

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “**Agreement**”) is dated as of the 28th day of October, 2022.

BETWEEN:

CANADA JETLINES OPERATIONS LTD., a corporation having an address at 6299 Airport Road, Suite 300 Mississauga, Ontario, L4V 1N3 (email: percy.gyara@jetlines.ca)

(the “**Borrower**”)

AND:

ROOSHEILA GROUP INC., a corporation having an address at 99 Dundas St. East, 2nd Floor, Mississauga, ON L5A 1W7 (email: reg@rhythmtravel2000.com)

(the “**Lender**”)

WHEREAS:

A. The Lender has agreed to make a loan in the amount of \$1,000,000 (the “**Loan**”) to the Borrower.

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the terms and conditions set out herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the Borrower and the Lender (each, a “**Party**”, and together, the “**Parties**”) agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions.

In this Agreement, the following words and phrases will have the meanings set out below unless the Parties or the context otherwise require(s):

- (a) “**Business Day**” means a day other than a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario are authorized or required by law to close;
- (b) “**Event of Default**” has the meaning ascribed thereto in Section 6.1;
- (c) “**Loan Documents**” means this Agreement and any other documents attached hereto or in connection herewith;
- (d) “**Maturity Date**” has the meaning ascribed thereto in Section 2.2(b); and
- (e) “**Person**” or “**Persons**” means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof).

ARTICLE 2 LOAN

2.1 Loan

Subject to the other provisions of this Agreement, the Lender agrees to make the Loan to the Borrower. The Lender shall make the Loan to the Borrower by way of issuing a certified cheque to the Borrower, or by wire transfer to the Borrower upon instructions to be provided to the Lender by the Borrower. The full proceeds of the Loan shall be advanced by the Lender to the Borrower on the fifth Business Day after the Borrower has receipt its Air Operator Certificate from Transport Canada (the “**Closing Date**”).

The closing on the Closing Date is conditional on the Borrower having obtained all necessary approvals and consents for the Loan, including without limitation the conditional approval of the Neo Exchange Inc. (the “**Exchange**”) and approval of the board of directors of the Borrower.

The Loan will be a direct, subordinated, unsecured obligation of the Corporation and will rank equally with all other existing and future unsecured indebtedness of the Corporation. The Loan will not restrict the Corporation or its subsidiaries from incurring additional indebtedness or from mortgaging, pledging or charging its properties to secure any indebtedness or liabilities.

2.2 Repayment

Subject to other terms and conditions of this Agreement:

- (a) the principal balance of the Loan and interest accrued thereon shall be repaid monthly at a rate of \$23,946.24 per month in accordance with the repayment schedule set out in Schedule “A” to this Agreement (the “**Repayment Schedule**”); and
- (b) to the extent not already repaid, the outstanding balance of the Loan and interest accrued thereon shall be immediately due and payable on the date that is 48 months from the Closing Date (the “**Maturity Date**”).

With the written agreement of both Parties, the Loan may be redrawn after the Maturity Date for a second 48 month term on the same terms and conditions as are set out in this Agreement.

2.3 Interest

The outstanding principal balance of the Loan will bear interest at a rate of 7.0% per annum calculated annually based on the number of days actually elapsed in a 365-day year, and will be payable monthly in accordance with the Repayment Schedule.

2.4 Place and Manner of Payments

Except as otherwise specifically provided herein, all payments hereunder shall be made to the Lender in Canadian dollars in immediately available funds, without offset, deduction, counterclaim or withholding of any kind, not later than 5:00 p.m. (Toronto time) on the applicable payment date and the Maturity Date. Whenever any payment or other obligation hereunder will be due on a day other than a Business Day, such payment will be made on the next succeeding Business Day.

2.5 No Deductions or Withholdings

All sums payable by the Borrower under this Agreement or any other Loan Documents shall be paid in full, free and clear of any tax or other deductions or withholdings of any nature. If the Borrower or any other person is required by any law or regulation to make any deduction or withholding (on account of tax or otherwise) from any payment for the account of the Lender, the Borrower shall, together with such payment, pay such additional amount as will ensure that the Lender receives (free and clear of any tax or other deductions or withholdings) the full amount which it would have received if no such deduction or withholding had been required.

