



6-6221 Highway 7
Vaughan, Ontario, L4H 0K8

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of shareholders of **Drone Delivery Canada Corp.** (the “**Company**”) will be held on **Wednesday, May 11, 2022**, at the hour of 1:00 p.m. (Eastern time), at the office of Irwin Lowy LLP, at 217 Queen Street West, Suite 401, Toronto, Ontario for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2021 and the report of the auditors thereon;
2. to pass, with or without variation, an ordinary resolution fixing the number of directors of the Company at six;
3. to elect the directors of the Company;
4. to appoint the auditors of the Company and to authorize the directors to fix their remuneration;
5. to consider, and if deemed advisable, to pass, with or without variation, a special resolution to approve the amendment of the notice of articles and articles of the Company in order to implement a variable voting system by creating two new classes of shares, variable voting shares and common voting shares, in accordance with the *Business Corporations Act* (British Columbia), and to address various matters relating to the new variable voting system and other matters, including shareholders’ and directors’ meetings quorum requirements;
6. to consider and, if deemed advisable, to pass, with or without variation, a resolution approving and adopting amendments to the stock option plan of the Company; and
7. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The full text of the special resolution referred to in item 5 above is attached to this notice of Meeting as Schedule “A”.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 not later than 1:00 p.m. (Eastern time) on Monday, May 9, 2022 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company has by resolution fixed the close of business on Friday, April 1, 2022 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein and in the accompanying management information circular dated April 5, 2022 of the Company. The Company is offering its shareholders the option to listen to the Meeting via Zoom. Shareholders attending via Zoom will not be able to vote at the Meeting. Please see details on how to listen to the Meeting in the accompanying management information circular.

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual general and special meeting. Additional information about the Company and its financial statements are also available on the Company's profile at www.sedar.com.

DATED at Toronto, Ontario this 5th day of April, 2022.

BY ORDER OF THE BOARD

“Steve Magirias” (signed)
Chief Executive Officer

SCHEDULE “A”
SPECIAL RESOLUTION OF THE SHAREHOLDERS
OF
DRONE DELIVERY CANADA CORP. (THE “COMPANY”)

“IT IS RESOLVED, BY SPECIAL RESOLUTION THAT:

1. The provisions of the articles of the Company relating to the classes of shares that the Company is authorized to issue be, and they are, hereby amended, by:
 - (a) creating an unlimited number of a new class of shares entitled “**Variable Voting Shares**,” which will carry the rights, privileges, conditions and restrictions appearing in the amended and restated articles of the Company (the “**Amended and Restated Articles**”) attached as Appendix “B” to the management information circular dated April 5, 2022 of the Company;
 - (b) creating an unlimited number of a new class of shares entitled “**Common Voting Shares**,” which will carry the rights, privileges, conditions and restrictions appearing in the Amended and Restated Articles; and
 - (c) cancelling the unissued common shares of the Company, it being understood that the Variable Voting Shares and the Common Voting Shares are substituted, with the required adaptations, for the purposes of exercising all rights of subscription, purchase or conversion relating to common shares which are hereby cancelled.
2. The alteration of the notice of articles of the Company (the “**Notice of Articles**”) be and is hereby authorized to reflect the alterations and amendments to the share capital of the Company authorized by the preceding resolution.
3. Pursuant to section 257 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), such alteration of the authorized share structure of the Company shall not take effect until a copy of the resolutions in paragraphs 1 and 2 above are received for deposit at the Company’s records office and a notice of alteration of the Notice of Articles (the “**Notice of Alteration**”) has been filed with the Registrar of Corporations under the BCBCA.
4. The existing articles of the Company (the “**Articles**”) be amended and restated in the form of the Amended and Restated Articles.
5. Pursuant to section 259 of the BCBCA, the alterations of the Articles as set forth in the Amended and Restated Articles shall not take effect until a copy of the resolution in paragraph 4 above is received for deposit at the Company’s records office.
6. Each issued and outstanding common share of the Company (each a “**Common Share**”) owned or controlled by a person who is not a Canadian within the meaning of the *Canada Transportation Act*, S.C. 1996, c. 10 and the regulations adopted pursuant to such act, as amended from time to time (the “**Canada Transportation Act**”), as established at the close of market on the day prior to the date on which the Notice of Alteration is filed with the Registrar of Corporations under the BCBCA be, and is, hereby converted into one Variable Voting Share, as created pursuant to the terms and conditions of the Amended and Restated Articles, and cancelled, as of the date on which the Notice of Alteration is filed with the Registrar of Corporations under the BCBCA.

7. Each issued and outstanding Common Share that is owned and controlled by a person who is a Canadian within the meaning of the Canada Transportation Act as established at the close of market on the day prior to the date on which the Notice of Alteration has been filed with the Registrar of Corporations under the BCBCA be, and is, hereby converted into one Common Voting Share, as created pursuant to the terms and conditions of the Amended and Restated Articles, and cancelled, as of the date on which the Notice of Alteration is filed with the Registrar of Corporations under the BCBCA.
8. The directors be, and they are, hereby authorized to revoke this resolution, in their entire discretion, at any time prior to filing of the Notice of Alteration with the Registrar of Corporations under the BCBCA without any further approval of the shareholders.
9. Any one director or officer of the Company be and is hereby authorized to execute and deliver all such documents and instruments, including one or more Notices of Alteration, and to file a certified copy of this special resolution and to do such further acts, as may be necessary to give full effect to this special resolution or as may be required to carry out the full intent and meaning thereof at such time as the directors of the Company may determine.”

MANAGEMENT INFORMATION CIRCULAR
As at April 5, 2022

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF DRONE DELIVERY CANADA CORP. (the “**Company**”) of proxies to be used at the annual general and special meeting of shareholders of the Company (the “**Shareholders**”) to be held on Wednesday, May 11, 2022 at the hour of 1:00 p.m. (Eastern time), and at any adjournment or postponement thereof (the “**Meeting**”) for the purposes set out in the accompanying notice of meeting (the “**Notice of Meeting**”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. The Company has retained Shorecrest Group Ltd. as proxy solicitation agent to assist with the solicitation of votes from Shareholders in order to have as many Shareholders vote as possible. The proxy solicitation agent will monitor the number of Shareholders voting and may contact Shareholders in order to increase participation in voting. In connection with the solicitation of proxies for the meeting, Shorecrest Group Ltd. is expected to receive a fee of \$25,000.00 plus reasonable out of pocket expenses. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice of Meeting, this management information circular (the “**Management Information Circular**”), the annual consolidated financial statements of the Company for the financial year ended December 31, 2021 and related management’s discussion and analysis and other meeting materials, if applicable (collectively the “**Meeting Materials**”) to the beneficial owners of the common shares of the Company (the “**Common Shares**”) held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out in the Notice of Meeting and this Management Information Circular. The Company is offering its shareholders the option to listen to the Meeting via Zoom. Shareholders attending via Zoom will not be able to vote at the Meeting. Please see details on how to listen to the Meeting in this Management Information Circular.

In order to listen to the Meeting, shareholders will need to call the applicable number listed below, and enter the meeting ID and password noted below:

To dial using One tap mobile:	+16473744685,,85029295978# +15873281099,,85029295978# Meeting ID: 850 2929 5978 Password: 851412
To dial by location:	Canada: +1 204 272 7920 Canada (Winnipeg) +1 438 809 7799 Canada (Montreal) +1 587 328 1099 Canada (Alberta) +1 647 374 4685 Canada (Toronto) +1 647 558 0588 Canada (Toronto) +1 778 907 2071 Canada (British Columbia) USA: +1 253 215 8782 US (Tacoma) +1 301 715 8592 US (Germantown) +1 312 626 6799 US (Chicago) +1 346 248 7799 US (Houston) +1 669 900 6833 US (San Jose) +1 929 205 6099 US (New York) To find your local number open the following link: https://zoom.us/j/85029295978 Meeting ID: 850 2929 5978 Password: 851412

In order to access the Meeting through Zoom, shareholders will need to register and download the application onto their computer or smartphone and then once the application is loaded, enter the meeting ID and password below or open the following link: https://us06web.zoom.us/webinar/register/WN_YxbWEq1oSXXlIFx51O8Fw

Meeting ID: 850 2929 5978

Password: 851412

Shareholders will have the option through the application to join the video and audio or simply view and listen. It is the shareholders' responsibility to ensure connectivity during the Meeting and the Company encourages its shareholders to allow sufficient time to dial in to the Meeting before it begins. It is strongly recommended that shareholders access the Meeting at least 5 minutes before the Meeting starts. Shareholders participating via Zoom will not be able to vote at the Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

A holder of Common Shares who appears on the records maintained by the Company's registrar and transfer agent, Computershare Investor Services, as a registered holder of Common Shares (each a "**Registered Shareholder**") may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Management Information Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company's transfer agent and registrar, Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (the "**Transfer Agent**"), not later than 1:00 p.m. (Eastern time) on Monday, May 9, 2022 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

Registered proxies may be deposited with the Transfer Agent using one of the following methods:

By Mail or Hand Delivery:	Computershare Investor Services Inc. 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1
Telephone:	1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) You will need to provide your 15 digit control number (located on the form of proxy accompanying this Management Information Circular)
Facsimile:	1-866-249-7775 or 1-416-263-9524 (if outside North America) You will need to provide your 15 digit control number (located on the form of proxy accompanying this Management Information Circular)
By Internet:	www.investorvote.com You will need to provide your 15 digit control number (located on the form of proxy accompanying this Management Information Circular)

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof. Only those Registered Shareholders who attend the Meeting in person will be able to cast a vote at the Meeting. Shareholders who attend the meeting via Zoom, must vote prior to the proxy cut-off time, to ensure their vote is counted at the Meeting.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: by (a) depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed by electronic signature, (i) to the registered office of the Company, located at Suite 600 – 890 West Pender Street, Vancouver, British Columbia V6C 1J9, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) any other manner permitted by law.

Shareholders who hold shares beneficially through a bank, broker or other financial intermediary (each a “**Non-Registered Holder**”) should carefully follow the instructions found on their voting instruction form. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. Therefore, each Non-Registered holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting. Non-Registered Holders should refer to section titled “Advice to Non-Registered Shareholders” in this Management Information Circular.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted FOR fixing the number of directors at six; FOR the election of directors of the Company; FOR the appointment of auditors and the authorization of the directors to fix their remuneration; FOR the approval of the amendment of the notice of articles and articles of the Company; FOR the stock option plan.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Management Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a non-registered holder (each a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIAs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) (each a “**Clearing Agency**”) of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent. For clarity, if you hold shares in a self-directed online account or brokerage account with any entity other than the Transfer Agent, you are a Non-Registered Holder.

Distribution of Meeting Materials to Non-Registered Holders

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below). Most Clearing Agencies and Intermediaries use Broadridge Investor Services to facilitate the mailing of meeting materials.

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company’s OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs.

Voting by Non-Registered Holders

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

Voting Instruction Form. In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a “**VIF**”). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the Non-Registered Holder can vote by going to www.proxyvote.com and entering the 16 digit control number located on the VIF. Otherwise, the VIF must be completed, signed and returned in accordance with the directions on the form prior to the proxy cut-off time.

or,

Form of Proxy. Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

Additionally, the Company may utilize Broadridge’s QuickVote™ service to assist eligible Non-Registered Holders with voting their shares directly over the phone.

Voting by Non-Registered Holders at the Meeting

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered. Only those Non-Registered Holders who appoint themselves and attend the Meeting in person will be able to cast a vote at the Meeting. Non-Registered Holders who attend the Meeting via Zoom, must vote prior to the proxy cut-off time, to ensure their vote is counted at the Meeting.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of Friday, April 1, 2022 (the "**Record Date**"), there were a total of 224,199,012 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

No director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, 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 other than as disclosed in this Management Information Circular.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the "**Board**"), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended December 31, 2021 and the report of the auditor will be placed before the shareholders at the Meeting. No vote will be taken on the audited consolidated financial statements. The consolidated financial statements and additional information concerning the Company are available under the Company's profile at www.sedar.com.

2. ELECTION OF DIRECTORS

The Board is currently comprised of six (6) directors. Shareholders will be asked at the Meeting to approve an ordinary resolution that the number of directors elected be fixed at six (6). The term of office of each of the current directors will end at the conclusion of the Meeting. The directors of the Company determined that six (6) directors will be nominated at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the shareholders of the Company, or if no director is then elected, until a successor is elected.

The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Percentage of Voting Shares Owned or Controlled
Chris Irwin ⁽²⁾⁽³⁾ Ontario, Canada Director	Partner of Irwin Lowy LLP, a law firm	May 31, 2016	425,000	0.19%
Michael Della Fortuna ⁽⁴⁾ Ontario, Canada Chairman and Director	Chief Executive Officer of Nexeya Canada, an aerospace engineering firm	May 31, 2016	20,000	0.01%
Kevin Sherkin ⁽³⁾ Ontario, Canada Director	Partner of Miller Thomson LLP, a law firm	February 25, 2019	15,000	0.01%
Vijay Kanwar ⁽⁴⁾ Ontario, Canada Director	Chief Executive Officer of Lambardar Group Inc., and Lambardar Zamindar Group Inc.	June 10, 2019	nil	nil
Debbie Fischer ⁽⁴⁾ Ontario, Canada Director	Executive-in-Residence at the Rotman School of Management at University of Toronto	November 9, 2020	nil	nil
Larry Taylor ⁽³⁾ Ontario, Canada Director	Chairman of Spark Power Corp., Chairman of VIQ Solutions Inc. and President of Taylor Made Solutions	November 9, 2020	nil	nil

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Held by Irwin Professional Corporation, a corporation controlled by Mr. Irwin.
- (3) Member of the Audit Committee (Larry Taylor, Chair).
- (4) Member of the Corporate Governance and Human Resources Committee (Debbie Fischer, Chair).

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

Corporate Cease Trade Orders or Bankruptcies

Other than as set forth below, no proposed director, within 10 years before the date of this Management Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”) and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Irwin was a director from June 2015 to December 2017 and an officer from September 2015 to April 2016 of Playground Ventures Inc. (formerly, Blocplay Entertainment Inc.) (“**Playground**”), which was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2016 by the British Columbia Securities Commission and May 4, 2016 and May 16, 2016 by the Ontario Securities Commission. These cease trade orders were revoked on July 5, 2016 by the British Columbia Securities Commission and July 6, 2016 by the Ontario Securities Commission. Playground was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2017 by the British Columbia Securities Commission and May 4, 2017 by the Ontario Securities Commission. These cease trade orders were revoked on July 5, 2017 by the British Columbia Securities Commission and July 6, 2017 by the Ontario Securities Commission.

Mr. Irwin was appointed as the President, Chief Executive Officer, Secretary and a director of Playground on September 28, 2018. Playground was subject to a management cease trade order resulting from a failure to file financial statements as issued on December 3, 2018 and amended on December 4, 2018 by the British Columbia Securities Commission and December 4, 2018 by the Ontario Securities Commission. These cease trade orders were revoked on February 6, 2019.

Mr. Irwin is a director and an officer of Intercontinental Gold and Metals Ltd. (“**Intercontinental**”) which was subject to a management cease trade order resulting from a failure to file financial statements as issued by the British Columbia Securities Commission on July 30, 2015. The cease trade order was revoked on September 22, 2015.

