CANADA JETLINES OPERATIONS LTD.
(the "Issuer")

PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT FOR COMMON SHARES

INSTRUCTIONS TO SUBSCRIBER

1. **<u>You</u>** must review this entire agreement.

2. **<u>You</u>** must complete all the information in the boxes on page 2 and sign where indicated with an "**X**".

3. **<u>Canadian Subscribers</u>:** <u>You</u> must complete and sign Exhibit A "Canadian Investor Questionnaire". The purpose of this form is to determine whether you meet the standards for participation in a private placement under applicable Canadian securities laws. In order for the Issuer to satisfy its obligations under applicable Canadian securities laws, you may be required to provide additional evidence to verify the information you have provided in Exhibit A.

4. **<u>You must pay for your subscription with funds drawn from a Canadian bank</u>**, you may pay in Canadian dollars by a bank draft or by wire transfer to the Issuer pursuant to the wiring instructions set out in Exhibit D.

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CANADA JETLINES OPERATIONS LTD.

PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase from Canada Jetlines Operations Ltd. (the "**Issuer**") Shares at a price of $0.1721252 per Share. The Subscriber agrees to be bound by the terms and conditions set forth in the attached "Terms and Conditions of Subscription for Common Shares" (the "**Terms and Conditions**").

Subscriber Information

Jetstream Aviation Inc.
(Name of Subscriber)

Account Reference (if applicable): ______

X ______
(Signature of Subscriber – if the Subscriber is an Individual)

X *"Gurdev Singh"*
(Signature of Authorized Signatory – if the Subscriber is not an Individual)
Gurdev Singh, Director
(Name and Title of Authorized Signatory – if the Subscriber is not an Individual)

[Redacted: Address]
(Subscriber's Address, including Postal Code or Zip Code)

______

[Redacted: Telephone number]
[Redacted: Email address]
(Telephone Number) (Email Address)

Common Shares to be Purchased

Number of Common Shares: **78,431,287**

Total Subscription Price: **$13,500,001.00**
(the "**Subscription Amount**", plus wire fees if applicable)

Register the Shares as set forth below:

Jetstream Aviation Inc.
(Name to Appear on Share Certificate(s))

______
(Account Reference, if applicable)

[Redacted: Address]
(Address, including Postal Code or Zip Code)

Deliver the Shares as set forth below:
Same as registration.
(Attention - Name)

______
(Account Reference, if applicable)

______
(Street Address, including Postal Code or Zip Code) (***No PO Boxes***)

______
(Telephone Number)

Number and kind of securities of the Issuer held, directly or indirectly, or over which control or direction is exercised by the Subscriber, if any:

Nil

______

1. **State whether the Subscriber is a Related Person[1] of the Issuer:**
   Yes ☐ No ☒
2. **State whether the Subscriber is a Canadian[2]:**
   Yes ☒ No ☐
3. **State whether the Subscriber is a registrant:**
   Yes ☐ No ☒

[1] As defined in the Neo Exchange listing Manual.
[2] As defined in Section 1.2 of this Agreement.

ACCEPTANCE

The Issuer hereby accepts the Subscription (as defined herein) on the terms and conditions contained in this private placement subscription agreement (this "**Agreement**") as of the 28th day of September, 2023

CANADA JETLINES OPERATIONS LTD.

Per: *"Eddy Doyle"*
Authorized Signatory

Address:	6299 Airport Road, Suite 300 Mississauga, Ontario, L4V 1N3
Email:	[**Redacted: Email address]**
Attention:	Percy Gyara, Chief Financial Officer

TERMS AND CONDITIONS OF SUBSCRIPTION
FOR COMMON SHARES

1. Subscription

1.1 On the basis of the representations and warranties and subject to the terms and conditions set forth in this Agreement, the Subscriber hereby irrevocably subscribes for and agrees to purchase such number of Shares (the "**Securities**") as is set forth on page 2 of this Agreement at a price of $0.1721252 per Share for the Subscription Amount shown on page 2 of this Agreement (the "**Offering**") (such subscription and agreement to purchase being the "**Subscription**"), and the Issuer agrees to sell the Shares to the Subscriber, in accordance with and subject to the terms and conditions of this Agreement.

1.2 If the Subscriber is not Canadian it shall receive Variable Voting Shares and if the Subscriber is Canadian it shall receive Common Voting Shares. "Canadian" shall have the meaning set forth in Subsection 55(1) of the Canada Transportation Act, S.C. 1996, Ch. 10, as amended, or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time. As of the date of this Agreement, "Canadian" is defined as follows:

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

(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.

1.3 Unless otherwise provided, all dollar amounts referred to in this Agreement are in lawful money of Canada.

1.4 The Subscription Amount must be paid in Canadian dollars by a bank draft or by wire transfer to the Issuer pursuant to the wiring instructions set out in Exhibit D.

1.5 Intentionally deleted.

2. Investor Rights and Governance Matters

2.1 (a) From the First Tranche Closing Date, the Subscriber shall have the right to appoint Mr. Gurdev Singh as an observer (the "Observer") to attend Board Meetings, provided that the Observer has executed in favour of the Issuer a confidentiality agreement in a form acceptable to the Issuer and reviewed and signed a certification regarding the Issuer's corporate governance policies. The Observer shall have (i) the right to attend all Board Meetings as an observer, and (ii) the right to receive advance notice of each Board Meeting, including such meeting's time and place, at the same time and in the same manner as such notice is provided to the members of the Board, provided that for greater certainty the Observer will not have any voting rights and the Observer shall not be entitled to attend in-camera sessions that are limited to independent members of the Board only or proceedings related to matters where the Observer may have a conflict of interest. Upon the request of the Observer, at any meeting the Observer is entitled to attend, the Observer will be entitled to participate in Board Meetings by telephone, video conference or any other similar means of audio or audio-visual communication. The right of the Subscriber to appoint an Observer shall cease upon the appointment of the First Director Nominee to the Board.

(b) From and after the Second Tranche Closing Date, the Subscriber shall have the right to nominate and appoint one person to sit on the Board of Directors of the Issuer, who, subject to applicable securities laws and the Director Eligibility Requirements (defined below), shall initially be Mr. Gurdev Singh ("**First Director Nominee**"). The Subscriber acknowledges and confirms that the First Director Nominee shall execute in favour of the Issuer a confidentiality agreement in a form acceptable to the Issuer and shall review and sign a certification regarding the Issuer's corporate governance policies. The Issuer covenants and agrees to take all steps necessary to appoint the First Director Nominee to the board of directors of the Issuer on the Second Tranche Closing Date. From and after the Third Tranche Closing Date, the Subscriber shall have the right to nominate and appoint one additional person to sit on the Board of Directors of the Issuer ("**Second Director Nominee**"). The Subscriber acknowledges and confirms that the Second Director Nominee shall execute in favour of the Issuer a confidentiality agreement in a form acceptable to the Issuer and shall review and sign a certification regarding the Issuer's corporate governance policies. The Issuer covenants and agrees to take all steps necessary to appoint or elect the Second Director Nominee to the board of directors of the Issuer on the Third Tranche Closing Date.

(c) The Issuer hereby covenants and agrees that the Issuer shall only use the Subscriber Proceeds specifically for the purposes of growing the Issuer's business operations, including adding additional routes, crew and aircraft, and without limiting the foregoing, the Issuer further covenants and agrees that the Issuer shall not use any of the Subscriber Proceeds to repay any debts or to make any cash payments on the exercise of any of the restricted share units issued under any restricted share unit plan of the Issuer.

2.2 From the First Tranche Closing Date and on the terms and conditions set out in the Contractor Agreement, Mr. Gurdev Singh will be engaged by the Issuer under an independent contractor agreement (the "**Contractor Agreement**") to provide services in the role of Executive Director, Business Development of the Issuer. A position description for the Executive Director, Business Development is set out as Exhibit "B" to this Subscription Agreement.

