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INFORMATION CIRCULAR

As at May 2, 2018 unless otherwise noted

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS TO BE HELD ON JUNE 27, 2018

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of Canada Jetlines Ltd. (formerly Jet Metal Corp.) (the “**Company**”) for use at the Annual General and Special Meeting (the “**Meeting**”) of the Shareholders of the Company to be held at the time and place and for the purposes set forth in the Notice of Meeting and at any adjournment thereof.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed Instrument of Proxy is solicited by management of the Company (“Management”). Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company does not reimburse Shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining from their principals, authorization to execute the Instrument of Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Information Circular.

NOTICE-AND-ACCESS PROCESS

In accordance with the notice-and-access rules under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, and an exemption granted by Corporations Canada pursuant to the subsection 151(1) of the *Canada Business Corporations Act* (“**CBCA**”), the Company has sent its proxy-related materials to registered holders and non-objecting beneficial owners using notice-and-access. Therefore, although Shareholders still receive a proxy or voting instruction form (as applicable) in paper copy, this Information Circular is not physically delivered. Instead, Shareholders may access this Information Circular under the Company’s profile on SEDAR at www.sedar.com or at www.envisionreports.com/jet2018. In accordance with the CBCA requirements, the annual audited financial statements of the Company for its fiscal year ended December 31, 2017 and related management discussion and analysis will be physically delivered to registered holders and non-objecting beneficial owners.

Registered holders may request paper copies of the Information Circular be sent to them by postal delivery at no cost to them. In order to receive a paper copy of the Information Circular, please call toll free within North America 1-866-962-0498 or outside North America, call 514-982-8716. Any beneficial owner who

wishes to receive a paper copy of the Information Circular should contact Broadridge Investor Communications Solutions, Canada at 1-855-887-2244. **Requests for paper copies of the Information Circular should be received by June 17, 2018 in order to receive the Information Circular in advance of the Meeting.** To obtain a paper copy of the Information Circular after the date of the Meeting, please contact 1-866-964-0492.

To obtain additional information about the Notice-and-Access process, a shareholder may contact the Company's transfer agent toll free at 1-866-964-0492.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying Instrument of Proxy are directors or officers of the Company and are nominees of Management. **A Shareholder has the right to appoint a person to attend and act for him/her on his/her behalf at the Meeting other than the persons named in the enclosed Instrument of Proxy. To exercise this right, a Shareholder should strike out the names of the persons named in the Instrument of Proxy and insert the name of his/her nominee in the blank space provided, or complete another proper form of Instrument of Proxy. The completed Instrument of Proxy should be deposited with the Company's Registrar and Transfer Agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.**

The Instrument of Proxy must be dated and be signed by the Shareholder or by his/her attorney in writing, or, if the Shareholder is a Company, it must either be under its common seal or signed by a duly authorized officer.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a Proxy either by (a) signing a Proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the Instrument of Proxy is required to be executed as set out in the notes to the Instrument of Proxy) and either depositing it at the place and within the time aforesaid or with the Chair of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the Scrutineer at the Meeting as a Shareholder present in person, whereupon such Proxy shall be deemed to have been revoked.

NON-REGISTERED HOLDERS OF COMPANY'S SHARES

Only Shareholders whose names appear in the Company's Central Securities Register (the "Registered Shareholders") or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their Common Voting Shares and Variable Voting Shares of the Company ("Voting Shares") in their own name ("Beneficial Shareholders") are advised that only proxies from Shareholders of record can be recognized and voted at the Meeting. Beneficial Shareholders who complete and return an Instrument of Proxy must indicate thereon the person (usually a brokerage house) who holds their Voting Shares as registered Shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied to Beneficial Shareholders is similar to that provided to Registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

If Voting Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Voting Shares will not be registered in such Shareholder's name on the records of the Company. Such Voting Shares will more likely be registered under the name of the Shareholder's broker or agent of that broker. In Canada, the vast majority of such Voting Shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Voting Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the Voting Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Voting Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the Instrument of Proxy provided by the Company to the Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Should a Beneficial Shareholder receive such a form and wish to vote at the Meeting, the Beneficial Shareholder should strike out the Management proxyholder's name in the form and insert the Beneficial Shareholder's name in the blank provided. The majority of brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and requests Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Voting Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Voting Shares directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Voting Shares voted.** All references to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

EXEMPTION ORDER

On May 16, 2016, the Company submitted to the Honourable Marc Garneau, Minister of Transport, a request for the issuance of an exemption order pursuant to subsection 62(1) of the *Canada Transportation Act* ("**CTA**"). The request was for the operating subsidiary of the Company (Canada Jetlines Operations Ltd. ("**Jetlines Operations**")) to be exempt from the current 25% foreign voting interest limit in the *Canada Transportation Act* ("**CTA**") and be permitted to have up to an aggregate of 49% foreign voting interests. On November 3, 2016 Minister Garneau announced that he has approved the Company's request for an exemption from current foreign ownership rules and on December 2, 2016 the formal exemption order (the "**Exemption Order**") was issued.

The Exemption Order was granted for a five-year term ending on December 1, 2021 and will permit Jetlines Operations to conduct domestic air services once it satisfies all of the remaining licensing requirements. The Exemption Order was issued subject to certain conditions, including:

- at all times, at least 51% of the voting interest of Jetlines Operations must be owned by Canadians;
- no single foreign investor or its affiliates can own more than a 25% voting interest in Jetlines Operations;

- no non-Canadian air carrier or its affiliates can own more than a 25% voting interest in Jetlines Operations;
- at all times Jetlines Operations must be controlled in fact by Canadians; and
- at the end of the term of the Exemption Order, Jetlines Operations must conform to the legislative framework regarding the ownership of Canadian air carries that is in place at such time.

As Jetlines Operations is a wholly-owned subsidiary of the Company, the Exemption Order permits foreign ownership in the Company at up to 49% voting interests, subject to the conditions noted above.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed and, where directions are given by the Shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

If no choice is specified on the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to the matter upon the proxyholder named on the Instrument of Proxy. In the absence of any direction in the Instrument of Proxy, it is intended that the proxyholder named by Management in the Instrument of Proxy will vote the shares represented by the proxy in favour of the motions proposed to be made at the Meeting as stated under the headings in this Information Circular. The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting.

At the time of printing of this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgement of the nominee.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2017 will be presented to the Shareholders at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Description of Voting Shares

The authorized capital of the Company consists of a class of unlimited Common Voting Shares and a class of unlimited Variable Voting Shares.

Common Voting Shares

Dividends and Distributions

The Common Voting Shares rank equally with the Variable Voting Shares with respect to dividends and the distribution of assets in the case of liquidation, dissolution or winding-up of the Company or other distribution of the Company's assets.

Voting Rights

The Common Voting Shares carry one vote per share held.

Conversion

Each issued and outstanding Common Voting Share shall be automatically converted into one (1) Variable Voting Share, without any further act on the part of Company or the holder of such Common Voting Share, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, by a holder who is not a Canadian Resident. A “**Canadian Resident**” means a “Canadian” as such term is defined in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time.

In the event that an offer is made to purchase Variable Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed, to be made to all or substantially all the holders of Variable Voting Shares, each Common Voting Share shall become convertible at the option of the holder into one Variable Voting Share at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Common Voting Shares for the purpose of depositing the resulting Variable Voting Shares pursuant to the offer and for no other reason, including with respect to voting rights attached thereto, which are deemed to remain subject to the provisions concerning the voting rights for Common Voting Shares notwithstanding their conversion. The Company’s transfer agent shall deposit the resulting Variable Voting Shares on behalf of the holder.

Should the Variable Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by the shareholders or not taken up by the offeror, or should the offer be abandoned or withdrawn, the Variable Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Company or on the part of the holder to Common Voting Shares.

Constraints on Share Ownership

Common Voting Shares may only be owned and controlled by Canadian Residents. Any Common Voting Share owned or controlled by a person who is not a Canadian Resident is, or must be converted to, a Variable Voting Share.

Variable Voting Shares*Dividends and Distributions*

The Variable Voting Shares will rank equally with the Common Voting Shares with respect to dividends and the distribution of assets in the case of liquidation, dissolution or winding-up of the Company or other distribution of the Company’s assets.

Voting Rights

The Variable Voting Shares carry one vote per Variable Voting Share held, unless (a) the number of issued and outstanding Variable Voting Shares exceeds 25% (or any greater percentage the Governor in Council may specify pursuant to the CTA of the total number of all issued and outstanding Common Voting Shares), or (b) the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting

exceeds 25% (or any greater percentage that the Governor in Council may specify pursuant to the CTA) of the total number of votes that may be cast at such meeting.

If either of the above noted thresholds is surpassed at any time, the vote attached to each Variable Voting Share will decrease automatically without further act or formality to equal the maximum permitted vote per Variable Voting Share such that (i) under the circumstance described under (a) in the paragraph above, the Variable Voting Shares as a class shall not carry more than 25% (or any greater percentage that the Governor in Council may specify pursuant to the CTA) of the total voting rights attached to all issued and outstanding Common Voting Shares; and (ii) under the circumstance described under (b) in the paragraph above, the Variable Voting Shares as a class cannot, for a given shareholders meeting, carry more than 25% (or any greater percentage that the Governor in Council may specify pursuant to the CTA) of the total number of votes that can be exercised at the meeting.

Due to the Exemption Order issued to the Company by the Minister of Transport, references above to 25% are increased to 49% for the duration of the Exemption Order.

Conversion

Each issued and outstanding Variable Voting Share shall be automatically converted into one (1) Common Voting Share, without any further act on the part of Company or the holder of such Variable Voting Share, if (i) such Variable Voting Share is or becomes beneficially owned and controlled, directly or indirectly, by a Canadian Resident, or (ii) the provisions contained in the CTA relating to foreign ownership restrictions are repealed and not replaced with other similar provisions. Each issued and outstanding Common Voting Share shall be automatically converted into one (1) Variable Voting Share, without any further act on the part of Company or the holder of such Common Voting Share, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, by a holder who is not a Canadian Resident.

In the event that an offer is made to purchase Common Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed, to be made to all or substantially all the holders of Common Voting Shares in a given province of Canada to which these requirements apply, each Variable Voting Share shall become convertible at the option of the holder into one Common Voting Share at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Variable Voting Shares for the purpose of depositing the resulting Common Voting Shares pursuant to the offer, and for no other reason, including with respect to voting rights attached thereto, which are deemed to remain subject to the provisions concerning voting rights for Variable Voting Shares notwithstanding their conversion. The Company's transfer agent shall deposit the resulting Common Voting Shares on behalf of the holder.

Should the Common Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned or withdrawn, the Common Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Company or on the part of the holder, into Variable Voting Shares.