Mr. Irwin is a director and an officer of Intercontinental which was subject to a management cease trade order resulting from a failure to file financial statements as issued on August 2, 2018 by the British Columbia Securities Commission. Intercontinental was subject to a cease trade order from a failure to file financial statements as issued on October 5, 2018 by the British Columbia Securities Commission. These cease trade orders were revoked on October 9, 2018.

Mr. Irwin was a director of Wolf’s Den Capital Corp., which was subject to a cease trade order issued by the British Columbia Securities Commission and Ontario Securities Commission on December 5, 2019 for failure to file its condensed interim financial statements and accompanying management’s discussion and analysis for the period ended September 30, 2019, within the prescribed time period under applicable securities laws. These cease trade orders were revoked on January 6, 2020.

None of the proposed directors of the Company, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Personal Bankruptcies

None of the directors of the Company have, within the 10 years before the date of this Management 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 such person.

Penalties and Sanctions

None of the directors of the Company have been subject to 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 been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. APPOINTMENT OF AUDITOR

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF D&H GROUP LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. D&H Group LLP, Chartered Professional Accountants were first appointed as the auditors of the Company on February 2, 2011.

4. APPROVAL OF CORPORATE RESTRUCTURING

Background and Purpose of the Corporate Restructuring

Background

The Company is a Remotely Piloted Aircraft System (“**RPAS**”) technology company, which is focused on the design, development and implementation of its proprietary logistics software platform using drones. The Company commenced operations in 2014 and, since 2015, under flight authority issued by Transport Canada Civil Aviation, the Company has been conducting approved flight operations, primarily flight test and proof of concept trials. The Company was the first RPAS delivery company to achieve the status of “Compliant Operator” based on the Canadian Aviation Regulations and Transport Canada Civil Aviation guidelines as first issued to apply to drones.

On September 2, 2020, the Company submitted an application under section 61 of *Canada Transportation Act*, S.C. 1996, C. 10 (the “**Canada Transportation Act**”) to the Canadian Transportation Agency (the “**Agency**”), the regulatory agency responsible for the application of the Canada Transportation Act, for a domestic air service operating licence to transport cargo using aircraft, which includes RPAS. Such licence is required in order to operate certain air services, including cargo transportation, in Canada. On November 17, 2020, the Agency issued a letter outlining concerns relating to the ability of the Company to prove Canadian ownership and Canadian control and to ensure such ownership and control is maintained in the future as required under the Canada Transportation Act (the “**Canadian Ownership Requirement**”). On March 1, 2021, the Company requested from the Agency a temporary exemption from the Canadian Ownership Requirement in order to allow the Company the opportunity to implement a corporate restructuring requiring shareholder approval (the “**Corporate Restructuring**”) to ensure the Company’s compliance with the Canadian Ownership Requirement (the “**Exemptive Relief**”). On June 22, 2021, the Agency issued the Exemptive Relief for a period of 12 months until June 22, 2022.

On July 21, 2021, the Agency issued the Company a temporary domestic air service operating licence (the “**Drone Domestic Operating Licence**”), subject to compliance with the conditions of the Exemptive Relief.

Legislative Framework and Current Constraints Surrounding the Ownership of Common Shares

Paragraph 61(a)(i) of the Canada Transportation Act includes a condition that an applicant for a domestic air service operating licence be a “Canadian”.

The definition of “Canadian” under subsection 55(1) of the Canada Transportation Act provides that Canadian means:

- (a) a Canadian citizen or a permanent resident as defined in subsection 2(1) of the *Immigration and Refugee Protection Act* (Canada),

- (b) a government in Canada or an agent or mandatary 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% of the voting interests are owned and controlled by Canadians and where
 - (i) no more than 25% 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% 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.

Neither the current notice of articles of the Company (“**Drone Notice of Articles**”) nor the articles of the Company (the “**Drone Articles**”) and together with the Drone Notice of Articles, the “**Drone Constatting Documents**”) provide any restrictions with respect to subscriptions, issues, transfers or purchases which would ensure that the Company would be “Canadian” as defined in the Canada Transportation Act and meet the Canadian Ownership Requirement. In order to meet the Canadian Ownership Requirement, the Company proposes that at the Meeting the shareholders approve the Corporate Restructuring, which will consist of the amendments to the Drone Constatting Documents set out below in the section entitled “*Amendment to the Notice of Articles and Articles of the Company*”. The proposed Corporate Restructuring will implement a share structure that is substantially similar to the structure implemented by other publicly listed entities that are Canadian air carriers or holding companies of Canadian air carriers (collectively the “**Canadian Air Carriers**”) to address compliance with the Canadian Ownership Requirement. In addition, the Company has been in contact with staff of the Agency and the Agency confirmed that it has completed its review of the proposed Corporate Restructuring and, if implemented as proposed, then it would address the issues raised in the Exemptive Relief.

Proposed Corporate Restructuring

The applicable provisions of the Canada Transportation Act require that in order to meet the Canadian Ownership Requirement, the Company must comply with three conditions: (i) be a corporation incorporated or formed under Canadian laws, (ii) have at least 51% of its voting interests owned and controlled by Canadians and (iii) be controlled in fact by Canadians.

Incorporation Condition

For an entity to be Canadian, it must be formed or incorporated under the laws of Canada or one of its provinces. As the Company is incorporated in British Columbia under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), the Company meets the first condition of the Canadian Ownership Requirement.

Voting Interest Condition

The second condition is satisfied if at least 51% of the voting interests in the Company are owned and controlled by Canadians, provided that (i) no single non-Canadian directly or indirectly owns more than 25% of the voting interests in the Company, either individually or in affiliation with another person and (ii) non-Canadian air service providers directly or indirectly own no more than 25% of the voting interests, either individually or in affiliation with another person.

The Common Shares are listed on the TSX Venture Exchange (“**TSXV**”), on the U.S. OTCQX market and on the Frankfurt Stock Exchange. There are currently 224,199,012 Common Shares outstanding which are widely held. As indicated in the Agency’s *Guide to Canadian Ownership and Control in Fact for Air Transportation*, for a publicly traded corporation, like the Company, the percentage of voting interests owned by Canadians can be subject to constant fluctuations. In these situations, to ensure that publicly traded corporations meet, and continue to meet, the ongoing requirement to be Canadian, the Agency requires them to put in place one of the following:

- a security constraint and control system that restricts any purchase or transfer of the corporation’s securities if it would result in a breach of the voting interest requirement; or

- a variable voting system whereby non-Canadians hold variable voting shares, such that when the percentage of the variable voting shares held by non-Canadians exceeds the maximum allowable percentage of the total voting shares, the vote attached to each variable voting share automatically decreases to ensure that the maximum allowable threshold is not exceeded.

As the Company currently does not have any restrictions in place to ensure that at least 51% of the voting interests in the Company are owned and controlled by Canadians, the Company does not meet the second condition of the Canadian Ownership Requirement. Accordingly, the Company proposes that the Drone Constatting Documents be amended to create a variable voting system as set out below in the section entitled “*Amendment to the Notice of Articles and Articles of the Company*”.

Control in Fact Condition

The third condition, control in fact, is met as long as the power, whether exercised or not, to control the strategic decision-making activities of a corporation and to manage and run its day-to-day operations lies with Canadians. The Agency considers that those with the ability to influence a corporation include minority owners, designated representatives, financial institutions and employees. If such influence is dominant or determining, then it is deemed control in fact by the Agency. As indicated in the Agency’s *Guide to Canadian Ownership and Control in Fact for Air Transportation*, the Agency considers the following four factors in assessing control in fact: (i) corporate governance, (ii) shareholder rights, (iii) risk and rewards, and (iv) business affairs and activities.

As the board of directors of a corporation is elected by the shareholders of the Corporation to govern and manage the affairs of the corporation, the Agency considers that the following conditions must be met for control in fact to be deemed as residing with Canadians:

- Canadian shareholders must have the right to appoint no less than half of the board of directors; and
- no less than half of the board members must be Canadian.

The Agency considers that a variable voting system as that proposed by the Company for the shareholders consideration at the Meeting can ensure that Canadians always have the ability to cast at least 51 % of the votes at any shareholders’ meeting, including for the election of directors.

In addition, the Agency considers that for a corporation to be controlled in fact by Canadians, a corporation’s meetings quorum provisions, which indicate the minimum number of shareholders or directors that must be present at a meeting of the shareholders or a meeting of directors, as the case may be, for the meeting to be considered valid, must always require:

- no less than half of the shareholders or directors present at a meeting of the shareholders or a meeting of the directors, as the case may be, be Canadian; and
- no less than half of the directors present at a meeting of the directors having been appointed by Canadian shareholders.

The Company does not have the necessary provisions within the Drone Constatting Documents that provide for a quorum at shareholders’ and directors’ meetings to be formed only if there are a majority of eligible voting Canadians present. Accordingly, the Company proposes that the Drone Constatting Documents be amended to fulfill the requirements of the Agency with respect to control in fact as set out below in the section entitled “*Amendment to the Notice of Articles and Articles of the Company*”.

Purpose of the Corporate Restructuring

Subsection 63(1) of the Canada Transportation Act provides that the Agency shall suspend or cancel the domestic licence of an air carrier 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 Canada Transportation Act requiring that the carrier meet the definition of “Canadian”.

If the Company does not complete the Corporate Restructuring prior to the expiry of the Exemptive Relief, barring a further exemption, which is unlikely, then the Company would no longer be permitted by the Canada Transportation Act to hold its Drone Domestic Operating Licence. Without the Drone Domestic Operating Licence, the Company would need to cease all operations involving any drone service that is publicly available for the transportation of goods in Canada, which currently represents all revenue generating operations for the Company.

The following amendments to the Drone Constatng Documents are required in order to complete the Corporate Restructuring and ensure compliance with the Canadian Ownership Requirement under the Canada Transportation Act.

AMENDMENT TO THE NOTICE OF ARTICLES AND ARTICLES OF THE COMPANY

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, a special resolution (the “**Corporate Restructuring Resolution**”), the text of which is attached as Schedule “A” to the Notice of Meeting, to approve the amendment of the Drone Constatng Documents in order to implement a variable voting system by creating two new classes of shares, variable voting shares (“**Variable Voting Shares**”) and common voting shares (“**Common Voting Shares**”), in accordance with the BCBCA, and to address various matters relating to the new variable voting system and other matters, including shareholders’ and directors’ meetings quorum requirements.

The proposed amendments to the Drone Constatng Documents will allow the Company to qualify as “Canadian” within the meaning of the Canada Transportation Act, while providing greater flexibility to allow investment by non-Canadians and increase the ability of the Company to access capital around the world to achieve its growth objectives and future capital needs.

Management has recommended that the Board proceed with amending the Drone Constatng Documents to, among other things:

- (a) authorize the issue of an unlimited number of Variable Voting Shares and an unlimited number of Common Voting Shares;
- (b) create specified rights and obligations in respect of the Variable Voting Shares and the Common Voting Shares;
- (c) convert each issued and outstanding Common Share which is not owned and controlled by a Canadian within the meaning of the Canada Transportation Act, as constituted at close of market on the day prior to the date (the “**Effective Date**”) on which the Notice of Alteration of the Drone Notice of Articles (the “**Amended Notice of Articles**”) has been filed with the Registrar of Corporations under the BCBCA, into one Variable Voting Share and cancel the Common Share;
- (d) convert each issued and outstanding Common Share which is owned and controlled by a Canadian within the meaning of the Canada Transportation Act, as constituted at close of market on the day prior to the Effective Date, into one Common Voting Share and cancel the Common Share;
- (e) cancel all of the unissued Common Shares, it being understood that the Variable Voting Shares and the Common Voting Shares are substituted, with the required adaptations, for the purpose of exercising all rights of subscription, purchase or conversion relating to the Common Shares which are cancelled;
- (f) confer powers on the Board to implement and apply constraints on the issue, transfer and ownership of Variable Voting Shares and the Common Voting Shares; and
- (g) amend the quorum requirements for directors’ and shareholders’ meetings.

Summary of the Rights, Privileges, Restrictions and Conditions of the Variable Voting Shares and Common Voting Shares

The summary below describes the rights, privileges, restrictions and conditions attached to the Variable Voting Shares and the Common Voting Shares. The complete text describing these rights, privileges, restrictions and conditions is included in the amended and restated Drone Articles (the “**Amended and Restated Articles**”), a copy of which is attached hereto as Appendix “B”.

Variable Voting Shares

Exercise of Voting Rights

The holders of Variable Voting Shares will be entitled to receive notice of, to attend and vote at all meetings of shareholders of the Company, except in votes where the holders of a specified class other than the Variable Voting Shares are entitled to vote separately as a class as provided in the BCBCA.

Variable Voting Shares will carry one vote per Variable Voting Share held, unless any of the thresholds set forth below would otherwise be surpassed at any time, in which case the vote attached to a Variable Voting Share will decrease as described below.

Single Non-Canadian Holder

If at any time:

- (a) a single non-Canadian holder of Variable Voting Shares (a “**Single Non-Canadian Holder**”), either individually or in affiliation with any other person, holds a number of Variable Voting Shares outstanding 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 and approved or adopted by the Board), or
- (b) 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 any other person, at any meeting would exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the Board) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share held by such Single Non-Canadian Holder and 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 (i) the Variable Voting Shares held 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 and approved or adopted by the Board) of the aggregate votes attached to all issued and outstanding voting shares of the Company, and (ii) 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 the meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the Board) of the total number of votes cast at such meeting.

Non-Canadian Holder Authorized to Provide Air Service

If at any time:

- (a) 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 “**Non-Canadian Holders Authorized to Provide Air Service**”), collectively hold, either individually or in affiliation with any other person, a number of Variable Voting Shares outstanding that, as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder as set out above under “*Single Non-Canadian Holder*” (if any, as the case may be) and by any person in affiliation with such Single Non-

Canadian Holder, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the Board), or

- (b) 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 meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder as set out above under “*Single Non-Canadian Holder*” (if any, as the case may be), exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the Board) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share held by all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any 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 (i) the Variable Voting Shares held by all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any 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 and approved or adopted by the Board) of the aggregate votes attached to all issued and outstanding voting shares of the Company, and (ii) the total number of votes cast by or on behalf of all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the Board) of the total number of votes cast at such meeting.

General – All Holders of Variable Voting Shares

If at any time:

- (a) the number of Variable Voting Shares outstanding as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder as set out above under “*Single Non-Canadian Holder*” and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service as set out above under “*Non-Canadian Holder Authorized to Provide Air Service*” (in each case, if any, as may be required), exceeds 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the Board), or
- (b) the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder as set out above under “*Single Non-Canadian Holder*” and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service as set out above under “*Non-Canadian Holder Authorized to Provide Air Service*” (in each case, if any, as may be required), exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the Board) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share will decrease proportionately and automatically 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 and approved or adopted by the Board) of the aggregate votes attached to all issued and outstanding voting shares of the Company, and (ii) the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting do not exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the Board) of the total number of votes cast at such meeting.

Dividends

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

Subdivision or Consolidation

No subdivision or consolidation of the Variable Voting Shares will occur unless, simultaneously, the Common 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 such classes of shares.