2.6 Criminal Code Compliance

In this Section 2.6, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender hereby acknowledge and agree that, if any interest on the credit advanced by the Lender under this Agreement is determined in excess of that permitted under applicable laws and regulations, both Parties shall, to the extent permitted by applicable law, negotiate in good faith and agree on an alternative arrangement to give the Lender the full benefit as contemplated hereunder.

2.7 Common Shares

In connection with the Loan, the Borrower hereby agrees to issue to the Lender 25,000 common shares of the Borrower (“**Common Shares**”) on the date that is 12 months from the Closing Date and 25,000 Common Shares on the date that is 24 months from the Closing Date.

ARTICLE 3 BOARD NOMINATION RIGHT

3.1 Board Nomination Right

From the Closing Date, the Borrower shall use commercially reasonable efforts to nominate a single nominee designated by the Lender (the “**Nominee**”) at each meeting of shareholders of the Borrower at which directors of the Borrower are proposed to be elected, subject to the following terms and conditions:

(a) Each Nominee must satisfy all applicable legal and regulatory requirements to be qualified to act as a director of the Borrower, including applicable requirements of the Exchange, applicable corporate laws and securities laws, and any restrictions set out in the Borrower’s Articles or By-Laws (as may be amended from time to time) (collectively, the “**Director Eligibility Requirements**”), provided that any Nominee shall not be an officer or employee of any other scheduled service or charter airline based in Canada.

(b) The Borrower shall provide written notice to Lender prior to the record date for shareholders to receive notice of a shareholders meeting at which directors of Borrower will be elected. Such notice will include a reasonably detailed request for information regarding the Nominee that is required to be included in an information circular of Borrower, if applicable, in respect of the meeting. Within 7 days of such notice, Lender will deliver to Borrower in writing the name of the Nominee together with the information regarding the Nominee requested by Borrower, if applicable, in accordance with the preceding sentence (the “**Nominee Letter**”).

(c) If, at any time after the appointment of a Nominee:

- i) a Nominee is unwilling or unable to continue to serve as a nominee of Lender or director of Borrower, including as a result of failing to meet the Director Eligibility Requirements,
- ii) a Nominee is unwilling to provide any applicable personal information form or other information as required by the Exchange or other applicable stock exchange, or
- iii) Lender determines to remove and replace the Nominee, Lender will be entitled in its sole discretion to nominate an alternate director as long as Lender has provided adequate notice to Borrower.

In any of the cases described above in this paragraph, Lender shall use its commercially reasonable efforts to cause the Nominee to resign from the Borrower's Board of Directors, as promptly as practicable and, following such resignation, provided that such alternate director nominee meets the Director Eligibility Requirements, the Borrower's Board of Directors shall, subject to applicable laws regarding the appointment of directors between shareholder meetings, shall cause such alternate director nominee to be appointed to the Borrower's Board of Directors as promptly as reasonably practicable, and in any event within 30 days following the resignation of the Nominee.

(d) Lender shall cause the Nominee to provide his or her consent to act as a director of the Borrower effective at the time of his or her election to the Borrower's Board of Directors.

(e) As there is an existing director vacancy, the Lender shall have the right to designate the Nominee to fill such vacancy and who shall be appointed within 30 Business Days of such designation and such individual shall thereafter be the Nominee until replaced in accordance with this Section 3.1. It is the intention of the Lender to appoint Mr. Rossen Dimitrov initially as the Nominee and, as a result of certain strategic considerations, the Lender agrees that as it related to Mr. Dimitrov the 30 Business Day period to complete such nomination shall be extended by a time period determined by the Board of Directors taking into account the strategic considerations.

(f) The rights of Lender in this Section 3.1 are in addition to Lender's existing rights under (i) the Subscription Agreement dated April 22, 2022 between the Lender and Borrower and (ii) the Loan Agreement dated August 22, 2022 between the Lender and Borrower.

