SECOND SUPPLEMENTAL DEBENTURE INDENTURE

THIS SECOND SUPPLEMENTAL DEBENTURE INDENTURE (this "**Second Supplemental Indenture**") is made as of the 30th day of August, 2024 (the "**Second Supplemental Indenture Date**")

BETWEEN:

DRONE DELIVERY CANADA CORP., a corporation existing under the laws of the Province of British Columbia

("**DDC**")

AND:

VOLATUS AEROSPACE CORP., a corporation existing under the laws of the Province of Ontario

("**Volatus**")

AND:

TSX TRUST COMPANY, a trust company existing under the federal laws of Canada, in its capacity as debenture trustee under the Indenture (as defined below), on its own behalf and on behalf of the Debentureholders (as defined therein)

(the "**Trustee**")

WHEREAS:

A. Volatus and the Trustee entered into a debenture indenture dated as of May 11, 2023 to provide for the creation and issuance of senior unsecured convertible debentures (the "**Original Indenture**"), as the same has been supplemented and amended by the first supplemental indenture between Volatus and the Trustee dated as of August 30, 2024 (the "**First Supplemental Indenture**", together with the Original Indenture, the "**Indenture**");

B. Pursuant to the Indenture, 12.0% senior unsecured convertible debentures due May 11, 2025 in the aggregate principal amount of $2,646,000 are outstanding as of the date of this Second Supplemental Indenture (the "**Initial Debentures**");

C. Volatus and DDC are parties to an arrangement agreement dated May 20, 2024 (as the same may be amended or supplemented from time to time, the "**Arrangement Agreement**"), pursuant to which DDC agreed to acquire, by way of a statutory plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the "**Plan of Arrangement**"), all of the issued and outstanding common shares in the capital of Volatus (each, a "**Volatus Share**") in exchange for common shares in the capital of DDC (each, a "**DDC Share**") in an all-equity business combination transaction (the "**Arrangement**");

D. Pursuant to the Plan of Arrangement, upon the Arrangement becoming effective on the date shown on the Certificate of Arrangement giving effect to the Arrangement and effective commencing at the "Effective Time" as defined in the Plan of Arrangement (the "**Effective Time**"), among other things: (i) holders of Volatus Shares (other than dissenting shareholders) will be entitled to receive 1.785 DDC Shares for each Volatus Share held; and (ii) each outstanding Initial Debenture shall, without any further action on the part of any holder of the Initial Debentures (the "**Debentureholders**"), be continued on the same terms and conditions as were applicable immediately prior to the Effective Time, except that, the terms of the Initial Debentures shall be amended so as to substitute for the Volatus Shares underlying the Initial Debentures such number of DDC Shares equal to the number of Volatus Shares into which the Initial Debentures may be convertible immediately prior to the Effective Time, multiplied by the Exchange Ratio, rounded down to two decimal places, and the other terms and conditions of each Initial Debenture will remain the same;

E. Subject to completion of the Arrangement, DDC wishes to, among other things, assume all of the rights, covenants and obligations of Volatus under the Indenture in accordance with the terms of the Indenture as hereby amended;

F. In connection with the Arrangement, Volatus proposes to amend the Indenture to provide:, (i) that the Arrangement and subsequent assumption of obligations by DDC in accordance with Article 10 of the Indenture shall not constitute a breach of any of the covenants as contemplated in Article 7 of the Indenture, (ii) that none of the transactions contemplated in connection with the Arrangement shall constitute an Event of Default under the Indenture, (iii) that the Indenture be amended on the terms set out in this Second Supplemental Indenture, and (iv) for the adjustment to the terms of the Initial Debentures as provided above (collectively, the "**Amendments**");

G. In accordance with Sections 12.11 and 12.15 of the Indenture, an Extraordinary Resolution (as defined in the Indenture) was passed effective as of May 7, 2024 (the "**May Resolution**") by Debentureholders holding Initial Debentures representing in excess of 66 $^{2}/_{3}$% of the total principal amount of Initial Debentures outstanding, pursuant to which the Debentureholders executing the May Resolution (i) waived their right to demand the accelerated payment of the remaining principal and interest amounts due under the Indenture in connection with the Arrangement, including pursuant to the Change of Control provisions in Section 2.5 of the Indenture, and (ii) waived any and all Events of Default under the Indenture that may be caused by the Arrangement;