Rights in the Case of Liquidation, Dissolution or Winding-Up

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

Conversion

Automatic

Each issued and outstanding Variable Voting Share will be automatically converted into one Common Voting Share, without any further act on the part of the Company or the holder, if (a) such Variable Voting Share becomes held, beneficially owned and controlled, directly or indirectly, otherwise than by way of security only, by a Canadian within the meaning of the *Canada Transportation Act*, or (b) the provisions contained in the *Canada Transportation Act* relating to foreign ownership restrictions are repealed and not replaced with other similar provisions.

Upon an Offer

In the event that an offer is made to purchase Common Voting Shares and such 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 or territory of Canada to which these requirements apply, each Variable Voting Share will become convertible at the option of the holder into one Common Voting Share at any time while such offer is in effect until one day after the time prescribed by applicable securities legislation for the person making the offer 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 such 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 transfer agent of the Company will deposit the resulting Common Voting Shares pursuant to such offer on behalf of the holder.

Should (a) 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, (b) such offer be abandoned or withdrawn, or (c) such offer otherwise expire without such Common Voting Shares being taken up and paid for, then the Common Voting Shares resulting from the conversion will be automatically re-converted back into Variable Voting Shares, without any further act on the part of the Company or on the part of the holder.

Variable Voting Shares may not be converted into Common Voting Shares other than in accordance with the conversion procedures set out in the Amended and Restated Articles.

Constraints on Share Ownership

Variable Voting Shares may only be owned or controlled by Non-Canadians.

Common Voting Shares

Exercise of Voting Rights

The holders of Common Voting Shares will be entitled to receive notice of, and to attend and vote at, all meetings of shareholders, except in votes where holders of a specific class other than the Common Voting Shares are entitled to vote separately as a class under the BCBCA. Each Common Voting Share will confer the right to one vote.

Dividends

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

Subdivision or Consolidation

No subdivision or consolidation of the Common Voting Shares will occur unless, simultaneously, 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 each of such classes of shares.

Rights in the Case of Liquidation, Dissolution or Winding-Up

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

Conversion

Automatic

Unless the foreign ownership restrictions of the *Canada Transportation Act* are repealed and not replaced with other similar restrictions, an issued and outstanding Common Voting Share will be automatically converted into one Variable Voting Share, without any further act of the Company or the holder, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, otherwise than by way of a security only, by a person who is not a Canadian within the meaning of the *Canada Transportation Act*.

Upon an Offer

In the event that an offer is made to purchase Variable Voting Shares, and such 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 will become convertible at the option of the holder into one Variable Voting Share at any time while such offer is in effect until one day after the time prescribed by applicable securities legislation for the person making the offer 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

transfer agent of the Company will deposit the resulting Variable Voting Shares pursuant to such offer on behalf of the holder.

Should (a) 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, (b) the offer be abandoned or withdrawn, or (c) such offer otherwise expire without such Variable Voting Shares being taken up and paid for, each Variable Voting Share resulting from the conversion will be automatically re-converted back into one Common Voting Share, without any further act on the part of the Company or on the part of the holder.

The Common Voting Shares may not be converted into Variable Voting Shares other than in accordance with the conversion procedures set out in the Amended and Restated Articles.

Constraints on Share Ownership

The Common Voting Shares may only be owned and controlled by Canadians within the meaning of the *Canada Transportation Act*.

Other Amendments to the Drone Articles

The Drone Articles are also amended in order to meet other conditions of the Canadian Ownership Requirement, including, among other things, to confer powers on the Board to implement and apply constraints on the issue, transfer and ownership of Variable Voting Shares and the Common Voting Shares and to amend the quorum requirements for directors' and shareholders' meetings, all as set out in the Amended and Restated Articles attached as Appendix B to the Management Information Circular. The Amended and Restated Articles will increase the quorum requirement for meetings of shareholders to two persons present in person or by proxy (one of whom shall be, or be representing, a Canadian) holding or representing not less than 25% of the outstanding voting shares of the Company entitled to vote at such meeting of shareholders.

The purpose of the Amended and Restated Articles is to comply with the Canadian Ownership Requirement, to restate in a clear and streamlined manner the Drone Articles and to bring the Drone Articles into better alignment with current corporate governance practices.

The foregoing description of the amendments to the Drone Constatng Documents is intended as a summary only and does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Amended and Restated Articles and the Amended Notice of Articles.

Shareholder Approval and Coming into Force of the Corporate Restructuring Resolution

The Board adopted a resolution on April 1, 2022 authorizing the submission of the Corporate Restructuring Resolution to the shareholders.

In order to come into force, the Corporate Restructuring Resolution must be adopted by at least two thirds of the votes cast at the Meeting by all shareholders of the Company who are present or represented by proxy. If the Corporate Restructuring Resolution is approved by the shareholders, the Amended Notice of Articles and the Amended and Restated Articles will only come into force on the Effective Date, being the date on which the Notice of Alteration of the Amended Notice of Articles is filed with the Registrar of Corporations under the BCBCA. Under the Corporate Restructuring Resolution, the Board has the power to revoke the Corporate Restructuring Resolution at their discretion before any effect is given thereto by filing the Notice of Alteration of the Amended Notice of Articles with the Registrar of Corporations under the BCBCA.

If the Corporate Restructuring Resolution is approved by the shareholders and not repealed by the Board, the issued and outstanding Common Shares will be converted into Variable Voting Shares or Common Voting Shares, depending on whether the Common Shares are owned and controlled by Canadians or not.

Unless a shareholder indicates otherwise, the voting rights attached to the Common Shares represented by the proxy given to management will be voted in favour of the Corporate Restructuring Resolution in order to approve the proposed amendments to the Drone Constatng Documents.

Events Subsequent to the Approval

In the event the shareholders approve the Corporate Restructuring Resolution and the Corporate Restructuring is completed:

- (a) each issued and outstanding Common Share which is not owned and controlled by a Canadian within the meaning of the Canada Transportation Act will be converted into one Variable Voting Share and the Common Share will be cancelled;
- (b) each issued and outstanding Common Share which is owned and controlled by a Canadian within the meaning of the Canada Transportation Act will be converted into one Common Voting Share and the Common Share will be cancelled;
- (c) all of the unissued Common Shares will be cancelled, it being understood that the Variable Voting Shares and the Common Voting Shares are substituted, with the required adaptations, for the purpose of exercising all rights of subscription, purchase or conversion relating to the Common Shares which are cancelled; and
- (d) all certificates representing Common Shares will be deemed to represent Variable Voting Shares or Common Voting Shares, as applicable, until exchanged for certificates representing Variable Voting Shares or Common Voting Shares, as applicable.

Exchange of Certificates

Upon the Corporate Restructuring becoming effective, Canadian shareholders will be deemed to be holders of Common Voting Shares and Canadian Registered Shareholders will be entered into the register of holders of Common Voting Shares without further act or formality unless they had previously been registered on the separate register as non-Canadian shareholders, in which case they will be entered into the register of holders of Variable Voting Shares without further act or formality.

Computershare Investor Services Inc. (at its principal offices in Toronto, Ontario) is acting as depositary (the “**Depository**”) in connection with the Corporate Restructuring. A letter of transmittal (“**Letter of Transmittal**”) for the surrender of certificates representing Common Shares for use in exchanging those certificates for Common Voting Share or Variable Voting Share certificates, as the case may be, is enclosed with this Management Information Circular. The Letter of Transmittal contains instructions on how shareholders are to exchange their Common Share certificates. Registered Shareholders should read and follow these instructions carefully. The Letter of Transmittal, when properly completed and returned together with a certificate or certificates representing Common Shares and all other required documents, will enable each Registered Shareholder to obtain certificates representing the same number of Common Voting Shares or Variable Voting Shares, as the case may be.

Shareholders whose Common Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in depositing those Common Shares.

Any use of the mail to transmit the share certificates and Letter of Transmittal is at the risk of the shareholder. If such documents are mailed, it is recommended that registered mail, with return receipt requested, properly insured, be used. If the Corporate Restructuring is not proceeded with, all certificates representing Common Shares received by the Depository will be returned to shareholders.

If a certificate representing Common Shares has been lost, apparently destroyed or wrongfully taken, the holder of such Common Shares should immediately contact the registrar and transfer agent of the Common Shares, so that arrangements can be made to issue a replacement share certificate to such holder upon such holder satisfying such reasonable requirements as may be imposed by the Company in this regard.

Trading in Variable Voting Shares and Common Voting Shares

The Variable Voting Shares and Common Voting Shares are anticipated to be listed for trading on the TSXV following the Corporate Restructuring and the Company has received conditional listing approval from the TSXV regarding same, subject to customary conditions, including the approval of the Corporate Restructuring by the Company's Shareholders.

Canadian Securities Legislation Considerations

Distribution and Resale of Variable Voting Shares and Common Voting Shares

The exchange of Variable Voting Shares and Common Voting Shares with the holders of Common Shares pursuant to the Corporate Restructuring will be exempt from prospectus and registration requirements under Canadian securities legislation.

Subject to the restrictions set out in the Amended and Restated Articles, the Variable Voting Shares and Common Voting Shares received pursuant to the Corporate Restructuring will be able to be resold in each of the provinces of Canada provided that: (i) the trade is not a "control distribution" as defined in National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators; (ii) no unusual effort is made to prepare the market or to create a demand for such shares; (iii) no extraordinary commission or consideration is paid to a person in respect of such sale; and (iv) if the selling security holder is an insider or officer of the Company, the selling security holder has no reasonable grounds to believe that the Company is in default of applicable Canadian securities legislation.

Early Warning Reports and Take-over Bids

Under Canadian securities legislation, a person whose interest in any class of a reporting issuer's voting shares reaches or exceeds 10% must issue and file with the Canadian securities authorities a press release and an "early warning" report containing the information prescribed by regulation, unless the control was acquired by means of a take-over carried out in accordance with the procedure prescribed by Canadian securities legislation. Similarly, obligations under Canadian securities legislation in connection with take-over bids and the requirement to make a formal take-over bid apply to a person whose interest in any class of a reporting issuer's voting shares exceeds 20%. These requirements for a shareholder to comply with "early warning" reporting and take-over bid requirements are based on ownership percentage of a class of securities, and not on the voting rights attached to all voting securities, as is the case for insider reporting. The Company intends to apply to the Canadian securities authorities for discretionary exemptive relief to allow holders of Common Voting Shares and Variable Voting Shares to treat the Common Voting Shares and the Variable Voting Shares as a single class when applying these thresholds. While similar exemptive relief has been granted to other issuers with similar voting shares structure, the granting of such relief is within the discretion of the Canadian securities authorities and there can be no assurance that such relief will be granted in respect of the Common Voting Shares and the Variable Voting Shares.

Canadian Federal Income Tax Considerations

The following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (collectively with the regulations thereunder, the "**Tax Act**") generally applicable to the Corporate Restructuring and to the holding and disposition of Variable Voting Shares and Common Voting Shares (collectively "**New Shares**") received pursuant to the Corporate Restructuring for a holder of Common Shares who, for the purposes of the Tax Act and at all relevant times, (i) holds any Common Shares and New Shares as capital property, (ii) deals at arm's length with the Company, and (iii) is not affiliated with the Company (a "**Holder**"). A Common Share or New Share will generally be capital property to a holder provided that the holder does not use or hold such share in the course of carrying on a business of trading or dealing in securities and such holder has not acquired or been deemed to have acquired the share in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon: (i) the provisions of the Tax Act in force as of the date hereof; (ii) all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"); and (iii) counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") made publicly available in writing prior

to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed, however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law or administrative policy or assessing practice, whether by legislative, regulatory, administrative governmental or judicial decision or action, nor does it take into account any other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder of Common Shares and no representations with respect to the tax consequences to any holder are made. Accordingly, holders of Common Shares are urged to consult their own tax advisors with respect to the tax consequences of the Corporate Restructuring, and the acquisition, holding or disposition of New Shares, having regard to their particular circumstances.

Conversions

Conversion of Common Shares into New Shares upon Adoption of the Corporate Restructuring Resolution

A Holder whose Common Shares are converted into New Shares pursuant to the Corporate Restructuring Resolution will not realize a capital gain (or capital loss) as a result of the conversion. The Holder will be considered to have disposed of the Common Shares for proceeds of disposition equal to the aggregate of the adjusted cost base of the Common Shares immediately prior to the conversion, and to have acquired the applicable New Shares at a cost equal to such amount.

Automatic Conversion of New Shares

A Holder whose Variable Voting Shares are automatically converted into Common Voting Shares, or whose Common Voting Shares are automatically converted into Variable Voting Shares, pursuant to the Amended and Restated Articles will be deemed not to have disposed of the Variable Voting Shares or Common Voting Shares, as the case may be, for purposes of the Tax Act and therefore will not realize a capital gain (or capital loss) as a result of the conversion. The Holder will be considered to have acquired the applicable Common Voting Shares or Variable Voting Shares at a cost equal to the aggregate of the adjusted cost base of the Variable Voting Shares or Common Voting Shares, respectively, from which they were converted. The adjusted cost base to a Holder of a New Share acquired at any time will be determined by averaging the cost of the New Share with the adjusted cost base of all other New Shares of the same class (if any) held by the Holder as capital property immediately before that time.

Residents in Canada

The following discussion applies to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada (a “**Resident Holder**”). Certain holders who are resident in Canada for the purposes of the Tax Act and who might not otherwise be considered to hold their Common Shares or New Shares as capital property may, in certain circumstances, be entitled to have their Common Shares and New Shares, and all other “Canadian securities” (as defined in the Tax Act) owned by such holder, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Holders resident in Canada should consult their own tax advisors regarding this election.

This summary is not applicable to a Resident Holder: (i) that is a “financial institution” (as defined in the Tax Act for the purposes of the mark-to-market rules in the Tax Act); (ii) an interest in which would be a “tax shelter investment” (as defined in the Tax Act); (iii) that is a “specified financial institution” (as defined in the Tax Act); (iv) that has made a functional currency reporting election under the Tax Act; or (v) that has entered into or will enter into a “derivative forward agreement” (as defined in the Tax Act) with respect to New Shares. Such investors should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Resident Holder that is a corporation resident in Canada that is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is, or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of Common Shares or New Shares, controlled by a non-resident person (or a group of such persons that

do not deal at arm's length) for purposes of section 212.3 of the Tax Act. Such Resident Holders should consult their tax advisors with respect to the consequences of the Corporate Restructuring.

Dividends on New Shares

Dividends received or deemed to be received on New Shares held by a Resident Holder will be included in the Resident Holder's income for the purposes of the Tax Act.

Such dividends received by a Resident Holder who is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as "eligible dividends" in accordance with the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends" and the Company has made no commitments in this regard.

Dividends received or deemed to be received on a New Share by a Resident Holder that is a corporation will be included in computing such Resident Holder's income for the taxation year in which such dividends are received and will generally be deductible in computing its taxable income for that taxation year, subject to all relevant restrictions under the Tax Act. In certain circumstances, a dividend received or deemed to be received by a Resident Holder that is a corporation may be deemed to be proceeds of disposition or a capital gain pursuant to subsection 55(2) of the Tax Act. Resident Holders that are corporations should consult their own tax advisors in this regard.