Constraints on Share Ownership

Variable Voting Shares may only be owned or controlled by persons who are not Canadian Residents. Therefore, any Variable Voting Share owned or controlled by a person who is a Canadian Resident, is, or must be converted to a Common Voting Share.

Voting Shares

May 8, 2018 has been determined as the record date as of which holders of Voting Shares or their duly appointed proxies are entitled to receive notice of and attend and to one vote per Voting Share at the Meeting. Shareholders desiring to be represented by proxy at the Meeting must deposit their proxies at the place and within the time set forth in the notes to the Instrument of Proxy in order to entitle the person duly appointed by the proxy to attend and vote thereat.

Quorum and Significant Shareholders

As at the date of this Information Circular, the Company had the following Voting Shares issued and outstanding:

Voting Share Class	Issued and Outstanding	Percentage of Voting Shares
Common Voting Shares	60,483,379	86.37%
Variable Voting Shares	9,545,560	13.63%
Total	70,028,939	100%

The quorum for a meeting of Shareholders is two (2) persons, present in person or represented by proxy, in number, one of whom shall be, or be representing, a Canadian, and holding or representing not less than five (5%) per cent of the shares entitled to be voted at the meeting.

To the knowledge of the directors or executive officers of the Company, as at the date of this Information Circular, no Shareholder beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to the Voting Shares of the Company.

FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

The persons named in the enclosed Instrument of Proxy intend to vote in favour of the ordinary resolution fixing the number of directors on the board of directors of the Company (the “**Board of Directors**”) at six (6). Each director of the Company is elected annually and holds office until the next Annual General Meeting unless that person ceases to be a director before then. Management of the Company proposes to nominate the persons herein listed for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, the Voting Shares represented by proxy will, on a poll, be voted for the nominees herein listed. **MANAGEMENT OF THE COMPANY DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY ON ANY POLL FOR THE ELECTION OF ANY PERSON OR PERSONS AS DIRECTOR UNLESS THE SHAREHOLDER HAS SPECIFIED OTHERWISE IN THE PROXY. UNLESS AUTHORITY TO DO SO IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY INTEND TO VOTE FOR THE ELECTION OF ALL OF THE NOMINEES.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number

of Voting Shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, Province or State and Country of Residence¹ of Nominee and Present Positions with the Company	Principal Occupation and, if not presently an elected director, occupation during last five years¹	Period from which Nominee has been a director	Number of Voting Shares Held^{2,3,4}
Mark J. Morabito⁵ British Columbia, Canada <i>Director</i>	Chairman & Chief Executive Officer of King & Bay West Management Corp. since December 2009.	2015-12-10	2,255,535
Deborah Robinson⁷ Ontario, Canada <i>Director</i>	President and Founder of Bay Street HR since December 2001.	2017-02-28	110,000
Réjean Bourque^{6,7} Quebec, Canada <i>Director</i>	Senior Vice President of Marsh Canada since August, 2006.	2017-02-28	Nil
Jason Grant⁸ Colorado, USA <i>Director</i>	Managing Partner and Founder of Headhaul Capital Partners LLC since July 2014.	2017-05-09	Nil
Saad Hammad United Kingdom <i>Director</i>	Chief Executive Officer of Key Travel from November 2017 to Present; Non Executive Director of Pegasus Airlines from April 2014 to Present; Chief Executive Officer of Flybe PLC from August 2013 to October 2016; Managing Director of The Gores Group from April 2009 to July 2013.	2017-07-01	Nil
Tony Lefebvre⁸ Virginia, USA <i>Director</i>	President and Chief Operating Officer at BBA Aviation since July 2013.	2018-02-05	Nil

¹ The information as to country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.

² The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.

³ Voting Shares beneficially owned, or over which control or direction is exercised, directly and indirectly, at the date hereof, is based upon the information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly. These figures do not include shares that may be acquired on the exercise of any share purchase warrants or stock options held by the respective directors or officers.

⁴ The director nominees, as a group beneficially own, directly or indirectly, 2,365,535 Voting Shares of the Company representing 3.38% of the total issued and outstanding Voting Shares of the Company

⁵ Mr. Morabito also served as a director from November 1998 to August 2013.

⁶ Member of the Company's Audit Committee.

⁷ Member of the Company's Compensation, Corporate Governance and Nominating Committee.

⁸ Member of the Company's Finance and Start-Up Committee.

PENALTIES AND SANCTIONS

No proposed director of the Company is, or within the 10 years prior to the date of this Information Circular, has been, a director, chief executive officer or chief financial officer of any company that while that person was acting in that capacity:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or an order that denied the relevant company access to any exemption under securities legislation, for more than 30 consecutive days.

No proposed director of the Company is, or within the 10 years prior to the date of this Information Circular, has been, a director or executive officer of any company that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has individually, within the 10 years prior to this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or Shareholder.

No proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT AND REMUNERATION OF AUDITOR

Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, the current Auditors of the Company, were appointed on June 30, 2007, and are the current Auditors of the Company. **The persons named in the enclosed Instrument of Proxy will vote for the reappointment of Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, as Auditors of the Company, to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the directors.**

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Voting Shares, nor an associate or affiliate of any of the foregoing persons has had, during the most recently completed financial year of the Company or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company or its subsidiary.

STATEMENT OF EXECUTIVE COMPENSATION

The Form 51-102F5 Statement of Executive Compensation is attached as **Appendix “B”** to this Information Circular.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out particulars of the compensation plans and individual compensation arrangements under which equity securities of the Company are authorized for issuance as of December 31, 2017.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	4,720,000	Nil	Nil
Equity compensation plans not approved by securityholders ⁽¹⁾	2,080,000	Nil	4,725,000
Total	6,800,000	Nil	4,725,000

(1) At December 31, 2017, the Company had a “fixed” stock option plan that reserved 11,525,000 of the Voting Shares for issuance as stock options. This 2017 Option Plan (as defined below), which has not been approved by Shareholder, replaced the Company’s former 10% “rolling” stock option plan, as approved by Shareholders in July 2016. See “Particulars of Other Matters to be Acted Upon – Approval of Amended Stock Option Plan”.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness, no current or former director, executive officer or senior officer of the Company, employee or any proposed nominee for election as a director of the Company, or any associate or affiliate of any such director, executive officer or senior officer, employee or proposed nominee, is or has been indebted to the Company or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Company or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Company.

MANAGEMENT CONTRACTS

Pursuant to the terms of a management services agreement (the “**King & Bay West Agreement**”), made effective February 28, 2017, the Company engaged King & Bay West Management Corp. (“**King & Bay West**”) of Suite 1240, 1140 West Pender Street, Vancouver, British Columbia V6E 4G1, to provide services

and facilities to the Company. King & Bay West is a private company which is owned by Mark J. Morabito, the Executive Chair and a director of the Company. The following are the executive officers of King & Bay West, all of whom are residents of British Columbia, Canada: Mark J. Morabito, Chair & CEO, and Sheila Paine, Secretary. King & Bay West provides the Company with administrative and management services. The services provided by King & Bay West include shared facilities, administrative, management, legal and regulatory, finance, accounting, corporate development, information technology support and corporate communications services. The fees for these management services are determined and allocated to the Company based on the cost or value of the services provided to the Company as determined by King & Bay West, and the Company reimburses King & Bay West for such costs on a monthly basis.

During the fiscal year ended December 31, 2017, the Company incurred fees of \$736,227 (excluding taxes) to King & Bay West. Of this amount \$643,913 was for services King & Bay West personnel provided to the Company and \$92,314 was for overhead and third-party costs incurred by King & Bay West on behalf of the Company. The Company has provided King & Bay West with a security deposit in the amount of \$100,000 in accordance with the King & Bay West Agreement.

AUDIT COMMITTEE

The Audit Committee Charter

The Audit Committee Charter is attached as **Schedule “A”** to this Information Circular.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

John Sutherland (Chair)	Not Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Stan Gadek	Not Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Réjean Bourque	Independent ⁽¹⁾	Financially Literate ⁽¹⁾

(1) As defined by National Instrument 52-110 (“NI 52-110”).

Mr. John Sutherland is the former Chief Financial Officer and Vice President, Human Resources of Jetlines Operations and therefore is not independent. Mr. Stan Gadek is the Chief Executive Officer of the Company and therefore is not independent. Mr. Réjean Bourque is an independent director.

Mr. Sutherland and Mr. Gadek will not be standing for re-election as directors at the Meeting and their positions on the Audit Committee will need to be filled. The Audit Committee will be reconstituted and two new members, including a Chair, will be appointed promptly following the Meeting.

Relevant Education and Experience

All of the current Audit Committee members are senior level businesspersons with extensive experience in financial matters; each has a broad understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour. In addition, each of the current members of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors and/or senior officers of public companies other than the Company.

Mr. Sutherland is a Chartered Professional Accountant with significant experience in the transportation, technology and mining industries. Mr. Sutherland has held CFO positions at a number of publicly listed companies in those industries. He is the former CFO and VP Human Resources the Company's subsidiary, Jetlines Operations. Mr. Sutherland has also served as a director and a member of the audit committees of numerous companies listed on various Canadian and American stock exchanges. Mr. Sutherland is a member of the Chartered Professional Accountants of British Columbia. Mr. Sutherland received his Diploma in Technology-Operations Management from the British Columbia Institute of Technology in 1970.

Mr. Gadek is a senior business executive with over 20 years of experience in the airline industry. Mr. Gadek has held senior executive officer positions with a number publicly listed and private airline companies, including VP Finance and CFO of AirTran Holdings Inc (AirTran Airways), VP Finance & CFO of Great Lakes Aviation Ltd., and President, CEO and CFO of Sun Country Airlines. Mr. Gadek received a Certified Public Accountant designation from the State of Illinois Department of Financial and Professional Regulation in 1977. Mr. Gadek received his Bachelor of Science, Accounting from the University of Illinois in 1976 and his MBA from the University of St. Thomas in St. Paul, Minnesota in 1984.