2.3 From (A) the Second Tranche Closing Date, the Issuer shall use best efforts nominate the Initial Director Nominee at each meeting of shareholders of the Issuer at which directors of the Issuer are proposed to be elected; and (B) the Third Tranche Closing Date, the Issuer shall use best efforts nominate both the First Director Nominee and the Second Director Nominee (collectively, the "**Nominees**") at each meeting of shareholders of the Issuer at which directors of the Issuer are proposed to be elected, in the case of (A) and (B) 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 Issuer, including:

(i) applicable requirements of the Neo Exchange Inc. (the "**Exchange**");

(ii) applicable corporate laws and securities laws, and any restrictions set out in the Issuer's Articles or By-Laws (as may be amended from time to time);

(iii) a determination by the Board committee responsible for director nominations (the "**Nominating Committee**") that the Nominee has the appropriate skills, experience and diversity in accordance with corporate governance best practices;

(iv) the Nominee shall have provided a consent to act as a director of the Issuer effective at the time of his or her election or appointment to the Issuer's Board;

(v) each Nominee shall be required to comply with the Issuer's corporate governance policies and director education programs;

(vi) the Second Director Nominee shall meet the independence requirements set out in Sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees; and

(vii) the Nominee shall not be an officer or employee of any other scheduled service or charter airline based in Canada,

(collectively, the "**Director Eligibility Requirements**").

(b) The Issuer shall provide written notice to Subscriber prior to the record date for shareholders to receive notice of a shareholders meeting at which directors of Issuer will be elected. Such notice will include a reasonably detailed request for information regarding the Nominees that is required to be included in an information circular of Issuer, if applicable, in respect of the meeting. Within seven (7) days of such notice, Subscriber will deliver to Issuer in writing the name of the Nominee together with the information regarding the Nominee requested by Issuer, if applicable, in accordance with the preceding sentence (the "**Nominee Letter**"). If Subscriber fails to deliver the Nominee Letter to Issuer in the time required, Subscriber shall be deemed to have nominated the same Nominee(s) that serve as director(s) of Issuer at such time under this provision.

(c) If, at any time (a) a Nominee is unwilling or unable to continue to serve as a nominee of Subscriber or director of Issuer, including as a result of failing to meet the Director Eligibility Requirements, (b) 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 (c) Subscriber determines to remove and replace the Nominee, Subscriber will be entitled in its sole discretion to nominate an alternate Nominee as long as Subscriber has provided adequate notice to Issuer. In any of the cases described above in this paragraph, Subscriber shall use its commercially reasonable efforts to cause the Nominee to resign from the Issuer's Board, as promptly as practicable and, following such resignation, provided that such alternate director nominee meets the Director Eligibility Requirements, the Issuer's Board shall, subject to Applicable Laws regarding the appointment of directors between shareholder meetings, shall cause such alternate director nominee to be appointed to the Issuer's Board as promptly as reasonably practicable, and in any event within 30 days following the resignation of the Nominee.

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

2.4 Provided that (A) the Issuer has complied with Section 2.3 of this Subscription Agreement; and (B) the director nominees for the Board that are presented to shareholders at any meeting where directors of the Issuer are to be elected have been either (i) been recommended to the Board by the Nominating Committee consisting entirely of independent directors; or (ii) approved by a majority of the directors of the Issuer who are independent, then at each meeting where directors of the Issuer are to be elected, the Subscriber shall vote all of its Shares in favour of the slate of directors presented to shareholders in the management proxy circular prepared and delivered to shareholders by the Issuer. For greater certainty the obligations set out in this Section 2.4: (x) only apply to the election of directors at a meeting of the shareholders of the Issuer and do not apply to any other matter that may be submitted to a vote of the shareholder of the Issuer; and (y) do not restrict a Nominee from objecting to or voting against, at a Board meeting and in his capacity as a director of the Issuer, a proposed director nominee or nominees.

2.5 The right of the Subscriber and obligation of the Issuer to (A) appoint the Second Director Nominee shall terminate on the date upon which the Subscriber owns less than 25% of the issued and outstanding Shares on a non-diluted basis; and (B) appoint the First Director Nominee shall terminate on the date upon which the Subscriber owns less than 10% of the issued and outstanding Shares on a non-diluted basis.

2.6 The Subscriber acknowledges that the Nominees will owe the same fiduciary duty to the Issuer as other directors and such Nominees are not permitted to subordinate the interests of the Issuer to those of the Subscriber who nominated them.

2.7 At all times while the Subscriber owns 10% or more of the issued and outstanding Shares on a non-diluted basis, the Subscriber shall not take any action that would result in the Subscriber ceasing to be a Canadian as defined in Section 1.2 of this Subscription Agreement.

2.8 From the date of this Agreement until the Third Tranche Closing Date, the Issuer shall not issue any Shares to any party other than the Subscriber except (i) with the consent of the Subscriber; or (ii) an Excluded Issuance. As used herein an "Excluded Issuance" means the issuance of Shares in connection with (A) an incentive plan, restricted share unit plan, performance share unit plan, employee share purchase plan, employee stock option agreement, long-term incentive plan, profit sharing plan, employee benefit plan or any similar arrangement entered into by the Issuer or any of its subsidiaries and approved by the Board; or (B) securities existing as of the date of this Agreement that are convertible into or exercisable for capital stock of the Issuer. This Section 2.8 shall cease to be applicable if the Shareholder Approval is not obtained within 60 days of date of this Subscription Agreement or the Subscriber fails complete the closing of the purchase of any of the First Tranche Shares, Second Tranche Shares or Third Tranche Shares on or before the First Tranche Closing Date, Second Tranche Closing Date or Third Tranche Closing Date, as applicable.

2.9 From the Third Tranche Closing Date the Subscriber shall have a right of first offer on future issuances of Shares of the Issuer on the following terms:

(a) If the Issuer desires to complete an offering of Shares or securities convertible into Shares, then the Issuer shall first deliver a notice (the "**First Offer Notice**") to the Investor advising it of the same. The First Offer Notice must contain, as a minimum, the type of securities intended to be issued (Shares, units or convertible securities) and the minimum and maximum total dollar amount that that Issuer desires to raise from the offering (the "**First Offer**").

(b) The Subscriber shall have the option, exercisable within five (5) Business Days after receipt of a First Offer Notice (the "**Offer Period**"), to deliver a proposal to the Issuer setting out the terms on which it would be prepared to complete the offering (the "**First Offer Proposal**"). The First Offer Proposal must contain, as a minimum, the total proceeds, price and conversion terms, if applicable. If the Subscriber does not send a First Offer Proposal to the Issuer within such five (5) Business Day period, the Subscriber shall be deemed to have rejected the First Offer.

(c) The Issuer shall have the option, exercisable within five (5) Business Days after receipt of a First Offer Proposal, to accept the First Offer Proposal. If the Issuer does not send a written notice to the Subscriber accepting or rejecting the First Offer Proposal within such five (5) Business Day period, the Issuer shall be deemed to have rejected the First Offer Proposal.

(d) If the Issuer accepts the First Offer Proposal:

(i) the Issuer and the Subscriber shall use all commercially reasonable efforts to ensure that the transaction contemplated by the First Offer Proposal is consummated within twenty (20) days of such election (or such later date that is two (2) Business Days following shareholder approval of the First Offer Proposal, if required); provided that if such transaction is not consummated by the end of such period, then Section 2.9(e) shall apply; and

(ii) the subscription agreement to be entered into between the Issuer and the Subscriber shall be in a form consistent in all material respects with this Subscription Agreement.

(e) If the Subscriber rejects or is deemed to reject the First Offer, or the Issuer rejects or is deemed to reject the First Offer Proposal, then the Issuer shall be entitled to solicit and accept an offer for the sale of Shares or securities convertible into Shares provided that such offer (a "**Competing Offer**"): (A) is for gross proceeds that are not less than the minimum amount, and not greater than the maximum amount, set out in the First Offer Notice; (B) is at an issue price that is not less than the price set out in the First Offer Proposal or the Board has determined in good faith, after consultation with the Issuer's outside legal counsel that it is necessary for the Board to complete the Competing Offer in order to properly discharge its fiduciary duties; and (C) the Competing Offer is completed no later than one-hundred twenty (120) days from the end of the Offer Period. If the transaction contemplated by the Competing Offer is not completed within such one-hundred twenty (120) day period, the Issuer shall not accept an offer from any third party, without again complying with the provisions of this Section 2.9.

(f) This Section 2.9 is not applicable to (A) an Excluded Issuance; or (B) Shares or securities convertible into Shares issued by the Issuer in connection with the acquisition of the securities, assets or property of an arm's length third party.

(g) The right of the Subscriber and obligation of the Issuer pursuant to this Section 2.9 shall terminate on the date upon which the Subscriber owns less than 25% of the issued and outstanding Shares on a non-diluted basis.