A Resident Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, may be liable to pay an additional tax (refundable under certain circumstances) under Part IV of the Tax Act on dividends received or deemed to be received on a New Share to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year. Such Resident Holders should consult their own tax advisors in this regard.

Dispositions of New Shares

A disposition or a deemed disposition of a New Share (other than to the Company, unless purchased by the Company in the open market in the manner in which shares are normally purchased by any member of the public in the open market) by a Resident Holder will generally result in a Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the New Share exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder of the New Share immediately before the disposition and any reasonable costs of disposition. The adjusted cost base to a Resident Holder of a New Share acquired at any time will be determined by averaging the cost of the New Share with the adjusted cost base of all other New Shares of the same class (if any) held by the Resident Holder as capital property immediately before that time. Such capital gain (or capital loss) will be subject to the treatment described below under "*Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in computing the Resident Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

If the Resident Holder is a corporation, the amount of any capital loss realized on the disposition or deemed disposition of a particular New Share may, in certain circumstances, be reduced by the amount of any dividends received or deemed to be received by the Resident Holder on such New Share (or on a share for which the New Share has been substituted, including another New Share which was, through one or more conversions, converted into the particular New Share, and/or a Common Share which was exchanged for such a New Share) to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a New Share is owned by a partnership or a

trust of which a corporation, partnership or trust is a member or beneficiary, as applicable. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Additional Refundable Tax

A Resident Holder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income”, which is defined in the Tax Act to include amounts in respect of taxable capital gains.

Alternative Minimum Tax

Capital gains realized (or deemed to be realized) and dividends received (or deemed to be received) by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Such Resident Holders should consult their own tax advisors in this regard.

Non-Resident Holders

The following discussion applies to a Holder who, at all relevant times, for purposes of the Tax Act and any relevant income tax treaty or convention: (i) is neither resident nor deemed to be resident in Canada; and (ii) does not, and is not deemed to, use or hold New Shares in carrying on a business in Canada (a “**Non-Resident Holder**”). This summary does not apply to a Non-Resident Holder that carries on an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act) and such holders should consult their own tax advisors.

Dividends on New Shares

Dividends paid or credited, or deemed to be paid or credited, on a New Share to a Non-Resident Holder will generally be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the Non-Resident Holder’s country of residence. For example, where the Non-Resident Holder is a resident of the United States that is entitled to full benefits under the *Canada-United States Tax Convention* (1980), as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%. Non-Resident Holders should consult their own tax advisors in this regard.

Dispositions of New Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of a New Share unless the New Share constitutes “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Provided the New Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which currently includes the TSXV), at the time of disposition, a New Share generally will not constitute taxable Canadian property of a Non-Resident Holder unless at any time during the 60-month period that ends at the time of the disposition of the New Share the following two conditions were satisfied simultaneously: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length (for purposes of the Tax Act), partnerships in which the Non-Resident Holder or such a non-arm’s length person holds a membership interest (whether directly or indirectly through one or more partnerships), or any combination of the foregoing persons and partnerships, owned 25% or more of the issued shares of any class of the capital stock of the Company; and (ii) more than 50% of the fair market value of the New Share was derived directly or indirectly from one or any combination of: real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Tax Act), “timber resource properties” (as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, any such property, whether or not such property exists. Notwithstanding the foregoing, New Shares may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act (including in certain cases where the New Share was converted from another New Share which was taxable Canadian property at the time of the conversion).

Non-Resident Holders contemplating a disposition of New Shares that may constitute taxable Canadian property should consult their own tax advisors prior to such disposition.

In the event that a New Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act or pursuant to an applicable income tax treaty or convention, the income tax consequences discussed above for Resident Holders under “Disposition of New Shares” will generally apply to the Non-Resident Holder.

Eligibility for Investment

Based on the current provisions of the Tax Act, provided that the New Shares are listed on a designated stock exchange (which currently includes the TSXV), the New Shares, if issued on the date hereof, would be “qualified investments” under the Tax Act for trusts governed by tax free savings accounts (“**TFSA**s”), registered disability savings plans (“**RDSP**s”), registered retirement savings plans (“**RRSP**s”), registered retirement income funds (“**RRIF**s”), registered education savings plans (“**RESP**s”) and deferred profit sharing plans (each as defined in the Tax Act).

Notwithstanding that New Shares may be “qualified investments” as discussed above, if New Shares are held in a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP, a holder of the TFSA or RDSP, an annuitant of the RRSP or RRIF or a subscriber of the RESP, as applicable, will be subject to a penalty tax under the Tax Act if the New Shares are “prohibited investments” for the TFSA, RDSP, RRSP, RRIF or RESP. A New Share will not be a “prohibited investment” for trusts governed by a TFSA, RDSP, RRSP, RRIF or RESP provided that the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as the case may be, deals at arm’s length with the Company for purposes of the Tax Act and does not have a “significant interest” (as defined in the Tax Act) in the Company for purposes of the Tax Act. In addition, a New Share will not be a “prohibited investment” if the New Share is “excluded property” (as defined in the Tax Act) for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP, as applicable. Holders who intend to hold New Shares in a TFSA, RDSP, RRSP, RRIF, or RESP should consult their own tax advisors.

5. APPROVAL OF AMENDMENTS TO STOCK OPTION PLAN

The Company adopted a “rolling” stock option plan (the “**Stock Option Plan**”) for officers, directors, employees and consultants of the Company which was last approved by the shareholders at the annual general and special meeting of the Shareholders held on August 20, 2020. The Stock Option Plan provides for the issue of stock options to acquire up to 10% of the Company’s issued and outstanding Common Shares as at the date of grant, subject to standard anti-dilution adjustment. The Stock Option Plan is a “rolling” stock option plan as the number of Common Shares reserved for issue pursuant to the grant of stock options will increase as the Company’s issued and outstanding share capital increases. At no time will more than 10% of the outstanding Common Shares be subject to grant under the Stock Option Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares in respect of that expired, exercised or terminated stock option shall again be available for the purpose of the Stock Option Plan.

Pursuant to Policy 4.4 of the TSXV, a TSXV-listed company is required to obtain the approval of its shareholders for a “rolling” stock option plan at least annually at each annual meeting of shareholders. At the Company’s annual general and special meeting of Shareholders held on July 29, 2021, the Stock Option Plan was not approved by Shareholders, and therefore the Stock Option Plan was amended to convert to a fixed number plan pursuant to which the fixed number of 17,925,508 Common Shares were reserved for issuance upon the exercise of options granted thereunder.

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation a resolution approving and adopting certain amendments to the Stock Option Plan (the “**Stock Option Plan Amendments**”) in order become once again a 10% “rolling” plan, to incorporate the Company’s intention to include performance-based vesting criteria to a certain proportion of options granted to officers of the Company, and to comply with recent changes to the Policy 4.4 of the TSXV.

The Stock Option Plan Amendments include: (i) incorporating cashless exercise provisions in accordance with Policy 4.4 of the TSXV; (ii) providing that the Board may impose certain performance-based vesting criteria on at least 40% of options granted to officers of the Company; (iii) reverting back to a “rolling” stock option plan whereby the number of Common Shares reserved for issuance upon exercise of options shall not exceed 10% of the number of Common

Shares issued and outstanding at any given time; (iv) clarifying certain restrictions on option grants to insiders, consistent with Policy 4.4 of the TSXV; (v) providing for a restriction on extending the expiry date of any options granted to insiders of the Company without obtaining disinterested shareholder approval; (vi) providing that TSXV prior acceptance is required for certain adjustments in exercise price or number of Common Shares issuable upon exercise of an option based on certain corporate transactions; and (vii) providing that the expiry date of options may be extended in the event of a blackout period, to ten days following the expiration of the blackout period.

The principal features of the Stock Option Plan are described in detail below in the section entitled “*Statement of Executive Compensation – Stock Option Plan and other Incentive Plans*” and is qualified in its entirety by the full text of the Stock Option Plan which will be made available at the Meeting.

Shareholders will be asked to approve the following resolution:

“BE IT RESOLVED THAT:

1. the amendments to the Company’s stock option plan as described in the Company’s management information circular dated April 5, 2022, be and it is hereby approved and adopted; and
2. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions.”

In accordance with the policies of the TSXV, the Stock Option Plan must be approved by the majority of votes cast at the Meeting on the resolution. **THE BOARD RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE APPROVAL OF THE STOCK OPTION PLAN. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH APPROVAL.**

STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2021 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2021 (collectively the “**Named Executive Officers**”) and for the directors of the Company.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company. The following table does not disclose any information regarding Mr. Steve Magirias, the Chief Executive Officer of the Company, as he was appointed to his position with the Company after the financial year of the Company ended December 31, 2021.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES ⁽¹⁾							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Zahra ⁽²⁾ Former President, Chief Executive Officer and Director	2021	429,000	37,537	nil	nil	nil	466,537
	2020	404,515	70,800	nil	nil	nil	475,315

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES ⁽¹⁾							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Manish Arora Chief Financial Officer	2021	216,000	56,700	nil	nil	nil	272,700
	2020	183,268	49,000	nil	nil	nil	232,268
Steve Bogie VP Flight Operations & Technology	2021	195,000	31,800	nil	nil	nil	226,800
	2020	nil	nil	nil	nil	nil	nil
Michael Della Fortuna Chairman and Director	2021	nil	nil	25,000	nil	nil	25,000
	2020	nil	nil	nil	nil	nil	nil
Chris Irwin ⁽³⁾ Director	2021	nil	nil	8,000	nil	nil	8,000
	2020	nil	nil	nil	nil	nil	nil
Kevin Sherkin Director	2021	nil	nil	8,000	nil	nil	8,000
	2020	nil	nil	nil	nil	nil	nil
Vijay Kanwar Director	2021	nil	nil	8,000	nil	nil	8,000
	2020	nil	nil	nil	nil	nil	nil
Debbie Fischer Director	2021	nil	nil	20,000	nil	nil	20,000
	2020	nil	nil	nil	nil	nil	nil
Larry Taylor Director	2021	nil	nil	20,000	nil	nil	20,000
	2020	nil	nil	nil	nil	nil	nil

Notes:

(1) This table does not include any amount paid as reimbursement for expenses.

(2) Mr. Zahra resigned as President, Chief Executive Officer and Director of the Company on February 22, 2022 and Mr. Magirias was appointed Chief Executive Officer in his stead.

(3) During the financial year ended December 31, 2021, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, accrued fees of \$223,338 for legal services. During the financial year ended December 31, 2020, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, accrued fees of \$354,045 for legal services.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any Named Executive Officer or to any director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

The following table provides a summary of all compensation securities exercised by each Named Executive Officer and each director of the Company during the most recently completed financial year of the Company:

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NAMED EXECUTIVES OFFICERS							
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 and closing price on date of exercise (\$)	Total value on exercise date (\$)
Michael Zahra Former President, Chief Executive Officer and Director	stock option	733,333	\$1.00	February 11, 2021	\$2.12	\$1.12	\$1,554,665.96
Manish Arora Chief Financial Officer	stock option	66,666	\$1.00	February 12, 2021	\$2.10	\$1.10	\$139,998.60
Michael Della Fortuna Chairman and Director	stock options	400,000	\$0.50	February 12, 2021	\$2.10	\$1.60	\$840,000
Kevin Sherkin Director	stock options	133,333	\$1.00	February 16, 2021	\$2.12	\$1.12	\$282,665.96

Stock Option Plan and other Incentive Plans

The Company has in place the Stock Option Plan. The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons. Stock options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board.

The number of Common Shares underlying stock options that may be granted under the Stock Option Plan is limited to 17,925,508 (subject to the Stock Option Plan Amendments, which would revert the Stock Option Plan back to reserving 10% of the number of Common Shares outstanding at the time of the grant of the stock options).

The number of Common Shares reserved for issue may not exceed (i) five percent of the issued and outstanding Common Shares to any one individual in any 12 month period, (ii) two percent of the issued and outstanding Common Shares to any one consultant retained by the Company in any 12 month period, or (iii) two percent of the issued and outstanding Common Shares to any one employee of the Company conducting investor relations activities in any 12 month period. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. Stock options must be exercised within 90 days of termination of employment or cessation of position with the Company, or such longer period not exceeding 12 months as may be determined by the Board, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the stock option must be exercised within 12 months after such death, subject to the expiry of such stock option. Any Common Shares subject to a stock option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan.

The Stock Option Plan contains provisions permitting cashless exercise of options, in accordance with the policies of the TSXV. Pursuant to the Stock Option Plan, the vesting of options shall be at the discretion of the Board, provided that the Board shall seek to impose certain performance-based vesting criteria on at least 40% of options granted to officers of the Company, and, in accordance with the policies of the TSXV, options issued to consultants providing investor relations services must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than $\frac{1}{4}$ of the options vesting in any 3 month period.

The stock options are non-assignable and non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time.

The Company has no equity compensation plans other than the Stock Option Plan.

Employment, Consulting and Management Agreements

Other than as set forth below, the Company does not, and did not during the most recently completed financial year, have in place any employment agreements between the Company or any subsidiary or affiliate thereof and any of its Named Executive Officers or directors.

Michael Zahra – Former President, Chief Executive Officer and Director

Pursuant to an executive employment agreement entered into effective June 10, 2019, the Company retained Michael Zahra to act as the President and Chief Executive Officer of the Company (the "**Zahra Agreement**"). Under the Zahra Agreement, Mr. Zahra receives an annual salary of \$404,515 (the "**Salary**"), payable in equal bi-weekly installments. The Salary is subject to annual review and may be increased from time to time at the sole discretion of the Company. Mr. Zahra is also eligible to participate in the Stock Option Plan and to receive an annual cash bonus equal to up to 35% of the Salary as determined by the Board. Mr. Zahra is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the services performed under the Zahra Agreement.

If the Zahra Agreement is terminated without cause within 24 months of, or in anticipation within 180 days of, a change of control, Mr. Zahra is entitled to a payment equal to 18 months of Salary and all stock options held by Mr. Zahra become vested. If the Zahra Agreement is terminated by the Company at any time without cause, Mr. Zahra is entitled to a payment equal to 12 months of Salary and all stock options held by Mr. Zahra become vested.

The Zahra Agreement was terminated effective February 22, 2022. In connection with the resignation of Mr. Zahra as the President and Chief Executive Officer of the Company, Mr. Zahra received a lump sum severance payment of \$429,000.

Steve Magirias – Chief Executive Officer and Director

Steve Magirias was appointed Chief Executive Officer of the Company effective February 22, 2022. Pursuant to an executive employment agreement entered into effective as at such date (the “**Magirias Agreement**”), Mr. Magirias receives an annual salary of \$325,000 (the “**Salary**”), payable in equal bi-weekly installments. The Salary is subject to annual review and may be increased from time to time at the sole discretion of the Company. Mr. Magirias is also eligible to participate in the Stock Option Plan and to receive an annual cash bonus equal to up to 30% of the Salary as determined by the Board. Mr. Magirias is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the services performed under the Magirias Agreement.