Mr. Bourque has over 20 years of experience in domestic and international markets, in implementing and managing large and innovative financing transactions. Mr. Bourque has expertise in financial engineering, namely corporate finance, sales, project and international financing and also applied to a large number of government financings. He is a member of the management team of Marsh Canada since 2006, playing a leading role in risk management and financial products, heading surety and credit insurance practices in Montreal; a member of Marsh Canada's Global Infrastructure-Construction and Lenders Insurance and advising expert groups. He has held executive positions in investor relations and spokesperson with financial markets with Bombardier as Vice President of Investor Relations from 2002 to 2006 and Government Relations from 1988 to 2006.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

During the most recently completed financial year, the Company has not relied on the exemptions contained in section 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or under part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement and pre-approval of non-audit services, as described in the attached Audit Committee Charter under the heading "Auditors – Requirements for Pre-Approval of Non-Audit Services". With respect to the engagement of non-audit services, the Audit Committee shall approve in advance any retainer of the external auditors to perform any non-audit service to the Company in accordance with Applicable Requirements, specifically relating to such non-audit services. The Committee may delegate preapproval authority to a member of that Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting. Approval by the Committee of a non-audit service to be performed by the external auditor of the Company shall be disclosed in periodic reports as required by applicable regulatory authorities.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are set out in the table below. "Audit Fees" includes fees for audit services including the audit services completed for the Company's subsidiaries. "Audit-Related Fees" includes fees for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under Audit Fees including the review of interim filings. "Tax Fees" includes fees for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning. "All Other Fees" includes all fees billed by the external auditors for services not covered in the other three categories.

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2017	\$39,500	\$24,276	\$--	\$--
December 31, 2016	\$17,952	\$18,258	\$5,250	\$--

Exemption

The Company is relying on the exemption in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

On June 30, 2005, the Canadian Securities Administrators introduced in final form National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201"). The Company has reviewed its own corporate governance practices in light of the NP 58-201 guidelines. In certain cases, the Company's practices comply with NP 58-201, however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore certain guidelines have not been adopted.

Set out below is a description of certain corporate governance practices of the Company, as required by NI 58-101.

Board of Directors

NP 58-201 recommends that boards of directors of reporting issuers be composed of a majority of independent directors. NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board of Directors of the Company is currently comprised of nine directors. Of these, six, being Deborah Robinson, Réjean Bourque, John Stephenson, Jason Grant, Saad Hammad and Tony Lefebvre, are considered by the Board of Directors to be independent. Mark J. Morabito is not independent by virtue of being the Company's current Executive Chair and is also the Chair & CEO of King & Bay West. Stan Gadek is not independent by virtue of being the Company's current Chief Executive Officer. John

Sutherland is not independent by virtue of being the former Chief Financial Officer and Vice President of Human Resources of Jetlines Operations.

Management of the Company is nominating six directors for election: Mark J. Morabito, Deborah Robinson, Réjean Bourque, Jason Grant, Saad Hammad and Tony Lefebvre. If the proposed directors are elected, the Company's Board will be composed of six directors, five independent (Deborah Robinson, Réjean Bourque, Jason Grant, Saad Hammad and Tony Lefebvre) and one non-independent (Mark J. Morabito). Stan Gadek, John Sutherland and John Stephenson will not be standing for re-election at the Meeting.

Mr. Morabito currently serves as the Executive Chair of the Company's Board. The Chair is not independent. The Chair's responsibilities include, without limitation, ensuring that the Board of Directors works together as a cohesive team with open communication and works to ensure that a process is in place by which the effectiveness of the Board of Directors, its committees and its individual directors can be evaluated on a regular basis. The Chair also acts as the primary spokesperson for the Company's Board, ensuring that management is aware of concerns of the Company's Board, shareholders, other stakeholders and the public and, in addition, ensures that management strategies, plans and performance are appropriately represented to the Company's Board of Directors.

The Board of Directors considers that management is effectively supervised by the independent directors on an informal basis, as the independent directors are actively and regularly involved in reviewing the operations of the Company and have regular and full access to management. The independent directors did not meet separately during the last financial year of the Company. The independent directors are able to meet at any time without any members of management, including the non-independent directors, being present. The independent directors are encouraged to meet separately when they determine that it is appropriate.

Directorships

Currently, the following nominee directors serve on the following boards of directors of other reporting issuers (or the equivalent in a foreign jurisdiction):

Director	Public Corporation Board Membership
Mark J. Morabito	Alderon Iron Ore Corp. Excelsior Mining Corp. Xineoh Technologies Inc.
Deborah Robinson	None
Réjean Bourque	None
Jason Grant	None
Saad Hammad	Pegasus Hava Tasimaciligi AS
Tony Lefebvre	None

Orientation and Continuing Education

The Company provides an orientation program to new directors. This program consists of:

- A detailed briefing with the Chair.
- A detailed briefing with the Chief Executive Officer.

- The Company's Vice President, Legal and its Corporate Secretary providing education regarding directors' responsibilities, corporate governance issues and recent and developing issues related to corporate governance and regulatory reporting.
- Provision of the Company's committee charters and corporate governance policies to the new director.
- Access to the Company's independent directors, as required, for the new director to discuss the operation of the Company and the Board.

The Company also encourages senior management to participate in professional development programs and courses and supports Management's commitment to training and developing employees. The Board of Directors provides comprehensive information regarding the Company to new directors and continuing education for directors on an ad hoc basis in respect of issues that are necessary for them to understand to meet their obligations as directors. The Compensation, Corporate Governance and Nominating Committee reviews, monitors and makes recommendations regarding new director orientation and the ongoing development existing directors.

Ethical Business Conduct

The Board of Directors expects Management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. On March 10, 2017 the Board of Directors adopted a formal written Code of Business Conduct and Ethics (the "Code") which is available on SEDAR at www.sedar.com.

The Board endeavors to ensure that directors, officers and employees exercise independent judgement in considering transactions and agreements in respect of which a director, officer or employee of the Company has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest. In addition, in accordance with the *Canada Business Corporations Act* if a director is a director or officer of, or has a material interest in, any person who is a party to a transaction or proposed transaction with the Company, that director is not entitled to vote on any directors' resolutions in respect of such transaction, in most circumstances.

The Board of Directors has appointed a Compensation, Corporate Governance and Nominating Committee (the "CCGN Committee"), which is currently comprised of Deborah Robinson, Réjean Bourque and John Sutherland. Mr. Sutherland will not be standing for re-election as a director at the Meeting and his position on the CCGN Committee will need to be filled. The CCGN Committee will be reconstituted and a new committee member will be appointed promptly following the Meeting.

Nomination of Directors

The CCGN Committee, in consultation with the Chair of the Board and the Company's CEO, is responsible for the annual (or as required) identification and recruitment of individuals qualified to become new Board members and for recommending to the Board of Directors, new director nominees for the Company's annual general meetings of shareholders. A set of formal directors' nomination guidelines has been adopted for the identification of new candidates for Board positions. The guidelines include the specific qualifications required of a potential candidate. The CCGN Committee is responsible for reviewing a potential candidate's qualifications, interviewing the potential candidate and evaluating the potential candidate's suitability for Board membership. An invitation to join the Board is made only where Board consensus regarding the proposed candidate is obtained.

Compensation

The quantity and quality of the directors' and executive officers' compensation is reviewed on an annual basis by the CCGN Committee. At present, the Board of Directors is satisfied that the current Board of Directors' compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. Further details about the Company's compensation practices are disclosed in the Company's "Statement of Executive Compensation" attached as **Schedule "B"** to this information circular.

Corporate Governance

The CCGN Committee is responsible for reviewing the Company's corporate governance policies and practices and ensuring that Board members, senior management and employees of the Company adhere to those policies and practices.

Other Board Committees

Currently, the Financing and Start-Up Committee is the only other committee of the Company other than the Audit Committee and CCGN Committee.

The objectives of the Finance and Start-Up Committee are as follows:

- To evaluate specifications and suitability of potential aircrafts and to determine acceptable terms of lease.
- To oversee and support the Company through the air operator certification process.
- To supervise and provide industry insight on the ultra-low cost carrier airline build-out from start-up to operations.
- To arrange sufficient funds to launch airline operations in the earliest possible time frame.
- To evaluate all potential sources of financing including strategic partner funding, debt and equity financing.
- To review potential merger and acquisition transactions.

Assessments

The Board of Directors does not, at present, have a formal process in place for assessing the effectiveness of the Board of Directors as a whole, its committees or individual directors. The Board of Directors conducts informal periodic assessments of the effectiveness of the Board of Directors and its individual directors on an ongoing basis. At present, the CCGN Committee, in consultation with the Chair of the Board, is in the process of developing an appropriate system for evaluating the effectiveness of the Board as a whole, its committees and individual directors.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Amended Stock Option Plan

On July 27, 2016, Shareholders approved the Company's former 10% rolling incentive stock option plan (the "**2016 Plan**"). On May 9, 2017, the Board of Directors approved an amended incentive stock option plan (the "**2017 Plan**") that replaced the Company's 2016 Plan with a "fixed" stock option plan. Under the 2017 Plan, the maximum number of incentive stock options ("**Options**") approved for issuance was fixed at 11,525,000 Voting Shares. The 2017 Plan has not been approved by Shareholders.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve the Company's further amended incentive stock option plan (the "**Option Plan**"). The Option Plan provides the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, and to reward such of those directors, officers, employees and consultants as may be awarded options under the Option Plan by the Board of Directors from time to time for their contributions toward creating shareholder value through achievement of the short and long-term goals of the Company.

While the Company is proposing a number of Voting Shares that will be available under all Security-Based Compensation Plans (defined below) to be greater than 10%, such additional amounts are critical to the Company's ability to continue to attract experienced management and directors. The Company expects to complete the larger financing required to commence airline operations within the near term. The Company expects the total number of Voting Shares available for issuance under all Security-Based Compensation Plans will become closer to 10% of the Voting Shares outstanding after the completion of such financing.

Description of the Amended Stock Option Plan

The description of the Option Plan set forth below is subject to and qualified in its entirety by the provisions of the Option Plan. Reference should be made to the provisions of the Option Plan with respect to any particular provision described below.

Eligibility

- Options may be granted to directors, officers, employees, management company employees of, or consultants to, the Company or its related entities, or their permitted assigns (each an "**Eligible Person**").

Limitations

- The maximum aggregate number of Voting Shares issuable to insiders at any time pursuant to the Option Plan, together with the Company's restricted share unit plan (the "**RSU Plan**") and performance share unit (the "**PSU Plan**") (collectively, the "**Security-Based Compensation Plans**") of the Company, may not exceed a fixed number of 14,000,000 Voting Shares (approximately twenty percent (20%) of the Company's issued and outstanding Voting Shares, as of the date of this Information Circular).
- The aggregate number Voting Shares issuable to any one Eligible Person who is a Consultant (as defined in the Option Plan) shall not, within a one-year period, exceed two percent (2%) of the number of Voting Shares outstanding immediately prior to the grant of any such option.
- The aggregate number of Voting Shares issuable to all Eligible Persons retained in Investor Relations Activities shall not, within a one-year period, exceed two percent (2%) of the number of Voting Shares outstanding immediately prior to the grant of any such option.

