or as requested by the Board, on matters arising at Committee meetings and, where applicable, shall present the Committee`s recommendation to the Board for its approval.

G. General

1. Authority – The Committee shall, to the extent permissible by Applicable Requirements, have such additional authority as may be reasonably necessary or desirable, in the Committee's discretion, to exercise its powers and fulfill its duties under this mandate.

2. Charter Review – The Committee shall review this Charter on an annual basis or more frequently, as required. Where appropriate, the Committee shall propose changes to this Charter to the Board.

H. Performance Evaluation

The Committee shall assess and report annually to the Board on the performance of the Committee by comparing the performance of the Committee against this Charter and the Committee's goals and objectives for the year.

I. Communication of the Charter

To ensure that all directors of the Company are aware of the Charter, a copy of the Charter will be distributed to all directors of the Company. New directors will be provided with a copy of this Charter and will be educated about its importance.

Approved by the Board of Directors on the 10th of March, 2017

SCHEDULE "C"

CANADA JETLINES LTD.
(the "Corporation")

AMENDED ARTICLES OF INCORPORATION

SCHEDULE 1

CLASSES OF SHARES

The authorized capital of the Corporation consists of the following:

A. An unlimited number of Variable Voting Shares, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;

B. An unlimited number of Common Voting Shares, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;

ARTICLE 1

INTERPRETATION

1.1 DEFINITIONS

For purposes of the Articles, the following terms have the following meanings:

a) "affiliation" shall, for purposes of subparagraphs 2.1.1, 2.1.2 and 2.1.3, have the meaning set forth in Subsection 55(2) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

b) "Aggregate Votes" means the aggregate of the votes attached to all Voting Shares of the Corporation that may ordinarily be cast to elect directors of the Corporation;

c) "air service" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

d) "Canadian" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

e) "CBCA" means the Canada Business Corporations Act, S.C. 1996, c.10, as amended;

f) "CBCA Regulations" means any regulations promulgated from time to time under the CBCA;

g) "Common Voting Share" means the common voting shares of the share capital of the Corporation;

h) "corporation" includes a body corporate, partnership and unincorporated organization;

i) "CTA" means the Canada Transportation Act, S.C. 1996, Ch. 10, as amended;

j) "Non-Canadian Holder(s) Authorized to Provide Air Service" shall have the meaning set forth in subparagraph 2.1.2(i);

k) "Offeror" has the meaning ascribed thereto in the CBCA;

l) "person" includes an individual, corporation, association, entity, government or agency thereof, trustee, executor, administrator and other legal representative, and references to "person" in the singular shall be deemed to include the plural and vice versa;

m) "Single Non-Canadian Holder" shall have the meaning set forth in subparagraph 2.1.1(i);

n) "Transfer Agent" means the transfer agent and the registrar of the Voting Shares of the Corporation;

o) "Variable Voting Share" means the variable voting shares of the share capital of the Corporation; and

p) "Voting Share" means the Variable Voting Shares and the Common Voting Shares of the share capital of the Corporation and includes a security currently convertible into such a share and currently exercisable options and rights to acquire such shares or such a convertible security

ARTICLE 2

VARIABLE VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to any other class of shares, the Variable Voting Shares shall, as a class, have the following rights, privileges, restrictions and conditions:

2.1 VOTING

The holders of the Variable Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class shall be entitled to vote separately as a class as provided in the CBCA.

The Variable Voting Shares shall carry one vote per Variable Voting Share unless any of the thresholds set forth in subparagraphs 2.1.1, 2.1.2 or 2.1.3, as the case may be, would otherwise be surpassed at any time, in which case the vote attached to a Variable Voting Share will decrease as described in this Section 2.1 below.

2.1.1 Single Non-Canadian Holder

If at any time:

(i) a single non-Canadian holder of Variable Voting Shares (a "Single Non-Canadian Holder"), either individually or in affiliation with any other person, owns directly or indirectly, a number of Variable Voting Shares that, as a percentage of the total number of all Voting Shares outstanding, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation), or

(ii) the total number of votes that would be cast by or on behalf of a Single Non-Canadian Holder, either individually or in affiliation with another person, at any shareholder meeting would exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share owned by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder, will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares owned by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding Voting Shares of the Corporation, and (y) the total number of votes cast by or on behalf of such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder at any shareholder meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

For greater certainty, a single Non-Canadian Holder Authorized to Provide Air Service (as such term is defined in subparagraph 2.1.2(i)) shall also constitute a Single Non-Canadian Holder for purposes of subparagraph 2.1.1.

2.1.2 Non-Canadian Holder Authorized to Provide Air Service

If at any time:

(i) one or more non-Canadians authorized to provide an air service in any jurisdiction (each, a "Non-Canadian Holder Authorized to Provide Air Service" and collectively, the "Non-Canadian Holders Authorized to Provide Air Service"), collectively own directly or indirectly, either individually or in affiliation with any other person, a number of Variable Voting Shares that, as a percentage of the total number of all Voting Shares outstanding, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 (if any, as may be required thereunder), exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation), or

(ii) the total number of votes that would be cast by or on behalf of Non-Canadian Holders Authorized to Provide Air Service and persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any shareholder meeting would, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 (if any, as may be required thereunder) exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share owned by all Non-Canadian Holders Authorized to Provide Air Service and by any person in affiliation with such Non-Canadian Holders Authorized to Provide Air Service will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares owned by all Non-Canadian Holders Authorized to Provide Air Service and by any person in affiliation with such Non-Canadian Holders Authorized to Provide Air Service do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding Voting Shares of the Corporation, and (y) the total number of votes cast by or on behalf of all Non-Canadian Holders Authorized to Provide Air Service and by any person in affiliation with one or more Non-Canadian Holders Authorized to Provide Air Service at any shareholder meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

2.1.3 General – All Holders of Variable Voting Shares

If at any time:

2.1.3.1 the number of issued and outstanding Variable Voting Shares, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non- Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 and after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with one or more Non-Canadian Holders Authorized to Provide Air Service in accordance with subparagraph 2.1.2 (in each case, if any, as may be required under such subparagraphs), exceeds 49% of the total number of all issued and outstanding Voting Shares (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation), or

2.1.3.2 the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any shareholder meeting would, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 and after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with one or more Non-Canadian Holders Authorized to Provide Air Service in accordance with subparagraph 2.1.2 (in each case, if any, as may be required under such subparagraphs), would exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share will decrease proportionately and automatically and without further act or formality only to such extent that, as a result (i) the Variable Voting Shares do not carry more than 49% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding Voting Shares of the Corporation, and (ii) the total number of votes cast by or on behalf of holders of Variable Voting Shares as a class at any shareholder meeting do not exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

2.2 DIVIDENDS

Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, the holders of Variable Voting Shares shall be entitled to receive any dividend declared by the directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Variable Voting Shares and the Common Voting Shares shall rank equally as to dividends on a share-for-share basis, and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Variable Voting Shares and Common Voting Shares then outstanding, without preference or distinction.