If the Magirias Agreement is terminated without cause within 24 months of, or in anticipation within 180 days of, a change of control, Mr. Magirias is entitled to a payment equal to 18 months of Salary and all stock options held by Mr. Magirias become vested. If the Magirias Agreement is terminated by the Company at any time without cause, Mr. Magirias is entitled to a payment equal to 12 months of Salary and all stock options held by Mr. Zahra become vested.

Manish Arora – Chief Financial Officer

Pursuant to an executive employment agreement entered into effective November 9, 2020, the Company retained Manish Arora to act as Chief Financial Officer of the Company (the “**Arora Agreement**”). Under the Arora Agreement, Mr. Arora receives an annual salary of \$210,000 (the “**Salary**”), payable in equal bi-weekly installments. The Salary is subject to annual review and may be increased from time to time at the sole discretion of the Company. Mr. Arora is also eligible to participate in the Stock Option Plan and to receive an annual cash bonus equal to up to 30% of the Salary as determined by the Chief Executive Officer. Mr. Arora is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the services performed under the Arora Agreement.

If the Arora Agreement is terminated (i) by the Company without cause, the greater of one month per year of service and six months’ of notice or a termination payment in lieu, or (ii) by the Company within twelve months following or within 180 days before and in anticipation of a change in control, the greater of a lump-sum payment equal to twelve months’ salary or termination payment in lieu and all stock options held by Mr. Arora become vested.

Steve Bogie – Vice President, Flight Operations & Technology

Pursuant to an executive employment agreement entered into effective September 8, 2020, the Company retained Steve Bogie to act as Vice President, Flight Operations & Technology of the Company (the “**Bogie Agreement**”). Under the Bogie Agreement, Mr. Bogie receives an annual salary of \$195,000 (the “**Salary**”), payable in equal bi-weekly installments. The Salary is subject to annual review and may be increased from time to time at the sole discretion of the Company. Mr. Bogie is also eligible to participate in the Stock Option Plan and to receive an annual cash bonus equal to up to 20% of the Salary as determined by the Chief Executive Officer. Mr. Bogie is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the services performed under the Bogie Agreement.

If the Bogie Agreement is terminated (i) by the Company without cause, the greater of one month per year of service and six months’ of notice or a termination payment in lieu, or (ii) by the Company without cause, Mr. Bogie’s minimum entitlements under applicable employment standards legislation, including notice of termination, termination pay and severance pay, if any.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the two most recently completed financial years for their services in their capacity as directors of the Company. In 2021, the Board approved annual compensation for the directors as follows: (i) Board Chair, \$25,000; (ii) each Committee Chair, \$20,000; and (iii) each other non-executive director, \$8,000.

Compensation of Named Executive Officers

Principles of Executive Compensation

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align the interests of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers within the constraints of the agreements described under "*Employment, Consulting and Management Agreements*" above. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

Base Salary

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers of the Company is consistent with the administration of salaries for all other employees.

Annual Incentives

The Company, in its discretion, may award annual bonuses in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officer's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. Except as set forward under "*Employment, Consulting and Management Agreements*", the Company is not party to any compensation plan or arrangement with Named Executive Officers or directors of the Company resulting from the resignation, retirement or the termination of employment of such person.

SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLAN

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of December 31, 2021:

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 (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders	7,905,005	\$1.04	10,020,503
Equity compensation plans not approved by securityholders	nil	nil	nil
Total	7,905,005	\$1.04	10,020,503

Note:

(1) *The Stock Option Plan is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 10% of the outstanding Common Shares at the time of the stock option grant. As at the date of this Management Information Circular, 22,419,901 stock options may be reserved for issue pursuant to the Stock Option Plan, 7,776,671 stock options have been issued and 14,643,230 stock options are still available for issue under the Stock Option Plan.*

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as otherwise disclosed in this Management Information Circular, no director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year end or in any proposed transaction that has materially affected or will materially affect the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting of shareholders. The Company is a “venture issuer” for the purposes of NI 52-110.

Audit Committee Charter

The full text of the charter of the Company’s Audit Committee is attached hereto as Appendix A (the “**Audit Committee Charter**”).

Composition of the Audit Committee

The Audit Committee currently consists of Larry Taylor (Chair), Chris Irwin and Kevin Sherkin. Each of whom is a director and financially literate. Messrs. Taylor and Sherkin are independent in accordance with NI 52-110.

Relevant Education and Experience of Audit Committee Members

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

Larry Taylor – Director and Chair of the Audit Committee

Mr. Taylor is also a seasoned executive with extensive business and board experience in consulting, financial services and technology, having worked with such organizations as Cap Gemini Ernst & Young, Travelex, Dollar Financial Group, and numerous publicly-traded technology companies as Director or Chair. He has attended business and leadership programs at Northwestern University and Harvard University. Mr. Taylor has Certified Management Consultant, Certified Professional Accountant and Certified Management Accountant designations.

Chris Irwin – Director

Mr. Irwin is a graduate of Bishop's University (B.A., 1990), the University of New Brunswick (Bachelor of Laws, 1994) and Osgoode Hall Law School (Master of Laws, 2009). He was called to the Bar of Ontario in 1996. Mr. Irwin represents several public companies, is an officer and/or director of several public companies, and serves or has served on the audit committee of several public companies.

Kevin Sherkin – Director

Mr. Sherkin was called to the Ontario bar in 1987 after graduating from Osgoode Hall Law School with a J.D. in 1985. He is a Partner at Miller Thomson LLP. Prior thereto, he was a founding member and managing director of Levine Sherkin Boussidan Professional Corporation. While his practice involves a wide range of civil litigation, Mr. Sherkin's focus has been primarily on business-related litigation. Mr. Sherkin has served as a director for both private and public companies and in his previous board tenures he served on finance committees, compliance committees and compensation committees.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable

person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);

3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (Exemptions) of NI 52-110.

The Company is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application 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's charter provides that that Audit Committee must approve all non-audit services to be provided by the Company's external auditor to the Company or a subsidiary of the Company.

External Auditor Service Fees (By Category)

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2021 and December 31, 2020:

Year ended	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2021	\$85,000	\$nil	\$5,675	\$nil
December 31, 2020	\$94,595	\$59,350	\$9,900	\$13,150

Notes:

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

REPORT ON CORPORATE GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "Governance Guidelines") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company's approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

Board of Directors

The Board is currently composed of seven directors. At the meeting the shareholders will be asked to elect seven directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed nominees, Chris Irwin, a director of the Company is not considered "independent". The remaining five proposed directors, are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.

Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Chris Irwin	Minnova Corp., Deveron Corp., Greencastle Resources Ltd., Intercontinental Gold and Metals Ltd., Playground Ventures Inc., Veta Resources Inc., Interactive Capital Partners Corporation, American Aires Inc., Glow Lifetech Corp., and Royal Coal Corp.
Michael Della Fortuna	Danavation Technologies Corp.
Larry Taylor	Spark Power Group Corp., Swarmio Media Inc. and VIQ Solutions Inc.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically Board members have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The Board has adopted a code of business conduct and ethics (the "**Code**"). The Code reflects the Company's commitment to a culture of honesty, integrity and accountability and strives to operate in accordance with the highest ethical standards and applicable laws and regulations. The Code addresses, among other things, conflicts of interest, protection and proper use of the Company's assets, compliance with laws, rules and regulations, confidentiality and fair dealing with the Company's representatives, customers, suppliers, shareholders, business partners, regulators and competitors and reporting of illegal or unethical behavior.

The Board is responsible for monitoring compliance with the Code, for regularly assessing its adequacy, for interpreting the Code in any particular situation and for approving any changes to the Code as is required from time to time.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

Other Board Committees

The Board has established an Audit Committee and Corporate Governance and Human Resources Committee.

Audit Committee

The operation of the Audit Committee is described in the section entitled “*Audit Committee Information Required in The Information Circular of a Venture Issuer*” in this Management Information Circular.

Corporate Governance and Human Resources Committee

The Corporate Governance and Human Resources Committee is currently composed of Debbie Fischer (Chair), Michael Della Fortuna and Vijay Kanwar. Each member of the Corporate Governance and Human Resources Committee is a director and is “independent” in accordance with NI 52-110. The Corporate Governance and Human Resources Committee is responsible for: (i) establishing sound corporate governance practices that are in the interests of shareholders and that contribute to effective and efficient decision-making; (ii) offering competitive compensation to attract, retain and motivate the very best qualified executives in order for the Company to meet its goals; and (iii) acting in the interests of the Company and its shareholders by being fiscally responsible.

Assessments

The Board monitors but does not formally assess the effectiveness and contribution of the Board, its committees and individual Board members. To date, the Board has satisfied itself, through informal discussions that the Board, its committees and individual Board members are performing effectively.

OTHER MATTERS

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting. However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company in order to request copies of: (i) this Management Information Circular; and (ii) the Company’s consolidated financial statements and the related management’s discussion and analysis (the “**MD&A**”) which will be sent to the shareholder without charge upon request. Financial information is provided in the Company’s consolidated financial statements and MD&A for its financial year ended December 31, 2021.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Management Information Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies, has been authorized by the Board.

DATED at Toronto, Ontario, on the 5th day of April, 2022.

BY ORDER OF THE BOARD

“Steve Magirias” (signed)
Chief Executive Officer

APPENDIX “A”

AUDIT COMMITTEE CHARTER

DRONE DELIVERY CANADA CORP.

I. Audit Committee Charter

This Charter has been adopted in order to comply with the Instrument and to assist the audit committee in the oversight of the financial reporting process of the Company. Nothing in this charter is intended to restrict the ability of the board of directors or audit committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART I

Purpose:

The purpose of the audit committee is to:

- a) review all periodic financial statements, monitor the Corporation’s regulatory financial disclosure requirements, and make recommendations respecting financial reporting matters;
- b) assist the board of directors to discharge its responsibilities;
- c) provide an accountable avenue of communication between the board of directors and the Company’s EAs;
- d) ensure the EA’s independence;
- e) ensure the availability and transparency of financial reports; and
- f) ensure that outside members of the board of directors have ready access to the EA to responsible members of management in financial reporting matters.

1.1 Definitions

Unless otherwise defined in this Charter, terms shall have the meanings set forth below:

“**audit services**” means the professional services rendered by the Company’s external auditor for the audit and review of the Company’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements.

“**Board**” means the board of directors of the Company.

“**Charter**” means this audit committee charter.

“**Company**” or “**Corporation**” means Drone Delivery Canada Corp.

“**Committee**” means the audit committee established by the Board for the purpose of overseeing the accounting, financial reporting processes of the Company and audits of the financial statements of the Company.

“**EA**” means the Company’s external auditors, from time to time.

“**Instrument**” means Multilateral Instrument 52-110.

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102. “**Member**” means a member of the Committee.

“**National Instrument 51-102**” means National Instrument 51-102 Continuous Disclosure Obligations.

“**non-audit services**” means services other than audit services.

PART 2

2.1 The Board has hereby established this Charter to set forth the duties and responsibilities of the Committee.

2.2 The Committee shall be comprised of at least three financially literate directors, the majority of whom are not Officers, employees or Control Persons of the Issuer or any of its Associates or Affiliates (within the meanings given those terms in prevailing securities legislation). An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be contained in the Company’s financial statements.

2.3 The Board will direct the EA to report directly to the Committee and the Members have the irrevocable authority to enforce this procedure.

2.4 The Committee will be directly responsible for overseeing the work of the EA engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the EA regarding financial reporting.

2.5 The Committee will be responsible for recommending to the Board:

- a) the EA to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company; and
- b) the compensation of the EA.

2.6 Without limitation, the Committee will be responsible for:

- a) reviewing the audit plan with management and the EA;
- b) reviewing with management and the EA any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
- c) questioning management and the EA regarding significant financial reporting issues occurring during the fiscal period under review and the method of resolution;
- d) reviewing any problems experienced by the EA in performing the audit, including any restriction imposed by management or significant accounting issue on which there was disagreement with management;
- e) reviewing audited annual financial statements, in conjunction with the report of the EA, and discussing with management any significant variances between comparative reporting periods;
- f) reviewing the post-audit or management letter, containing the recommendations of the EA, and subsequent follow-up;
- g) reviewing interim unaudited financial statements before release to the public;
- h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management’s discussion and analysis;

- i) reviewing the evaluation of internal controls by the EA, and subsequent follow-up;
- j) reviewing the terms of reference of the internal auditor, if any;
- k) reviewing reports issued by the internal auditor, if any, and subsequent follow-up; and
- l) reviewing the appointments of chief financial officers and all other key financial executives involved in the financial reporting process, as applicable.

2.7 The Committee will approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's EA.

2.8 The Committee will review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.

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

2.10 When there is to be a change of auditor, the Committee will review all issues related to the change, including the information to be included in the notice of change of auditor called for under prevailing laws and policies, and the planned steps for an orderly transition.

2.11 The Committee will review all reportable events, including disagreements, unresolved issues and consultations.

2.12 The Committee will, as applicable, establish procedures for:

- a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
- b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

2.13 As applicable, the Committee will establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former EA of the issuer, as applicable.

2.14 The responsibilities outlined in this Charter are not intended to be exhaustive. Members must consider any additional areas which may require oversight when discharging their responsibilities.

PART 3

3.1 The Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b) set and pay the compensation for any advisors employed by the Committee; and
- c) communicate directly with the internal and external auditors.

PART 4

4.1 Meetings of the Committee will be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

4.2 Members will be afforded reasonable opportunities to privately meet with the EA, the internal auditor and members of senior management.

4.3 Minutes will be kept of all meetings of the Committee.

PART 5

5.1 If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to its Board, the Committee shall ensure that the Company includes in its management information circular the disclosure required by Form 52-110F2 of the Instrument.

APPENDIX “B”

AMENDED AND RESTATED ARTICLES

DRONE DELIVERY CANADA CORP.

BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)
AMENDED AND RESTATED ARTICLES OF
DRONE DELIVERY CANADA CORP.

