

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 — Name and Address of Company

Cargojet Inc. (the “**Corporation**”)
350 Britannia Road East
Units 5 and 6
Mississauga, ON L4Z 1X9

Item 2 — Date of Material Change

April 9, 2014

Item 3 — News Release

A news release was issued on April 9, 2014 through the facilities of Marketwired and subsequently filed on SEDAR.

Item 4 — Summary of Material Change

On April 9, 2014, the Corporation announced that it had increased the size of its previously announced public offering from C\$60,000,000 to C\$67,000,000 aggregate principal amount of convertible unsecured subordinated debentures due June 30, 2019 (the “**Debentures**”) at a price of \$1,000 per Debenture (the “**Offering**”).

Item 5 — Full Description of Material Change

On April 9, 2014, the Corporation announced that it had increased the size of the Offering and that a syndicate of underwriters led by RBC Capital Markets has agreed to purchase, on a bought deal basis, C\$67,000,000 aggregate principal amount of convertible unsecured subordinated Debentures at a price of \$1,000 per Debenture. The Corporation also granted the underwriters an option to purchase up to an additional C\$7,000,000 aggregate principal amount of Debentures, on the same terms and conditions, exercisable in whole or in part, for a period of 30 days following closing of the Offering. The Offering is expected to close on or about April 29, 2014.

The Debentures will be subordinated, unsecured obligations of the Corporation and will bear interest at a rate of 5.50% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, commencing December 31, 2014. The Debentures will be convertible at any time at the option of the holders into common voting shares or variable voting shares, as applicable, at a conversion price of \$28.75 per share. The Debentures will mature on June 30, 2019.

The Debentures will not be redeemable prior to June 30, 2017. On and after June 30, 2017 and prior to June 30, 2018, the Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 40 days prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest, if any, up to but excluding the date set for redemption, provided that the weighted average trading price of the

common voting shares on the TSX for the 20 consecutive trading days ending five trading days prior to the date on which notice of redemption is provided is at least 125% of the conversion price. On or after June 30, 2018 and prior to the maturity date, the Corporation may, at its option, redeem the Debentures, in whole or in part, from time to time at par plus accrued and unpaid interest.

The Corporation intends to use the net proceeds of the Offering to finance a portion of the expansion of its domestic air cargo network related to its recently awarded contract with the Canada Post Corporation and Purolator Inc. (the “**MSA**”). More specifically, the net proceeds will fund one-time start-up costs, the purchase of one Boeing B767-300 freighter aircraft and the purchase of ground support equipment, aircraft spare parts and other related assets. Cargojet intends to apply the net proceeds of the over-allotment option to the acquisition of other freighter aircraft.

A preliminary short-form prospectus will be filed with securities regulatory authorities in all provinces and territories of Canada excluding Quebec. The Offering is subject to customary regulatory approvals, including the approval of the Toronto Stock Exchange.

Item 6 — Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable

Item 7 — Omitted Information

Not Applicable

Item 8 — Executive Officer

John Kim
Chief Financial Officer
Tel: (905) 501-7373

Item 9 — Date of Report

April 11, 2014

Notice on Forward Looking Statements:

Certain statements contained herein, including statements related to completion of the Offering, use of net proceeds of the Offering and the expansion of the Corporation’s domestic air cargo network related to the MSA, constitute “forward-looking statements”. Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as “will”, “may”, “plans,” “intends,” “anticipates,” “should,” “estimates,” “expects,” “believes,” “indicates,” “targeting,” “suggests” and similar expressions. These forward-looking statements are based on current assumptions and expectations of management and entail various risks and uncertainties. Factors that could cause results to differ materially from those contemplated or implied by the forward-looking statements include: economic or financial conditions in North America and the financial markets, including fluctuations in interest rates as well as failure to realize the benefits under the MSA. Reference should be made to the Corporation’s most recent Annual Information Form filed with the Canadian securities regulators, and its most recent Annual Consolidated Financial Statements

and Quarterly Financial Statements and Notes thereto and related Management's Discussion and Analysis (MD&A) for a summary of major risks. Actual results may materially differ from expectations, if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. The Corporation assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason, other than as required by applicable securities laws. In the event the Corporation does update any forward-looking statement, no inference should be made that the issuer will make additional updates with respect to that statement, related matters, or any other forward-looking statement.