2.3 SUBDIVISION OR CONSOLIDATION

No subdivision or consolidation of the Variable Voting Shares shall occur unless, simultaneously, the Variable Voting Shares, the Common Voting Shares and the Non-Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

2.4 LIQUIDATION, DISSOLUTION OR WINDING-UP

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of Variable Voting Shares and Common Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

2.5 CONVERSION

2.5.1 Automatic

Each issued and outstanding Variable Voting Share shall be automatically converted into one Common Voting Share without any further act on the part of the Corporation or of the holder, if:

a) such Variable Voting Share is or becomes beneficially owned and controlled, directly or indirectly, by a Canadian; or

b) the provisions contained in the CTA relating to foreign ownership restrictions are repealed and not replaced with other similar provisions.

2.5.2 Upon an Offer

In the event that an offer is made to purchase Common Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed, to be made to all or substantially all the holders of Common Voting Shares in a province or territory of Canada to which the requirement applies, each Variable Voting Share shall become convertible at the option of the holder into one Common Voting Share at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the Offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Variable Voting Shares for the purpose of depositing the resulting Common Voting Shares pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to section 2.1, immediately above, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Common Voting Shares on behalf of the holder.

To exercise such conversion right, the holder or his attorney duly authorized in writing shall:

a) give written notice to the Transfer Agent of the exercise of such right and of the number of Variable Voting Shares in respect of which the right is being exercised;

b) deliver to the Transfer Agent the share certificate or certificates representing the Variable Voting Shares in respect of which the right is being exercised; and

c) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Common Voting Shares resulting from the conversion of the Variable Voting Shares shall be delivered to the holders on whose behalf such deposit is being made.

If Common Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; or the offer is abandoned or withdrawn by the Offeror or the offer otherwise expires without such Common Voting Shares being taken up and paid for, the Common Voting Shares resulting from the conversion will be reconverted into Variable Voting Shares and a share certificate representing the Variable Voting Shares will be sent to the holder by the Transfer Agent. Common Voting Shares resulting from the conversion and taken up and paid for by the Offeror shall be re-converted into Variable Voting Shares at the time the Offeror is required under the applicable securities legislation to take up and pay for such shares if the Offeror is not a Canadian.

In the event that the Offeror takes up and pays for the Common Voting Shares resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

There will be no right to convert the Variable Voting Shares into Common Voting Shares in the following cases:

d) the offer to purchase Common Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed to be made to all or substantially all of the holders of Common Voting Shares in a province or territory of Canada to which the requirement applies, that is, the offer is an “exempt take-over bid” within the meaning of the foregoing securities legislation; or

e) an offer to purchase Variable Voting Shares is made concurrently with the offer to purchase Common Voting Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Variable Voting Shares must be unconditional, subject to the exception that the offer for the Variable Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Variable Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Common Voting Shares.

ARTICLE 3

COMMON VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to the shares of any other class, the Common Voting Shares, as a class, shall have attached thereto the following rights, privileges, restrictions and conditions.

3.1 VOTING

The holders of Common Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class shall be entitled to vote separately as a class as provided in the CBCA. Each Common Voting Share shall confer the right to one vote at all meetings of shareholders of the Corporation.

3.2 DIVIDENDS AND DISTRIBUTIONS

Subject to the rights, privileges, restrictions and conditions attached to any class of shares of the Corporation ranking prior to the Common Voting Shares, holders of Common Voting Shares shall be entitled to receive the dividends declared by the directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Common Voting Shares and Variable Voting Shares shall rank equally as to dividends on a share for share basis and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Common Voting Shares and Variable Voting Shares then outstanding, without preference or distinction.

3.3 SUBDIVISION OR CONSOLIDATION

No subdivision or consolidation of the Common Voting Shares shall occur unless, simultaneously, the Common Voting Shares and the Variable Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the respective rights of the holders of the shares of each of the said classes.

3.4 LIQUIDATION, DISSOLUTION OR WINDING-UP

Subject to the rights, privileges, restrictions and conditions attaching to any class of shares ranking prior to the Common Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purposes of winding-up its affairs, the holders of Common Voting Shares and Variable Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

3.5 CONVERSION

3.5.1 Automatic

Subject to the foreign ownership restrictions of the CTA, an issued and outstanding Common Voting Share shall be converted into one Variable Voting Share, automatically and without any further act of the Corporation or the holder, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, by a person who is not a Canadian.

3.5.2 Upon an Offer

In the event that an offer is made to purchase Variable Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares, are then listed, to be made to all or substantially all the holders of Variable Voting Shares in a province or territory of Canada to which the requirement applies, each Common Voting Share shall become convertible at the option of the holder into one Variable Voting Share, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the Offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Common Voting Shares for the purpose of depositing the resulting Variable Voting Shares pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to paragraph 3.1, immediately above, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Variable Voting Shares on behalf of the holder.

To exercise such conversion right, the holder or his attorney duly authorized in writing shall:

a) give written notice to the Transfer Agent of the exercise of such right and of the number of Variable Voting Shares in respect of which the right is being exercised;

b) deliver to the Transfer Agent the share certificate or certificates representing the Variable Voting Shares in respect of which the right is being exercised; and

c) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Variable Voting Shares, resulting from the conversion of the Common Voting Shares will be delivered to the holders on whose behalf such deposit is being made.

If Variable Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; or the offer is abandoned or withdrawn by the Offeror or the offer otherwise expires without such Variable Voting Shares, being taken up and paid for, the Variable Voting Shares resulting from the conversion will be re-converted into Common Voting Shares and a share certificate representing the Common Voting Shares will be sent to the holder by the Transfer Agent. Variable Voting Shares resulting from the conversion and taken up and paid for by the Offeror shall be re-converted into Common Voting Shares at the time the Offeror is required under the applicable securities legislation to take up and pay for such shares if the Offeror is Canadian.

In the event that the Offeror takes up and pays for the Variable Voting Shares resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

There will be no right to convert the Common Voting Shares into Variable Voting Shares in the following cases:

d) the offer to purchase Variable Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed to be made to all or substantially all of the holders of Variable Voting Shares in a province or territory of Canada to which the requirement applies that is, the offer is an “exempt take- over bid” within the meaning of the foregoing securities legislation; or

e) an offer to purchase Common Voting Shares is made concurrently with the offer to purchase Variable Voting Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Common Voting Shares must be unconditional, subject to the exception that the offer for the Common Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Common Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Variable Voting Shares.

SCHEDULE 2

CONSTRAINTS ON OWNERSHIP AND TRANSFERS OF SHARES

CONSTRAINTS RELATING TO SHARES

Variable Voting Shares

The Variable Voting Shares may only be beneficially owned or controlled, directly or indirectly, by persons who are not Canadians.

Common Voting Shares

The Common Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians.