H. In accordance with Sections 12.11 and 12.15 of the Indenture, an Extraordinary Resolution (as defined in the Indenture) was passed effective as of July 29, 2024 (the "**July Resolution**", together with the May Resolution, the "**Resolutions**") by Debentureholders representing in excess of 66 2/3% of the total principal amount of the Initial Debentures outstanding, pursuant to which such Debentureholders executing the July Resolution approved, among other things, (i) DDC assuming all of the obligations of Volatus under the Indenture; and (ii) the Trustee and the Company entering into this Supplemental Indenture to give evidence to the July Resolution and adjustment to the Conversion Price following the completion of the Arrangement;

I. Volatus, DDC and the Trustee are entering into this Second Supplemental Indenture pursuant to Sections 15.1(d) and 15.1(e) of the Indenture in order to: (i) give effect to the Resolutions and (ii) amend the Indenture on the terms set out in this Second Supplemental Indenture; and

J. The foregoing recitals and any statements of fact in this Second Supplemental Indenture are made as representations and statements of fact by Volatus and DDC and not by the Trustee.

THIS SECOND SUPPLEMENTAL INDENTURE WITNESSES that, in consideration of the respective covenants and agreements contained in this Second Supplemental Indenture, and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged), Volatus, DDC and the Trustee (each, a "**Party**" and, together, the "**Parties**") covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

All capitalized terms not defined in this Second Supplemental Indenture shall have the meanings given to them in the Indenture.

1.2 Interpretation

(a) This Second Supplemental Indenture is supplemental to the Original Indenture, the First Supplemental Indenture and each Debenture Certificate, and shall be read together and shall have effect, so far as practicable, with respect to the Debentures, the Original Indenture, the First Supplemental Indenture and each Debenture Certificate, as if all the provisions of the Original Indenture, First Supplemental Indenture and this Second Supplemental Indenture were contained in one instrument, and the provisions of each Debenture Certificate and this Second Supplemental Indenture were contained in one instrument, as applicable. The Original Indenture and each Debenture Certificate are and shall remain in full force and effect with regards to all matters governing the Debentures, as amended and supplemented by the First Supplemental Indenture and this Second Supplemental Indenture.

(b) In this Second Supplemental Indenture:

(i) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;

(ii) all references to Articles and Sections in this Second Supplemental Indenture refer, unless otherwise specified, to the applicable articles and sections of the Indenture; and

(iii) words and terms denoting inclusiveness (such as "include", "includes" or "including"), whether or not so stated, are not limited by, and do not imply limitation of, their context or the words or phrases which precede or succeed them.

ARTICLE 2
AMENDMENTS TO THE INDENTURE

2.1 Amendments to the Indenture

The Indenture is further amended as follows:

(a) the following defined terms are added to Section 1.1 in alphabetical order:

> ""**Arrangement**" has the meaning set out in the recitals to the Second Supplemental Indenture;";
>
> ""**DDC**" means Drone Delivery Canada Corp. (to be renamed "Volatus Aerospace Inc." upon completion of the Arrangement) and includes any successor to or of DDC which shall

have complied with the provision of Article 10;";

""**Effective Time**" has the meaning set out in the recitals to the Second Supplemental Indenture;";

""**Exchange Ratio**" means 1.785;";

""**First Supplemental Indenture**" has the meaning set out in the recitals to the Second Supplemental Indenture;";

""**Original Indenture**" has the meaning set out in the recitals to the Second Supplemental Indenture;";

""**Plan of Arrangement**" has the meaning set out in the recitals to the Second Supplemental Indenture;";

""**Second Supplemental Indenture**" means the second supplemental debenture indenture dated August 30, 2024 among Volatus, DDC and the Trustee;";

""**Second Supplemental Indenture Date**" means August 30, 2024";

(b) effective as of the Effective Time, the definition of "Common Shares" in Section 1.1 of the Indenture is deleted in its entirety and replaced with the following:

""**Common Shares**" means the common voting shares in the capital of DDC, as such common voting shares are constituted on the Second Supplemental Indenture Date; provided that in the event of a change or a subdivision, revision, reduction, combination or consolidation thereof, any reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale, conveyance, liquidation, dissolution or winding-up, or such successive changes, subdivisions, redivisions, reductions, combinations, consolidations, reclassifications, capital reorganizations, consolidations, amalgamations, arrangements, mergers, sales, conveyances, liquidations, dissolutions or windings-up, then, subject to adjustments, if any, having been made in accordance with the provisions of Section 6.5, "Common Shares" shall, as the context may require, mean the shares or other securities or property resulting from such change, subdivision, redivision, reduction, combination, consolidation, reclassification, capital reorganization, amalgamation, arrangement, merger, sale, conveyance, liquidation, dissolution or winding-up;";

(c) the following shall be added as new Section 8.12 at the end of Article 8:

"8.12 Arrangement

Notwithstanding any other terms or conditions of this Indenture, including this Article 8, none of the transactions contemplated in connection with the Arrangement, shall constitute an Event of Default under this Indenture.";

(d) effective as of the Effective Time, all references to "Company" in the Indenture and the Debenture Certificates (other than with respect to the recitals which shall remain references to Volatus) shall be deemed to be references to DDC;

(e) effective as of the Effective Time, the first sentence of the third paragraph of Section 2.5(d) of the Indenture shall be deleted and replaced in its entirety by the following:

> "The Conversion Price in effect as of the Effective Time of the Arrangement for each Common Share to be issued upon the conversion of Initial Debentures shall be an amount equal to $0.28."

(f) effective as of the Effective Time, the first sentence of Section 2.5(i) of the Indenture shall be deleted and replaced in its entirety by the following:

> "Subject to regulatory approval, including the acceptance of the TSXV pursuant to Section 4 (Amending Convertible Securities) of TSXV Policy 4.1 (Private Placements) and such other applicable policies of the TSXV for any Common Shares trading at that time, and Article 5, the Company shall have the right at its option, exercisable at any time following the Closing Date, to force the conversion of the then outstanding principal amount of the Initial Debentures at the then applicable Conversion Price, if (i) the VWAP for the 10 consecutive trading days preceding the Company's notice pursuant to Section 2.5(i)(i) exceeds $0.56 per Common Share, or (ii) in connection with a Qualified Financing (the "**Mandatory Conversion Event**"), on the following terms and conditions:"

(g) effective as of the Effective Time, the second paragraph of Section 2.15(a) of the Indenture shall be deleted and replaced in its entirety by the following:

> "THE SECURITIES REPRESENTED HEREBY [for Debentures add: AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF VOLATUS AEROSPACE INC. (FORMERLY, DRONE DELIVERY CANADA CORP.) (THE "**COMPANY**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 THEREUNDER, IF AVAILABLE, OR (ii) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (C)(i) OR (D) ABOVE, AFTER THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY AND [for Debentures add: THE TRUSTEE] [for Common Shares issuable upon conversion add: TRANSFER AGENT] TO SUCH EFFECT. [For Common Shares issuable upon conversion add: THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.]"

(h) effective as of the Effective Time, any notices to be delivered to DDC pursuant to the terms of the Indenture shall be delivered to DDC (as successor to Volatus) in accordance with the procedures set out in Section 13.1 as follows:

> "Drone Delivery Canada Corp.
> 6-6221 Highway 7
> Vaughan, Ontario L4H 0K8
> Attention: Glen Lynch (CEO)
> E-mail: [redacted – personal information]"

(i) effective as of the Effective Time, the Form of Debenture attached as Schedule A to the Indenture shall be deleted in its entirety and replaced with the Form of Debenture attached as Schedule A to this Second Supplemental Indenture;

(j) effective as of the Effective Time, the Form of Notice of Conversion attached as Schedule B to the Indenture shall be deleted in its entirety and replaced with the Form of Notice of Conversion attached as Schedule B to this Second Supplemental Indenture; and

(k) effective as of the Effective Time, all references in Schedule D and Schedule E, as applicable to:

> "60 Airport Road, Lake Simcoe Regional Airport
> Oro-Medonte, Ontario L0L 2E0
> Attention: President and Chief Executive Officer"
>
> shall be replaced with:
>
> "6-6221 Highway 7
> Vaughan, Ontario L4H 0K8
> Attention: Chief Executive Officer".