Exercise Price

- The Board of Directors has the authority under the Option Plan to determine the exercise price of Options at the time they are granted, but such price shall not be less than the closing price of the Voting Shares on the TSXV on the last trading day preceding the date on which the grant of the option is approved by the Board of Directors.

Vesting

- Options shall vest and be subject to the terms and conditions of the Option Plan and such other terms and conditions as determined in the sole discretion of the Board at the time of grant.
- The Board of Directors may, in its sole discretion, shorten the vesting period of any Options or waive any conditions applicable to such Options.
- In the event of a Change in Control (as defined in the Option Plan), if the surviving corporation fails to continue or assume the obligations with respect to each Option or fails to provide for the conversion or replacement of each Option with an equivalent award, then all Options that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.

Expiry

- The maximum term of Options is ten (10) years from the day they are granted. However, as permitted by the TSXV, the Option Plan has been amended to include an automatic extension of the expiry date associated with any Option that expires during a trading blackout period imposed by the Company in accordance with insider trading policies. Under the Option Plan, if an option expires within a blackout period, the expiry date will be automatically extended to ten (10) business days following the date on which the blackout period is lifted.

Termination

- All Options granted under the Option Plan are not assignable or transferable other than by will or the laws of dissent and distribution. Other than Eligible Persons engaged in Investor Relations Activities, if an optionee ceases to be an Eligible Person for any reason whatsoever other than termination for cause or death, each fully vested option held by such optionee will cease to be exercisable ninety (90) days following the termination date (being the date on which such optionee ceases to be an Eligible Person), provided that in no event shall such right extend beyond the expiry date of such options. If an optionee dies, the legal representative of the optionee may exercise the optionee's options within one year after the date of the optionee's death but only up to and including the original option expiry date.
- In the case of an optionee who is an Eligible Person engaged in Investor Relations Activities, each fully vested option held by such optionee will cease to be exercisable within thirty (30) days from the date such optionee ceases to provide Investor Relations Activities, provided that in no event shall such right extend beyond the expiry date of such options. In the case of an optionee who is an Eligible Person who is terminated for cause, any option held by such optionee shall expire immediately.

Assignability and Transferability

- All options granted under the Option Plan are not assignable or transferable other than by will or the laws of descent and distribution.

Amendments to the Option Plan

- The Board of Directors may amend the Option Plan without the approval of Shareholders provided however, that the Shareholders approval must be obtained to effect any of the following modifications to the Option Plan:
 - (i) an increase in the benefits under the Option Plan;
 - (ii) an increase in the aggregate number of Voting Shares which may be issued under the Security-Based Compensation Arrangements (including the change from a fixed percentage of Voting Shares to a fixed number of Voting Shares);
 - (iii) modifications to the requirements as to the eligibility for participation in the Plan;
 - (iv) modifications to the limitations on the number of options that may be granted to any one person or category of persons under the Option Plan;
 - (v) modifications to the method for determining the exercise price of options granted under the Plan;
 - (vi) an increase in the maximum option period; or
 - (vii) modifications to the expiry and termination provisions applicable to options granted under the Option Plan.
- Examples of amendments to the Option Plan which could be made without the approval of Shareholders include the following:
 - (i) amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;
 - (ii) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained in the Option Plan which may be incorrect or incompatible with any other provision thereof;
 - (iii) a change in the process by which an optionee who wishes to exercise his or her Option may do so, including the required form of payment of the Voting Shares being acquired, the form of exercise notice and the place where such payments and must notices must be delivered; and
 - (iv) change the vesting provisions of the Option Plan or any Option, including to provide for accelerated vesting.

Outstanding Options

As at the date of this Information Circular, there were 6,540,000 Options outstanding under the Option Plan, which represent approximately 9.34% of the current number of issued and outstanding Voting Shares. Assuming the approval of the Option Plan, 7,460,000 Options could be available for issuance under the Security-Based Compensation Plans, representing approximately 10.66% of the current number of issued and outstanding Voting Shares.

Disinterested Shareholder Approval

The Company will be required to obtain disinterested shareholder approval for the Option Plan on the basis that:

- The Option Plan permits that the aggregate number of Voting Shares issuable pursuant to options granted under the Option Plan to insiders, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such option.
- The Option Plan permits the grant to insiders (as a group), within a 12 month period, of an aggregate number of Voting Shares issuable pursuant to options granted under the Option Plan, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such option.
- The Option Plan permits the aggregate number of Voting Shares issuable to any one Eligible Person (and where permitted, any companies that are wholly owned by that Eligible Person), within a one-year period, to exceed five percent (5%) of the number of Voting Shares outstanding immediately prior to the grant of any such option.

Approval of Amended Stock Option Plan

At the Meeting, disinterested Shareholders will be asked to consider and approve the Option Plan in the following form:

“RESOLVED, as an Ordinary Resolution of the Shareholders of the Company, that:

1. Subject to regulatory approval, the stock option plan of the Company, as amended effective May 2, 2018 (as may be further amended, varied or supplemented from time to time) (the “**Option Plan**”), a copy of which has been tabled at this Meeting, be and is hereby ratified, confirmed and approved.
2. The Company be and is hereby authorized to issue Options pursuant to and subject to the terms and conditions of the Option Plan entitling the option holders to purchase Voting Shares of the Company.
3. Any one director or officer of the Company be and is hereby authorized to execute any and all documents as the director or officer deems necessary to give effect to the transactions contemplated in the Option Plan.”

The full text of the Option Plan will be available for review at the Meeting and may be obtained from the Company prior to the Meeting by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The foregoing resolution must be passed by a simple majority of disinterested Shareholders, being those Shareholders that are not Eligible Persons who hold Options or may be granted Options under the Option Plan that is the subject of the resolution.

Insiders of the Company holding an aggregate of 6,361,008 Voting Shares are not eligible to vote for the approval of this resolution due to the fact that are eligible to be granted Options under the Option Plan.

Management recommends that Shareholders vote in favour of the resolution to approve the Option Plan. In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the Option Plan.

Approval of Stock Option Grants

The Board of Directors have granted an aggregate of 2,080,000 incentive stock options to certain executive officers, employees, consultants of the Company to purchase up to 2,080,000 Common Shares (the “**Option Grants**”), which are in excess of the number of securities previously approved by Shareholders for reservation under the 2016 Plan. As the number of Voting Shares reserved for issuance upon exercise of previously granted Options and the Option Grants will exceed the number of Voting Shares approved by Shareholders, the Option Grants will only be exercisable upon receipt of disinterested shareholder approval. The Option Grants are included in the 6,540,000 Options currently outstanding. The terms of the Options Grants are as follows:

Name & Title	Number of Options	Grant Date	Expiry Date	Exercise Price	Vesting Terms	Current Number of Voting Shares Owned
The Howard Group Inc. <i>Consultant</i>	300,000	June 1, 2017	June 1, 2022	\$0.20	Twelve-month vesting period	100,000
Stan Gadek <i>Officer</i>	375,000	June 1, 2017	June 1, 2022	\$0.20	Twenty-four month vesting period	2,400,002
Saad Hammad <i>Director</i>	225,000	July 1, 2017	July 1, 2022	\$0.21	Twenty-four month vesting period	Nil
Tayfun Eldem <i>Consultant</i>	150,000	January 18, 2018	January 18, 2023	\$0.76	Twenty-four month vesting period	Nil
Warren Kinsella <i>Consultant</i>	150,000	January 18, 2018	January 18, 2023	\$0.76	Twenty-four month vesting period	Nil
Lara Wilson <i>Officer</i>	125,000	January 18, 2018	January 18, 2023	\$0.76	Twenty-four month vesting period	Nil
Jennifer Paterson <i>Consultant</i>	50,000	January 18, 2018	January 18, 2023	\$0.76	Twenty-four month vesting period	30,000

Lidia Lagovschi <i>Consultant</i>	30,000	January 18, 2018	January 18, 2023	\$0.76	Twenty-four month vesting period	Nil
Vic Charlebois <i>Officer</i>	250,000	January 29, 2018	January 29, 2023	\$0.74	Twenty-four month vesting period	Nil
Phillip Larsen <i>Officer</i>	200,000	January 29, 2018	January 29, 2023	\$0.74	Twenty-four month vesting period	15,000
Tony Lefebvre <i>Director</i>	225,000	February 5, 2018	February 5, 2023	\$0.70	Twenty-four month vesting period	Nil

Accordingly, disinterested Shareholders will be asked to consider and approve the Option Grants in the following form:

“RESOLVED, as an Ordinary Resolution of the Shareholders of the Company, that:

1. The grants of 2,080,000 options of the Company having such terms as summarized in the management information circular of the Company dated May 2, 2018, are hereby ratified, confirmed and approved.
2. Any one director or officer of the Company be and is hereby authorized to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to the provisions of these resolutions.”

The foregoing resolution must be passed by a simple majority of disinterested Shareholders, being those Shareholders that were not granted the options that are the subject of the resolution. Please refer to the table above for the number of Voting Shares held by each individual that will be excluded from voting on this resolution.

Management recommends that Shareholders vote in favour of the resolution to approve the Option Grants. In the absence of contrary instructions, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the Option Grants at the Meeting.

Approval of Restricted Share Unit Plan

In order to further align the interests of the Company’s senior executives, key employees, consultants and directors with those of the Shareholders, the Company has adopted its RSU Plan. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought advisable, approve the Company’s RSU Plan.

Restricted share units (“RSUs”) are a bookkeeping entry, with each RSU having the same value as a Voting Share. The number of RSUs awarded is determined by the Board of Directors in its sole discretion and from time to time by resolution.

Upon each vesting date, participants receive (a) the issuance of Voting Shares from treasury equal to the number of RSUs vesting, or (b) a cash payment equal to the number of vested RSUs multiplied by the fair market value of a Voting Share, calculated as the closing price of the Voting Shares on the TSXV for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

Description of RSU Plan

The description of the RSU Plan set forth below is subject to and qualified in its entirety by the provisions of the RSU Plan. Reference should be made to the provisions of the RSU Plan with respect to any particular provision described below.

Eligibility

- RSUs may be granted to a person who is a director, officer, employee, management company employees of, or consultants to, the Company or its related entities, or their permitted assigns (each, a “Participant”).

Limitations

- The maximum aggregate number of Voting Shares issuable to Participants at any time pursuant to the RSU Plan, together with all other Security-Based Compensation Plans of the Company, may not exceed a fixed number of 14,000,000 Voting Shares (approximately twenty percent (20%) of the Company’s Outstanding Voting Shares as of the date of this Information Circular).

Fair Market Value

- At any particular date, the market value of a Voting Share at that date will be the closing price of the Voting Shares on the principal stock exchange where the Voting Shares are listed for the trading day immediately preceding such date; provided that if the Voting Shares are no longer listed on any stock exchange, then the fair market value will be the fair market value of the Voting Shares as determined by the Board.