CBCA Constraints

In the event that any Canadian federal or provincial legislation or regulation applicable to the Corporation should become prescribed for the purposes of subsections 174(1)(b)(c)(d) or (e) of the CBCA or any other similar provision in the CBCA or CBCA Regulations, these provisions shall be read as if they included additional

constraints that assist the Corporation or any of its affiliates or associates (within the meaning of the CBCA) to qualify under such prescribed law or regulation to receive licenses, permits, grants, payments or other benefits by reason of attaining or maintaining a specified level of Canadian ownership and control and such specified level of Canadian ownership and control shall be the level, of Canadian ownership and control designated by such prescribed law or regulation of Canada or a province.

Joint Ownership

Where Voting Shares of the Corporation are beneficially owned or controlled by several persons jointly, the number of Voting Shares beneficially owned or controlled by any one such person shall include the number of Voting Shares beneficially owned or controlled jointly with such other persons. Where the Voting Shares are beneficially owned or controlled jointly by a person who is not Canadian and another person or persons, the Voting Shares shall be deemed to be owned or controlled by such person who is not a Canadian.

Exceptions

a) Nothing in these provisions shall be construed to apply in respect of Voting Shares of the Corporation that:

   I. are held by one or more underwriters solely for the purpose of distributing the shares to the public; or

   II. are held by any person that is acting in relation to the shares solely in its capacity as an intermediary in the payment of funds or the delivery of securities, or both, in connection with trades in securities and that provides centralized facilities for the clearing of trades in securities.

b) The constraints imposed herein do not apply to the extent that a person who is not a Canadian holds Voting Shares by way of security only and such holding by way of security only is evidenced in such form as may be prescribed by the by-laws or resolutions adopted by the shareholders or directors of the Corporation and filed by such holder with the Corporation.

Powers of Directors

a) In the administration of these provisions, the directors of the Corporation shall enjoy, in addition to the powers set forth herein, all of the powers necessary or desirable, in their opinion, to carry out the intent and purpose hereof, including but not limited to all powers contemplated by the provisions relating to constrained share corporations in the CBCA and the CBCA Regulations.

b) Neither any shareholder of the Corporation nor any other interested person shall have any claim or action against the Corporation or against any director or officer of the Corporation nor shall the Corporation have any claim or action against any director or officer of the Corporation arising out of any act (including any omission to act) performed pursuant to or in intended pursuance of these provisions or any breach or alleged breach of such provisions.

SCHEDULE "D"

GENERAL BY-LAW

AMENDED AND RESTATED BY-LAW NO. I

A BY-LAW RELATING GENERALLY TO THE CONDUCT OF THE AFFAIRS OF

CANADA JETLINES LTD.

(hereinafter called the "Corporation")

(Amended and Restated as of May 9, 2019)

IT IS HEREBY ENACTED as a by-law of the Corporation as follows:

ARTICLE 1
INTERPRETATION

Definitions

In the by-laws of the Corporation, unless the context otherwise specifies or requires:

a) "**Act**" means the Canada Business Corporations Act, S.C. 1996, c.10, as amended;

b) "**affiliation**" shall, for the purposes of Article 15 of this by-law, have the meaning set forth in Subsection 55(2) of the *Canada Transportation Act* or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

c) "**Agent**" means a Person appointed to act on behalf of another;

d) "**appoint**" includes "elect" and vice versa;

e) "**articles**" means the articles of incorporation of the Corporation, as from time to time amended or restated;

f) "**board**" means the board of directors of the Corporation;

g) "**business day**" means a day which is not a non-business day;

h) "**by-laws**" means this by-law and all other by-laws of the Corporation from time to time in force and effect;

i) "**Canada Evidence Act**" means the *Canada Evidence Act*, R.S.C. (1985), c. C-5 and the regulations made under such Act, as amended from time to time;

j) "**Canada Transportation Act**" means the *Canada Transportation Act*, S.C. 1996, c. 10 and the regulations made under such Act, as amended from time to time;

k) "**Canadian**" has the meaning given such term in the Canada Transportation Act;

l) "**Declaration**" means a declaration within the meaning of Article 15 of this by-law;

m) "**Depository**" means Caisse canadienne de dépôts de valeurs limitée / Canadian Depository for Securities Limited or any other Person acting as an intermediary for the payment or delivery of securities in respect of securities transactions and providing centralized services for the compensation of securities transactions or providing centralized services as a depositary in respect of the compensation of securities transactions;

n) "**electronic means**" means in an electronic form, accessible so as to be useable for subsequent reference, and capable of being retained;

o) "**meeting of shareholders**" includes an annual and a special meeting of shareholders;

p) "**non-business day**" means Saturday, Sunday and any other day that is a holiday as from time to time defined in the Interpretation Act of British Columbia;

q) "**Non-Canadian**" means a Person who is not a Canadian;

r) "**Participant**" means a holder of Voting Shares or the Agent of such holder registered with the Depository;

s) "**Person**" means an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;

t) "**Registration System**" means the services offered by the Depository;

u) "**Regulations**" means the regulations under the Act;

v) "**signing officer**" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Section 3.1 of this by-law or by a resolution passed pursuant thereto;

w) "**special meeting of shareholders**" means a meeting of any particular class or classes of shareholders and a meeting of all shareholders entitled to vote at any annual meeting of shareholders at which special business is to be transacted;

x) "**Transfer Agent**" means Computershare Trust Company of Canada or any other corporation designated by the Board of Directors to act as Transfer Agent of the Corporation; and

y) "**Voting Share**" means a share that carries voting rights under all circumstances or by reason of an event that has occurred and is continuing and includes a security convertible into such a share and an exercisable option or right to acquire such a share or convertible security.

Save as aforesaid, all terms which are contained in the by-laws of the Corporation and which are defined in the Act or the Regulations shall, unless the context otherwise specifies or requires, have the meanings given to such terms in the Act or the Regulations. Words importing the singular number include the plural and vice versa; and the masculine shall include the feminine.

Amendments to Legislation and Regulations

Any reference to legislation or regulations of a government herein includes such legislation or regulation as from time to time amended and every enactment that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of an act or regulation shall be read as references to the substituted provisions therefore in the new act or regulation.

Headings and Sections

Headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions. "Section" followed by a number means a reference to a specified section of this by-law.

Conflict with Act or Articles

This by-law is subject to and read in conjunction with the Act and the articles. If there is any conflict or inconsistency between any provision of the Act or articles and this by-law, the provisions of the Act or the articles, as the case may be, shall govern.

ARTICLE 2

BANKING AND SECURITIES

2.1 Banking Arrangements

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefore, shall be transacted with such banks, trust companies or other bodies corporate or organizations or any other persons as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of power as the board may from time to time prescribe or authorize.

2.2 Voting Rights in Other Bodies Corporate

The signing officers of the Corporation may execute and deliver instruments of proxy and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of such voting certificates or evidence of the right to exercise such voting rights. In addition, the board, or failing the board, the signing officers of the Corporation, may direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

ARTICLE 3

EXECUTION OF INSTRUMENTS

3.1 Authorized Signing Officers

Unless otherwise authorized by the board, deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any one of the chief executive officer, president, chairman of the board, any vice-president, any director or any other officer created by by-law or by the board. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal, if any, to any instrument requiring the same, but no instrument is invalid merely because the corporate seal is not affixed thereto.