2.10 From the date of this Agreement the Issuer agrees that, unless it has received the written consent of the Subscriber, it shall not issue greater than 5,265,475 Shares (the "**RSU Share Maximum**") on the vesting of Jetlines Restricted Share Units, after the RSU Share Maximum has been reached then further issuances of Restricted Share Units shall be subject to the approval of the Board and must vest through a cash payment. The limitation on the Issuer pursuant to this Section 2.10 shall terminate on the date upon which the Subscriber owns less than 25% of the issued and outstanding Shares on a non-diluted basis.

3. Documents Required from Subscriber

3.1 The Subscriber must complete, sign and return to the Issuer the following documents:

(a) this Agreement;

(b) the Canadian Investor Questionnaire (the "**Canadian Questionnaire**") attached as Exhibit A, along with any additional evidence that may be requested by the Issuer to verify the information provided in the Canadian Questionnaire; and

(c) such other supporting documentation that the Issuer may request to establish the Subscriber's qualification as a qualified investor,

and the Subscriber acknowledges and agrees that the Issuer will not consider the Subscription for acceptance unless the Subscriber has provided all of such documents to the Issuer.

3.2 As soon as practicable upon any request by the Issuer, the Subscriber will complete, sign and return to the Issuer any additional documents, questionnaires, notices and undertakings as may be required by any regulatory authorities or Applicable Laws.

3.3 The Issuer and the Subscriber acknowledge and agree that the Issuer's legal counsel ("**Issuer's Counsel**") has acted as counsel only to the Issuer and is not protecting the rights and interests of the Subscriber. The Subscriber acknowledges and agrees that the Issuer and the Issuer's Counsel have given the Subscriber the opportunity to seek, and are hereby recommending that the Subscriber obtain, independent legal advice with respect to the subject matter of this Agreement and, further, the Subscriber hereby represents and warrants to the Issuer and the Issuer's Counsel that the Subscriber has sought independent legal advice or waives such advice.

4. Interim Period

4.1 Positive Covenants of the Issuer. From the date hereof until the earlier of the Third Tranche Closing Date or the termination of this Agreement (the "**Interim Period**"), except as permitted by this Agreement, under Applicable Law, or with the prior written consent of Subscriber, such approval not to be unreasonably withheld, the Issuer shall:

(a) conduct the Business in compliance with Applicable Law, only in the ordinary course of Business, as historically operated, and use their commercially reasonable efforts to preserve intact its business organization, keeping available the services of its officers and employees and maintain all material relationships with licensors, suppliers, distributors, clients and others having business relationships with the Issuer so as to preserve the goodwill of the Business;

(b) maintain in full force and effect all policies of insurance or renewals thereof now in effect and shall give all notices and present all claims under all policies of insurance in a due and timely fashion;

(c) permit the Subscriber and its legal counsel, upon receipt of reasonable advance notice during normal business hours, reasonable access to the Books and Records, and furnish the Subscriber with all such information and copies of such documents relating to the Business and the business, affairs and assets Issuer as the Subscriber may reasonably request;

(d) to cause the vesting of 2,000,000 and cancellation of the of Restricted Share Units described in Section 9.1(l), and the corresponding issuance of 2,000,000 Common Shares to the holders of such Restricted Share Units described therein;

(e) promptly notify Subscriber of:

(i) any notice or other communication from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by this Agreement;

(ii) any notice or other material communication from any Governmental Authority; and

(iii) any actions, suits, claims, investigations or proceedings commenced relating to the Issuer, that, if pending on the date of this Agreement, would have been required to have been disclosed.

4.2 Negative Covenants of the Issuer. During the Interim Period except with the prior written approval of the Subscriber, such approval not to be unreasonably withheld, the Issuer shall not:

(a) except for an amendment to the Issuer's articles of incorporation to set a new minimum and maximum number of directors, amend the Issuer's articles of incorporation, bylaws or other similar organizational documents (whether by merger, consolidation or otherwise);

(b) split, combine or reclassify any shares in the capital of the Issuer or declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of the capital stock of the Issuer, or redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any shares in the capital of the Issuer other than in the ordinary course of Business consistent with past practice;

(c) issue, deliver or sell, or authorize the issuance, delivery or sale of any shares in the capital of the Issuer, except in connection with the vesting and cancellation of Restricted Share Units and the issuance of Common Shares described in Section 9.1(l);

(d) acquire (by merger, consolidation, acquisition of stock or otherwise), directly or indirectly, any securities, properties, interests or businesses, other than inventories in the ordinary course of Business of the Issuer in a manner that is consistent with past practice;

(e) sell, lease or otherwise transfer, or create or incur any encumbrance on, any of the Issuer's assets, securities, properties, interests or businesses, other than in the ordinary course of Business consistent with past practice;

(f) make any loans, advances or capital contributions to, or investments in, any other person other than in the ordinary course of Business consistent with past practice;

(g) create, incur, assume, suffer to exist or otherwise be liable with respect to any indebtedness for borrowed money or guarantees thereof other than in the ordinary course of Business consistent with past practice;

(h) enter into any agreement or arrangement that limits, restricts or could limit or restrict after the Third Tranche Closing Date, in any respect, the Issuer, the Subscriber or any of their respective Affiliates, from engaging or competing in any line of business, in any location or with any person;

(i) change the Issuer's methods of accounting;

(j) settle, or offer or propose to settle, any material litigation, investigation, arbitration, proceeding or other claim involving or against the Issuer;

(k) enter into any invoice discounting, factoring or other similar agreement or arrangement other than in the ordinary course of Business consistent with past practice;

(l) excluding agreements related to aircraft leases, enter into, amend or modify in any material respect or terminate any material contract or otherwise waive, release or assign any material rights, claims or benefits of the Issuer; or

(m) agree, resolve or commit to do any of the foregoing.

4.3 Additional Negative Covenants of the Issuer During the Interim Period except with written notice having been provided to the Subscriber, the Issuer shall not:

(a) incur any capital expenditures or any obligations or liabilities in respect thereof, that exceed $100,000 individually or $250,000 in the aggregate, other than in the ordinary course of Business consistent with past practice;

(b) except as required by Applicable Law or terms of an employment or consulting agreement, grant or increase any severance or termination pay to (or amend any existing arrangement with) any director, officer or employee of the Issuer;

(c) increase benefits payable under any existing severance or termination pay policies or employment agreements;

(d) enter into any employment, deferred compensation or other similar agreement (or amend any such existing agreement) with any director or officer of the Issuer;

(e) establish, adopt or amend (except as required by Applicable Law) any collective bargaining, bonus, profit-sharing, thrift, pension, retirement, deferred compensation, compensation, stock option, restricted stock or other benefit plan or arrangement covering any director, officer or employee of the Issuer; or

(f) increase compensation, bonus or other benefits payable to any director or officer of the Issuer.

5. Conditions and Closing

5.1 Delivery and payment for the Securities in accordance with the terms and conditions contained herein will be completed at the offices of the Issuer, 6299 Airport Road, Suite 300, Mississauga, Ontario, L4V 1N3 at 8:00 a.m., Toronto time (the "**Closing Time**") on:

(a) in respect of 19,598,017 Shares (the "**First Tranche Shares**") for gross proceeds of $3,373,313.00 (the "**First Tranche Proceeds**"), two (2) Business Days after the approval of the Exchange for the Offering (the "**First Tranche Closing Date**");

(b) in respect of 29,416,635 Shares (the "**Second Tranche Shares**") for gross proceeds of $5,063,344.00 (the "**Second Tranche Proceeds**"), two (2) Business Days following the satisfaction of the condition in Section 5.4(a) (the "**Second Tranche Closing Date**"); and

(c) in respect of 29,416,635 Shares (the "**Third Tranche Shares**") for gross proceeds of $5,063,344.00 **(**the "**Third Tranche Proceeds**"), sixty (60) calendar days following the satisfaction of the condition in Section 5.4(a) (the "**Third Tranche Closing Date**"),

provided that each of the First Tranche Closing Date, Second Tranche Closing Date or Third Tranche Closing Date may be set at such different date as agreed by the Issuer and the Subscriber.

