NEO: CJET

Canada Jetlines Announces Financing

TORONTO, ON, OCTOBER 26, 2022 – **Canada Jetlines Operations Ltd. (NEO: CJET)** ("**Canada Jetlines**" or the "**Company**") the new, all-Canadian, leisure airline, announces that it intends to undertake a non-brokered private placement with its new Chair, Brigitte Goersch, to raise from $150,000 (the "**Offering**"). The Offering consists of units issued at $0.255 per unit (each a "**Unit**"). Each Unit consists of one variable voting share (each a "**Share**") and one half of one warrant (each whole warrant a "**Warrant**"). Each Warrant entitles the holder thereof to purchase an additional Share (each a "**Warrant Share**") for a period of 24 months after closing at a price of $0.40 per Warrant Share.

The Company also announces that it intends to enter into a Loan Agreement for a $1,000,000 loan (the "**Loan**") from Roosheila Group Inc. (the "**Lender**"). The Lender is a holding company for Reg Christian, a director of the Company and travel industry veteran. The terms of the Loan include:

- the Loan bears interest at the rate of 7% per annum;
- a maturity date of 48 months from the closing date;
- principal and interest amounts are payable in equal monthly installments for the 48 month term;
- the Lender will be issued 25,000 common shares on the date that is 12 months from the closing date and an additional 25,000 common shares on the date that is 24 months from the closing date;
- the Lender is granted a Board nomination right for the term of the Loan; and
- the Loan is unsecured.

The Company intends to use the net proceeds of the Offering and the Loan for aircraft acquisition, general corporate and working capital purposes. The closing of the Offering and the Loan is subject to customary closing conditions, including the execution of definitive documentation and receipt of the approval of the Neo Exchange Inc.

Mrs. Brigitte Goersch, Chair of the Company, will be acquiring $150,000 of Units in the Offering. In addition, the Lender is an affiliate of a director of the Company (Reg Christian). Ms. Goersch's participation in the Offering and the Lender's participation in the Loan are each considered a related party transaction within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The related party transactions are exempt from minority approval, information circular and formal valuation requirements pursuant to the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the consideration to be issued under the transaction nor the consideration to be paid by the insiders will exceed 25% of the Company's market capitalization. The Company will not file a material change report related to this financing more than 21 days before the expected closing of the Loan as required by MI 61-101 since the details of the participation by the related parties of the Company were not settled until just prior to closing and the Company wished to close on an expedited basis for sound business reasons. The securities that will be acquired by the related parties will be acquired pursuant to an exemption from the prospectus requirement in section 2.24 of National Instrument 45-106.

Visit Jetlines.com to learn more and book reservations and vacation packages with your preferred travel agent. Follow Canada Jetlines on all social media platforms and follow #CanadaJetlines for the latest news and updates.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

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About Canada Jetlines

Canada Jetlines is a leisure focused air carrier, which will utilize a growing fleet of Airbus 320 aircraft to provide Canadians with value vacation choices and convenient travel options. Canada Jetlines will provide exciting vacation packages to iconic Canadian destinations and beyond via strong partnerships with airports, CVB's, tourism entities, hotels, hospitality brands, and attractions. With a projected growth of 15 aircrafts by 2025, Canada Jetlines aims to offer the best-in-class operating economics, customer comfort and fly-by-wire technology, providing an elevated guest centric experience from the first touchpoint. To learn more, please visit www.jetlines.com and follow on all social media platforms for news and updates.

Connect With Us!
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Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" concerning anticipated developments and events that may occur in the future. Forward-looking information contained in this news release includes but is not limited to the Company's intention to operate as a leisure airline, the intention to offer the lowest possible price, the number of aircraft it intends to operate, the destinations of its intended flights, closing of the Offering, closing of the Loan, use of proceeds from the Offering and the Loan and business of Jetlines.

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information contained in this news release is based on certain factors and assumptions regarding, among other things, the receipt of financing to commence airline operations, the accuracy, reliability and success of Jetlines' business model; the timely receipt of governmental approvals; Jetlines concluding a definitive agreement for aircraft to commence airline operations; the timely commencement of operations by Jetlines and the success of such operations; the legislative and regulatory environments of the jurisdictions where Jetlines will carry on business or have operations; the impact of competition and the competitive response to Jetlines' business strategy; and the availability of aircraft. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include risks related to, the ability to obtain financing at acceptable terms, the impact of general economic conditions, domestic and international airline industry conditions, the failure of the Company to conclude definitive agreements to acquire aircraft, supply chain disruptions causing delays in expected timelines, the impact of the global uncertainty created by COVID-19, future relations with shareholders, volatility of fuel prices, increases in operating costs, terrorism, pandemics, natural disasters, currency fluctuations, interest *rates, risks specific to the airline industry, the ability of management to implement Jetlines' operational strategy, the ability to attract qualified management and staff, labour disputes, regulatory risks, including risks relating to the acquisition of the necessary licenses from regulatory agencies, and the additional risks identified in the "Risk Factors" section of the Company's reports and filings with applicable Canadian securities regulators. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information is made as of the date of this news release. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update any forward-looking information.*