3.2 Cheques, Drafts and Notes

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or person or persons, whether or not officers of the Corporation and in such manner as the board may from time to time designate by resolution.

ARTICLE 4

DIRECTORS

4.1 Number

Until changed in accordance with the Act, the board shall consist of such number of directors as is fixed by the articles, or where the articles specify a variable number, shall consist of such number of directors as is not less than the minimum nor more than the maximum number of directors provided in the articles and as shall be fixed from time to time by resolution of the shareholders.

4.2 Canadian Status

A majority of directors of the Corporation shall be Canadians.

4.3 Election and Term

Subject to the articles or a unanimous shareholder agreement, the election of directors shall take place at each annual meeting of shareholders and all of the directors then in office shall retire but, if qualified, shall be eligible for re-election. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.4 Removal of Directors

Subject to the Act and the articles, the shareholders may by ordinary resolution passed at a special meeting remove any director from office and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the board.

4.5 Consent

A person who is elected or appointed a director is not a director unless:

a) he was present at the meeting when he was elected or appointed and did not refuse to act as a director, or

b) if he was not present at the meeting when he was elected or appointed:

I. he consented in writing to act as a director before his election or appointment or within ten (10) days after it, or

II. he has acted as a director pursuant to the election or appointment.

4.6 Vacation of Office

A director of the Corporation ceases to hold office when:

a) he dies or resigns;

b) he is removed from office by the shareholders;

c) he ceases to be qualified for election as a director; or

d) his written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

4.7 Committee of Directors

The directors may appoint from among their number a committee of directors, however designated, of which at least one-half of the members must be Canadians, and may delegate to such committee any of the powers of the directors except those which pertain to items which, under the Act, a committee of the board has no authority to exercise. A committee may be comprised of one director.

4.8 Transaction of Business of Committee

Subject to the provisions of this by-law with respect to participation in a meeting, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all of the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place within or outside British Columbia and may be called by any one member of the committee giving notice in accordance with the by-laws governing the calling of meetings of the board.

4.9 Procedure

Unless otherwise determined herein or by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

4.10 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

4.11 Vacancies

Subject to the Act, a quorum of the board may fill a vacancy among the directors. If there is not a quorum of directors, or if there has been a failure to elect the minimum number of directors required by the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

4.12 Action by the Board

The board shall manage or supervise the management of the business and affairs of the Corporation. Notwithstanding a vacancy among the directors, a quorum of directors may exercise all the powers of the directors. If the Corporation has only one director, that director may constitute a meeting.

ARTICLE 5

MEETING OF DIRECTORS

5.1 Place of Meeting

Meetings of the board may be held at any place within or outside British Columbia.

5.2 Notice of Meeting

Unless the board has made regulations otherwise, meetings of the board may be summoned on not less than twenty-four (24) hours' notice, given in the manner provided in Section 13.1 to each director. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

a) submit to the shareholders any question or matter requiring approval of the shareholders;

b) fill a vacancy among the directors or in the office of auditor;

c) appoint additional directors;

d) issue securities, except in the manner and on the terms authorized by the board;

e) declare dividends;

f) purchase, redeem or otherwise acquire shares issued by the Corporation, except in the manner and on the terms authorized by the board;

g) pay a commission for the sale of shares;

h) approve a management proxy circular;

i) approve any financial statements to be placed before the shareholders at an annual meeting; or

j) adopt, amend or repeal by-laws.

Provided, however, that a director may in any manner, and either before or after the meeting, waive notice of a meeting and attendance of a director at a meeting of the board shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

For the first meeting of the board to be held immediately following an election of directors no notice of such meeting shall be necessary, and for a meeting of the board at which a director is to be appointed to fill a vacancy in the board, no notice of such meeting shall be necessary to the newly elected or appointed director or directors in order to legally constitute the meeting, provided, in each case, that a quorum of the directors is present.

5.3 Adjourned Meeting

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

5.4 Calling of the Meetings

Meetings of the board shall be held from time to time at such time and at such place as the board, the chairman of the board, the lead director, the chief executive officer or any two directors may determine. Should more than one of the above-named call a meeting at or for substantially the same time, there shall be only one meeting held and such meeting shall occur at the time and place determined by, in order of priority, the board, any two directors, the chairman, or the chief executive officer.

5.5 Regular Meetings

The board may, from time to time, appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, and forthwith to each director subsequently elected or appointed, but no other notice shall be required for any such regular meeting except where the Act or this by-law requires the purpose thereof or the business to be transacted thereat to be specified.

5.6 Chairman

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, lead director or chief executive officer. If no such person is present, the directors present shall choose one of their numbers to be chairman.

5.7 Lead Director

The board may, from time to time appoint a lead director. The board may specify the duties of, and in accordance with this by-law and subject to the provisions of the Act, the powers of such person.

5.8 Quorum

Subject to Section 5.8, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the directors holding office or such greater number of directors as the board may from time to time determine.

5.9 One-Half Canadian Representation at Meetings

Other than to fill a vacancy on the Board, directors shall not transact business at a meeting of directors unless a majority of the directors present are Canadians. Notwithstanding the foregoing, directors may transact business at a meeting of directors when less than a majority of the directors present are Canadians if:

a) a Canadian director who is unable to be present approves in writing or by electronic means, telephone or other communications facilities the business transacted at the meeting; and

b) the number of Canadian directors present at the meeting, together with any Canadian director who gives his approval under clause a), totals at least a majority of the directors present at the meeting.

5.10 Voting

Questions arising at any meeting of the board shall be decided by a majority of votes, and in the event of any equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

5.11 Participation in Meeting

A director may participate in a meeting of the board or a committee of the board by electronic means, telephone, or other communication facilities as permit all persons participating in the meeting to hear or otherwise communicate with each other, and a director participating in such meeting by such means is deemed to be present at the meeting.

5.12 Resolution in Lieu of Meeting

Notwithstanding any of the foregoing provisions of this by-law, a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board or a committee of directors is as valid as if it had been passed at a meeting of the board or committee of directors, as the case may be. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

5.13 Amendments to the Act

It is hereby affirmed that the intention of Sections 5.8, as it relates to Canadian representation, is to comply with the minimum requirements of the Act, the *Canada Transportation Act*, and the Canada Transportation Agency and in the event that such minimum requirements shall be amended, deleted or replaced such that no, or lesser, requirements with respect to Canadian representation are then in force, such sections shall be deemed to be correspondingly amended, deleted or replaced without any further act of the directors or shareholders of the Corporation.