Vesting

- RSUs shall vest and be subject to the terms and conditions of the RSU Plan and such other terms and conditions, in each case, as determined in the sole discretion of the Board at the time of grant.
- The Board of Directors may, in its sole discretion, (i) shorten the vesting period of any RSUs or waive any conditions applicable to such RSUs and (ii) determine on the grant date of RSUs that such RSUs may not be satisfied by the issuance of Voting Shares and such RSUs must be satisfied by cash payment only.
- In the event of a Change in Control (as defined in the RSU Plan), if the surviving corporation fails to continue or assume the obligations with respect to each RSU or fails to provide for the conversion or replacement of each RSU with an equivalent award, then all RSUs credited to a Participant’s account that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.
- If vesting occurs during a period when a blackout on trading has been imposed, or within ten business days following the end of a blackout, the redemption date of such vested units shall be extended to a date which is the earlier of (i) ten (10) business days following the end of such blackout and (ii) the expiry date, provided that in order to avoid a salary deferral arrangement, in the case of a Participant that is a Canadian taxpayer, any redemption that is effected during a blackout period will be redeemed for cash

Termination

- Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant, all RSUs credited to the Participant's account which have not yet vested shall be cancelled and no further payments shall be made under the RSU Plan in relation to such RSUs and the Participant shall have no further rights, title or interest with respect to such RSUs.

Assignability and Transferability

- RSUs are not assignable or transferable and payments with respect to vested RSUs may only be made to the Participant, other than in the case of the death of the Participant.

Amendments to the RSU Plan

- The RSU Plan provides that the Board may amend the RSU Plan without the approval of Shareholders, provided however, that the Shareholders must approve any amendment to the RSU Plan which:
 - increases the fixed number of Voting Shares issuable pursuant to the RSU Plan (in combination with all of the Company's other Share-Based Compensation Plans);
 - amends the definition of "Participant" so as to broaden the categories of persons eligible to receive RSUs;
 - amends the provisions of the RSU Plan with respect to the assignability and transferability of units; or
 - amends the provisions of the RSU plan so as to increase the ability of the Board of Directors to amend or modify the RSU Plan.
- Examples of amendments to the RSU Plan which could be made without the approval of Shareholders include the following:
 - amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;
 - amendments of a "housekeeping" nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained in the RSU Plan which may be incorrect or incompatible with any other provision thereof;
 - amendments, modification or termination of any outstanding RSU, including, but not limited to, substituting another award of the same or of a different type; and
 - changing the vesting provisions of the RSU Plan or any RSU, including to provide for accelerated vesting.

Outstanding RSUs

As at the date of this Information Circular, the Company has not granted any RSUs and as such, no RSUs have been satisfied through the issuance of Voting Shares. No RSUs will be granted until the Company has received TSXV and disinterested shareholder approval of the RSU Plan.

Disinterested Shareholder Approval

The Company will be required to obtain disinterested shareholder approval for the RSU Plan on the basis that:

- The RSU Plan permits that the aggregate number of Voting Shares issuable pursuant to RSUs granted under the RSU Plan to insiders, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such RSU.
- The RSU Plan permits the grant to insiders (as a group), within a 12 month period, of an aggregate number of Voting Shares issuable pursuant to RSUs granted under the RSU Plan, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such RSU.
- The RSU Plan permits the aggregate number of Voting Shares issuable to any one Participant (and where permitted, any companies that are wholly owned by that Participant), within a one-year period, to exceed five percent (5%) of the number of Voting Shares outstanding immediately prior to the grant of any such RSU.

RSU Plan Resolution

At the Meeting, disinterested Shareholders will be asked to consider and approve the RSU Plan in the following form:

“RESOLVED, as an Ordinary Resolution of the Shareholders of the Company, that:

1. The restricted unit plan of the Company, dated effective May 2, 2018 (as may be amended, varied or supplemented from time to time) (the “**RSU Plan**”), a copy of which has been tabled at this Meeting, be and is hereby ratified, confirmed and approved.
2. The Company be and is hereby authorized to issue restricted share units (“**RSUs**”) pursuant to and subject to the terms and conditions of the RSU Plan entitling the holders to receive Voting Shares of the Company or a cash payment equal to the number of vested RSUs (as set out in the RSU Plan).
3. Any one director or officer of the Company be and is hereby authorized to execute any and all documents as the director or officer deems necessary to give effect to the transactions contemplated in the RSU Plan.”

The full text of the RSU Plan will be available for review at the Meeting and may be obtained from the Company prior to the Meeting by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The resolution approving the RSU Plan must be passed by a simple majority of disinterested Shareholders, being those Shareholders that are not also eligible Participants under the RSU Plan who may benefit from approval of the resolution. Please refer to the disclosure above under “Particulars of Other Matters to be Acted Upon – Approval of Amended Stock Option Plan” for discussion regarding the identity of, and number of Voting Shares held by, persons that will not be eligible to vote for this resolution.

Insiders of the Company holding an aggregate of 6,361,008 Voting Shares are ineligible to vote for the approval of this resolution due to the fact that they are eligible to be granted RSUs under the RSU Plan.

Management recommends that Shareholders vote in favour of the resolution to approve the RSU Plan. In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the RSU Plan.

Approval of Performance Stock Unit Plan

In order to further align the interests of the Company's senior executives, key employees and consultants with those of the Shareholders, the Company has adopted its PSU Plan. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought advisable, approve the Company's PSU Plan.

Performance share units ("PSUs") are a bookkeeping entry, with each PSU having the same value as a Voting Share. The number of PSUs awarded and the target milestones for vesting of PSUs, including performance and/or time targets, is determined by the Board of Directors in its sole discretion and from time to time by resolution.

Upon each vesting date, participants receive (a) the issuance of Voting Shares from treasury equal to the number of PSUs vesting, or (b) a cash payment equal to the number of vested PSUs multiplied by the fair market value of a Voting Share, calculated as the closing price of the Voting Shares on the TSXV for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

Description of PSU Plan

The description of the PSU Plan set forth below is subject to and qualified in its entirety by the provisions of the PSU Plan. Reference should be made to the provisions of the PSU Plan with respect to any particular provision described below.

Eligibility

- PSUs may be granted to a person who is an officer, employee or consultant of the Company or of a related entity of the Corporation (each, a "**Participant**").

Limitations

- The maximum aggregate number of Voting Shares issuable to Participants at any time pursuant to the PSU Plan, together with all other Security-Based Compensation Plans of the Company, may not exceed a fixed number of 14,000,000 Voting Shares (approximately twenty percent (20%) of the Company's Outstanding Voting Shares as of the date of this Information Circular).

Fair Market Value

- At any particular date, the market value of a Voting Share at that date will be the closing price of the Voting Shares on the principal stock exchange where the Voting Shares are listed for the trading day immediately preceding such date; provided that if the Voting Shares are no longer listed on any stock exchange, then the fair market value will be the fair market value of the Voting Shares as determined by the Board.

Vesting

- PSUs shall vest and be subject to the terms and conditions of the PSU Plan and applicable target milestones, including performance and/or time targets, and such other terms, in each case, as determined in the sole discretion of the Board at the time of grant.

- The Board of Directors may, in its sole discretion, (i) alter the applicable target milestones for vesting of any PSUs or waive any other conditions applicable to such PSUs and (ii) determine on the grant date of PSUs that such PSUs may not be satisfied by the issuance of Voting Shares and such PSUs must be satisfied by cash payment only.
- In the event of a Change in Control (as defined in the PSU Plan), if the surviving corporation fails to continue or assume the obligations with respect to each PSU or fails to provide for the conversion or replacement of each PSU with an equivalent award, then all PSUs credited to a Participant's account that have not otherwise previously been cancelled shall immediately vest on the date on which a Change in Control occurs.
- If vesting occurs during a period when a blackout on trading has been imposed, or within ten business days following the end of a blackout, the redemption date of such vested units shall be extended to a date which is the earlier of (i) ten (10) business days following the end of such blackout and (ii) the expiry date, provided that in order to avoid a salary deferral arrangement, in the case of a Participant that is a Canadian taxpayer, any redemption that is effected during a blackout period will be redeemed for cash

Termination

- Subject to the terms of any agreement between a Participant and the Company, or unless otherwise determined by the Board of Directors, upon termination of a Participant, all PSUs credited to the Participant's account which have not yet vested shall be cancelled and no further payments shall be made under the PSU Plan in relation to such PSUs and the Participant shall have no further rights, title or interest with respect to such PSUs.

Assignability and Transferability

- PSUs are not assignable or transferable and payments with respect to vested PSUs may only be made to the Participant, other than in the case of the death of the Participant.

Amendments to the PSU Plan

- The PSU Plan provides that the Board may amend the PSU Plan without the approval of Shareholders, provided however, that the Shareholders must approve any amendment to the PSU Plan which:
 - increases the fixed number of Voting Shares issuable pursuant to the PSU Plan (in combination with all of the Company's other Share-Based Compensation Plans);
 - amends the definition of "Participant" so as to broaden the categories of persons eligible to receive PSUs;
 - amends the provisions of the PSU Plan with respect to the assignability and transferability of units; or
 - amends the provisions of the PSU plan so as to increase the ability of the Board of Directors to amend or modify the PSU Plan.
- Examples of amendments to the PSU Plan which could be made without the approval of Shareholders include the following:
 - amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;

- (ii) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained in the PSU Plan which may be incorrect or incompatible with any other provision thereof;
- (iii) amendments, modification or termination of any outstanding PSU, including, but not limited to, substituting another award of the same or of a different type; and
- (iv) changing the target milestone and vesting provisions of the PSU Plan or any PSU.

Outstanding PSUs

As at the date of this Information Circular, the Company has not granted any PSUs and as such, no PSUs have been satisfied through the issuance of Voting Shares. No PSUs will be granted until the Company has received TSXV and disinterested shareholder approval of the PSU Plan.

Disinterested Shareholder Approval

The Company will be required to obtain disinterested shareholder approval for the PSU Plan on the basis that:

- The PSU Plan permits that the aggregate number of Voting Shares issuable pursuant to PSUs granted under the PSU Plan to insiders, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such PSU.
- The PSU Plan permits the grant to insiders (as a group), within a 12 month period, of an aggregate number of Voting Shares issuable pursuant to options granted under the PSU Plan, together with Voting Shares issuable under any other Security-Based Compensation Plan of the Company, to exceed 10% of the number of Voting Shares outstanding immediately prior to the grant of any such PSU.
- The PSU Plan permits the aggregate number of Voting Shares issuable to any one Participant (and where permitted, any companies that are wholly owned by that Participant), within a one-year period, to exceed five percent (5%) of the number of Voting Shares outstanding immediately prior to the grant of any such PSU.