Table of Contents

	Page
PART 1 INTERPRETATION	1
1.1 Definitions	1
1.2 Business Corporations Act Definitions Apply	2
1.3 Interpretation Act Applies	2
1.4 Conflict in Definitions	2
1.5 Conflict Between Articles and Legislation	2
PART 2 SHARES AND SHARE CERTIFICATES	2
2.1 Authorized Share Structure	2
2.2 Form of Share Certificates	2
2.3 Right to Share Certificate or Acknowledgement	2
2.4 Sending of Share Certificate	3
2.5 Replacement of Worn Out or Defaced Certificate	3
2.6 Replacement of Lost, Stolen or Destroyed Certificate	3
2.7 Splitting Share Certificates	3
2.8 Certificate Fee	3
2.9 Recognition of Trusts	3
2.10 Amendments to Share Certificates	4
PART 3 ISSUE OF SHARES	4
3.1 Directors Authorized to Issue Shares	4
3.2 Commissions and Discounts	4
3.3 Brokerage	4
3.4 Conditions of Issue	4
3.5 Warrants, Options and Rights	4
3.6 Fractional Shares	5
PART 4 SHARE REGISTERS	5
4.1 Central Securities Register	5
4.2 Branch Registers	5
4.3 Appointment of Agents	5
4.4 Closing Register	5
PART 5 SHARE TRANSFERS	5
5.1 Recording or Registering Transfer	5
5.2 Form of Instrument of Transfer	5
5.3 Transferor Remains Shareholder	6
5.4 Signing of Instrument of Transfer	6
5.5 Enquiry as to Title Not Required	6
5.6 Transfer Fee	6
PART 6 TRANSMISSION OF SHARES	6

Table of Contents (continued)

	Page
6.1 Legal Personal Representative Recognized on Death.....	6
6.2 Rights of Legal Personal Representative	6
PART 7 PURCHASE OF SHARES	7
7.1 Company Authorized to Purchase Shares	7
7.2 Purchase When Insolvent.....	7
7.3 Sale and Voting of Purchased Shares	7
PART 8 BORROWING POWERS	7
8.1 Powers of Directors	7
8.2 Terms of Debt Instruments	7
8.3 Delegation by Directors	8
PART 9 ALTERATIONS.....	8
9.1 Alteration of Authorized Share Structure	8
9.2 Special Rights and Restrictions.	8
9.3 Change of Name	8
9.4 Alterations to Articles.....	9
9.5 Alterations to Notice of Articles	9
PART 10 MEETINGS OF SHAREHOLDERS	9
10.1 Annual General Meetings	9
10.2 Resolution Instead of Annual General Meeting.....	9
10.3 Calling of Shareholder Meetings	9
10.4 Location of Shareholder Meetings.....	9
10.5 Notice for Meetings of Shareholders	9
10.6 Record Date for Notice.....	10
10.7 Record Date for Voting.....	10
10.8 Failure to Give Notice and Waiver of Notice	10
10.9 Notice of Special Business at Meetings of Shareholders.....	10
PART 11 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS	11
11.1 Special Business.	11
11.2 Special Majority.....	11
11.3 Quorum.....	11
11.4 One Shareholder May Constitute Quorum.....	11
11.5 Meetings by Telephone or Other Communications Medium.....	12
11.6 Other Persons May Attend.....	12
11.7 Requirement of Quorum	12
11.8 Lack of Quorum.....	12
11.9 Lack of Quorum at Succeeding Meeting	12
11.10 Chair	12

Table of Contents (continued)

	Page
11.11 Selection of Alternate Chair	13
11.12 Adjournments	13
11.13 Notice of Adjourned Meeting	13
11.14 Decisions by Show of Hands or Poll	13
11.15 Declaration of Result.	13
11.16 Motion Need Not Be Seconded	13
11.17 Casting Vote	13
11.18 Manner of Taking a Poll	14
11.19 Demand for a Poll on Adjournment.....	14
11.20 Chair Must Resolve Dispute	14
11.21 Casting of Votes	14
11.22 Demand for Poll.....	14
11.23 Demand for a Poll Not to Prevent Continuation of Meeting.....	14
11.24 Retention of Ballots and Proxies.....	14
PART 12 VOTES OF SHAREHOLDERS.....	14
12.1 Number of Votes by Shareholder or by Shares.....	14
12.2 Votes of Persons in Representative Capacity	15
12.3 Votes by Joint Shareholders	15
12.4 Legal Personal Representatives as Joint Shareholders.....	15
12.5 Representative of a Corporate Shareholder	15
12.6 Proxy Provisions Do Not Apply to All Companies	16
12.7 Appointment of Proxy Holder	16
12.8 Alternate Proxy Holders	16
12.9 When Proxy Holder Need Not Be Shareholder	16
12.10 Deposit of Proxy	16
12.11 Validity of Proxy Vote.....	17
12.12 Form of Proxy.....	17
12.13 Revocation of Proxy	17
12.14 Revocation of Proxy Must Be Signed.....	17
12.15 Production of Evidence of Authority to Vote	18
PART 13 DIRECTORS	18
13.1 Number of Directors	18
13.2 Change in Number of Directors	18
13.3 Directors' Acts Valid Despite Vacancy	18
13.4 Qualifications of Directors.....	18
13.5 Remuneration of Directors.....	19
13.6 Reimbursement of Expenses of Directors.....	19

Table of Contents (continued)

	Page
13.7 Special Remuneration for Directors.....	19
13.8 Gratuity, Pension or Allowance on Retirement of Director.....	19
13.9 Canadian Status	19
PART 14 ELECTION AND REMOVAL OF DIRECTORS	19
14.1 Election at Annual General Meeting.....	19
14.2 Consent to be a Director	19
14.3 Failure to Elect or Appoint Directors.....	20
14.4 Places of Retiring Directors Not Filled.....	20
14.5 Directors May Fill Casual Vacancies	20
14.6 Remaining Directors Power to Act.....	20
14.7 Shareholders May Fill Vacancies	20
14.8 Additional Directors	20
14.9 Ceasing to be a Director.....	21
14.10 Removal of Director by Shareholders.....	21
14.11 Removal of Director by Directors.....	21
14.12 Nomination of Directors	21
PART 15 POWERS AND DUTIES OF DIRECTORS	24
15.1 Powers of Management	24
15.2 Appointment of Attorney of Company	24
PART 16 DISCLOSURE OF INTEREST OF DIRECTORS	24
16.1 Obligation to Account for Profits	24
16.2 Restrictions on Voting by Reason of Interest	24
16.3 Interested Director Counted in Quorum	25
16.4 Disclosure of Conflict of Interest or Property.....	25
16.5 Director Holding Other Office in the Company	25
16.6 No Disqualification.....	25
16.7 Professional Services by Director or Officer	25
16.8 Director or Officer in Other Corporations	25
PART 17 PROCEEDINGS OF DIRECTORS	25
17.1 Meetings of Directors	25
17.2 Voting at Meetings	25
17.3 Chair of Meetings	26
17.4 Meetings by Telephone or Other Communications Medium.....	26
17.5 Calling of Meetings	26
17.6 Notice of Meetings	26
17.7 When Notice Not Required.....	26
17.8 Meeting Valid Despite Failure to Give Notice	26

Table of Contents (continued)

	Page
17.9 Waiver of Notice of Meetings	27
17.10 Quorum.....	27
17.11 Validity of Acts Where Appointment Defective.....	27
17.12 Consent Resolutions in Writing.....	27
17.13 Canadian Majority	27
17.14 Amendments to the Canada Transportation Act.....	27
PART 18 EXECUTIVE AND OTHER COMMITTEES	28
18.1 Appointment and Powers of Executive Committee.....	28
18.2 Appointment and Powers of Other Committees	28
18.3 Obligations of Committee.....	28
18.4 Powers of Board	28
18.5 Committee Meetings.....	29
PART 19 OFFICERS	29
19.1 Appointment of Officers.....	29
19.2 Functions, Duties and Powers of Officers	29
19.3 Qualifications.....	29
19.4 Remuneration.....	29
PART 20 INDEMNIFICATION	30
20.1 Definitions	30
20.2 Mandatory Indemnification of Directors and Former Directors	30
20.3 Indemnification of Other Persons	30
20.4 Non-Compliance with Business Corporations Act	30
20.5 Company May Purchase Insurance.....	30
PART 21 DIVIDENDS	31
21.1 Payment of Dividends Subject to Special Rights.....	31
21.2 Declaration of Dividends.....	31
21.3 No Notice Required	31
21.4 Record Date	31
21.5 Manner of Paying Dividend.....	31
21.6 Settlement of Difficulties.....	31
21.7 When Dividend Payable.	31
21.8 Dividends to be Paid in Accordance with Number of Shares	32
21.9 Receipt by Joint Shareholders.....	32
21.10 Dividend Bears No Interest.....	32
21.11 Fractional Dividends.....	32
21.12 Payment of Dividends.....	32
21.13 Capitalization of Surplus	32

Table of Contents (continued)

	Page
PART 22 DOCUMENTS, RECORDS AND REPORTS.....	32
22.1 Recording of Financial Affairs	32
22.2 Inspection of Accounting Records.....	32
22.3 Remuneration of Auditors	32
PART 23 NOTICES	33
23.1 Method of Giving Notice.....	33
23.2 Deemed Receipt.....	33
23.3 Certificate of Sending.....	34
23.4 Notice to Joint Shareholders.....	34
23.5 Notice to Trustees	34
PART 24 SEAL.....	34
24.1 Who May Attest Seal.....	34
24.2 Sealing Copies	34
24.3 Mechanical Reproduction of Seal.....	35
PART 25 SHARE ATTRIBUTES.....	35
25.1 Definitions	35
25.2 Control	36
25.3 Variable Voting Shares.....	36
25.4 Common Voting Shares.....	40
25.5 Restrictions on Share Transfer – Constraints on Ownership of Shares	43
PART 26 DECLARATIONS	44
26.1 Declaration and other Information.....	44
26.2 Holder	45
26.3 Transfer or issue of shares	45
26.4 Failure to provide a declaration or any other information	45
PART 27 ADDITIONAL POWERS	45

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

ARTICLES

OF

DRONE DELIVERY CANADA CORP.

(the “Company”)

**PART 1
INTERPRETATION**

1.1 Definitions

In these Articles, unless the context requires otherwise:

“**Agent**” means a person appointed to act on behalf of another;

“**Articles**” means these articles of the Company, as amended from time to time.

“**adjourned meeting**” means the meeting to which a meeting is adjourned under section 11.8 or 11.12 of these Articles.

“**board**”, “**board of directors**” and “**directors**” mean the directors or sole director of the Company for the time being and include a committee or other delegate, direct or indirect, of the directors or director.

“**Business Corporations Act**” means the *Business Corporations Act*, S.B.C. 2002, c.57, as amended, restated or replaced from time to time, and includes its regulations.

“**Canada Transportation Act**” means the *Canada Transportation Act*, S.C. 1996, c. 10, as amended, restated or replaced from time to time, and includes its regulations.

“**Canadian**” means a Canadian within the meaning set forth in Subsection 55(1) 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.

“**Depository**” means CDS Clearing and Depository Services Inc. 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 depository in respect of the compensation of securities transactions.

“**Interpretation Act**” means the *Interpretation Act*, R.S.B.C. 1996, c. 238, as amended, restated or replaced from time to time, and includes its regulations.

“**legal personal representative**” means the personal or other legal representative of the shareholder.

“**Non-Canadian**” means a person who is not a Canadian.

“**Notice of Articles**” means the notice of articles of the Company, as amended from time to time.

“**Participant**” means a holder of Voting Shares or the Agent of such holder registered with the Depository.

“**person**” includes an individual, corporation, body corporate, partnership, unincorporated organization, government or agency thereof, trustee, executor, administrator and other legal representative, and when used in these Articles, references to “person” in the singular shall be deemed to include the plural and vice versa.

“**Registration System**” means the services offered by the Depositary.

“**seal**” means the seal of the Company, if any.

“**Voting Share**” means a share carrying voting rights under all circumstances or under some circumstances that have occurred and are continuing and includes a security currently convertible into such a voting share and currently exercisable options and rights to acquire such a voting share or such a convertible security.

1.2 Business Corporations Act Definitions Apply

The definitions in the Business Corporations Act apply to these Articles.

1.3 Interpretation Act Applies

The Interpretation Act applies to the interpretation of these Articles as if these Articles were an enactment.

1.4 Conflict in Definitions

If there is a conflict between a definition in the Business Corporations Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Business Corporations Act will prevail in relation to the use of the term in these Articles.

1.5 Conflict Between Articles and Legislation

If there is a conflict between these Articles and the Business Corporations Act, the Business Corporations Act shall prevail.

PART 2 SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles.

2.2 Form of Share Certificates

Each share certificate issued by the Company must comply with, and be signed as required by, the Business Corporations Act.

2.3 Right to Share Certificate or Acknowledgement

Each shareholder is entitled, without charge, to:

- (a) one certificate representing the share or shares of each class or series of shares registered in the shareholder’s name; or
- (b) a non-transferable written acknowledgment of the shareholder’s right to obtain such a share certificate,

provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement and delivery of a share certificate or acknowledgment for a share to one of several joint shareholders or to one of the shareholders' duly authorized Agents will be sufficient delivery to all. The Company may refuse to register more than three persons as joint holders of a share.

2.4 Sending of Share Certificate

Any share certificate or non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate to which a shareholder is entitled may be sent to the shareholder by mail at the shareholders' registered address, and neither the Company nor any Agent is liable for any loss to the shareholder because the share certificate or acknowledgment sent is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate

If the board, or any officer or Agent designated by the directors, is satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit:

- (a) order the certificate to be cancelled; and
- (b) issue a replacement share certificate.

2.6 Replacement of Lost, Stolen or Destroyed Certificate

If a share certificate is lost, stolen or destroyed, a replacement share certificate must be issued to the person entitled to that certificate if the board, or any officer or Agent designated by the directors, receives:

- (a) proof satisfactory to them that the certificate is lost, stolen or destroyed; and
- (b) any indemnity the board of directors, or any officer or Agent designated by the directors, considers adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request. The Company may refuse to issue a certificate with respect to a fraction of a share.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under section 2.5, 2.6 or 2.7 of these Articles, the amount, if any and which must not exceed the amount prescribed under the Business Corporations Act, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

2.10 Amendments to Share Certificates

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

PART 3 ISSUE OF SHARES

3.1 Directors Authorized to Issue Shares

Subject to the Business Corporations Act and the rights of the holders of issued shares of the Company, the directors may issue, allot, sell or otherwise dispose of the unissued shares, and previously issued shares that are subject to reissuance or held by the Company, whether with par value or without par value, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares may be issued) that the directors, in their absolute discretion, may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The directors may, at any time, authorize the Company to pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The directors may authorize the Company to pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the Business Corporations Act, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property; or
 - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under section 3.1 of these Articles.

3.5 Warrants, Options and Rights

Subject to the Business Corporations Act, the Company may issue warrants, options and rights upon such terms and conditions as the directors determine, which warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

3.6 Fractional Shares

A person holding a fractional share does not have, in relation to the fractional share, the rights of a shareholder in proportion to the fraction of the share held.

PART 4 SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the Business Corporations Act, the Company must maintain in British Columbia a central securities register.

4.2 Branch Registers

In addition to the central securities register, the Company may maintain branch securities registers.

4.3 Appointment of Agents

The directors may, subject to the Business Corporations Act, appoint an Agent to maintain the central securities register and any branch securities registers. The directors may also appoint one or more Agents, including the Agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another Agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any Agent at any time and may appoint another Agent in its place.

4.4 Closing Register

The Company must not at any time close its central securities register.

PART 5 SHARE TRANSFERS

5.1 Recording or Registering Transfer

Except to the extent that the Business Corporations Act otherwise provides, a transfer of a share of the Company must not be recorded or registered unless:

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the Business Corporations Act otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and Agents to register the number of shares specified in the instrument of transfer, or, if no number is specified, all the shares represented by share certificates deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the share certificate is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or Agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount determined by the directors.

PART 6 TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Business Corporations Act and the directors have been deposited with the Company.

PART 7 PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to the special rights and restrictions attached to any class or series of shares and the Business Corporations Act, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and on the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

PART 8 BORROWING POWERS

8.1 Powers of Directors

The Company, if authorized by the directors, may from time to time:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future undertaking of the Company.

8.2 Terms of Debt Instruments

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, and with any special privileges on the redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise, and may by their terms be assignable free from any equities between

the Company and the person to whom they were issued or any subsequent holder, all as the directors may determine.