ARTICLE 6

PROTECTION OF DIRECTORS AND OFFICERS

6.1 Conflict of Interest

A director or officer shall not be disqualified from his office, or be required to vacate his office, by reason only that he is a party to, or is a director or officer or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation- or a subsidiary thereof. Such a director or officer shall, however, disclose the nature and extent of his interest in the contract or transaction or proposed contract or transaction at the time and in the manner provided by the Act. Subject to the provisions of the Act, a director or officer shall not by reason only of his office be accountable to the Corporation or to its shareholders for any profit or gain realized from such a contract or transaction, and such contract or transaction shall not be void or voidable by reason only of the director's interest therein, provided that the required declaration and disclosure of interest is properly made, the contract or transaction is approved by the directors or shareholders, if necessary, and it was fair and reasonable to the Corporation at the time it was approved and, if required by the Act, the director refrains from voting as a director on the contract or transaction.

Even if the above conditions are not met, a director or officer acting honestly and in good faith shall not be accountable to the Corporation or to its shareholders for any profit realized from a material contract or material transaction for which disclosure is required by the Act, and such contract or transaction shall not be void or voidable by reason only of the director or officer's interest therein, provided that the material contract or material transaction was approved or confirmed by special resolution at a meeting of the shareholders, disclosure of the interest was made to the shareholders in a manner sufficient to indicate its nature before such contract or transaction was approved or confirmed, and such contract or transaction was reasonable and fair to the Corporation at the time it was approved or confirmed.

6.2 Limitation of Liability

No director or officer, for the time being of the Corporation, shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person, corporation or other entity with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any other loss, conversion, misapplication, misappropriation of or any damage resulting from dealings with any money, securities or other assets of or belonging to the Corporation or for any damage or misfortune

whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the express requirements of the Act and the Regulations thereunder or from liability for any breach thereof. The directors, for the time being of the Corporation, shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board.

No act or proceeding of any director or officer or the board shall be deemed invalid or ineffective by reason of the subsequent ascertainment of any irregularity in regard to such act or proceeding or the election, appointment or qualification of such director or officer or board.

6.3 Indemnity

To the maximum extent permitted by the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate.

Nothing herein contained shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this Section.

6.4 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 6.0 against any liability incurred by him:

a) in his capacity as a director or officer of the Corporation, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the Corporation; or

b) in his capacity as a director or officer of another body corporate where he acts or acted in that capacity at the Corporation's request, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the body corporate.

6.5 Advance of Funds

The Corporation may advance funds to a director or officer in order to defray the costs, charges and expenses of proceedings for which the Act permits indemnification, provided that if the director or officer does not meet the conditions required for indemnity under the Act; namely (a) was substantially successful on the merits in the defence of the action or proceeding; (b) acted honestly and in good faith, with a view to the best interests of the Corporation, and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer had reasonable grounds for believing that the director's or officer's conduct was lawful; and (c) is fairly and reasonably entitled to indemnity; he or she shall repay the funds advanced.

ARTICLE 7

OFFICERS

7.1 Election or Appointment

The board may, from time to time, appoint a chairman of the board, a chief executive officer, a president, one or more vice-presidents, a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Except for the chairman of the board who must be a director, an officer may, but need not be, a director and one person may hold more than one office.

7.2 Chairman of the Board

The chairman of the board shall, when present, preside at all meetings of the board and at all meetings of shareholders. The board may assign to the chairman of the board any of the powers and duties that, by any provision of this by-law, are assigned to the chief executive officer; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the president, if a director.

7.3 Chief Executive Officer

The chief executive officer shall, subject to the authority of the board have general supervision of the business and affairs of the Corporation. The chief executive officer shall also have such other powers and duties as the board may specify of that office; provided, however, that unless he is a director he shall not preside as chairman at any meeting of the board.

7.4 President

During the absence or disability of the chief executive officer, his duties shall be performed and his powers exercised by the president or by a vice-president designated from time to time by the board or the chief executive officer; provided, however, that a vice-president who is not a director shall not preside as chairman at any meeting of the board. The president or a vice-president shall have such other powers and duties as the board or the president may specify.

7.5 Secretary

The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of directors and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation, if any, and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the chief executive officer may specify.

7.6 Treasurer

The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions and he shall have such other powers and duties as the board or the chief executive officer may specify.

7.7 Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

7.8 Variation of Powers and Duties

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

7.9 Vacancies

If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, and disqualification or otherwise, the board, by resolution, may appoint a person to fill such vacancy.

7.10 Remuneration and Removal

The remuneration of all officers appointed by the board shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers shall be subject to removal by resolution of the board at any time, with or without cause, notwithstanding any agreement to the contrary, provided however that this right of removal shall not limit in any way such officer's right to damages by virtue of such agreement or any other rights resulting from such removal in law or equity. Each officer appointed by the board shall otherwise hold office until his successor is appointed or until his earlier resignation.

7.11 Agents and Attorneys

The Corporation, by or under the authority of the board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

7.12 Conflict of Interest

An officer shall disclose his interest in any material contract or material transaction or proposed material contract or proposed material transaction with the Corporation in accordance with Section 6.1.

7.13 Fidelity Bonds

The board may require such officers, employees and agent of the Corporation, as the board deems advisable, to furnish bonds for the faithful discharge of their powers and duties, in such forms and with such surety as the board may from time to time determine.

ARTICLE 8

SHAREHOLDERS' MEETINGS

8.1 Annual Meetings

Subject to the Act, the annual meeting of shareholders shall be held at such time and on such day in each year and at such place or places as the board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors if required by the Act or the articles, and for the transaction of such other business as may properly be brought before the meeting.

8.2 Special Meetings

The board shall have the power to call a special meeting of shareholders at any time.

8.3 Place of Meetings

Meetings of shareholders shall be held as provided for in the articles, or failing any reference in the articles, at such place in Canada as the board may determine.

Subject to the Act and Regulations, if the directors or the shareholders of the Corporation call a meeting of shareholders, the directors or the shareholders, as the case may be, may determine that the meeting shall be held entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting. Any meeting of shareholders will be subject to procedures, if any, established by the directors.