PSU Plan Resolution

At the Meeting, Shareholders will be asked to pass a resolution in the following form:

“RESOLVED, as an Ordinary Resolution of the Shareholders of the Company, that:

1. The performance unit plan of the Company, dated effective May 2, 2018 (as may be amended, varied or supplemented from time to time) (the “**PSU Plan**”), a copy of which has been tabled at this Meeting, be and is hereby ratified, confirmed and approved.
2. The Company be and is hereby authorized to issue performance share units (“**PSUs**”) pursuant to and subject to the terms and conditions of the PSU Plan entitling holders to receive Voting Shares of the Company or a cash payment equal to the number of vested PSUs (as set out in the PSU Plan).

3. Any one director or officer of the Company be and is hereby authorized to execute any and all documents as the director or officer deems necessary to give effect to the transactions contemplated in the PSU Plan.”

The full text of the PSU Plan will be available for review at the Meeting and may be obtained from the Company prior to the Meeting by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The resolution approving the PSU Plan must be passed by a simple majority of disinterested Shareholders, being those Shareholders that are not also eligible Participants under the PSU Plan who may benefit from approval of the resolution.

Insiders of the Company holding an aggregate of 6,361,008 Voting Shares are ineligible to vote for the approval of this resolution due to the fact that they are eligible to be granted PSUs under the PSU Plan.

Management recommends that Shareholders vote in favour of the resolution to approve the PSU Plan. In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the PSU Plan.

Approval of Advance Notice By-Law

On March 10, 2017, the Board approved the adoption of Amendment to By-Law No. 1 (the “**Advance Notice By-Law**”), the text of which is reproduced in Schedule “C” to this Information Circular. Among other things, the Advance Notice By-Law fixes a deadline by which Shareholders must submit a notice of director nominations to the Company prior to any annual or special meeting of shareholders where directors are to be elected and sets forth the information that a shareholder must include in the notice for it to be valid. The Advance Notice By-Law allows the Company and its Shareholders to receive adequate prior notice of director nominations, as well as sufficient information on all the nominees. The Company and its Shareholders will thus be able to evaluate the proposed nominees’ qualifications and suitability as directors. The Advance Notice By-Law will also help facilitate an orderly and efficient meeting process.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to adopt the following resolution in order to confirm and ratify the Advance Notice By-Law:

“RESOLVED, as an ordinary resolution of the Shareholders of the Company, that:

1. The advance notice by-law adopted by the Board of the Company, the text of which is reproduced in Schedule “C” to the Information Circular dated May 2, 2018, be ratified and confirmed as a by-law of the Company.
2. Any one director or officer of the Company be and is hereby authorized to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to the provisions of these resolutions.”

The resolution ratifying the Advance Notice By-Law must be passed by a majority of the votes cast on this matter by Shareholders present in person or by proxy at the Meeting. If the Advance Notice By-Law is not ratified at the Meeting, it will cease to be effective.

Management recommends that Shareholders vote in favour of the resolution to approve the Advance Notice By-Law. **In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the resolution to approve the Advance Notice By-Law.**

OTHER MATTERS

It is not known if any other matters will come before the Meeting other than set forth above and in the Notice of Meeting, but if such should occur, the persons named in the accompanying Proxy intend to vote on any poll, on such matters in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR at www.sedar.com. Shareholders can obtain copies of the Company's financial statements and management discussion and analysis of financial results by sending a request in writing to the Company at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1. Financial information regarding the Company is provided in the Company's audited comparative financial statements for the year ended December 31, 2017 and in the accompanying management discussion and analysis, both of which are available on SEDAR at www.sedar.com.

DATED at Vancouver, British Columbia, this 2nd day of May, 2018.

"Mark J. Morabito"

Mark J. Morabito

Executive Chair of the Board of Directors

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

A. Introduction and Purpose

1. The primary function of the Audit Committee (the “Committee”) of Canada Jetlines Ltd (“Jetlines” or the “Company”) is to oversee the accounting and financial reporting processes of the Company and the audits of the Company’s financial statements and to exercise the responsibilities and duties set forth below, including, but not limited to, assisting the Board in fulfilling its responsibilities in reviewing the following financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company’s compliance with the binding requirement of any stock exchanges on which the securities of the Company are listed and applicable Canadian securities laws (collectively, the “Applicable Requirements”); selecting the external auditors for shareholder approval; reviewing the qualifications, independence and performance of the external auditor; reviewing the qualifications, independence and performance of the Company’s financial management; and identifying, evaluating and monitoring the management of the Company’s principal risks impacting financial reporting . The Committee also assists the Board with the oversight of the financial strategies and overall risk management.
2. The Committee is not responsible for: planning or conducting audits; certifying or determining the completeness or accuracy of the Company’s financial statements or that the financial statements are in accordance with generally accepted accounting principles or international financial reporting standards, as applicable; or guaranteeing the report of the Company’s external auditor. The fundamental responsibility for the Company’s financial statements and disclosure rests with management and the external auditor.

B. Composition and Committee Organization

1. Composition – The Committee shall consist of not less than three independent members of the Board.
2. Appointment and Removal of Committee Members – Each member of the Committee shall be appointed by the Board on an annual basis at its first meeting following each annual shareholders meeting and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of the Company’s shareholders at which the member’s term of office expires, (b) the death of the member, or (c) the resignation, disqualification or removal of the member from the Committee or from the Board. The Board may fill a vacancy in the membership of the Committee.
3. Independence – Each member of the Committee shall meet the independence and audit committee composition requirements of the Applicable Requirements.
4. Financial Literacy – Each member of the Committee shall meet the financial literacy requirements of the Applicable Requirements.
5. The Committee should meet privately at least annually with management to discuss any matters that the Committee or management believes should be discussed. In addition, a portion of each Committee meeting shall be held, in camera, without any member of management being present.

C. Meetings

1. Number of Meetings - Number of Meetings - The members of the Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually.

2. The external auditors and non-Committee board members are entitled to receive notice of and attend and be heard at each Committee meeting. The Chair, any member of the Committee, the external auditors, the Chairman of the Board, the Chief Executive Officer (the “CFO”) or the Chief Financial Officer (the “CEO”) may call a meeting of the Committee by notifying the Company’s Corporate Secretary who will notify the members of the Committee.
3. The Chair shall chair all Committee meetings that he or she attends, and in the absence of the Chair, the members of the Committee present may appoint a chair from their number of a meeting.
4. Quorum - No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.
5. Minutes - The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held and file a copy of the minutes with the Corporate Secretary. The Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.
6. Attendance of Non-Members - The Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.
7. Procedure - The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.
8. Funding – The Company shall provide appropriate funding, as determined by the Committee, for:
 - a. the payment of compensation to any external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services of the Company;
 - b. payment for the services of any advisors retained by the Committee; and
 - c. the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

D. Functions and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by the Applicable Requirements.

1. Financial Reports
 - a. General – The Committee is responsible for overseeing the Company’s financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements and financial disclosures and for the appropriateness of the account principles and the reporting policies used by the Company. The external auditors are responsible for auditing the Company’s annual consolidated financial statements and for reviewing the Company’s unaudited interim financial statements.
 - b. Review of Annual Financial Reports – The Committee shall review the annual consolidated audited financial statements of the Company, the external auditors’ report thereon, the related management’s discussion and analysis of the Company’s financial condition and results of operation (“MD&A”), and the financial disclosure in any earnings press release. After completing its review, if advisable, the

Committee shall recommend for Board approval the annual financial statements, the related MD&A, and the earnings release.

- c. Review of Interim Financial Reports – The Committee shall review the interim consolidated financial statements of the Company, the external auditors’ review report thereon, the related MD&A, and the financial disclosure in any earnings press release as well as the release of significant new financial information. After completing its review, if advisable the Committee shall recommend for Board approval, or if delegated the authority by the Board approve, the interim financial statements, the related MD&A, and the earnings release.
- d. Review Considerations – In conducting its review of the annual financial statements or the interim financial statements, the Committee shall:
 - i. meet with management, the external auditors to discuss the financial statements and MD&A;
 - ii. review the disclosures in the financial statements;
 - iii. review the audit report or review report prepared by the external auditors;
 - iv. discuss with management, the external auditors and legal counsel, as requested, any pending or threatened litigation claims and assessments or other contingency that could have a material effect on the financial statements;
 - v. review critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
 - vi. review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;
 - vii. review critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
 - viii. review the use of any non-GAAP financial measures, including “pro forma” or “adjusted” information;
 - ix. review management’s report on the design and effectiveness of disclosure controls and procedures and internal controls over financial reporting;
 - x. review results of the Company’s whistle blower program;
 - xi. meet in private with external auditors and one or more senior executives; and
 - xii. review any other matters related to the financial statements that are brought forward by the external auditors and amendment or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.
 - xiii. If the Company’s lists its securities on a stock exchange in a jurisdiction other than Canada the Audit Committee should review the equivalent applicable documentation and procedures.
 - xiv. Maintain minutes of meetings and periodically report to the Board of Directors (the “Board”) on significant results of the foregoing activities.
- e. Approval of Other Financial Disclosures – The Committee shall review and if advisable, approve and recommend for Board approval financial related disclosure in a prospectus or other securities offering documents, annual report, annual information form and managements information or proxy circular of the Company.

The Committee will be satisfied that adequate procedures are in place of the review of the Company’s public disclosure of financial information extracted or derived from the financial statements and must periodically assess the adequacy of those procedures.

2. Auditors

- a. General – The Committee shall be directly responsible for oversight of the work of the external auditors, including the external auditors work in preparing or issuing an audit report, performing other audit

review, or attest services of any other related work. The external auditors shall report directly to the Committee and the Committee shall have authority to communicate directly with the Company's external auditors.