5.2 At the First Tranche Closing, the Subscriber shall pay to the Issuer (in accordance with the instructions for payment described herein) the First Tranche Proceeds and the Issuer shall deliver to the Subscriber a share certificate or direct registration representing the First Tranche Shares. At the Second Tranche Closing, the Subscriber shall pay to Issuer (in accordance with the instructions for payment described herein), the Second Tranche Proceeds and the Issuer shall deliver to the Subscriber a share certificate or direct registration representing the Second Tranche Shares. At the Third Tranche Closing, the Subscriber shall pay to Issuer (in accordance with the instructions for payment described herein), the Third Tranche Proceeds and the Issuer shall deliver to the Subscriber a share certificate or direct registration representing the Third Tranche Shares.

5.3 The closing of the issuance of the First Tranche Shares (the "**First Tranche Closing**") is conditional upon and subject to:

(a) the Issuer having obtained all necessary approvals and consents for the Offering, including, without limitation, the conditional approval of the Exchange and the approval of the Board of the Issuer;

(b) the issue and sale of the Securities being exempt from the requirement to file a prospectus and the requirement to deliver an offering memorandum under applicable securities legislation relating to the sale of the Securities;

(c) the representations, warranties and covenants of the Issuer in this Subscription Agreement, including in any appendices hereto or other document delivered to the Subscriber in connection with the Subscriber's subscription, are accurate and remain true and correct in all material respects (or, if qualified by materiality, in all respects) at the First Tranche Closing, except to the extent such representations and warranties are given as of a particular date (in which case they will be true and correct in all material respects as of such date);

(d) since the date hereof, no change, effect, event, occurrence, state of facts or development shall have occurred in respect of the Issuer that resulted in, or reasonably would be expected to result in, a Material Adverse Effect;

(e) the representations, warranties, covenants and certifications of the Subscriber in this Subscription Agreement, including in any appendices hereto or other document delivered to the Issuer in connection with the Subscriber's subscription, are accurate and remain true and correct in all material respects (or, if qualified by materiality, in all respects) at the First Tranche Closing, except to the extent such representations and warranties are given as of a particular date (in which case they will be true and correct in all material respects as of such date);

(f) the covenant in Section 4.1(d) being satisfied;

(g) the Subscriber shall have received a certificate signed by an executive officer of the Issuer confirming the satisfaction of the conditions contained in Sections 5.3(a), 5.3(b), 5.3(c), 5.3(d) and (f); and

(h) the Issuer shall have received a certificate signed by the Subscriber confirming the satisfaction of the conditions contained in Section 5.3(e).

5.4 The closing of the issuance of the Second Tranche Shares (the "**Second Tranche Closing**") is conditional upon and subject to the following additional closing conditions:

(a) the Shareholder Approval having been obtained, and the Issuer having obtained all other necessary approvals and consents for the Second Tranche Closing, including, without limitation, the conditional approval of the Exchange and the approval of the Board of the Issuer;

(b) the issue and sale of the Securities being exempt from the requirement to file a prospectus and the requirement to deliver an offering memorandum under applicable securities legislation relating to the sale of the Securities;

(c) the representations, warranties and covenants of the Issuer in this Subscription Agreement, including in any appendices hereto or other document delivered to the Subscriber in connection with the Subscriber's subscription, are accurate and remain true and correct in all material respects (or, if qualified by materiality, in all respects) at the Second Tranche Closing, except to the extent such representations and warranties are given as of a particular date (in which case they will be true and correct in all material respects as of such date);

(d) since the date hereof, no change, effect, event, occurrence, state of facts or development shall have occurred in respect of the Issuer that resulted in, or reasonably would be expected to result in, a Material Adverse Effect;

(e) the representations, warranties, covenants and certifications of the Subscriber in this Subscription Agreement, including in any appendices hereto or other document delivered to the Issuer in connection with the Subscriber's subscription, are accurate and remain true and correct in all material respects (or, if qualified by materiality, in all respects) at the Second Tranche Closing, except to the extent such representations and warranties are given as of a particular date (in which case they will be true and correct in all material respects as of such date);

(f) the First Director Nominee being appointed to the Board of the Issuer, provided that such appointment will only be effective concurrently with the First Tranche Closing;

(g) the Subscriber shall have delivered to the Issuer a duly completed personal information form in the form prescribed by the Exchange, and copies of two pieces of identification, for the First Director Nominee;

(h) the Subscriber shall have received a certificate signed by an executive officer of the Issuer confirming the satisfaction of the conditions contained in Sections 5.4(a), 5.4(b), 5.4(c), 5.4(d) and 5.4(f); and

(i) the Issuer shall have received a certificate signed by the Subscriber confirming the satisfaction of the conditions contained in Sections 5.4(e) and 5.4(g).

5.5 The closing of the issuance of the Third Tranche Shares (the "**Third Tranche Closing**") is conditional upon and subject to the following additional closing conditions:

(a) the Issuer having obtained all necessary approvals and consents for the Offering, including, without limitation, the conditional approval of the Exchange and the approval of the Board of the Issuer;

(b) the issue and sale of the Securities being exempt from the requirement to file a prospectus and the requirement to deliver an offering memorandum under applicable securities legislation relating to the sale of the Securities;

(c) the representations, warranties and covenants of the Issuer in this Subscription Agreement, including in any appendices hereto or other document delivered to the Subscriber in connection with the Subscriber's subscription, are accurate and remain true and correct in all material respects (or, if qualified by materiality, in all respects) at the Third Tranche Closing, except to the extent such representations and warranties are given as of a particular date (in which case they will be true and correct in all material respects as of such date);

(d) since the date hereof, no change, effect, event, occurrence, state of facts or development shall have occurred in respect of the Issuer that resulted in, or reasonably would be expected to result in, a Material Adverse Effect;

(e) the Second Director Nominee being appointed to the Board of the Issuer, provided that such appointment will only be effective concurrently with the Third Tranche Closing.

(f) the Subscriber shall have delivered to the Issuer a duly completed personal information form in the form prescribed by the Exchange, and copies of two pieces of identification, for the Second Director Nominee;

(g) the representations, warranties, covenants and certifications of the Subscriber in this Subscription Agreement, including in any appendices hereto or other document delivered to the Issuer in connection with the Subscriber's subscription, are accurate and remain true and correct in all material respects (or, if qualified by materiality, in all respects) at the Third Tranche Closing, except to the extent such representations and warranties are given as of a particular date (in which case they will be true and correct in all material respects as of such date);

(h) the Subscriber shall have received a certificate signed by an executive officer of the Issuer confirming the satisfaction of the conditions contained in Sections 5.5(a), 5.5(b), 5.5(c), 5.5(d), and 5.5(e); and

(i) the Issuer shall have received a certificate signed by the Subscriber confirming the satisfaction of the conditions contained in Sections 5.5(f), and 5.5(g).

6. <u>Acknowledgements and Agreements of the Subscriber</u>

6.1 The Subscriber acknowledges and agrees that:

(a) none of the Securities have been or will be registered under the United States *Securities Act of 1933*, as amended, (the "**1933 Act**"), or under any securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold in the United States or, directly or indirectly, to any U.S. Person (as defined in Section 7.2), except in accordance with the provisions of Regulation S under the 1933 Act ("**Regulation S**"), pursuant to an effective registration statement under the 1933 Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act, and in each case only in accordance with applicable state, provincial and foreign securities laws;

(b) the Issuer has not undertaken, and will have no obligation, to register any of the Securities under the 1933 Act or any other applicable securities laws;

(c) the Issuer will refuse to register the transfer of any of the Securities to a U.S. Person not made pursuant to an effective registration statement under the 1933 Act or pursuant to an available exemption from the registration requirements of the 1933 Act and in each case in accordance with Applicable Laws;

(d) the decision to execute this Agreement and to acquire the Securities has not been based upon any oral or written representation as to fact or otherwise made by or on behalf of the Issuer and such decision is based entirely upon the terms and conditions of this Agreement and a review of any public information which has been filed by the Issuer with any Canadian provincial securities commissions (collectively, the "**Public Record**");

(e) the Issuer and others will rely upon the truth and accuracy of the acknowledgements, representations, warranties, covenants and agreements of the Subscriber contained in this Agreement, and agrees that if any of such acknowledgements, representations and agreements are no longer accurate or have been breached, the Subscriber will promptly notify the Issuer;

(f) there are risks associated with the purchase of the Securities, as more fully described in the Public Record;