8.4 Record Date for Notice

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than sixty (60) days and not less than twenty-one (21) days, as a record date for the determination of shareholders entitled to notice of or to vote at the meeting. If no record date is fixed, the record date for the determination of the shareholders entitled

to receive notice of or to vote at the meeting shall be the close of business on the date immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

8.5 Notice of Meeting

Notice of the time and place of each meeting of shareholders shall:

a) if the Corporation is not a distributing corporation, be sent not less than ten (10) days before the meeting; or

b) if the Corporation is a distributing corporation, be sent not less than twenty-one (21) days and not more than sixty (60) days before the meeting,

to each director, to the auditor of the Corporation and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting

Such notice shall be given in the manner provided in Section 13.1. A notice of meeting of shareholders sent by mail to a shareholder, director or auditor in accordance with the above is deemed to be served on the day on which it was deposited in the mail. A notice of a meeting is not required to be sent to shareholders who are not registered on the records of the Corporation or its transfer agent on the record date as determined according to Section 8. Notice of a meeting of shareholders at which special business is to be transacted shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A special meeting and an annual meeting may be convened by one and the same notice and it shall not be an objection to the notice that it only convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

8.6 Right to Vote

Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in 8.7, every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name except to the extent that such person has transferred any of his shares after the record date set pursuant to Section 8.4, or, if no record date is fixed, after the date on which the list referred to in Section 8.7 is prepared, and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, demands not later than ten (10) days before the meeting that his name be included to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the close of business on the record date, or if no record date is set, at the close of business on the date preceding the date notice is sent, is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

8.7 List of Shareholders Entitled to Notice

The Corporation shall prepare a list of shareholders entitled to receive notice of a meeting, arranged in alphabetical order, and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to Section 8.4 by the board, the shareholders listed shall be those registered at the close of business on the record date. If no record date is fixed by the board, the shareholders listed shall be those listed at the close of business on the last business day immediately preceding the day on which notice of a meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where its central securities register is maintained and at the place where the meeting is held.

8.8 Meetings Without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act:

if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held; and

if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held.

At such meetings any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to a meeting being held at such place.

8.9 Waiver of Notice

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

8.10 Chairman, Secretary and Scrutineers

The chairman of the board or, in his absence, the chief executive officer, if such an officer has been elected or appointed and is present, or otherwise the president or a vice-president (in order of seniority of service with the Corporation), shall be chairman of any meeting of shareholders. If no such officer is present within fifteen (15) minutes from the time fixed for holding the meeting, or declines to be chairman of the meeting, the persons present and entitled to vote shall choose one of their numbers to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

8.11 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

8.12 Quorum

A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or by any other by-law) shall be two (2) persons, present in person or represented by proxy, in number, one of whom shall be, or be representing, a Canadian, and holding or representing not less than five (5%) per cent of the shares entitled to be voted at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may precede with the business of the meeting notwithstanding that a quorum is not present throughout the meeting; provided that at least one Canadian shall be present in person or represented by proxy. If a quorum is not present at the opening of the meeting of shareholders, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

8.13 Participation in Meeting

A shareholder or any other person entitled to attend a meeting may participate in a meeting of shareholders by electronic means, telephone or other communication facilities as permit all persons participating in the meeting to hear or otherwise communicate with each other if the Corporation makes such communication's facility available, and a person participating in such a meeting by such means is deemed to be present at the meeting. Any such meeting will be subject to the provisions of the Act, Regulations and procedures, if any, established by the directors.

8.14 Proxyholders and Representatives

Votes at meetings of the shareholders may be given either personally or by proxy; or, in the case of a shareholder, who is a body corporate or association, by an individual authorized by a resolution of the board or governing body of the body corporate or association to represent it at a meeting of shareholders of the Corporation, upon producing a certified copy of such resolution or otherwise establishing his authority to vote to the satisfaction of the secretary or the chairman.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and is valid only at the meeting- in respect of which it is given or any adjournment of that meeting. A person appointed by proxy need not be a shareholder.

8.15 Time for Deposit of Proxies

The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than forty-eight (48) hours exclusive of Saturdays, Sundays and holidays, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

8.16 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or duly represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.

8.17 Votes to Govern

Except as otherwise required by the Act, all questions proposed for the consideration of shareholders at a meeting of shareholders shall be determined by a majority of the votes cast and in the event of an equality of votes at any meeting of shareholders, the chairman shall not be entitled to a second or casting vote.

8.18 Conduct of Vote

Subject to the Act, voting at a meeting of shareholders shall be by a show of hands, unless a ballot is required or demanded as hereinafter provided, and may be held, subject to the Act, entirely by electronic means, telephone or other communication facility, if the corporation makes such a communication facility available. Every person who is present or otherwise participating in the meeting pursuant to Section 8.13 and entitled to vote shall have one vote. Whenever a vote shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or defeated and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of shareholders upon the said question.

8.19 Ballots

On any question proposed for consideration at a meeting of shareholders, a shareholder, proxyholder or other person entitled to vote may demand and the chairman may require that a ballot be taken either before or upon the declaration of the result of any vote.

If a ballot is demanded on the election of a chairman or on the question of an adjournment it shall be taken forthwith without an adjournment. A ballot demanded or required on any other question shall be taken in such manner as the chairman shall direct. A demand or requirement for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares that he is entitled to vote at the meeting upon the question, to the number of votes as provided for by the articles or, in the absence of such provision

in the articles, to one vote for each share he is entitled to vote. The result of the ballot so taken shall be the decision of the shareholders upon the question. The demand or requirement for a ballot shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the ballot has been demanded or required.

8.20 Adjournment

The chairman at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the time of the adjournment. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given in the same manner as notice for an original meeting.

8.21 Resolution in Lieu of a Meeting

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and a resolution in writing dealing with all matters required to be dealt with at a meeting of shareholders and signed by all the shareholders entitled to vote at such meeting, satisfies all the requirements of the Act relating to meetings of shareholders. A copy of every such resolution in writing shall be kept with minutes of the meetings of shareholders. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

8.22 Only One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

ARTICLE 9

SHARES

9.1 Non-Recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

9.2 Certificates

The shareholder is entitled at his option to a share certificate that complies with the Act or a non-transferable written acknowledgement of his right to obtain a share certificate from the Corporation in respect of the securities of the Corporation held by him. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as described by the Act and as the board shall from time to time approve. A share certificate shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on the share certificate may be printed or otherwise mechanically reproduced on it.

9.3 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issuance of a new share certificate or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.4 Joint Holders

The Corporation is not required to issue more than one share certificate in respect of a share held jointly by several persons, and delivery of a certificate to one of several joint holders is sufficient delivery to all. Any one of such holders may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such certificate.

Where shares are owned or controlled jointly by one or more persons who are non- Canadian, the shares shall be deemed to be owned or controlled, as the case may be, by non-Canadians.

ARTICLE 10

TRANSFER OF SECURITIES

10.1 Registration of Transfer

If a share in registered form is presented for registration of transfer, the Corporation shall register the transfer if:

a) reasonable assurance is given that the endorsement is genuine and effective;

b) the Corporation has no duty to enquire into adverse claims or has discharged any such duty;

c) any applicable law has been complied with;

d) the transfer is rightful or is to a bona fide purchaser;

e) the transfer fee, if any, has been paid; and

f) the parties to the transfer have complied with all by-laws, regulations and policies of the Corporation.

10.2 Transfer Agents and Registrar

The board may from time to time by resolution appoint or remove one or more trust companies registered under the Trust Companies Act as its agent or agents to maintain a central securities register or registers, and an agent or agents to maintain a branch securities register or registers. Agents so appointed may be designated as transfer agent or registrar according to their functions, and a person may be appointed and designated with functions as both registrar and transfer or branch transfer agent. Registration of the issuance or transfer of a security in the central securities register or in a branch securities register is complete and valid registration for all purposes.