3.2 Termination of Board Nomination Right

The rights and obligations of the Lender and Borrower under Section 3.1 shall continue until the outstanding balance of the Loan and interest accrued thereon has been repaid and then shall be terminated.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE BORROWER

4.1 General

The Borrower represents and warrants to and for the benefit of the Lender, that:

- (a) the Borrower has full power, authority and legal right to own its property and assets and to carry on its business and to enter into and engage in the transactions contemplated by the Loan Documents to which it is a party;

- (b) the execution and delivery of any documents by the Borrower, and the performance of his obligations hereunder and thereunder, have been duly authorized and will not cause a breach of, or constitute a default under, any agreement or instrument to which the Borrower is a party, or any laws applicable to the Borrower;
- (c) all approvals required from any other Persons in connection with the execution, validity and performance of the Loan Documents have been obtained by the Borrower and are in full force and effect, and there has been no default under the conditions of any of the same;
- (d) no Event of Default and no event which, with the giving of notice or lapse of time or both would become an Event of Default, has occurred or is continuing; and
- (e) this Agreement and the other Loan Documents have been duly executed and delivered by the Borrower, and constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

4.2 Survival of Representations and Warranties

The Borrower agrees that any representations and warranties made by the Borrower herein shall survive the execution of the Loan Documents and the making of the Loan for a period that ends upon the payment in full of all sums due and payable by the Borrower under this Agreement.

ARTICLE 5 COVENANTS

5.1 Covenants of the Borrower

The Borrower covenants and agrees with the Lender that, so long as the Loan or any part thereof shall be outstanding, the Borrower will:

- (a) pay the principal sum of the Loan and accrued interest thereon required to be paid to the Lender pursuant to this Agreement in the manner set forth herein;
- (b) do all things necessary to preserve, renew and keep in full force and effect its legal existence and any and all rights, licenses, permits, privileges and franchises material to the conduct of its business;
- (c) keep insured with financially sound and reputable insurance companies all of its property, in amounts and against losses, including property damage and public liability, to the extent that such property is usually insured by businesses comparable to its business;
- (d) keep full, true and correct books of record and account of all dealings and transactions in relation to its business and activities;
- (e) provide the Lender with immediate notice of any Event of Default; and
- (f) cure promptly any defects in the execution and delivery of the Loan Documents.

ARTICLE 6 EVENTS OF DEFAULT

6.1 Events of Default

Each of the following events, unless otherwise waived in writing by the Lender, will constitute an event of default (each an “**Event of Default**”), provided, however, that each of Sections 6.1 (a), (b) or (c) shall constitute an Event of Default only if the Borrower has not rectified such default within 20 Business Days of written notification from the Lender:

- (a) the Borrower fails to pay any principal or interest outstanding on the Loan in accordance with the Repayment Schedule or on the Maturity Date; or
- (b) any representation or warranty made by or on behalf of the Borrower in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made.

6.2 Rights of Lender on Event of Default

If an Event of Default has occurred and is continuing, the Lender shall have the right, but is not obliged to:

- (a) declare the Loan, accrued interest and all other sums due and payable hereunder to be, whereupon they shall become, immediately due and payable without further demand, notice or other legal formality of any kind;
- (b) take all such action, as the Lender deems necessary to enforce all or any of its rights under any Loan Document; and/or
- (c) exercise any rights or remedies available to the Lender under the Loan Documents or at law or equity.

ARTICLE 7 MISCELLANEOUS

7.1 Fees and Expenses

Each of the Borrower and the Lender will be responsible for its own expenses in connection with the negotiation and preparation of this Agreement and the Loan Documents (including all legal and other fees and expenses).

7.2 Taxes

The Borrower shall pay all stamp and other like duties and taxes and all notarial, registration, recording and other like fees which are payable in respect of any Loan Documents and shall indemnify the Lender against all liabilities, costs and expenses which may result from any default in paying such duties, taxes or fees.

7.3 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein, and each Party hereby submits to the exclusive jurisdiction of the courts of the Province of Ontario provided that the foregoing will in no way limit the

right of the Lender to commence suits, actions or proceedings based on any of the Loan Documents in any other jurisdiction.