(g) the Subscriber and the Subscriber's advisor(s) have had a reasonable opportunity to ask questions of, and receive answers from, the Issuer in connection with the distribution of the Securities hereunder, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Issuer;

(h) the books and records of the Issuer were available upon reasonable notice for inspection, subject to certain confidentiality restrictions, by the Subscriber during reasonable business hours at its principal place of business, and all documents, records and books in connection with the distribution of the Securities hereunder have been made available for inspection by the Subscriber, its legal counsel and/or its advisor(s);

(i) all of the information which the Subscriber has provided to the Issuer is correct and complete and if there should be any change in such information prior to any of the First Trance Closing, Second Tranche Closing or Third Tranche Closing, the Subscriber will immediately notify the Issuer, in writing, of the details of any such change;

(j) the Issuer is entitled to rely on the representations and warranties of the Subscriber contained in this Agreement and the Canadian Questionnaire and the Subscriber will hold harmless the Issuer from any loss or damage it or they may suffer as a result of the Subscriber's failure to correctly complete this Agreement or the Canadian Questionnaire;

(k) any resale of the Securities by the Subscriber will be subject to resale restrictions contained in the securities laws applicable to the Issuer, the Subscriber and any proposed transferee, and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with such restrictions before selling any of the Securities;

(l) the Subscriber has been advised to consult the Subscriber's own legal, tax and other advisors with respect to the merits and risks of an investment in the Securities and with respect to applicable resale restrictions, and it is solely responsible (and the Issuer is not in any way responsible) for compliance with:

    (i) any Applicable Law of the jurisdiction in which the Subscriber is resident in connection with the distribution of the Securities hereunder, and

    (ii) applicable resale restrictions;

(m) the Subscriber is aware that (i) the Issuer may complete additional financings in the future in order to develop the Issuer's business and to fund its ongoing development, (ii) there is no assurance that such financings will be available and, if available, on reasonable terms, (iii) any such future financings may have a dilutive effect on the Issuer's securityholders, including the Subscriber, and (iv) if such future financings are not available, the Issuer may be unable to fund its on-going development and the lack of capital resources may result in the failure of the Issuer's business;

(n) there may be material tax consequences to the Subscriber of an acquisition or disposition of the Securities and the Issuer gives no opinion and makes no representation to the Subscriber with respect to the tax consequences to the Subscriber under federal, state, provincial, local or foreign tax laws that may apply to the Subscriber's acquisition or disposition of the Securities;

(o) the Subscriber consents to the placement of a legend or legends on any certificate or other document evidencing any of the Securities setting forth or referring to the restrictions on transferability and sale thereof contained in this Agreement, with such legend(s) to be substantially as follows:

> UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THESE SECURITIES SHALL NOT TRADE THE SECURITIES BEFORE **[four months and one day from the applicable Closing Date.]**

(p) the Issuer has advised the Subscriber that the Issuer is relying on an exemption from the requirements to provide the Subscriber with a prospectus under provincial securities laws and other applicable securities laws, and, as a consequence of acquiring the Securities pursuant to such exemption, certain protections, rights and remedies provided by applicable securities laws (including the various provincial securities acts), including statutory rights of rescission or damages, will not be available to the Subscriber;

(q) no securities commission or similar regulatory authority has reviewed or passed on the merits of any of the Securities;

(r) there is no government or other insurance covering any of the Securities; and

(s) this Agreement is not enforceable by the Subscriber unless it has been accepted by the Issuer and the Issuer reserves the right to reject this Subscription for any reason.

7. Representations and Warranties of the Subscriber

7.1 The Subscriber hereby represents and warrants to the Issuer (which representations and warranties will survive the Closings) that:

(a) the Subscriber is not a U.S. Person (as defined in Section 7.2);

(b) the Subscriber is resident in the jurisdiction set out on page 2 of this Agreement;

(c) the Subscriber is acquiring the Securities for its own account for investment purposes only and not with a view to any resale, distribution or other disposition;

(d) the Subscriber has the legal capacity and competence to enter into and execute this Agreement and to take all actions required pursuant hereto and, if the Subscriber is a corporate entity, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution and performance of this Agreement on behalf of the Subscriber;

(e) the entering into of this Agreement and the transactions contemplated hereby do not result in the violation of any of the terms and provisions of any law applicable to, or, if applicable, the constating documents of, the Subscriber or of any agreement, written or oral, to which the Subscriber may be a party or by which the Subscriber is or may be bound;

(f) the Subscriber has duly executed and delivered this Agreement and it constitutes a valid and binding agreement of the Subscriber enforceable against the Subscriber;

(g) the Subscriber has received and carefully read this Agreement;

(h) the Subscriber is aware that an investment in the Issuer is speculative and involves certain risks, including those risks disclosed in the Public Record and the possible loss of the entire Subscription Amount;

(i) the Subscriber has made an independent examination and investigation of an investment in the Securities and the Issuer and agrees that the Issuer will not be responsible in any way for the Subscriber's decision to invest in the Securities and the Issuer;

(j) the Subscriber is not an underwriter of, or dealer in, any of the Securities, nor is the Subscriber participating, pursuant to a contractual agreement or otherwise, in the distribution of the Securities;

(k) the Subscriber is not aware of any advertisement of any of the Securities and is not acquiring the Securities as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising; and

(l) the Subscriber agrees to comply with all resale restrictions on the Securities, statutory, stock exchange require or otherwise;

(m) the funds representing the aggregate Subscription Amount in respect of the Securities which will be advanced by or on behalf of the Subscriber to the Issuer hereunder do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (for the purposes of this subsection the "**PCMLTFA**") and the Subscriber acknowledges and agrees that the Issuer may be required by law to provide the securities regulators with a list setting forth the identities of the beneficial purchasers of the Securities, or disclosure pursuant to the PCMLTFA. The Subscriber agrees to provide, on request, particulars as to the identity of such beneficial purchasers as may be required by the Issuer in order to comply with the foregoing. The Subscriber represents and warrants that (a) none of the subscription funds provided by or on behalf of the Subscriber (i) have been or will be derived directly or indirectly from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber and, (b) the Subscriber will promptly notify the Issuer if the Subscriber discovers that any of such representations cease to be true, and shall provide the Issuer with appropriate information in connection therewith;

(n) the Subscriber has been advised to seek tax, investment and independent legal advice and any other professional advice the Subscriber considers appropriate in connection with the Subscriber's purchase of the Securities and the Subscriber confirms that the Subscriber has not relied on the Issuer or its legal counsel in any manner in connection with the Subscriber's purchase of the Securities;

(o) the sole shareholder of the Issuer is Mr. Gurdev Singh who is a Canadian as defined in Section 1.2 of this Subscription Agreement; and

(p) no person has made to the Subscriber any written or oral representations:

    (i) that any person will resell or repurchase any of the Securities,

    (ii) that any person will refund the purchase price of any of the Securities,

(iii) as to the future price or value of any of the Securities, or

(iv) that the Securities will be listed and posted for trading or any stock exchange or that application has been made to list the common shares of the Issuer on any stock exchange, other than the Shares on the Exchange.

7.2 In this Agreement, the term "**U.S. Person**" will have the meaning ascribed thereto in Regulation S, and for the purpose of this Agreement includes, but is not limited to: (a) any person in the United States; (b) any natural person resident in the United States; (c) any partnership or corporation organized or incorporated under the laws of the United States; (d) any partnership or corporation organized outside the United States by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; or (e) any estate or trust of which any executor or administrator or trustee is a U.S. Person.

8. <u>Subscriber Representations and Warranties will be Relied Upon</u>

8.1 The Subscriber acknowledges that its representations and warranties contained herein are made by it with the intention that such representations and warranties will be relied upon by the Issuer and the Issuer's Counsel in determining the Subscriber's eligibility to purchase the Securities under Applicable Laws, or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Securities under Applicable Laws. The Subscriber further agrees that, by accepting delivery of the certificates representing the Shares, it will be representing and warranting that its representations and warranties contained herein are true and correct as at each of the First Tranche Closing Date, Second Tranche Closing Date and Third Tranche Closing Date, as applicable, with the same force and effect as if they had been made by the Subscriber on the First Tranche Closing Date, Second Tranche Closing Date and Third Tranche Closing Date, as applicable, and that they will survive the purchase by the Subscriber of the Securities and will continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of the Securities. The Subscriber undertakes to immediately notify the Issuer of any change in any statement or other information relating to the Subscriber set forth herein or in any certificates that takes place prior to the First Tranche Closing Date, Second Tranche Closing Date or Third Tranche Closing Date, as applicable.