10.3 Securities Registers

A central securities register of the Corporation shall be kept at its registered office or at any other place in British Columbia designated by the board to record the shares and other securities issued by the Corporation in registered form, showing with respect to each class or series of shares and other securities:

a) the names, alphabetically arranged, and the latest known address of each person who is or has been a holder;

b) the number of shares or other securities held by each holder; and

c) the date and particulars of the issuance and transfer of each share or other security.

A branch securities register or registers may be kept either in or outside British Columbia at such place or places as the board may determine. A branch securities register shall only contain particulars of securities issued or transferred at that branch. Particulars of each issue or transfer of a security registered in a branch securities register shall also be kept in the corresponding central securities register.

10.4 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect

thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

ARTICLE 11

DIVIDENDS AND RIGHTS

11.1 Dividends

Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully-paid shares of the Corporation.

11.2 Dividend Cheques

A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and shall be mailed by prepaid ordinary mail to such registered holder at his address recorded in the Corporation's securities register or registers or such address as such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

11.3 Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

11.4 Unclaimed Dividends

No dividend shall bear interest against the Corporation. Any dividend unclaimed after a period of six (6) years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

ARTICLE 12

INFORMATION AVAILABLE TO SHAREHOLDERS

12.1 Confidential Information

Except as provided by the Act, no shareholders shall be entitled to obtain information respecting any details or conduct of the Corporation's business which, in the opinion of the directors, it would be inexpedient in the interests of the Corporation to communicate to the public.

12.2 Conditions of Access to Information

The directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholders shall have any right to inspect any document or book or register or account record of the Corporation except as conferred by statute or authorized by the board or by a resolution of the shareholders.

12.3 Registered Office and Separate Records Office

The registered office of the Corporation shall be at a place within British Columbia and at such location therein as the board may from time to time determine. The records office will be at the registered office or at such location, if any, within British Columbia, as the board may from time to time determine.

ARTICLE 13

NOTICES

13.1 Method of Giving Notices

A notice (which term includes any document or communication) to be given (which term includes sent, delivered or served) pursuant to the Act, the Regulations, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor, or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication or if sent to him by electronic means in accordance with the provisions of applicable laws relating to the sending of such documents by electronic means. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch; and a notice so sent by electronic means shall be deemed to have been given when transmitted. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

13.2 Notices to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all of such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

13.3 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholders from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

13.4 Non-Receipt of Notices

If a notice or document is sent to a shareholder in accordance with Section 13 and the notice or document is returned on two (2) consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notice or documents to the shareholder until the shareholder informs the Corporation in writing of his new address; provided always, that in the event of the return of a notice of a shareholders meeting mailed to a shareholder in accordance with Section 13 the notice shall be deemed to be received by the shareholder on the date deposited in the mail notwithstanding its return.

13.5 Omissions and Errors

Subject to the Act, the accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

13.6 Signature on Notices

Unless otherwise specifically provided, the signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

13.7 Waiver of Notice

If a notice or document is required by the Act or the Regulations, the articles, the by-laws or otherwise to be sent, the sending of the notice or document may be waived or the time for the notice or document may be waived or abridged at any time with the consent in writing of the person entitled to receive it.

ARTICLE 14

ADVANCE NOTICE OF MEETING OF SHAREHOLDERS

14.1 Nomination Procedures

Subject only to the Act, regulations, Applicable Securities Law, articles and by-laws of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if the election of directors is a matter specified in the notice of meeting:

a) by or at the direction of the board, including pursuant to a notice of meeting;

b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or

c) by any person (a "**Nominating Shareholder**") who (A) at the close of business on the date of the giving of the notice provided for in this Article 14 and on the record date for notice of such meeting, is entered in the central securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation, and (B) complies with the notice procedures set forth below in this Article 14.

14.2 Timely Notice

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Chief Executive Officer of the Corporation in accordance with this Article 14.

14.3 Manner of Timely Notice

To be timely, a Nominating Shareholder's notice under this Article 14 must be given:

a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than 30 days prior to the date of the meeting; provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the meeting was made (each such date being, the "Notice Date"), notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10^{th}) day following the Notice Date; and

b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th)) day following the Notice Date; and

c) in the case of an annual meeting (including an annual and special meeting) of shareholders or a special meeting of shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice-and-access is used for delivery of proxy related materials, not less than 40 days prior to the date of the meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the 10th day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the 15th day following the Notice Date.

14.4 Proper Form of Notice

To be in proper written form, a Nominating Shareholder's notice under this Article 14 must set forth:

a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "Proposed Nominee") (i) the name, age, business and residential address of the Proposed Nominee, (ii) the principal occupation, business or employment of the Proposed Nominee, both present and in the five years preceding the notice, (iii) whether the Proposed Nominee is a "resident Canadian" within the meeting of the Act, (iv) whether the Proposed Nominee is a "Canadian" within the meaning of the CTA, (v) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (vi) a description of any relationship, agreement, arrangement or understanding (financial, compensation or indemnity related or otherwise) between the Nominating Shareholder and the Proposed Nominee, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder or the Proposed Nominee, in connection with the Proposed Nominee's nomination and election as a director, (vii) whether the Proposed Nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the Proposed Nominee; and (viii) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or any Applicable Securities Laws;

b) as to the Nominating Shareholder giving the notice, the beneficial owner, if any, on whose behalf the nomination is being made or any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities (i) their name, business and residential address, (ii) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (iii) full particulars regarding any proxy, contract, arrangement, understanding or relationship pursuant to which it has a right to vote or to direct or control the voting of any shares of the Corporation and their interests in, or rights or obligations associated with, any agreements, arrangements or understandings, the purpose or effect of which is to alter, directly or indirectly, its economic interest in a security of the Corporation or the person's economic exposure to the Corporation, (iv) whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination,

and (v) any other information relating to such person that would be required to be made in a dissident's proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or any Applicable Securities Laws; and

c) a written duly signed consent by each Proposed Nominee to being named as a nominee for election to the board and to serve as a director of the Corporation, if elected.

References to "Nominating Shareholder" in this Article 14 shall be deemed to refer to each shareholder that nominates a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal.

14.5 Notice to be Updated

In addition, to be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required under this Article 14 to be provided in such notice shall be true and correct as of the record date for the meeting.

14.6 Power of the Chairman

The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

14.7 Delivery of Notice

Notwithstanding any other provision of these by-laws, notice given to the Corporate Secretary of the Corporation pursuant to this Article 14 may only be given by personal delivery, or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, or by email (at the address as aforesaid) to the Corporate Secretary of the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

14.8 Waiver

Notwithstanding the foregoing, the board may, in its sole discretion, waive any or all requirements in this Article 14.