7.4 Amendment

Any amendment of this Agreement will not be binding unless signed by each of the Parties.

7.5 Waiver

Time is of the essence of this Agreement but no failure or delay by the Lender in exercising any right, power or remedy hereunder shall impair such right, power or remedy or operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies herein provided are cumulative and do not exclude any other rights, powers and remedies provided by law.

7.6 Severability

If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.7 Assignment and Enurement

Neither Party shall assign or transfer all or any part of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent may be unreasonably withheld. This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.

7.8 Entire Agreement

This Agreement and the other Loan Documents constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede any previous expressions of intent or understandings in respect of the transactions contemplated hereby.

7.9 Notice

Any notice required or permitted to be given under this Agreement will be in writing and may be given by delivering, sending by electronic mail, or sending by prepaid registered mail, the notice to the address or email set forth on page 1 of this Agreement or to such other address or number as either Party may specify by notice in writing to the other Party.

Any notice delivered or sent by electronic mail will be deemed conclusively to have been effectively given on the day the notice was delivered, or the transmission was sent successfully to the email set out above, as the case may be. Any notice sent by prepaid registered mail will be deemed conclusively to have been effectively given on the third Business Day after posting; but if at the time of posting or between the time of posting and the third Business Day thereafter there is a strike, lockout, or other labour disturbance affecting postal service, then the notice will not be effectively given until actually delivered.

7.10 Confidentiality

Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its directors, officers, employees, managers, administrators, trustees, agents, auditors, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or any other Loan Document or any action or proceeding relating to a Loan Document or the enforcement of rights hereunder or thereunder, (e) with the consent of the Borrower, or (f) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 7.10 or (y) becomes available to the Lender on a non-confidential basis.

For purposes of this Section 7.10, “**Information**” means all information of a confidential nature received in connection with this Agreement from the Borrower or its affiliates relating to the Borrower or any of its affiliates or any of their respective businesses, other than any such information that is available to the Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section 7.10 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

7.11 Interpretation

In this Agreement, unless the context requires otherwise, references to provisions of any law or regulation shall be construed as references to those provisions as replaced, amended, modified or re-enacted from time to time; words importing the singular include the plural and vice versa and words importing a gender include every gender. References to this Agreement or any other Loan Document shall be construed as references to such document as the same may be amended, supplemented or novated from time to time. Section headings are inserted for reference only and shall be ignored in construing this Agreement.

7.12 Conflict

The Borrower agrees that, in the event of a conflict between the provisions of any of the Loan Documents, the Lender shall have the right to determine which of the Loan Documents will govern and take precedence.

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7.13 Delivery

This Agreement and any notice or request given hereunder may be delivered in counterparts and by facsimile transmission or in a file of Portable Document Format (PDF) attached to an email, with the same effect as if both Parties had all signed an original copy of the same document and all counterparts will be construed together as one and the same agreement.

IN WITNESS WHEREOF the Parties have caused this Agreement to be duly executed as of the date first written above.

CANADA JETLINES OPERATIONS LTD.

By: Percy Gyara
 Name: Percy Gyara
 Title: Chief Financial Officer

ROOSHEILA GROUP INC.

By: Reg Christian
 Name: Regenold Christian
 Title: Director

SCHEDULE "A"