9. <u>Representations and Warranties of the Issuer</u>

9.1 The Issuer hereby represents and warrants to the Issuer (which representations and warranties will survive the Closings for the period set out in Section 10) that:

(a) the Issuer is a corporation existing under the CBCA and has all requisite corporate power and capacity to conduct its business as presently conducted and to enter into and deliver this Subscription Agreement to which it is or will be a party and to perform its obligations hereunder;

(b) all necessary action will have been taken by the Issuer to authorize the execution and delivery by the Issuer of this Subscription Agreement, and the performance by the Issuer of its obligations thereunder, will have been duly executed and delivered and will constitute a valid and legally binding obligation of the Issuer enforceable against it in accordance with its terms and will not result in a violation of, or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of, any of the Issuer's constating documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Issuer is a party or by which it is bound or any law applicable to the Issuer or any judgment, decree, order, statute, rule or regulation applicable to the Issuer;

(c) except as disclosed in the Continuous Disclosure Documents, subsequent to the date of the Financial Statements, there has not been any material change (financial or otherwise) in the business, affairs, liabilities (absolute, accrued, contingent or otherwise), capital, operations, financial condition, properties, prospects or assets of the Issuer or its subsidiaries and no event has occurred or circumstance exists which could reasonably be expected to result in such a material change;

(d) there are no claims, actions, suits, proceedings or investigations (whether or not purportedly on behalf of the Issuer) commenced or, to the best knowledge of the Issuer, threatened against, or affecting the Issuer or to which the Issuer is a party or to at law or in equity, or before or by any federal, provincial, state, municipal or other governmental or regulatory department, commission, board or agency, domestic or foreign, which is, or could reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect on the Issuer;

(e) the Issuer has the power and capacity to own the assets owned by it and to carry on the business carried on by it, and holds all material licences and permits that are required for carrying on its business in the manner in which such business is carried on and is duly qualified to carry on business in all jurisdictions in which it carries on business;

(f) except for the Shareholder Approval, no action, approval, consent or vote on the part of the shareholders of the Issuer is or shall be necessary to consummate the transactions contemplated hereby;

(g) the Issuer's financial statements have been prepared and approved in accordance with Applicable Law, the accounting principles and are in accordance with the books, records and accounts of the Issuer and are complete and correct in all material respects and present fairly and accurately, on a consolidated basis, the assets, liabilities and financial position of the Issuer as at the date indicated and the cash flows and results of operations of the Issuer for the periods specified;

(h) based upon representations made by the Issuer's auditors, the Issuer's auditors are independent auditors with respect to the Issuer as required by Applicable Law;

(i) there has not been any "reportable event" (within the meaning of Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations*) with the auditors of the Issuer;

(j) other than Canada Jetlines Vacations Ltd., the Issuer does not have any subsidiaries, the Issuer is not "affiliated" with any other body corporate (within the meaning of those terms in the CBCA), nor is it a partner of any partnerships or limited partnerships (other than participating in industry partnerships in the ordinary course of business) or limited partnerships, and the Issuer has no material shareholdings in any other corporation or business organization;

(k) as of the date of this Subscription Agreement, the share capital of the Issuer currently consists of an unlimited number of Common Voting Shares and an unlimited number of Variable Voting Shares of which there are 76,431,287 Common Voting Shares and Variable Voting Shares issued and outstanding;

(l) as of the date of this Subscription Agreement, no person, firm, corporation or other entity holds any securities convertible or exchangeable into Shares or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or other acquisition of any unissued securities of the Issuer except 313,367 Shares subject to Jetlines Options granted by the Issuer, 10,583,016 Shares issuable upon exercise of the Jetlines Warrants, 75,000 Shares issuable pursuant to existing loan agreements, 6,375,654 Shares issuable upon exercise of Jetlines Restricted Share Units, provided that 2,000,000 of the Jetlines Restricted Share Units will be vested on or prior to the First Tranche Closing Date, resulting in the issuance of 2,000,000 Common Voting Shares to the holders thereof on such date, and 2,000,000 Jetlines Restricted Share Units will be cancelled without vesting or issuance of the underlying Shares on or prior to the First Tranche Closing Date, and nil Shares issuable upon the exercise of Jetlines Performance Shares Units.

(m) all corporate documentation of the Issuer required by Applicable Law have been obtained, made, executed and maintained properly and correctly in accordance with Applicable Law in all material respects.

(n) the Issuer has no liabilities, debts or other obligations, whether accrued, absolute, contingent, fixed, liquidated or unliquidated, whether due or to become due, that are required under Applicable Law to be reflected in the financial statements, which were not reflected or expressly reserved against on the relevant balance sheets in the Issuer's financial statements, except for liabilities, debts or other obligations incurred after the date of the applicable financial statements in the ordinary course of business;

(o) the Issuer has never declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its shares and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or agreed to do so or otherwise effected any return of capital with respect to such shares;

(p) the Issuer has properly filed with the appropriate tax authorities all tax returns, forms and reports required to be filed according to Applicable Law, and such filings are true, correct and complete, and the Issuer is not in arrears with the payment of any taxes, interest, penalty or fine due to any tax authority and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax returns, forms and reports required to be filed according to Applicable Law. The Issuer does not have any liability in respect of the taxes (whether actual or contingent) that has not been disclosed or provided for in the Issuer's accounts. The Issuer has no liability with respect to reporting or payment of customs duties and other compulsory charges that do not fall into the definition of taxes. No tax administration institution or other state institution has filed any demands or claims related to tax or other obligations of the Issuer, nor there exist any circumstances to cause a basis for emergence of such demands or claims. The Issuer has not entered into or been a party to any schemes or arrangements designed principally for the purpose of avoiding or deferring taxes. The Issuer has made, given, obtained and kept for the periods required under Applicable Law full and accurate records, invoices and documents appropriate or required for the purposes of evidencing any transactions, agreements or arrangements which are required for tax purposes;

(q) all filings made by the Issuer under which the Issuer has received or is entitled to government incentives, have been made in accordance, in all material respects, with Applicable Law and contain no misrepresentations of material fact or omit to state any material fact which could cause any amount previously paid to the Issuer or previously accrued on the accounts thereof to be recovered or disallowed;

(r) except as would not be expected to have a Material Adverse Effect on the Issuer, no claims are currently filed against the Issuer, and it is not under any obligation to make any outstanding payment as indemnity or compensation to any of its current or former employees for loss of office or job or due to reduction of staff or unfair or unjust discharge, or non-proper payment of remuneration or wage, and no former employee has filed a claim or is entitled to reinstatement in the Issuer. There are no additional obligations or any kind of benefits, including agreements on deferred severance payments, compensations, pensions or similar payments, profit sharing or retirement plans with respect to any of the current or former employees of the Issuer, other than any statutory obligations in respect of the employees, statutory compensation in case of termination of employment and such other arrangements that are indicated in the employment agreements of the relevant current and former employees;

(s) all contracts between the Issuer and any affiliate or related party have been entered into in good faith and on an arm's length basis;

(t) Computershare Investor Services Inc. acts as the registrar and transfer agent for the Shares;

(u) no Securities Commission or similar regulatory authority in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of the Issuer, no such proceeding is threatened, or to the best of the Issuer's knowledge, pending or contemplated, and the Issuer is not in default of any requirement of Applicable Law;

(v) the Issuer is a "reporting issuer" in each of the provinces of Canada other than Quebec within the meaning of Applicable Law in such provinces and is not in default of any material requirement in relation thereto;

(w) to the best of the Issuer's knowledge, the information and statements set forth in the Public Record were true, correct, and complete in all material respects and did not contain any misrepresentation, as of the date of such information or statement, and the Issuer has not filed any confidential material change reports still maintained on a confidential basis;

(x) the Issuer does not have in place a shareholder rights protection plan or any other form of plan, agreement, contract or instrument that shall trigger any rights to acquire securities of the Issuer;

(y) the Issuer is insured by insurers of recognized financial responsibility against such losses and risks in such amounts as are prudent and customary in the businesses in which it is engaged, and all policies of insurance insuring the Issuer or its business, assets, employees, officers and directors are in full force and effect; and

(z) the Issuer has conducted its respective Business at all times in accordance with and has complied with Applicable Law relating to its operations and the business in all material respects. The Issuer is not a party to and is not bound by any non-competition agreement or arrangement. The activities of the Issuer are and have always been compliant with the applicable competition law in all material respects.