8.3 Delegation by Directors

For greater certainty, the powers of the directors under this Part 8 may be exercised by a committee or other delegate, direct or indirect, of the board authorized to exercise such powers.

PART 9 ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to section 9.2 of these Articles and the Business Corporations Act, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares is allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares is allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act.

9.2 Special Rights and Restrictions.

Subject to the Business Corporations Act, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name

The Company may by directors' resolution authorize an alteration of the Notice of Articles in order to change its name.

9.4 Alterations to Articles

If the Business Corporations Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

9.5 Alterations to Notice of Articles

If the Business Corporations Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter its Notice of Articles.

PART 10 MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the Business Corporations Act, the Company must hold an annual general meeting, for the first time, not more than 18 months after the date on which it was recognized, and after its first annual reference date, at least once in each calendar year and not more than 15 months after the annual reference date for the preceding calendar year at such date, time and location (which, for clarity, may be a fully electronic meeting with no physical location if permissible under the Business Corporations Act) as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the Business Corporations Act to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this section 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Shareholder Meetings

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Shareholder Meetings

The directors may, by director's resolution, approve a location outside of British Columbia for the holding of a meeting of shareholders and, if permissible under the Business Corporations Act, may approve the holding of a meeting of shareholders partially or fully electronically.

10.5 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days; and
- (b) otherwise, 10 days.

10.6 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days; and
- (b) otherwise, 10 days.

If no record date is set, the record date is 5:00 p.m. (Toronto time) on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. If no record date is set, the record date is 5:00 p.m. (Toronto time) on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to receive notice does not invalidate any proceedings at that meeting. Any person entitled to receive notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of section 11.1 of these Articles, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

PART 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business.

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of, or voting at, the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
 - (viii) any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

A quorum for the transaction of business at any meeting of shareholders shall be two persons present in person (one of whom shall be, or be representing, a Canadian), each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 25% of the issued shares of the Company entitled to voting rights at such meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder; and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Meetings by Telephone or Other Communications Medium

A shareholder or proxy holder who is entitled to participate in, including vote at, a meeting of shareholders may participate in person or by telephone or other communications medium if all shareholders and proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A shareholder who participates in a meeting in a manner contemplated by this section 11.5 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner. Nothing in this section 11.5 obligates the Company to take any action or provide any facility to permit or facilitate the use of any communications mediums at a meeting of shareholders.

11.6 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.7 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting. If a quorum is present at the commencement of any meeting, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting; provided that at least one Canadian is present in person or represented by proxy.

11.8 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved; and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place, or at such other date, time or location as the chair specifies on the adjournment.

11.9 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the first meeting referred to in section 11.8(b) of these Articles was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum, provided that at least one Canadian is present in person or represented by proxy.

11.10 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; and
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.11 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.12 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.13 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.14 Decisions by Show of Hands or Poll

Subject to the Business Corporations Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.15 Declaration of Result.

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under section 11.4 of these Articles, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.16 Motion Need Not Be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.17 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.18 Manner of Taking a Poll

Subject to section 11.19 of these Articles, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be a resolution of and passed at the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.19 Demand for a Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.20 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.21 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.22 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.23 Demand for a Poll Not to Prevent Continuation of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.24 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during statutory business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12 VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under section 12.3 of these Articles:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote at the meeting has one vote, and
- (b) on a poll, every shareholder entitled to vote has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is the legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Shareholders

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, than only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of section 12.3 of these Articles, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must:
 - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies or, if no number is specified, two days before the day set for the holding of the meeting; or
 - (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting; and
- (b) if a representative is appointed under this section 12.5:
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

Sections 12.7 to 12.15 of these Articles do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holder

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under section 12.5 of these Articles;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[Name of Company]
(the “**Company**”)

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder):

Signed this _____ day of _____.

Signature of shareholder

Name of shareholder—printed

12.13 Revocation of Proxy

Subject to section 12.14 of these Articles, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed.

An instrument referred to in section 12.13 of these Articles must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or

- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under section 12.5 of these Articles.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13 DIRECTORS

13.1 Number of Directors

The number of directors, excluding additional directors appointed under section 14.8 of these Articles, is set at:

- (a) if the Company is a public company, the greater of three and the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under section 14.4 of these Articles;
- (b) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under section 14.4 of these Articles.

13.2 Change in Number of Directors

If the number of directors is set under sections 13.1(a)(i) or 13.1(b)(i) of these Articles:

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the Business Corporations Act to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in his or her capacity as director in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors may authorize the Company to pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

13.9 Canadian Status

A majority of the directors of the Company shall be Canadian.

PART 14 ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by section 10.2 of these Articles:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a) but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the Business Corporations Act; or
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by section 10.2 of these Articles, on or before the date by which the annual general meeting is required to be held under the Business Corporations Act; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by section 10.2 of these Articles, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) the date on which his or her successor is elected or appointed; and
- (d) the date on which he or she otherwise ceases to hold office under the Business Corporations Act or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Business Corporations Act, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding sections 13.1 and 13.2 of these Articles, between annual general meetings or unanimous resolutions contemplated by section 10.2 of these Articles, the directors may appoint one or more additional directors, but the number of additional directors appointed under this section 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this section 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under section 14.1(a) of these Articles but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to sections 14.10 or 14.11 of these Articles.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

14.12 Nomination of Directors

Subject to the provisions of the Business Corporations Act, Applicable Securities Laws (as defined below) and these Articles, a nominee will not be eligible for election as director of the Company unless such nomination is made in accordance with the procedures set out in this section 14.12.

Nominations of a person for election to the board may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the board (or any authorized committee thereof) or an authorized officer of the Company, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders of the Company pursuant to a proposal within the meaning of, and made in accordance with the provisions of, the Business Corporations Act or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act; or

- (c) by any person (a “**Nominating Shareholder**”): (i) who, at the close of business on the date of the giving of the notice provided for below in this section 14.12 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares of the Company carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below in this section 14.12.

The procedures for nominations of a person for election to the board by a Nominating Shareholder are as follows:

- (a) 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 Corporate Secretary of the Company at the registered office of the Company in accordance with this section 14.12.
- (b) To be timely, a Nominating Shareholder’s notice to the Corporate Secretary of the Company must be made:
 - (i) in the case of an annual general meeting of shareholders (including an annual general and special meeting), not later than the close of business on the 30th day before the date of the meeting of shareholders; provided, however, if the date (the “**Notice Date**”) on which the first public announcement made by the Company of the date of the annual general meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the Notice Date; and
 - (ii) in the case of a special meeting (which is not also an annual general 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 15th day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in in the paragraphs (a) or (b) above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable 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 general 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.

- (c) To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Company must set forth:
 - (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residential address of the proposed nominee, (B) the principal occupation(s), business or employment(s) of the proposed nominee, both presently and for the past five years, (C) whether the proposed nominee is a “resident Canadian” within the meaning of the Business Corporations Act, (D) whether the proposed nominee is a Canadian; (E) the class or series and number of shares of the Company which are controlled or which are owned beneficially or of record 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, (F) a description of any relationships, agreements, arrangements, or understandings (including financial, compensation or indemnity related) between the proposed nominee or

any affiliates or associates of, or any person or entity acting jointly or in concert with, the proposed nominee or the Nominating Shareholder, in connection with the proposed nominee's nomination and election as director, (G) whether the proposed nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Company or its affiliates or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Company or any of the Company's affiliates and the interests of the proposed nominee, and (H) any other information relating to the proposed nominee that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below);

- (ii) as to the Nominating Shareholder giving the notice, full particulars regarding (A) their name, business and residential address, (B) the number of securities of each class of voting securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, 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, (C) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company, (D) full particulars of any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board; and (E) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws; and
 - (iii) a written consent duly signed by each proposed nominee to being named as a nominee for election to the board and to serve as a director of the Company, if elected, as required by section 14.2.
- (d) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this section 14.12; provided, however, that nothing in this section 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Business Corporations Act. 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.
- (e) For purposes of this section 14.12, (i) "**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 Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (ii) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the 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 commission and similar regulatory authority of each province and territory of Canada.
- (f) Notwithstanding any other provision of the Articles, notice given to the Corporate Secretary of the Company pursuant to this section 14.12 may only be given by personal delivery, facsimile

transmission or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Company 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, email (at the address as aforesaid) or sent by facsimile transmission or by email (as such email address as stipulated from time to time by the Corporate Secretary of the Company 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, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary of the Company at the address of the principal executive offices of the Company; 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. (Toronto 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.

- (g) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section 14.12.

PART 15 POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the Business Corporations Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors exclusively may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 16 DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the Business Corporations Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Business Corporations Act.

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Business Corporations Act.

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer

Subject to the Business Corporations Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Business Corporations Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

**PART 17
PROCEEDINGS OF DIRECTORS**

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the board held at regular intervals may be held at the place, at the time and on the notice, if any, that the board may by resolution from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

Meetings of directors are to be chaired by:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone or other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this section 17.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the secretary or an assistant secretary, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to section 17.1 of these Articles, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in section 23.1 of these Articles or orally or by telephone.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the directors at which that director is appointed; or
- (b) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may file with the Company a document signed by the director waiving notice of any past, present or future meeting of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal. After sending a waiver with respect to all future meetings of the directors, and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

17.10 Quorum

Subject to section 17.13, the quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11 Validity of Acts Where Appointment Defective

Subject to the Business Corporations Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or, if no date is stated in the resolution, on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this section 17.2 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Business Corporations Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

17.13 Canadian Majority

The directors shall not transact business at a meeting, other than filling a vacancy on the board, unless a majority of the directors present are Canadian, except where:

- (a) one or more Canadian directors who are unable to be present approve in writing or by telephone, electronic or other communications facilities the business transacted at the meeting; and
- (b) a majority of Canadian directors would have been present had the director(s) specified in section 14.12(a) been present at the meeting.

17.14 Amendments to the Canada Transportation Act

It is hereby affirmed that the intention of sections 17.13, 18.1 and 18.2, as they relate to Canadian representation, is to comply with the minimum requirements of the Canada Transportation Act and, in the event that such minimum requirements are 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 Company.

PART 18

EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate (provided at least half of the members of such committee are Canadian), and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

18.2 Appointment and Powers of Other Committees

The directors may, by resolution,

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate (provided at least half of the members of each such committee are Canadian);
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to change the membership of, or fill vacancies in, any committee of the board, and
 - (iv) the power to appoint or remove officers appointed by the board; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

18.3 Obligations of Committee

Any committee appointed under section 18.1 or 18.2 of these Articles, in the exercise of the powers delegated to it, must

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers as the directors may require.

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under section 18.1 or 18.2 of these Articles:

- (a) revoke or alter the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation, alteration or overriding;

- (b) terminate the appointment of, or change the membership of, a committee; and
- (c) fill vacancies on a committee.

18.5 Committee Meetings

Subject to section 18.3(a) of these Articles and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under section 18.1 or 18.2 of these Articles:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of a directors' committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

PART 19 OFFICERS

19.1 Appointment of Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine, and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the Business Corporations Act. One person may hold more than one position as an officer of the Company. Any officer need not be a director.

19.4 Remuneration

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 20 INDEMNIFICATION

20.1 Definitions

In this Part 20:

- (a) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director of the Company or an affiliate of the Company (an “**eligible party**”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company or an affiliate of the Company:
 - (i) is or may be joined as a party; or
 - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) “**expenses**” has the meaning set out in the Business Corporations Act.

20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the Business Corporations Act, the Company must indemnify and advance expenses of a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which SUCH person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this section 20.2 of these Articles.

20.3 Indemnification of Other Persons

Subject to any restrictions in the Business Corporations Act, the Company may indemnify any person.

20.4 Non-Compliance with Business Corporations Act

The failure of a director or former director of the Company to comply with the Business Corporations Act or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

20.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, officer, employee or Agent of the Company;
- (b) is or was a director, officer, employee or Agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, officer, employee or Agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity; and/or

- (d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or Agent or person who holds or held such equivalent position.

PART 21 DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 21 are subject to the rights, if any, of Shareholders holding shares with special rights as to dividends, including those set out in Part 25.

21.2 Declaration of Dividends

Subject to the Business Corporations Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under section 21.2 of these Articles.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. (Toronto time) on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under section 21.5 of these Articles, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable.

Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

**PART 22
DOCUMENTS, RECORDS AND REPORTS**

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the provisions of the Business Corporations Act.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3 Remuneration of Auditors

The remuneration of the auditors, if any, shall be set by the directors regardless of whether the auditor is appointed by the shareholders, by the directors or otherwise. For greater certainty, the directors may delegate to the audit committee or other committee the power to set the remuneration of the auditors.

PART 23 NOTICES

23.1 Method of Giving Notice

Unless the Business Corporations Act or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the Business Corporations Act or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record, or a reference providing the intended recipient with immediate access to the record, by electronic communication to an address provided by the intended recipient for the sending of that record or records of that class;
- (e) sending the record by any method of transmitting legibly recorded messages, including without limitation by digital medium, magnetic medium, optical medium, mechanical reproduction or graphic imaging, to an address provided by the intended recipient for the sending of that record or records of that class; or
- (f) physical delivery to the intended recipient.

23.2 Deemed Receipt

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in section 23.1 of these Articles is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during statutory business hours on the day which statutory business hours next occur if not given during such hours on any day.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by section 23.1 of these Articles, prepaid and mailed or otherwise sent as permitted by section 23.1 of these Articles is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

PART 24 SEAL

24.1 Who May Attest Seal

Except as provided in sections 24.2 and 24.3 of these Articles, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by resolution of the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite section 24.1 of these Articles, the impression of the seal may be attested by the signature of any director or officer.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Business Corporations Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 25 SHARE ATTRIBUTES

25.1 Definitions

In this Part 25, the following terms have the following meanings:

“**affiliation**” shall 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;

“**Aggregate Votes**” means the aggregate of the votes attached to all Voting Shares that may ordinarily be cast to elect directors of the Company;

“**air service**” shall have the meaning set forth in subsection 55(1) 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;

“**Common Voting Share**” means the common voting shares of the Company;

“**Control Person**” has the meaning given to it in Policy 1.1 – Interpretation of the *TSX Venture Exchange Corporate Finance Manual*;

“**corporation**” includes a body corporate, partnership and unincorporated organization;

“**Non-Canadian Holder(s) Authorized to Provide Air Service**” has the meaning set forth in section 25.3.1(b)(i) of these Articles;

“**person**” includes an individual, corporation, association, entity, government or agency thereof, trustee, executor, administrator and other legal representative;

“**Single Non-Canadian Holder**” shall have the meaning set forth in section 25.3.1(a)(i);

“**Transfer Agent**” means the transfer agent and the registrar of the Common Voting Shares and the Variable Voting Shares;

“**Variable Voting Share**” means the variable voting shares of the Company; and

25.2 Control

In this Part 25:

25.2.1 a body corporate is controlled by a person if:

- (a) securities of the body corporate to which are attached more than fifty percent (50%) of the votes that may be cast to elect directors of the body corporate are held, otherwise than by way of security only, by or for the benefit of that person; and
- (b) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate; and

25.2.2 a partnership or unincorporated organization is controlled by a person if an ownership interest therein representing more than fifty percent (50%) of the assets of the partnership or organization is held, otherwise than by way of security only, by or for the benefit of that person.