ARTICLE 3
ASSUMPTION OF OBLIGATIONS

3.1 Assumption of Obligations.

DDC confirms that it has read Article 10 of the Indenture, and, subject to completion of the Arrangement, DDC covenants and agrees that, effective as of the Effective Time, it will assume all of the obligations of Volatus under the Initial Debentures and the Indenture, including the performance or observance of every covenant and provision of this Indenture and the Debenture Certificates required on the part of the Company to be performed or observed, and that DDC shall be substituted for Volatus with respect to the rights, powers, and obligations of Volatus under the Indenture. The Initial Debentures are, as of the Effective Time, valid and binding obligations of DDC entitling the holders thereof to all the rights of Debentureholders, as against DDC, under the Indenture.

3.2 Acknowledgement of Covenant Compliance and No Default

The Parties expressly acknowledge and agree that the Arrangement and subsequent assumption of obligations by DDC in accordance with Article 10 of the Indenture shall not constitute a breach of any of the covenants as contemplated in Article 7 of the Indenture or trigger any event of default as contemplated in Article 8 of the Indenture.

ARTICLE 4
GENERAL PROVISIONS

4.1 Confirmation of Indenture

The Indenture and each Debenture Certificate, as amended by this Second Supplemental Indenture, shall in each case be and continue in full force and effect, and each is in all respects hereby confirmed. The Initial Debentures shall continue in full force and effect as originally issued pursuant to the Indenture, except as amended hereunder, and are in all respects hereby confirmed.

On and after the date hereof, in the Indenture and each Debenture Certificate, a reference to: (a) the Indenture, “this Indenture”, “the Indenture” or any similar reference shall be construed as a reference to the Indenture as amended and supplemented hereby; (b) “the Debentures” shall be construed as a reference to the Initial Debentures as amended and supplemented hereby; and (c) any Debenture Certificate shall be construed as a reference to such Debenture Certificate as amended hereby.

4.2 Governing Law

This Second Supplemental Indenture, and all matters related to or arising from this Second Supplemental Indenture, shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

4.3 Further Assurances

The Parties shall, with reasonable diligence, do all such things, obtain all such approvals and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Second Supplemental Indenture, and each Party shall provide such further documents or instruments required by the other Party as may be reasonably necessary or desirable to effect the purpose of this Second Supplemental Indenture and carry out its provisions.

4.4 Acceptance of Trust

The Trustee hereby accepts the trusts declared and provided for in this Second Supplemental Indenture and agrees to perform the same upon the terms and conditions herein set forth.

4.5 Effective Date

This Second Supplemental Indenture shall be effective as of the Second Supplemental Indenture Date, regardless of the actual date of execution.

4.6 Counterparts

This Second Supplemental Indenture may be executed and delivered in counterparts, by DocuSign or other form of electronic transmission capable of producing a printed copy, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

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IN WITNESS WHEREOF the Parties have executed this Second Supplemental Indenture as of the Second Supplemental Indenture Date.

VOLATUS AEROSPACE CORP.

Per: *"Glen Lynch"* (signed)
Name: Glen Lynch
Title: Chief Executive Officer

DRONE DELIVERY CANADA CORP.

Per: *"Steve Magirias"* (signed)
Name: Steve Magirias
Title: Chief Executive Officer

TSX TRUST COMPANY

Per: *"Dalisha Dyal"* (signed)
Name: Dalisha Dyal
Title: Corporate Trust Officer

Per: *"Sumit Khanna"* (signed)
Name: Sumit Khanna
Title: Corporate Trust Officer

SCHEDULE A
FORM OF DEBENTURE

[INITIAL DEBENTURES LEGEND]

For all Initial Debentures include the following legend until such time as it is no longer required in accordance with applicable Canadian securities laws and, if applicable, TSX Venture Exchange policies.