REPAYMENT TERMS

	Opening balance	Interest	Payment	Closing balance
1	\$ 1,000,000.00	\$ 5,833.33	-\$23,946.24	\$ 981,887.09
2	\$ 981,887.09	\$ 5,727.67	-\$23,946.24	\$ 963,668.52
3	\$ 963,668.52	\$ 5,621.40	-\$23,946.24	\$ 945,343.67
4	\$ 945,343.67	\$ 5,514.50	-\$23,946.24	\$ 926,911.93
5	\$ 926,911.93	\$ 5,406.99	-\$23,946.24	\$ 908,372.68
6	\$ 908,372.68	\$ 5,298.84	-\$23,946.24	\$ 889,725.27
7	\$ 889,725.27	\$ 5,190.06	-\$23,946.24	\$ 870,969.09
8	\$ 870,969.09	\$ 5,080.65	-\$23,946.24	\$ 852,103.50
9	\$ 852,103.50	\$ 4,970.60	-\$23,946.24	\$ 833,127.86
10	\$ 833,127.86	\$ 4,859.91	-\$23,946.24	\$ 814,041.53
11	\$ 814,041.53	\$ 4,748.58	-\$23,946.24	\$ 794,843.86
12	\$ 794,843.86	\$ 4,636.59	-\$23,946.24	\$ 775,534.20
13	\$ 775,534.20	\$ 4,523.95	-\$23,946.24	\$ 756,111.91
14	\$ 756,111.91	\$ 4,410.65	-\$23,946.24	\$ 736,576.31
15	\$ 736,576.31	\$ 4,296.70	-\$23,946.24	\$ 716,926.76
16	\$ 716,926.76	\$ 4,182.07	-\$23,946.24	\$ 697,162.59
17	\$ 697,162.59	\$ 4,066.78	-\$23,946.24	\$ 677,283.13
18	\$ 677,283.13	\$ 3,950.82	-\$23,946.24	\$ 657,287.70
19	\$ 657,287.70	\$ 3,834.18	-\$23,946.24	\$ 637,175.64
20	\$ 637,175.64	\$ 3,716.86	-\$23,946.24	\$ 616,946.25
21	\$ 616,946.25	\$ 3,598.85	-\$23,946.24	\$ 596,598.86
22	\$ 596,598.86	\$ 3,480.16	-\$23,946.24	\$ 576,132.77
23	\$ 576,132.77	\$ 3,360.77	-\$23,946.24	\$ 555,547.30
24	\$ 555,547.30	\$ 3,240.69	-\$23,946.24	\$ 534,841.75
25	\$ 534,841.75	\$ 3,119.91	-\$23,946.24	\$ 514,015.42
26	\$ 514,015.42	\$ 2,998.42	-\$23,946.24	\$ 493,067.60
27	\$ 493,067.60	\$ 2,876.23	-\$23,946.24	\$ 471,997.58
28	\$ 471,997.58	\$ 2,753.32	-\$23,946.24	\$ 450,804.65
29	\$ 450,804.65	\$ 2,629.69	-\$23,946.24	\$ 429,488.10
30	\$ 429,488.10	\$ 2,505.35	-\$23,946.24	\$ 408,047.21
31	\$ 408,047.21	\$ 2,380.28	-\$23,946.24	\$ 386,481.24
32	\$ 386,481.24	\$ 2,254.47	-\$23,946.24	\$ 364,789.47
33	\$ 364,789.47	\$ 2,127.94	-\$23,946.24	\$ 342,971.16
34	\$ 342,971.16	\$ 2,000.67	-\$23,946.24	\$ 321,025.58
35	\$ 321,025.58	\$ 1,872.65	-\$23,946.24	\$ 298,951.98
36	\$ 298,951.98	\$ 1,743.89	-\$23,946.24	\$ 276,749.63
37	\$ 276,749.63	\$ 1,614.37	-\$23,946.24	\$ 254,417.75
38	\$ 254,417.75	\$ 1,484.10	-\$23,946.24	\$ 231,955.61

39	\$	231,955.61	\$	1,353.07	-\$23,946.24	\$	209,362.44
40	\$	209,362.44	\$	1,221.28	-\$23,946.24	\$	186,637.48
41	\$	186,637.48	\$	1,088.72	-\$23,946.24	\$	163,779.95
42	\$	163,779.95	\$	955.38	-\$23,946.24	\$	140,789.09
43	\$	140,789.09	\$	821.27	-\$23,946.24	\$	117,664.12
44	\$	117,664.12	\$	686.37	-\$23,946.24	\$	94,404.25
45	\$	94,404.25	\$	550.69	-\$23,946.24	\$	71,008.69
46	\$	71,008.69	\$	414.22	-\$23,946.24	\$	47,476.67
47	\$	47,476.67	\$	276.95	-\$23,946.24	\$	23,807.37
48	\$	23,807.37	\$	138.88	-\$23,946.24	-\$	0.00