- b. Appointment of Other Financial Disclosures – The Committee shall review and if advisable select and recommend to the Board the appointment of the external auditors. The Committee shall review and recommend for Board approval the compensation of the external auditors.
- c. Resolution of Disagreements – The Committee shall resolve any disagreements between management and the external auditors as to financial reporting matters brought to its attention.
- d. Discussions with External Auditor – At least annually, the Committee shall discuss with the external auditor such matters as are required by applicable auditing standards to be discussed by the external auditor with the audit committee, including the matters required to be discussed by Applicable Requirements and review with the external auditor any difficulties encountered in the course of the audit work or otherwise, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management; receive from and review with the independent auditor any accounting adjustments that were noted or proposed by the auditor but that were “passed” (as immaterial or otherwise), any “management” or “internal control” letter or schedule of unadjusted differences issued, or proposed to be issued, by the auditor to the Company, or any other material written communication provided by the auditor to the Company's management.
- e. External Audit Plan – At least annually, the Committee shall review a summary of the external auditors/ annual audit plan. The Committee shall consider and review with the external auditors any material changes to the scope of the plan.
- f. Quarterly Review Report – The Committee shall review a report prepared by the external auditors in respect of each of the interim financial statements of the Company and any other material communication between the external auditor and management.
- g. Independence of External Auditors – At least annually, and before the external auditors issue their report on the annual financial statements, the Committee shall: obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company; discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs and other Applicable Requirements. The Committee shall take appropriate action to oversee the independence of the external auditors.
- h. Evaluation and Rotation of Lead Partner – At least annually, the Committee shall review the qualifications and performance of the lead partner of the external auditors. The Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- i. Hiring of Former Employees of External Auditor – The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- j. Requirements for Pre-Approval of Non-Audit Services – The Committee shall approve in advance any retainer of the external auditors to perform any non-audit service to the Company in accordance with

Applicable Requirements, specifically relating to such non-audit services. The Committee may delegate preapproval authority to a member of that Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting. Approval by the Committee of a non-audit service to be performed by the external auditor of the Company shall be disclosed in periodic reports as required by the Applicable Requirements.

3. Internal Accounting and Disclosure Controls

- a. General – The Committee shall review the adequacy of the Company’s internal accounting and disclosure controls, its management information systems and its financial, auditing and accounting organizations and systems.
- b. Establishment, Review and Approval – the Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over maintenance of records, financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall consider and review with management and the external auditors:
 - i. the effectiveness of, or weaknesses or deficiencies in: the design or operating effectiveness of the Company’s internal controls the overall control environment for management business risks; and accounting, financial and disclosure controls (including without limitation, controls over financial reporting) non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management’s conclusions;
 - ii. any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company’s periodic regulatory filings;
 - iii. any material issues raised by any inquiry or investigation by the Company’s regulators;
 - iv. the Company’s fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
 - v. any related significant issues and recommendations of the auditors together with management’s responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

4. Compliance with Legal and Regulatory Requirements – The Committee shall receive and review regular reports from the Company’s General Counsel and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company’s compliance policies; and any material communications received from regulators. The Committee shall review management’s evaluation of and representations relating to compliance with specific Applicable Requirements, and management’s plans to remediate any deficiencies identified.

5. Committee Whistleblower Procedures – The Committee shall establish or oversee the establishment of procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding outside advisors, as necessary or appropriate, to investigate the matter and will work with management, external auditors, and the general counsel to reach a satisfactory conclusion.

6. Compliance with Code of Business Conduct – The Committee shall:

- a. at least annually, review and assess the adequacy of and, if advisable, approve and recommend for Board approval, any amendments to the Company's Code of Business Conduct;
 - b. review and, if advisable, approve the Company's processes for administering the Code of Business Conduct;
 - c. review, on a regular basis, summaries of the usage of, and the matters being reported to, the whistle blower services;
 - d. review with management the results of their assessment of the Company's compliance with the Code of Business Conduct and their plans to remediate any deficiencies identified; and
 - e. review and, if advisable, approve any waiver from a provision of the Code of Business Conduct requested by a member of the Board or senior management.
7. Committee Disclosure – The Committee shall prepare, review and approve any audit committee disclosures required by the Applicable Requirements in the Company's disclosure documents.
 8. Delegation – The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Committee deems appropriate.

E. Financial Instruments, Risk Assessment and Risk Management

1. Monitor – The Committee shall review and monitor the management of the principal financial risks that could materially impact the reporting of the Company.
2. Processes – the Committee shall review and monitor the processes in place for identifying principal financial risks and reporting them to the Board.
3. Assessment – the Committee shall review policies with respect to the management of capital and financial instrument risk management, including:
 - a. Review and periodic approval of managements financial instrument risk philosophy and management policies;
 - b. Review management reports of demonstrating compliance with risk management policies; and
 - c. Discussing with management, at least annually, the Company's major financial risk exposures and the steps management has taken to monitor, control and report such risks.

F. Reporting to the Board

The Chair shall report to the Board, as required by Applicable Requirements or as deemed necessary by the Committee or as requested by the Board, on matters arising at Committee meetings and, where applicable, shall present the Committee's recommendation to the Board for its approval.

G. General

1. Authority – The Committee shall, to the extent permissible by Applicable Requirements, have such additional authority as may be reasonably necessary or desirable, in the Committee's discretion, to exercise its powers and fulfill its duties under this mandate.

2. Charter Review – The Committee shall review this Charter on an annual basis or more frequently, as required. Where appropriate, the Committee shall propose changes to this Charter to the Board.

H. Performance Evaluation

The Committee shall assess and report annually to the Board on the performance of the Committee by comparing the performance of the Committee against this Charter and the Committee's goals and objectives for the year.

I. Communication of the Charter

To ensure that all directors of the Company are aware of the Charter, a copy of the Charter will be distributed to all directors of the Company. New directors will be provided with a copy of this Charter and will be educated about its importance.

Approved by the Board of Directors on the 10th of March, 2017

SCHEDULE “B”

CANADA JETLINES LTD.
(the “Company”)

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(For the Year Ended December 31, 2017)

GENERAL

The following information, dated as of May 2, 2018, is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

For the purposes of this Form, a “Named Executive Officer”, or “NEO”, means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NEO COMPENSATION

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the two most recently completed financial years ended December 31, 2017 and 2016. Options and compensation securities are disclosed under the heading “Stock Options and Other Compensation Securities and Instruments” of this Form.

Table of Compensation, Excluding Compensation Securities

Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)⁽²⁾	Bonus (\$)⁽²⁾	Committee or meeting fees (\$)⁽²⁾	Value of perquisites (\$)⁽²⁾	Value of all other compensation (\$)⁽²⁾	Total compensation (\$)⁽²⁾
Mark J. Morabito ⁽³⁾ Executive Chairman	2017 2016	130,833 60,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	130,833 60,000
Stan Gadek ⁽⁴⁾ Chief Executive Officer & Director	2017 2016	116,667 Nil	Nil Nil	Nil Nil	25,000 Nil	Nil Nil	141,667 Nil
Kate-Lynn Genzel ⁽⁵⁾ Chief Financial Officer	2017 2016	1,782 11,871	Nil Nil	Nil Nil	Nil Nil	Nil Nil	1,782 11,871
Carlo Valente ⁽⁶⁾ Chief Financial Officer	2017 2016	60,331 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	60,331 Nil
Dixon Lawson Vice President, Strategic Planning and Cost Control ⁽⁷⁾	2017 2016	132,151 41,504	Nil Nil	Nil Nil	Nil Nil	Nil Nil	132,151 41,504
Ken Brophy ⁽⁸⁾ Director	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Stewart Wallis ⁽⁸⁾ Director	2017 2016	Nil 300	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 300
Jim Scott ⁽⁹⁾ Director and Former Chief Executive Officer	2017 2016	260,062 42,252	Nil Nil	Nil Nil	Nil Nil	Nil Nil	260,062 42,252
Mark Lotz ⁽¹⁰⁾ Director	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
John Sutherland ⁽¹¹⁾⁽¹²⁾ Director	2017 2016	105,749 41,504	Nil Nil	Nil Nil	Nil Nil	Nil Nil	105,749 41,504
Deborah Robinson ⁽¹¹⁾ Director	2017 2016	20,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	20,000 Nil
Réjean Bourque ⁽¹¹⁾ Director	2017 2016	20,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	20,000 Nil
John Stephenson ⁽¹³⁾ Director	2017 2016	40,815 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	40,815 Nil
Jason Grant ⁽¹⁴⁾ Director	2017 2016	24,586 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	24,586 Nil

Saad Hammad ⁽¹⁵⁾ Director	2017 2016	18,825 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	18,825 Nil
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NOTES:

- (1) Financial years ended December 31.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Mr. Morabito was appointed as Executive Chair on February 28, 2017. For the period March 1, 2017 to December 31, 2017, Mr. Morabito receives annual consulting fees of \$145,000, with such amount payable to MJM Consulting Corp., a private corporation controlled by Mr. Morabito. Mr. Morabito formally served as Chief Executive Officer & President from November 27, 2016 to February 28, 2017 and received his compensation in the form of consulting fees. Mr. Morabito received a monthly fee of \$5,000 for his services as Chief Executive Officer & President during this period, with such amount also payable to MJM Consulting Corp.
- (4) Mr. Gadek was appointed as a director on February 28, 2017 and as Chief Executive Officer on June 1, 2017. He receives an annual base salary of \$200,000 in connection with his services as Chief Executive Officer. He also receiving a monthly living allowance of \$5,000 Mr. Gadek currently serves on the Board of Directors of the Company but is not compensated for his services as a director. Mr. Gadek will not be standing for re-election as a director at the Meeting.
- (5) Ms. Genzel was appointed Chief Financial Officer of the Company on January 13, 2014 and resigned from this position on February 28, 2017. She is an employee of King & Bay West Management Corp. ("King & Bay West"), a company which provides management services to the Company. During the period January 13, 2014 to February 28, 2017, King & Bay West invoiced the Company on a monthly basis for fees for management services provided which are determined based on the usage of such services by the Company based on an hourly rate. The amount set out for Ms. Genzel under the heading "Salary, consulting fee, retainer or commission" is the amount paid by King & Bay West directly to Ms. Genzel during the applicable period based on the estimated time Ms. Genzel spent providing services to the Company.
- (6) Mr. Valente was appointed Chief Financial Officer of the Company on February 28, 2017. He is also an employee of King & Bay West. The amount set out for Mr. Valente under the heading "Salary, consulting fee, retainer or commission" is the amount paid by King & Bay West directly to Mr. Valente during the applicable period based on the estimated time Mr. Valente spent providing services to the Company.
- (7) Mr. Lawson was appointed as Vice President, Strategic Planning and Cost Control on February 28, 2017.
- (8) Messrs. Brophy and Wallis resigned as directors of the Company effective February 28, 2017.
- (9) Mr. Scott was appointed as a director on February 28, 2017 and subsequently resigned effective May 31, 2017. Mr. Scott was replaced by Mr. Gadek as Chief Executive Officer effective June 1, 2017.
- (10) Mr. Lotz resigned as a director of the Company effective February 5, 2018.
- (11) Messrs. Sutherland and Bourque and Ms. Robinson were appointed as directors of the Company on February 28, 2017.
- (12) Mr. Sutherland will not be standing for reelection at the Meeting.
- (13) Mr. Stephenson was appointed as a director of the Company on May 2, 2017 and will not be standing for reelection at the Meeting.
- (14) Mr. Grant was appointed as a director of the Company on May 9, 2017.
- (15) Mr. Hammad was appointed as a director of the Company on July 1, 2017.