(**<u>INSERT IF BEING ISSUED TO CDS</u>**) THIS DEBENTURE IS A GLOBAL DEBENTURE WITHIN THE MEANING OF THE INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS DEBENTURE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR DEBENTURES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE TRUST INDENTURE DATED AS OF THE 11th DAY OF MAY, 2023, AS AMENDED AND SUPPLEMENTED BY THE FIRST SUPPLEMENTAL DEBENTURE INDENTURE DATED AUGUST 30, 2024 BETWEEN VOLATUS AEROSPACE CORP. AND TSX TRUST COMPANY AND THE SECOND SUPPLEMENTAL DEBENTURE INDENTURE DATED AUGUST 30, 2024 BETWEEN VOLATUS AEROSPACE CORP., DRONE DELIVERY CANADA CORP. AND TSX TRUST COMPANY (COLLECTIVELY, THE "**INDENTURE**"). EVERY DEBENTURE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS DEBENTURE SHALL BE A GLOBAL DEBENTURE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO VOLATUS AEROSPACE INC. (FORMERLY, DRONE DELIVERY CANADA CORP.) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE].

(**<u>IF APPLICABLE</u>**) WITHOUT PRIOR APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE].

(**<u>U.S. LEGEND – TO BE INCLUDED ON ALL INITIAL DEBENTURES ISSUED TO U.S. PURCHASERS EXCEPT QUALIFIED INSTITUTIONAL BUYERS WHO HAVE EXECUTED AND DELIVERED A QUALIFIED INSTITUTIONAL BUYER LETTER.</u>**)

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "***U.S. SECURITIES ACT***"), OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE

HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF VOLATUS AEROSPACE INC. (FORMERLY, DRONE DELIVERY CANADA CORP.) (THE "**COMPANY**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 THEREUNDER, IF AVAILABLE, OR (ii) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (C)(i) OR (D) ABOVE, AFTER THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY AND THE TRUSTEE TO SUCH EFFECT.

CUSIP 92865GAA3

ISIN CA92865GAA37

No. ____________ $__________

VOLATUS AEROSPACE INC.

(A company incorporated under the laws of British Columbia)

12.0% SENIOR UNSECURED CONVERTIBLE DEBENTURE

DUE MAY 11, 2025

Volatus Aerospace Inc. (formerly, Drone Delivery Canada Corp.) (the "**Company**") for value received hereby acknowledges itself indebted and, subject to the provisions of the Debenture Indenture dated as of May 11, 2023 (as amended and supplemented by a first supplemental debenture indenture dated August 30, 2024 and a second supplemental debenture indenture dated August 30, 2024, collectively, the "**Indenture**") between Volatus Aerospace Corp. and TSX Trust Company (the "**Trustee**"), promises to pay to the registered holder hereof on May 11, 2025 or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture (any such date, the "**Maturity Date**") the principal amount hereof in lawful money of Canada on presentation and surrender of this Initial Debenture at the main branch of the Trustee in Toronto, Ontario in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from, and including, the date hereof, or from the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever is later, at the rate of 12.0% per annum (based on a year of 360 days comprised of twelve 30-day months), in like money, in arrears in equal (with the exception of the last interest payment), as set forth below, and semi-annual instalments (less any tax required by law to be deducted) on the last day of in arrears in equal installments on the last day of June and December in each year, with the last interest payment will include interest from and including the second last Interest Payment Date to, but excluding, the Maturity Date or the earlier date of redemption, repayment or conversion in whole, and, should the Company at any time make default in the payment of any principal, premium, if any, or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates.

This Initial Debenture is one of the 12.0% Senior Unsecured Convertible Debentures (referred to herein as the “**Initial Debentures**”) of the Company issued or issuable in one or more series under the provisions of the Indenture. The Initial Debentures authorized for issue immediately are limited to an aggregate principal amount of up to $3,700,000 in lawful money of Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Initial Debentures are or are to be issued and held and the rights and remedies of the holders of the Initial Debentures and of the Company and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Initial Debenture by acceptance hereof assents.

