**NEXTAIR INC.**
4510 Rhodes Avenue, Unit 330, Windsor, Ontario, N8W 5K5

**ONTARIO SECURITIES COMMISSION**
Box 55, 20 Queen Street West
Toronto, Ontario
M5H 3S8
Attention: Executive Director

**COMMISSION DES VALEURS MOBILILIERES DU QUEBEC**
17th Floor, #800 Victoria Square
C.P. 246, Tour de la Bourse
Montreal, Quebec
H4Z 1G3
Attention: Executive Director

Dear Sirs./Mesdames:

**Re: Nextair Inc. ("Nextair" or the "Corporation")**
**MATERIAL CHANGE REPORT SECTION 75 of the *SECURITIES ACT* (ONTARIO)**

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This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of Nextair. For convenience, this letter is itemized in the same manner as Form 27 of *Securities Act* (Ontario). Concurrent with this filing, this letter is being filed with the TSX Exchange, being the only exchange on which Nextair's shares are currently listed.

**Item 1 - Reporting Issuer**

Nextair Inc.
4510 Rhodes Avenue
Unit 330
Windsor, Ontario
N8W 5K5
Telephone: (519) 974-3388
Facsimile: (519) 974-1711

**Item 2 - Date of Material Change**

The material change occurred on May 14, 2003.

**Item 3 - Publication of Material Change**

A press release was issued on May 15, 2003.

**Item 4 - Summary of Material Change**

On May 14, 2003, the Corporation completed the initial closing of its private placement of units.

**Item 5 - Full Description of Material Changes**

Nextair announced that, effective May 14, 2003 and further to its press release of April 8, 2003, that it has closed a private placement of 7,357,429 units (the "Units"), for gross proceeds of $516,280. Further closings are targeted for additional proceeds up to the stated maximum of 12,000,000 Units for gross proceeds of up to $840,000. Each Unit consists of one common share and one half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to acquire one common share for a period of 18 months from the closing date at a price of CDN$0.12 per common share. The securities issued carry with them a four month "hold period" from the date of issuance of the Units.

Steven Hulaj Family Business Trust of Tecumseh, Ontario, acquired ownership and control of 2,571,429 Units of Nextair pursuant to the private placement. The trustee of the Trust is Nextair's founder, President and Chief Executive Officer Steven Hulaj who in combination with the Steven Hulaj Family Business Trust owns or controls 15,670,817 common shares (representing approximately 19.0% of the issued and outstanding shares) and 1,285,715 Warrants of Nextair. Currently, neither Mr. Hulaj nor the Steven Hulaj Family Business Trust have any intention of acquiring further securities of the Corporation.

Subject to receipt of regulatory approval and to the satisfaction of certain conditions precedent set out in an agreement with Nextair, Rolar Consulting Limited will receive: (1) a cash commission rate of 7.5% of the gross proceeds from the private placement; and (2) and 1.5 million brokers warrants exerciseable into the same number of common shares at a price of $0.12 per share, expiring September 30, 2004. Rolar Consulting Limited is at arm's length to Nextair.

**Item 6 - Reliance on Section 75(3) of the *Securities Act* (Ontario)**

Not applicable

**Item 7 - Omitted Information**

Not applicable

**Item 8 - Senior Officer**

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Charles Janisse
Chief Financial Officer
(519) 974-3388

**Item 9 - Statement of a Senior Officer**

The foregoing accurately discloses the material change referred to in this report.

**DATED** at Windsor, Ontario, this 16th day of May, 2003.

Yours truly,

**Nextair Inc.**

**Per:** *"Charles Janisse"*
**Charles Janisse, Chief Financial Officer**