10. <u>Issuer Representations and Warranties will be Relied Upon</u>

The Issuer further agrees that by issuing the Securities on the First Tranche Closing Date, Second Tranche Closing Date and Third Tranche Closing Date, as applicable, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the First Tranche Closing Date, Second Tranche Closing Date and Third Tranche Closing Date, as applicable, with the same force and effect as if they had been made by the Issuer at the Closing Time on the First Tranche Closing Date, Second Tranche Closing Date and Third Tranche Closing Date, as applicable, and that they shall survive the purchase by the Subscriber of the Securities and shall continue in full force and effect for a period of two years following the First Tranche Closing Date.

11. <u>Acknowledgement and Waiver</u>

11.1 The Subscriber acknowledges that the decision to acquire the Securities was solely made on the basis of the Public Record. The Subscriber hereby waives, to the fullest extent permitted by law, any rights of withdrawal, rescission or compensation for damages to which the Subscriber might be entitled in connection with the distribution of any of the Securities.

12. <u>Collection of Personal Information</u>

12.1 The Subscriber acknowledges and consents to the fact that the Issuer is collecting the Subscriber's personal information for the purpose of fulfilling this Agreement and completing the Offering. The Subscriber's personal information (and, if applicable, the personal information of those on whose behalf the Subscriber is contracting hereunder) may be disclosed by the Issuer to (a) stock exchanges or securities regulatory authorities, (b) the Issuer's registrar and transfer agent, (c) Canadian tax authorities, (d) authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing* Act (Canada) and (e) any of the other parties involved in the Offering, including the Issuer's Counsel, and may be included in record books in connection with the Offering. By executing this Agreement, the Subscriber is deemed to be consenting to the foregoing collection, use, disclosure and publication of the Subscriber's personal information (and, if applicable, the personal information of those on whose behalf the Subscriber is contracting hereunder) for the foregoing purposes and to the retention of such personal information for as long as permitted or required by law or business practice. Notwithstanding that the Subscriber may be purchasing the Securities as agent on behalf of an undisclosed principal, the Subscriber agrees to provide, on request, particulars as to the nature and identity of such undisclosed principal, and any interest that such undisclosed principal has in the

Issuer, all as may be required by the Issuer in order to comply with the foregoing. The Subscriber agrees that that the Issuer may use and disclose the Subscriber's and, if applicable, such agent's personal information, and consents thereto, as follows:

(a) for internal use with respect to managing the relationships between and contractual obligations of the Issuer and the Subscriber;

(b) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to the Canada Revenue Agency;

(c) disclosure to the Exchange (in accordance with the terms set out in Exhibit C), Commissions (as defined below) and other regulatory bodies having jurisdiction with respect to approval or acceptance for filing of the Offering, reports of trades and similar stock exchange or regulatory filings;

(d) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;

(e) disclosure to professional advisers of the Issuer in connection with the performance of their professional services;

(f) disclosure to any person where such disclosure is necessary for legitimate business reasons;

(g) disclosure to a court determining the rights of the parties under this Subscription Agreement; or

(h) for use and disclosure as otherwise required or permitted by law.

12.2 The Issuer hereby notifies the Subscriber, and the Subscriber agrees, that:

(a) the Issuer may deliver to any securities commission having jurisdiction over the Issuer, the Subscriber or this Subscription, including any Canadian provincial securities commissions and/or the SEC (collectively, the **"Commissions"**) certain personal information pertaining to the Subscriber, including such Subscriber's full name, residential address and telephone number, the number of shares or other securities of the Issuer owned by the Subscriber, the number of Shares purchased by the Subscriber and the total purchase price paid for such Shares, the prospectus exemption relied on by the Issuer and the date of distribution of the Shares;

(b) such information is being collected indirectly by the Commissions under the authority granted to them in securities legislation;

(c) such information is being collected for the purposes of the administration and enforcement of the securities laws; and

(d) in the event the Subscriber has any questions with respect to the indirect collection of such information, the Subscriber should contact the applicable securities regulatory authority at the contact details provided in Exhibit E.

13. Costs

13.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber (including any fees and disbursements of any legal counsel retained by the Subscriber) relating to the purchase of the Securities will be borne by the Subscriber.

14. Governing Law

14.1 This Agreement is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, in its personal or corporate capacity and, if applicable, on behalf of each beneficial purchaser for whom it is acting, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

15. Survival

15.1 This Agreement, including, without limitation, the representations, warranties and covenants contained herein will survive and continue in full force and effect and be binding upon the Subscriber, notwithstanding the completion of the purchase of the Securities by the Subscriber.

16. Assignment

16.1 This Agreement is not transferable or assignable.

17. Severability

17.1 The invalidity or unenforceability of any particular provision of this Agreement will not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

18. Entire Agreement

18.1 Except as expressly provided in this Agreement, and in the exhibits, agreements, instruments and other documents attached hereto or thereto, or contemplated or provided for herein or therein, this Agreement contains the entire agreement between the Issuer and the Subscriber with respect to the sale of the Securities, and there are no other terms, conditions, representations or warranties, whether expressed, implied, oral or written, by statute or common law, by the Issuer or by anyone else.

19. Notices

19.1 All notices and other communications hereunder will be in writing and will be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication, including facsimile, electronic mail or other means of electronic communication capable of producing a printed copy. Notices to the Subscriber will be directed to the address of the Subscriber set forth on page 2 of this Agreement and notices to the Issuer will be directed to it at the address of the Issuer set forth on page 3 of this Agreement.

20. Execution of Subscription Agreement

20.1 The Issuer and the Issuer's Counsel will be entitled to rely on delivery by email or other means of electronic communication capable of producing a printed copy of an executed copy of this Agreement, and acceptance by the Issuer of such email or other form of electronic copy will be equally effective to create a valid and binding agreement between the Subscriber and the Issuer in accordance with the terms hereof. If less than a complete copy of this Agreement is delivered to the Issuer or the Issuer's Counsel prior to or at the Closings, the Issuer and the Issuer's Counsel are entitled to assume that the Subscriber accepts and agrees to all of the terms and conditions of the pages not delivered prior to or at the Closings (without any alterations to such page).

21. Counterparts and Electronic Means

21.1 This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will constitute an original and all of which together will constitute one instrument. Delivery of an executed copy of this Agreement by email, facsimile transmission or other means of electronic communication capable of producing a printed copy, will be deemed to be execution and delivery of this Agreement as of the Closings.

22. Indemnity

22.1 The Subscriber will indemnify and hold harmless the Issuer and, where applicable, its directors, officers, employees, agents, advisors and shareholders, from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Subscriber contained in this Agreement or in any document furnished by the Subscriber to the Issuer in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber to the Issuer in connection therewith.

23. Definitions

In this Subscription Agreement, unless the context otherwise requires:

(a) "**affiliate**", "**distribution**" and "**insider**" have the respective meanings ascribed to them in the *Securities Act* (British Columbia);

(b) "**Applicable Law**" means any federal, provincial, territorial, local, municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement, in each case having the force of law, issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority, including without limitation Securities Laws;

(c) "**Board**" means the Board of Directors of the Issuer;

(d) "**Board Meeting**" means a meeting of the full Board called in accordance with the Issuer's Articles and By-Laws.