The Initial Debentures are issuable only in denominations of $1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

On or after the date hereof, any part of the principal then outstanding of this Initial Debenture, provided that the principal amount of this Initial Debenture is in a denomination in excess of $1,000 and the principal amount to be converted is $1,000 or an integral multiple thereof, is convertible, at the option of the holder hereof, upon surrender of this Initial Debenture at the principal office of the Trustee in Toronto, Ontario, at any time prior to 5:00 p.m. (Eastern time) on the Maturity Date or, if called for repurchase pursuant to a Change of Control (as defined in the Indenture) on the Business Day immediately prior to the payment date, into common voting shares of the Company (the “**Common Shares**”) (without adjustment for interest accrued hereon or for dividends or distributions on Common Shares issuable upon conversion) at a conversion price of $0.28 (the “**Conversion Price**”) per Common Share, all subject to the terms and conditions and in the manner set forth in the Indenture. No Initial Debentures may be converted during the five Business Days preceding each of December 31 and June 30 in each year, as the registers of the Trustee will be closed during such periods. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion of the Debentures and the holder shall not be entitled to any compensation in respect of any fractional Common Share which is not issued. Debentureholders will receive, in addition to the applicable number of Common Shares, accrued and unpaid interest (less any taxes required to be deducted) in cash in respect of the Initial Debentures surrendered for conversion up to and including the date of conversion from, and including, the most recent Interest Payment Date. If a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the person or persons entitled to receive Common Shares in respect of the Debentures so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date and, for clarity, any interest payable on such Debentures will be for the account of the holder of record of such Debentures at the close of business on the relevant record date. Notwithstanding the foregoing, if an Initial Debenture is surrendered for conversion during the period from the close of business on any record date for the payment of interest on such Initial Debentures to the opening of business on the next succeeding Interest Payment Date, the holder of record on the relevant record date will receive the whole amount of the semi-annual interest payable on such Initial Debentures on the corresponding Interest Payment Date.

This Initial Debenture may be redeemed at the option of the Company on the terms and conditions set out in the Indenture. At any time and from time to time after the 12 month anniversary of the Closing Date and prior to the Maturity Date, the Initial Debentures may be redeemed in whole or in part at the option of the Company on notice as provided in the Indenture at the redemption price equal to 105% of the principal amount of the Initial Debentures plus accrued and unpaid interest thereon that would otherwise be payable to the holders of the Initial Debentures from the date of such optional redemption until the

Maturity Date, upon and subject to the terms and conditions of the Indenture.

Subject to regulatory approval, including the policies of the TSX Venture Exchange ("**TSXV**") (or such other Canadian stock exchange on which the Common Shares are listed for trading) for any Common Shares trading at that time, the Company shall have the right at its option to force the conversion of the then outstanding principal amount of the Initial Debentures, at the then applicable Conversion Price, upon (each a "**Mandatory Conversion Event**") (i) the daily volume weighted average price of the Common Shares on the TSXV for the 10 consecutive trading days preceding the Company's notice described below exceeding $0.56 per Common Share, or (ii) in connection with a qualified equity or similar financing (either qualified by a prospectus or by way of a private placement) involving Common Shares or warrants exercisable into Common Shares, resulting in aggregate gross proceeds to the Company of not less than $10,000,000 (a "**Qualified Financing**"), on the terms and conditions set out in the Indenture, including that (A) not more than 15 days following the occurrence of a Mandatory Conversion Event, the Company shall deliver to the Trustee, and the Trustee shall promptly deliver to the holders of the Initial Debentures, a notice stating that the Company intends to exercise its mandatory conversion rights and specifying the circumstances or events giving rise to such intention, effective on a day that is not more than 60 days and not less than 30 days after the date of such notice (the "**Mandatory Conversion Date**"), and (B) if the Qualified Financing is completed at a price per security less than the Conversion Price (in the case of warrants calculated by adding the issue and exercise price), the Conversion Price in connection with the Mandatory Conversion Event of the Convertible Debentures shall be reduced to equal the price per security under the Qualified Financing.