14.9 Definitions

For purposes of this Article 14:

a) "**Affiliate**", when used to indicate a relationship with a specific person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the written rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada;

c) "**Associate**", when used to indicate a relationship with a specified person, shall mean (i) any body corporate or trust of which such person beneficially owns, directly or indirectly, voting securities carrying more than

10% of the voting rights attached to all voting securities of such body corporate or trust for the time being outstanding, (ii) any partner of that person, (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (iv) a spouse of such specified person, (v) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (vi) any relative of such specified person or of a person mentioned in clauses (iv) or (v) of this definition if that relative has the same residence as the specified person;

d) "**beneficially owns**" or "**beneficially owned**" means, in connection with the ownership of shares in the capital of the Corporation by a person, (i) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (iii) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person beneficially owns pursuant to this clause (iii) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (iv) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities;

e) "**close of business**" means 5:00 p.m. (Vancouver time) on a business day in British Columbia, Canada;

f) "**Derivatives Contract**" shall mean a contract between two parties (the "**Receiving Party**" and the "**Counterparty**") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Corporation or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "**Notional Securities**"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Corporation or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts; and

g) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

ARTICLE 15
DECLARATIONS

15.1 Declarations

15.1.1 Holder

The Board of Directors may require, at all times, that any owner or holder of Voting Shares of its share capital, the Agent of such owner or holder, a Participant in whose name the Voting Shares of the Corporation are registered or the Depository, must provide any relevant information required to enable it to apply the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the Canada Transportation Act and the Articles of the Corporation.

15.1.2 Transfer or issue of shares

The Board of Directors may require, prior to accepting any transfer of or subscription for Voting Shares of the Corporation's share capital, that the prospective owner or holder, the Agent of such owner or holder, the Participant in whose name such Voting Shares are registered, or the Depository, provide any relevant information required to enable it to apply the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the Canada Transportation Act and the Articles of the Corporation.

15.1.3 Declaration and other information

In order to apply the provisions concerning the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the Canada Transportation Act and the Articles of the Corporation, the Board of Directors may, in its entire discretion:

(a) require a Person in whose name Voting Shares of the Corporation are registered, the Agent of such Person, the Participant in whose name such shares are registered, or the Depository to provide a statutory Declaration under the Canada Evidence Act or otherwise concerning:

(i) whether the shareholder is the beneficial owner of, or controls, Voting Shares of the Corporation or holds them for a beneficial owner;

(ii) whether the shareholder is an affiliate or associate (each within the meaning of the Act) of or in affiliation with another shareholder;

(iii) whether the shareholder or beneficial owner is a Canadian;

(iv) whether the shareholder or beneficial owner is a single Non-Canadian owning greater than 25% of the number of outstanding Voting Shares, and the identity of any Person owning Voting Shares and in affiliation with such shareholder or beneficial owner;

(v) whether the shareholder or beneficial owner is a Non-Canadian authorized to provide an air service in any jurisdiction, and the identify of any Person owning Voting Shares and in affiliation with such shareholder or beneficial owner;

(vi) whether the shareholder or beneficial owner is in affiliation with any Person described in paragraph (a)(iv) or (a)(v) and, in any such circumstance, the identity of such affiliated shareholder; and

(vii) any further facts that the directors consider relevant;

(b) require any Person seeking to have a transfer of a Voting Share registered in his name or to have a Voting Share issued to him to provide a Declaration similar to the Declaration a Person may be required to provide under paragraph 2.3.1; and

(c) determine the circumstances in which any Declarations are required, their form and the times when they are to be provided.

15.1.4 Failure to provide a declaration or any other information

When a Person, the Agent of such Person, the Participant in whose name the Voting Shares of the Corporation are registered, or the Depository are required to provide a Declaration or any other information required pursuant to this by-law and fail to comply with such obligation, the directors may take the following measures until such Person, the Agent of such Person, the Participant, or the Depository has provided the Declaration or the information concerned:

(a) refuse to recognize all ownership rights attributable to the Voting Shares, including the voting rights attached to such Voting Shares, to register a transfer of a Voting Share in his name or, as the case may be in the name of the Person for whom the Participant or the Agent is acting or to issue a Voting Share to such Person or the Person for whom the Agent or the Participant is acting;

(b) where the Voting Shares concerned are registered with the Depositary, regardless of whether the failure is attributable to the Depositary or the Participant, order the Depository to exclude the Voting Shares of the Participant from the Registration System and to refuse any new request by the Participant for registration in the Registration System; or

(c) take any other measure deemed necessary in order to give effect to the provisions concerning the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the *Canada Transportation Act* and the Articles of the Corporation.

15.2 Additional Powers

The Board of Directors may, when it deems it appropriate in order to apply the provisions concerning the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the Canada Transportation Act, the Articles of the Corporation and this by-law:

(a) name and sign any contract with third Persons, and particularly with the Transfer Agent and Depository, namely in order to assist in obtaining and following-up on the Declarations and various information it requires as well as in applying the sanctions related to a Person's failure to comply with the *Canada Transportation Act*, the Articles of the Corporation, or this by-law, as the case may be; and

(b) implement all control mechanisms and adopt all the procedures it may require from time to time, and in particular; (i) implement and adopt certificates of control of the Canadian, Non-Canadian, single Non-Canadian owning greater than 25% of the number of outstanding Voting Shares, or Non-Canadian authorized to provide an air service in any jurisdiction status of the holders of Voting Shares of the Corporation's capital; and (ii) implement any specific compensation procedure in respect of the Voting Shares held by Canadians, Non-Canadians, single Non-Canadians owning greater than 25% of the number of outstanding Voting Shares, or Non-Canadians authorized to provide an air service in any jurisdiction, including any Person in affiliation therewith, and subject to the Registration System.

15.3 Share Certificates

The Board of Directors is authorized to adopt and make, from time to time, all the amendments to the Corporation's share certificate forms required to give effect to the provisions concerning the restrictions on the issue, transfer and ownership of Voting Shares of the Corporation set out in the Articles of the Corporation.

ARTICLE 16
MISCELLANEOUS

16.1 Severability

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

16.2 Effective Date

This by-law shall come into force when approved by the board in accordance with the Act.

ENACTED by the Board the 9th day of May, 2019.

"Javier Suarez"
President and Chief Executive Officer

"Lara Wilson"
Corporate Secretary

SCHEDULE "E"

CANADA JETLINES LTD.
(the "Company")

DISSENT RIGHTS

Canada Business Corporations Act, R.S.C. 1985, c. C-44, s. 190.

Right to dissent

190 (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(*d*) that affects the holder or if the corporation resolves to

(*a*) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(*b*) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(*c*) amalgamate otherwise than under section 184;

(*d*) be continued under section 188;

(*e*) sell, lease or exchange all or substantially all its property under subsection 189(3); or

(*f*) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

(*a*) the shareholder's name and address;

(*b*) the number and class of shares in respect of which the shareholder dissents; and

(*c*) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

(*a*) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

(*b*) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

(*c*) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

(*a*) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(*b*) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) On an application to a court under subsection (15) or (16),

(*a*) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(*b*) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

(*a*) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(*b*) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(*a*) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(*b*) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.