(e) "**Business**" means the business carried on by the Issuer from time to time of operating an airline, including the business of being a passenger carrier airline that operates flights into popular destinations in Canada, USA, Mexico and the Caribbean;

(f) "**Business Day**" means a day on which banks are open for the transaction of regular business in Toronto, Ontario;

(g) "**CBCA**" means the *Canada Business Corporations Act*, as amended, including the regulations promulgated thereunder, as amended from time to time;

(h) "**Closings**" means collectively the First Tranche Closing, Second Tranche Closing and Third Tranche Closing;

(i) "**Common Voting Shares**" means the common voting shares in the capital of the Issuer;

(j) "**Continuous Disclosure Documents**" means the documents filed by the Issuer on SEDAR+ at www.sedarplus.com;

(k) "**Designated Jurisdictions**" means the provinces of Canada in which the Issuer is a report issuer;

(l) "**Financial Statements**" means the audited consolidated financial statements of the Issuer for the year ended December 31, 2022;

(m) "**Governmental Authority**" means any supranational, national, provincial, state, territorial, municipal, local or foreign government, any court, tribunal, arbitrator, administrative agency, commission or other governmental official, authority or instrumentality, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental or private body exercising any regulatory, taxing authority or other governmental or quasi-governmental authority;

(n) "**Jetlines Options**" means stock options to acquire Shares issued under the terms of the Issuer's Stock Option Plan;

(o) "**Jetlines Performance Share Units**" means performance share units that up vesting provide the right to acquire Shares issued under the terms of the Issuer's Performance Share Unit Plan;

(p) "**Jetlines Restricted Share Units**" means restricted share units that up vesting provide the right to acquire Shares issued under the terms of the Issuer's Restricted Share Unit Plan;

(q) "**Jetlines Warrants**" means the outstanding warrants to purchase Shares;

(r) "**Material Adverse Effect**" means a material adverse effect on the consolidated business, operations, or financial condition of the Issuer and its subsidiaries, taken as a whole;

(s) "**Offering**" means the offering by the Issuer of 78,431,287 Shares at a price of $$0.1721252 per Share for gross proceeds of $13,500,001;

(t) "**person**" means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

(u) "**Personal Information**" means any information about a person (whether an individual or otherwise) and includes information contained in or provided pursuant to this Subscription Agreement, including the schedules incorporated by reference herein;

(v) "**Public Record**" means all information filed by or on behalf of the Issuer or any predecessor entity in compliance, or intended compliance, with Applicable Law, including any press release, any Continuous Disclosure Document, any additional filings made on SEDAR+ or with the Commissions;

(w) "**Securities**" has the meaning ascribed to such term on page 2 of this Subscription Agreement;

(x) "**Securities Laws**" means all applicable securities laws in the Designated Jurisdictions, all as now enacted or as the same may from time to time be amended, re-enacted or replaced, the respective regulations, rules, orders, and forms under such laws and the applicable published policy statements, national instruments and multilateral instruments of, and any exempting orders issued by, the Commissions;

(y) "**Shares**" means the Common Voting Shares and the Variable Voting Shares, as the context requires;

(z) "**Shareholder Approval**" means the approval by the shareholders of the Issuer at a validly called meeting of (A) the Second Tranche Closing and Third Tranche Closing; and (B) an amendment to the Articles of the Issuer to increase the size of its Board in order to permit the appointment of the Nominees;

(aa) "**Subscriber**" has the meaning ascribed to such term on page 1 of this Subscription Agreement;

(bb) “**Subscriber Proceeds**” means any portion, and all, of the cash proceeds from the total Subscription Price in the amount set forth on page 2 of this Agreement paid to the Issuer by the Subscriber pursuant to this Subscription Agreement;

(cc) “**Subscription Agreement**” means this subscription agreement (including any schedules attached hereto and the Terms and Conditions of Subscription) and any instrument amending this Subscription Agreement; “**hereof**”, “**hereto**”, “**hereunder**”, “**herein**” and similar expressions mean and refer to this Subscription Agreement and not to a particular section, subsection, appendix or schedule and the expression “**Section**”, “**Subsection**”, “**Appendix**” and “**Schedule**” followed by a number means and refers to the specified section, subsection, appendix or schedule of this Subscription Agreement;

(dd) “**Terms and Conditions of Subscription**” has the meaning ascribed to such term on page 1 of this Subscription Agreement; and

(ee) “**Variable Voting Shares**” means the variable voting shares in the capital of the Issuer.

EXHIBIT A

CANADIAN INVESTOR QUESTIONNAIRE

TO: **CANADA JETLINES OPERATIONS LTD.** (the "**Issuer**")

RE: Purchase of Common Shares (the "**Securities**") of the Issuer

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Capitalized terms used in this Canadian Investor Questionnaire (this "**Questionnaire**") and not specifically defined have the meaning ascribed to them in the Private Placement Subscription Agreement between the Subscriber and the Issuer to which this Exhibit A is attached.

In connection with the purchase of the Securities by the undersigned (the "**Subscriber**"), the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber:

[REDACTED: Schedule containing personal information]

EXHIBIT B

POSITION DESCRIPTION

[REDACTED: Schedule containing commercially sensitive and personal information]

EXHIBIT C

COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION BY THE EXCHANGE

The Neo Exchange Inc. (“Exchange”) collects the information (which may include personal, confidential, non-public, criminal or other information) in forms that are submitted by the individual (“you”) or by the Issuer and use and disclose it for the following purposes:

- **a.** to conduct background checks, including electronic criminal record checks,
- **b.** to verify the information that has been provided about you,
- **c.** to consider your suitability to act as an officer, director, Insider, promoter, investor relations provider, employee or consultant, of a Listed Issuer or an Issuer applying to be a Listed Issuer,
- **d.** to consider the eligibility of an applicant to be a Listed Issuer,
- **e.** to detect and prevent fraud,
- **f.** to conduct enforcement proceedings, and
- **g.** to perform other investigations as required by and to ensure compliance with Exchange requirements, securities legislation and other legal and regulatory requirements regarding the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional information about you from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory entities, and regulation services providers, for the purposes described above. The information the Exchange collects about you may also be disclosed to these agencies and organizations (or as otherwise permitted or required by law), and they may use it in their own investigations for the purposes described above.

The Exchange may transfer information about you to service providers (including service providers located outside of Canada) for purposes of verifying the information that has been provided about you. Information provided to third parties outside of Canada becomes subject to the laws of the country in which it is held, and may be subject to disclosure to the governments, courts, or law enforcement or regulatory authorities of such country pursuant to such laws.

Failure to Consent

If you do not consent to this Personal Information Form Collection Policy, the Exchange may **(i)** refuse to allow you to act as an officer, director, Insider, promoter, investor relations provider, employee or consultant, of an Issuer, **(ii)** refuse to allow an applicant to be listed as an Issuer, and/or **(iii)** refuse to accept a transaction proposed by an Issuer.

Security

The personal information that is retained by the Exchange is kept in a secure environment. Only those employees of the Exchange who require access to your personal information in order to accomplish the purposes identified above, will be given access to your personal information. Employees of the Exchange who have access to your personal information are made aware of how to keep it confidential.

Accuracy

Information about you maintained by the Exchange that is identified by you as inaccurate or obsolete will be replaced or removed, as applicable.

Questions

If you have any questions about the privacy principles outlined above or our policies and practices, including policies and practices with respect to service providers outside of Canada and their collection, use, disclosure and storage of personal information on behalf of the Exchange please send a written request to: Legal@neostockexchange.com**.**

EXHIBIT D

CANADIAN DOLLAR WIRE INSTRUCTIONS

INSTRUCTIONS FOR WIRING FUNDS TO CANADA JETLINES OPERATIONS LTD.

[REDACTED: Confidential banking information]

EXHIBIT E

CONTACT INFORMATION FOR CANADIAN SECURITIES ADMINISTRATORS

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403-297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: 403-297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604-899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: 604-899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204-945-2561
Toll free in Manitoba: 1-800-655-5244
Facsimile: 204-945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506-658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: 506-658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: 709-729-4189
Facsimile: 709-729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Telephone: 867-767-9305
Facsimile: 867-873-0243
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: 902-424-7768
Facsimile: 902-424-4625
Public official contact regarding indirect collection of information: Executive Director

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: 867-975-6590
Facsimile: 867-975-6594
Public official contact regarding indirect collection of information: Superintendent of Securities

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416-593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: 416-593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902-368-4569
Facsimile: 902-368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, rue du Square-Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: 514-395-0337 or 1-877-525-0337
Facsimile: 514-873-6155 (For filing purposes only)
Facsimile: 514-864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306-787-5842
Facsimile: 306-787-5899
Public official contact regarding indirect collection of information: Director

Office of the Superintendent of Securities
Government of Yukon
Department of Community Services
307 Black Street, 1st Floor
P.O. Box 2703, C-6
Whitehorse, Yukon Y1A 2C6
Telephone: 867-667-5466
Facsimile: 867-393-6251

Email: securities@gov.yk.ca
Public official contact regarding indirect collection of information: Superintendent of Securities