Not less than 45 days prior to the consummation of: (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; (ii) the Company's amalgamation, consolidation or merger with or into any other person, any merger of another person into the Company, unless the holders of voting securities of the Company immediately prior to such amalgamation, consolidation or merger hold securities representing 50% or more of the voting control or direction in the Company or the successor entity upon completion of such amalgamation, consolidation or merger; or (iii) the sale or other transfer of all or substantially all of the consolidated assets of the Company (each, a "**Change of Control**"), the Company shall notify the holders of the Initial Debentures of the Change of Control, and each holder of the Initial Debentures shall, in its sole discretion, have the right to require the Company to either (i) redeem its Initial Debentures, in whole or in part, on the date that is 30 days following the giving of such Change of Control notice, at a price equal to 100% of the principal amount of the Initial Debentures then outstanding plus accrued and unpaid interest thereon up to and including the date of redemption (the "**Offer Price**"), or (ii) convert the Initial Debentures on the Business Day immediately preceding the date specified by the Company for such redemption of the Initial Debentures at the Conversion Price. If 90% or more of the principal amount of all the Initial Debentures outstanding on the date the Company provides notice of the Change of Control have been tendered for redemption, the Company will have the right to redeem all of the remaining outstanding Initial Debentures at the Offer Price.

If an offer is made for the Initial Debentures which is a take-over bid for the Initial Debentures within the meaning of applicable Canadian securities laws and 90% or more of the principal amount of all the Initial Debentures (other than Initial Debentures held at the date of the offer by or on behalf of the offeror, associates or affiliates of the offeror or anyone acting jointly or in concert with the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Initial Debentures of those holders who did not accept the offer on the same terms as the offeror acquired the first 90% of the principal amount of the Initial Debentures.

The indebtedness evidenced by this Initial Debenture, and by all other Initial Debentures now or hereafter Authenticated and delivered under the Indenture, is a direct unsecured obligation of the Company, and is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment in full of all Secured Indebtedness, whether outstanding at the date of the Indenture or thereafter created, incurred, assumed or guaranteed.

This Initial Debenture and the Common Shares issuable upon conversion hereof have not been and will not be registered under the *United States Securities Act* of 1933, as amended (the "***U.S. Securities Act***"), or the securities laws of any state of the United States. This Initial Debenture may not be converted by or for the account or benefit of a U.S. Person or a person in the United States absent an exemption from the registration requirements of the *U.S. Securities Act* and applicable state securities laws. In addition, this Initial Debenture and the underlying Common Shares may only be offered and sold to a U.S. Person or a person in the United States pursuant to an exemption from the registration requirements of the *U.S. Securities Act* and applicable state securities laws. "**U.S. Person**" and "**United States**" are as defined in Regulation S under the *U.S. Securities Act*.

The Indenture contains provisions binding upon all holders of Initial Debentures outstanding thereunder (or in certain circumstances specific series of Initial Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Initial Debentures outstanding (or specific series), which resolutions or instruments may have the effect of amending the terms of this Initial Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Common Shares and officers, directors and employees of the Company in respect of any obligation or claim arising out of the Indenture or this Initial Debenture.

This Initial Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in the City of Toronto and in such other place or places and/or by such other registrars (if any) as the Company with the approval of the Trustee may designate. No transfer of this Initial Debenture shall be valid unless made on the register by the registered holder hereof or its executors or administrators or other legal representatives, or its or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Initial Debenture for cancellation. Thereupon a new Initial Debenture or Initial Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Initial Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

This Initial Debenture shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Company, the Trustee and each holder irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Capitalized words or expressions used in this Initial Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture. In the event of any inconsistency between the terms of this Initial Debenture and the Indenture, the terms of the Indenture shall govern.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF VOLATUS AEROSPACE INC. has caused this Debenture to be signed by its authorized representatives as of ___________, 202__.

VOLATUS AEROSPACE INC.

____

by its authorized signatory
Name:
Title:

TRUSTEE'S CERTIFICATE

This Initial Debenture is one of the 12.0% Senior Unsecured Convertible Debentures due May 11, 2025 referred to in the Indenture within mentioned.

DATED: _____________, 202__.

TSX TRUST COMPANY

____

by its authorized signatory
Name:
Title:

REGISTRATION PANEL

(No writing hereon except by Trustee or other registrar)

Date of Registration	In Whose Name Registered	Signature of Trustee or Registrar

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto ____, whose address and social insurance number, if applicable, are set forth below, this Initial Debenture (or $ principal amount hereof*) of **VOLATUS AEROSPACE INC.** standing in the name(s) of the undersigned in the register maintained by the Company with respect to such Initial Debenture and does hereby irrevocably authorize and direct the Trustee to transfer such Initial Debenture in such register, with full power of substitution in the premises.