25.3 Variable Voting Shares

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

25.3.1 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 Company, except in votes where the holders of a specified class other than the Variable Voting Shares are entitled to vote separately as a class as provided in the Business Corporations Act.

The holders of Variable Voting Shares shall be entitled to one vote per Variable Voting Share unless any of the thresholds set forth in sections 25.3.1(a), (b) or (c) of these Articles, 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 below in this section 25.3.1.

(a) 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, holds a number of Variable Voting Shares outstanding 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 and approved or adopted by the board), 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 any other person, at any meeting would exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the board) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share held 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 held 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 and approved or adopted by the board) of the Aggregate Votes attached to all issued and outstanding Voting Shares, 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 meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the board) 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 section 25.3.1(b)(i)) shall also constitute a Single Non-Canadian Holder for purposes of section 25.3.1(a) of these Articles.

(b) 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 hold, either individually or in affiliation with any other person, a number of Variable Voting Shares outstanding that, as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with section 25.3.1(a) of these Articles (if any, as may be required thereunder), exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the board), 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 meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with section 25.3.1(a) of these Articles (if any, as may be required thereunder), exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the board) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share held by all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any 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 held by all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any 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 and approved or adopted by the board) of the Aggregate Votes attached to all issued and outstanding Voting Shares, and (y) the total number of votes cast by or on behalf of all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the board) of the total number of votes cast at such meeting.

(c) General – All Holders of Variable Voting Shares

If at any time:

- (i) the number of Variable Voting Shares outstanding, as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with section 25.3.1(a) of these Articles and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service in accordance with section 25.3.1(b) of these Articles (in each case, if any, as may be required under such sections), exceeds 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the board), or
- (ii) the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with section 25.3.1(a) of these Articles and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service in accordance with section 25.3.1(b) of these Articles (in each case, if any, as may be required under such sections), exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the board) of the total number of votes cast at such meeting,

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

- (d) References in section 25.3.1 of these Articles to the Variable Voting Shares that a person “holds” or “held” shall refer to and include the Variable Voting Shares held, beneficially owned or controlled, directly or indirectly by such person.

25.3.2 Dividends

Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Company ranking prior to the Variable Voting Shares, the holders of Variable Voting Shares shall be entitled to receive any dividend declared by the board at the times and for the amounts that the board 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 Company 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.

25.3.3 Subdivision or Consolidation

No subdivision or consolidation of the Variable Voting Shares shall occur unless, simultaneously, the Common 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 such classes.

25.3.4 *Liquidation, Dissolution or Winding-up*

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company ranking prior to the Variable Voting Shares, in the case of liquidation, dissolution or winding-up of the Company or other distribution of the Company'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 Company and shall be entitled to share equally, share for share, in all distributions of such assets.

25.3.5 *Conversion*

(a) 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 Company or of the holder, if (i) such Variable Voting Share becomes held, beneficially owned and controlled, directly or indirectly, otherwise than by way of security only, by a Canadian; or (ii) the provisions contained in the Canada Transportation Act relating to foreign ownership restrictions are repealed and not replaced with other similar provisions.

(b) *Upon an Offer*

If an offer is made to purchase Common Voting Shares and such 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 such offer is in effect until one day after the time prescribed by applicable securities legislation for the person making the offer (for the purposes of section 25.3.5 of these Articles, the "Offeror") to take up and pay for such shares as are to be acquired pursuant to such 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 such offer and for no other reason, including with respect to voting rights attached thereto, which are deemed to remain subject to section 25.3.1 of these Articles, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Common Voting Shares on behalf of such holder.

To exercise the conversion right in this 25.3.5(b) the holder or the attorney of such holder duly authorized in writing shall:

- (i) 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;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Variable Voting Shares in respect of which the right is being exercised, together with duly executed stock powers of attorney for each such certificate; and
- (iii) 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 in accordance with this 25.3.5(b) shall be delivered to the holders on whose behalf such deposit is being made or to the Transfer Agent.

(c) Conversion Back into Variable Voting Shares

If the Offeror takes up and pays for the Common Voting Shares resulting from conversion in accordance with 25.3.5(b) of these Articles, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

If (i) 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; (ii) such offer is abandoned or withdrawn by the Offeror or (iii) if such offer otherwise expires without such Common Voting Shares being taken up and paid for, then each Common Voting Share resulting from the conversion under 25.3.5(b) of these Articles shall be automatically re-converted into one Variable Voting Share, without any further act on the part of the Company or of the holder and the share certificate(s) representing such Variable Voting Shares referred to in 25.3.5(b)(ii) of these Articles shall be returned to the holder in question by the Transfer Agent and the Transfer Agent shall destroy each of the stock powers of attorney previously delivered to it in 25.3.5(b)(ii) of these Articles.

If the Offeror is not Canadian, each Common Voting Share resulting from the conversion provided for in 25.3.5(b) of these Articles and taken up and paid for by the Offeror shall be automatically converted into one Variable Voting Share, without any further act on the part of the Company or of the Offeror at the time when the Offeror is required under the applicable securities legislation to take up and pay for such shares.

(d) Exceptions

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

- (i) if 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
- (ii) if 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, provided that 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 such offer if no shares are purchased pursuant to the contemporaneous offer for the Common Voting Shares; or
- (iii) if the holders of Common Voting Shares representing, in the aggregate, more than fifty percent (50%) of the then outstanding Common Voting Shares (excluding shares owned immediately prior to the offer by the Offeror and any joint actor) certify to the Transfer Agent and to the secretary of the Company that they will not deposit any shares in response to the offer for the Common Voting Shares.

25.4 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.

25.4.1 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 Company, except in votes where the holders of a specified class other than the Common Voting Shares are entitled to vote separately as a class as provided in the Business Corporations Act. Each Common Voting Share shall confer the right to one vote.

25.4.2 Dividends and Distributions

Subject to the rights, privileges, restrictions and conditions attached to any class of shares of the Company ranking prior to the Common Voting Shares, holders of Common Voting Shares shall be entitled to receive the dividends declared by the board at the times and for the amounts that the board 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 Company 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.

25.4.3 Subdivision or Consolidation

No subdivision or consolidation of the Common Voting Shares shall occur unless, simultaneously, 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 such classes.

25.4.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any class of shares of the Company ranking prior to the Common Voting Shares, in the case of liquidation, dissolution or winding-up of the Company or other distribution of the Company'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 Company and shall be entitled to share equally, share for share, in all distributions of such assets.

25.4.5 Conversion

(a) Automatic

Unless the foreign ownership restrictions of the Canada Transportation Act are repealed and not replaced with other similar restrictions, an issued and outstanding Common Voting Share shall be automatically converted into one Variable Voting Share, without any further act of the Company or the holder, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, otherwise than by way of a security only, by a person who is not a Canadian.

(b) Upon an Offer

If an offer is made to purchase Variable Voting Shares, and such 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 such offer is in effect until one day after the time prescribed by applicable securities legislation for the person making the offer (for the purposes of 25.4.5 of these Articles, the "Offeror") to take up and pay for such shares as are to be acquired pursuant to such 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 such offer, and for no other reason, including with respect to voting rights attached thereto, which are deemed to remain

subject to section 25.4.1 of these Articles, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Variable Voting Shares pursuant to such offer, on behalf of such holder.

To exercise the conversion right in this section 25.4.5(b), the holder or the attorney of such holder duly authorized in writing shall:

- (i) give written notice to the Transfer Agent of the exercise of such right and of the number of Common Voting Shares, in respect of which the right is being exercised;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Common Voting Shares, in respect of which the right is being exercised, together with duly executed stock powers of attorney for each such certificate; and
- (iii) 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 in accordance with this 25.4.5(b) shall be delivered to the holders on whose behalf such deposit is being made or to the Transfer Agent.

(c) Conversion Back into Common Voting Shares

If the Offeror takes up and pays for the Variable Voting Shares resulting from conversion in accordance with 25.4.5(b) of these Articles, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

If (a) 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; (b) such offer is abandoned or withdrawn by the Offeror or (c) if such offer otherwise expires without such Variable Voting Shares being taken up and paid for, then each Variable Voting Share resulting from the conversion under section 25.4.5(b) of these Articles shall be automatically re-converted into one Common Voting Share, without any further act on the part of the Company or of the holder and the share certificate(s) representing such Common Voting Shares referred to in section 25.4.5(b)(ii) of these Articles shall be returned to the holder in question by the Transfer Agent and the Transfer Agent shall destroy each of the stock powers of attorney previously delivered to it in section 25.4.5(b)(ii) of these Articles.

If the Offeror is Canadian, each Variable Voting Share resulting from the conversion provided for in section 25.4.5(b) of these Articles and taken up and paid for by the Offeror shall be automatically converted into one Common Voting Share, without any further act on the part of the Company or of the Offeror at the time when the Offeror is required under the applicable securities legislation to take up and pay for such shares.

(d) Exceptions

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

- (i) if 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, that is, the offer is an “exempt take-over bid” within the meaning of the foregoing securities legislation; or
- (ii) if an offer to purchase Common Voting Shares is made concurrently with such offer to purchase Variable Voting Shares, and the 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 shall contain a condition to the effect that the Offeror is not required to take up and pay for Common Voting Shares deposited to such offer if no shares are purchased pursuant to the contemporaneous offer for the Variable Voting Shares; or

- (iii) if the holders of Variable Voting Shares representing, in the aggregate, more than fifty percent (50%) of the then outstanding Variable Voting Shares (excluding shares owned immediately prior to the offer by the Offeror and any joint actor) certify to the Transfer Agent and to the secretary of the Company that they will not deposit any shares in response to the offer for the Variable Voting Shares.

25.5 Restrictions on Share Transfer – Constraints on Ownership of Shares

25.5.1 Variable Voting Shares

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

25.5.2 Common Voting Shares

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

25.5.3 Joint Ownership

For the purposes of these Articles, where Voting Shares 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.

25.5.4 Exceptions

- (a) Nothing in these Articles shall be construed to apply in respect of Voting Shares 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 Canadian holds Voting Shares by way of security only and such holding by way of security only is evidenced in such manner as may be prescribed by these Articles or resolutions adopted by the shareholders or directors of the Company, executed copies of which security shall have been filed by such holder with the Company.

25.5.5 Powers of Directors

- (a) In the administration of the provisions of these Articles, the board shall have, 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 of these Articles, including but not limited to all powers contemplated by the provisions relating to constrained share corporations in the Business Corporations Act.
- (b) In administering the provisions of these Articles the board may rely on:
 - (i) a statement made in a declaration referred to in section 26.1 of these Articles; and
 - (ii) the knowledge of a director, officer, employee or Agent of the Company.
- (c) Where the directors are required to determine the total number of Voting Shares held by or on behalf of persons who are not Canadians, including by or on behalf of any Single Non-Canadian Holders or Non-Canadian Holders Authorized to Provide Air Service, including any shareholders in affiliation therewith, the directors may rely upon (i) the share register of the Company or (ii) any other register held, or any declaration of residence collected by, the Transfer Agent or any depositary, such as CDS & Co., as of any date, provided that such date is not more than four months before the day on which the determination is made.
- (d) Wherever in these Articles it is necessary to determine the opinion of the board, such opinion shall be expressed and conclusively evidenced by a resolution of the board duly adopted, including a resolution in writing executed pursuant to subsection 140(3) of the Business Corporations Act.
- (e) No shareholder of the Company nor any other person claiming an interest in shares of the Company shall have any claim or action against the Company or against any director or officer of the Company, and the Company shall have no claim or action against any director or officer of the Company, arising out of any act (including any omission to act) taken by any such director or officer pursuant to, or in intended pursuance of, the provisions of these Articles or any breach or alleged breach of such provisions.

**PART 26
DECLARATIONS**

26.1 Declaration and other Information

Subject to the Business Corporations Act, the board may make, amend or repeal any documents required to administer the constrained share provisions set out in these Articles to:

- (a) require any person in whose name Voting Shares are registered to furnish a statutory declaration declaring whether:
 - (i) the shareholder holds, is the beneficial owner of and has control over the Voting Shares;
 - (ii) the shareholder is a Canadian;
 - (iii) the shareholder is a Single Non-Canadian Holder;
 - (iv) the shareholder is a Non-Canadian Holder Authorized to Provide Air Service; and
 - (v) the shareholder is in affiliation with any Single Non-Canadian Holder or with any Non-Canadian Holder Authorized to Provide Air Service, and, in any such circumstance, the identity of all such affiliated shareholders;

and declaring any further facts that the directors consider relevant;

- (b) require any person seeking to have a transfer of a Voting Share registered in such person's name or to have a Voting Share issued to him or her to furnish a declaration similar to the declaration a shareholder may be required to furnish under paragraph (i) above; and
- (c) determine the circumstances in which any declarations are required, their form and the times when they are to be furnished.

26.2 Holder

The board of directors may require, at all times, that any holder of Voting Shares, the Agent of such holder, a Participant in whose name the Voting Shares are registered or the Depositary, must provide any relevant information required to enable it to apply the restrictions on the issue, transfer, ownership, control or voting of Voting Shares set out in the Business Corporations Act, the Canada Transportation Act and these Articles.

26.3 Transfer or issue of shares

The board of directors may require, prior to accepting any transfer of or subscription for Voting Shares, that the prospective holder, the Agent of such holder, the Participant in whose name such Voting Shares are registered, or the Depositary, provide any relevant information required to enable it to apply the restrictions on the issue, transfer, ownership, control or voting of Voting Shares set out in the Business Corporations Act, the Canada Transportation Act and these Articles.

26.4 Failure to provide a declaration or any other information

- (a) When a person, the Agent of such person, the Participant in whose name the Voting Shares are registered, or the Depositary are required to provide a declaration or any other information required pursuant to these Articles 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 Depositary has provided the declaration or the information concerned:
 - (i) 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 such person's 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;
 - (ii) 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 Depositary 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
 - (iii) 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 set out in the Business Corporations Act, the Canada Transportation Act and these Articles.

PART 27 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 set out in the Business Corporations Act, the Canada Transportation Act, these Articles and the Notice of Articles:

- (a) name and sign any contract with third persons, and particularly with the Transfer Agent and Depositary, 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 Business Corporations Act, the Canada Transportation Act, these Articles or the Notice of Articles, 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 or Non-Canadian status of the holders of Voting Shares; and (ii) implement any specific compensation procedure in respect of the Voting Shares held by Canadians or Non-Canadians and subject to the Registration System.

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITOR

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REGISTERED SHAREHOLDERS

(YOU HOLD A PHYSICAL SHARE CERTIFICATE REGISTERED IN YOUR NAME.)



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Go to: www.investorvote.com and vote using your 15 digit control number located on the front of your proxy. Follow the voting instructions on screen.



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Call toll-free 1-866-732-8683 and vote using your 15 digit control number located on your proxy

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NON-REGISTERED HOLDERS

(YOU HOLD SHARES THROUGH A BANK, BROKER OR INTERMEDIARY)



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VOTE BY TELEPHONE

Call toll-free number listing on your Voting Instruction Form and vote using the 16 digit control number located on your Voting Instruction Form

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