Dated: _________________________________

Address of Transferee: ____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: ___________________________________

*If less than the full principal amount of the Initial Debenture is to be transferred, indicate in the space provided the principal amount (which must be $1,000 or an integral multiple thereof, unless you hold an Initial Debenture in a non-integral multiple of $1,000 by reason of your having exercised your right to exchange upon the making of a Change of Control Offer, in which case such Initial Debenture is transferable only in its entirety) to be transferred.

> □ **Check if the undersigned Transferor is a U.S. Purchaser that acquired Initial Debentures under the Offering as "restricted securities" and which are represented by one or more Debenture Certificate endorsed with a U.S. Legend. IF THIS BOX IS CHECKED, THE TRANSFEROR MUST COMPLETE AND DELIVER A CERTIFICATE OF TRANSFER SUBSTANTIALLY AS SET FORTH IN SCHEDULE D TO THE INDENTURE.**

REASON FOR TRANSFER – For U.S. Residents only (where the individual(s) or corporation receiving the securities is a U.S. resident). Please select only one (see instructions below).

□ Gift □ Estate □ Private Sale □ Other (or no change in ownership)

Date of Event (Date of gift, death or sale): **Value per Debenture** on the date of event:

______/_____/_____________ $_____________ □$USD or □$CAD

1. The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a "SIGNATURE & AUTHORITY TO SIGN GUARANTEE" Stamp affixed to the Form of Transfer

obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a "MEDALLION GUARANTEED" Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

2. The registered holder of this Initial Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

Signature of Guarantor:

Authorized Officer	Signature of transferring registered holder

Name of Institution

SCHEDULE B
FORM OF NOTICE OF CONVERSION

To: VOLATUS AEROSPACE INC. (formerly, DRONE DELIVERY CANADA CORP.)

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

The undersigned registered holder of 12.0% Senior Unsecured Convertible Debentures irrevocably elects to convert such Debentures (or $__________________ principal amount thereof *) in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures and directs that the Common Shares of Volatus Aerospace Inc. (formerly, Drone Delivery Canada Corp.) (the "**Company**") issuable upon a conversion be issued and delivered to the person indicated below. (If Common Shares are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned and the Form of Assignment must be completed and delivered in respect of such other person).

If the Debentures are being converted by, or for the account or benefit of a U.S. person or a person in the United States, the undersigned represents, warrants and certifies as follows (one only) of the following must be checked:

☐ A. The undersigned has not been solicited to convert the Debentures by any person, or if the undersigned has been solicited to convert the Debentures, the undersigned has confirmed that no commission or remuneration has been or will be paid or given, directly or indirectly, for soliciting such conversion, and the undersigned acknowledges that the Company is relying on the registration exemption provided by Section 3(a)(9) of the United States *Securities Act* of 1933, as amended (the "*U.S. Securities Act*"), to issue the Common Shares; OR

☐ B. The undersigned has delivered to the Company and the Trustee an opinion of counsel reasonably satisfactory to the Company to the effect that an exemption from the registration requirements of the *U.S. Securities Act* and applicable state securities laws is available. (Note: If this box is to be checked, holders are encouraged to consult with the Company in advance to determine that the legal opinion tendered in connection with conversion will be satisfactory in form and substance to the Company.)

If the undersigned has checked Box A or B, and the undersigned has determined with the benefit of legal advice that the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the undersigned in order to maintain compliance with the *U.S. Securities Act*, the undersigned has caused to be delivered to the Company and the Trustee, at the request of the Company or the Trustee, an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Company, to the foregoing effect.

Dated: ____________________ (Signature of Registered Holder)

* If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be $1,000 or integral multiples thereof).

NOTE: If Common Shares are to be issued in the name of a person other than the holder, the signature must be guaranteed by a chartered bank, a trust company or by a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”.

(Print name in which Common Shares are to be issued, delivered and registered)

Name: ______________________________

Address: ______________________________
(City, Province and Postal Code)

Name of guarantor: ______________________________

Authorized signature: ______________________________