Stock Options and Other Compensation Securities and Instruments

The following table of compensation securities provides a summary of all compensation securities granted or issued by the Company to each NEO and director of the Company for the financial year ended December 31, 2017, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Mark J. Morabito Executive Chairman	Options	600,000	Feb 28, 2017	\$0.30	\$0.295 ⁽²⁾	\$0.66	Feb 28, 2022
Stan Gadek Chief Executive Officer & Director	Options	225,000	Feb 28, 2017	\$0.30	\$0.295 ⁽²⁾	\$0.66	Feb 28, 2022
	Options	375,000	June 1, 2017	\$0.20	\$0.20	\$0.66	June 1, 2022

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversation or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Kate-Lynn Genzel Chief Financial Officer	Options	130,000	Feb 28, 2017	\$0.30	\$0.295 ⁽²⁾	\$0.66	Feb 28, 2022
Carlo Valente Chief Financial Officer	Options	300,000	Feb 28, 2017	\$0.30	\$0.295 ⁽²⁾	\$0.66	Feb 28, 2022
Stewart Wallis Director	Options	110,000	Feb 28, 2017	\$0.30	\$0.295 ⁽²⁾	\$0.66	Feb 28, 2022
Ken Brophy Director	Options	110,000	Feb 28, 2017	\$0.30	\$0.295 ⁽²⁾	\$0.66	Feb 28, 2022
Mark Lotz Director	Options	110,000	Feb 28, 2017	\$0.30	\$0.295 ⁽²⁾	\$0.66	Feb 28, 2022
Jim Scott Director	Options	520,000	Feb 28, 2017	\$0.30	\$0.295 ⁽²⁾	\$0.66	May 5, 2018
John Sutherland Director	Options Warrants	245,000 300,000	Feb 28, 2017 March 10, 2017	\$0.30 \$0.30	\$0.295 ⁽²⁾ \$0.28	\$0.66 \$0.66	Feb 28, 2022
Deborah Robinson Director	Options	225,000	Feb 28, 2017	\$0.30	\$0.295 ⁽²⁾	\$0.66	Feb 28, 2022
Réjean Bourque Director	Options	225,000	Feb 28, 2017	\$0.34	\$0.295 ⁽²⁾	\$0.66	Jul 22, 2020
John Stephenson Director	Options	225,000	May 1, 2017	\$0.22	\$0.21	\$0.66	May 1, 2022
Jason Grant Director	Options	225,000	May 9, 2017	\$0.21	\$0.21	\$0.66	May 9, 2022
Saad Hammad Director	Options	225,000	July 1, 2017	\$0.21	\$0.205 ⁽³⁾	\$0.66	July 1, 2022

NOTES:

- (1) Options vest over a period of two years such that 25% become available for exercise on each of the sixth, twelfth, eighteenth and twenty-fourth month anniversaries of the date of grant.
- (2) The Company's stock was subject to a trading halt during the period February 17, 2016 to March 6, 2017. This trading price is the closing price of the underlying security on March 7, 2017, being the first trading day following the grant of Options on February 28, 2017.

- (3) This trading price is the closing price of the underlying security on July 4, 2017, being the first trading day following the grant of Mr. Hammad's Options on July 1, 2017.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the financial year ended December 31, 2017:

Exercise of Compensation Securities							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Mark J. Morabito Executive Chairman	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Stan Gadek Chief Executive Officer & Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Kate-Lynn Genzel Chief Financial Officer	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Carlo Valente Chief Financial Officer	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Stewart Wallis Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Ken Brophy Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Mark Lotz Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Jim Scott Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
John Sutherland Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Jim Scott Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
John Sutherland Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Deborah Robinson Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Réjean Bourque Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

John Stephenson Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Jason Grant Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Saad Hammad Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Stock Option Plan and Other Incentive Plans

Readers are referred to “Particulars of Other Matters to be Acted Upon” at “*Approval of Amended Stock Option Plan*”, “*Approval of RSU Plan*” and “*Approval of PSU Plan*” in the Company’s management information circular dated May 2, 2018 for a description of the Company’s Security-Based Compensation Plans.

Employment, Consulting and Management Agreements

The material terms of the employment, consulting and management agreements of the Company are described under the heading “Director and NEO Compensation, Excluding Options and Compensation Securities”.

Termination and Change of Control Benefits

During the year ended December 31, 2017, the Company had entered into consulting or employment agreements with the following Named Executive Officers: Mark J. Morabito, Stan Gadek and Dixon Lawson. A description of each consulting or employment agreement with the Named Executives Officers is set forth below.

For the purposes of the Named Executive Officers employee and consulting agreements:

- A “**Change of Control**” is defined as the acquisition by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Canada Business Corporations Act*) of: (1) shares or rights or options to acquire shares of the Company or securities which are convertible into shares of the Company or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders of the Company; (2) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Company or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (3) more than 50% of the material assets of the Company, including the acquisition of more than 50% of the material assets of any material subsidiary of the Company.

For the purposes of the MJM Consulting Agreement (as defined below) consulting agreement:

- “**Good Reason**” means without the employee’s written consent, the occurrence of any of the following circumstances: (i) reduction by the Company in the employee’s base salary; (ii) the failure of the employee to be appointed or re-appointed to the employee’s position with the Company; (iii) a material diminution in the employee’s duties or the assignment to the employee of any duties inconsistent with his position and status with the Company, provided however that in the event of a Change of Control, the mere fact that the Company ceases to be publicly traded or becomes a subsidiary of another corporation shall not constitute

Good Reason; (iv) a change in the employee's reporting relationship such that the Employee no longer reports directly to his current supervisor; or (v) a relocation of place of work.

Mark J. Morabito

On February 28, 2017, the Company entered into a consulting agreement (the "**MJM Consulting Agreement**") with MJM Consulting Corp. ("**MJM**"), pursuant to which MJM provides the services of Mr. Morabito who acts in the capacity of Executive Chair. During the year ended December 31, 2017, the base fees for Mr. Morabito's services as Executive Chair was \$145,000 per year, together with reimbursement for travel and other business expenses incurred on behalf of the Company, and an annual targeted bonus in the amount of up to 30% of the annual base salary. The MJM Consulting Agreement may be terminated at any time by the Company without cause by making a payment to MJM that is equivalent to twelve (12) months base fees.

In the event that there is a Change of Control of the Company and within one year from the date of such Change of Control either (i) the Company terminates Mr. Morabito's agreement or (ii) Mr. Morabito resigns from his position with the Company for Good Reason, the Company will be obliged to make a lump sum termination payment to MJM that is equivalent to twenty-four (24) months base fees, plus an amount that is equivalent to all cash bonuses paid to MJM in the twelve (12) months prior to the Change of Control.

Stan Gadek

On May 31, 2017, the Company entered into an employment agreement (the "**Gadek Employment Agreement**") with Stan Gadek, whereby Mr. Gadek agreed to act in the capacity of Chief Executive Officer of the Company. During the year ended December 31, 2017, Mr. Gadek's base salary for his services as Chief Executive Officer was \$200,000 per year, together with a living allowance of \$5,000 per month, and reimbursement for travel and other business expenses incurred on behalf of the Company, including and an annual targeted bonus in the amount of up to 100% of the annual base salary. The Gadek Employment Agreement may be terminated at any time by the Company without cause by making a payment to Mr. Gadek that is equivalent to twelve (12) months base salary.

In the event that there is a Change of Control of the Company and within one year from the date of such Change of Control, the Company terminates Mr. Gadek's employment agreement, the Company will be obliged to make a lump sum termination payment to Mr. Gadek that is equivalent to twenty-four (24) months base salary plus an amount that is equivalent to all cash bonuses paid to Mr. Gadek in the twelve (12) months prior to the Change of Control.

Dixon Lawson

On November 3, 2015, the Company's subsidiary, Jetlines Operations, entered into an employment agreement (the "**Lawson Employment Agreement**") with Dixon Lawson, whereby Mr. Lawson agreed to act in the capacity of Vice President, Strategic Planning and Cost Control of Jetlines Operations. During the year ended December 31, 2017, Mr. Lawson's base salary was \$140,000 per year, together with reimbursement for travel and other business expenses incurred on behalf of Jetlines Operations, and an annual targeted bonus that are to be set prior to the start of each fiscal year by Jetlines Operations, but will be no greater than 30% of the annual base salary. The Lawson Employment Agreement may be terminated at any time by Jetlines Operations without cause by making a payment to Mr. Lawson that is equivalent to eighteen (18) months base salary. Unless at the time of such termination, Mr. Lawson has less than eighteen (18) months remaining on the term of his employment agreement, in which case he will be paid in lieu of notice for the remaining months through to the end of the term to a minimum of twelve (12) months of base salary.

In the event that there is a Change of Control of Jetlines Operations (with references to the Company in the definition of "Change of Control" changed to Jetlines Operations) and within one year from the date of such Change of Control, Jetlines Operations terminates Mr. Lawson's employment agreement, Jetlines Operations will be obliged to make a lump sum termination payment to Mr. Lawson that is equivalent to twenty-four (24) months base salary plus an amount that is equivalent to all incentive compensation, including cash or equity incentives, paid to Mr. Lawson in the twelve (12) months prior to the Change of Control.

Change of Control

The following table shows estimated incremental payments triggered pursuant to termination of employment of a Named Executive Officer in the event of a Change of Control in accordance with the termination provisions described above:

Name ^{(1),(2)}	Mark Morabito	Stan Gadek	Dixon Lawson
Severance Entitlement	24 months plus actual bonuses paid in prior 12 months	24 months plus actual bonuses paid in prior 12 months	24 months plus actual equity or cash incentives paid in prior 12 months
Severance Period	24 months	24 months	24 months
Severance Payment (Salary/ Fee Portion)	\$290,000	\$400,000	\$280,000
Severance Payment (Bonus Portion)	--	--	--
Unvested Stock Options ⁽³⁾	\$297,000	\$358,750	\$257,400
Benefits ⁽⁴⁾	--	--	--
TOTALS	\$587,000	\$758,750	\$537,400

NOTES:

- (1) The termination value assumes that the triggering event took place on the last business day of the Company's financial year-end (December 31, 2017).
- (2) Mr. Jim Scott resigned as Chief Executive Officer on May 31, 2017 and he is entitled to payments equal to \$231,320, which include severance, legal fee reimbursement and vacation pay.
- (3) Subject to any resolution of the Board of Directors, if there is a Change of Control, all stock options vest immediately prior to such Change of Control. This calculation is based on the closing price of the Common Shares on the Toronto Stock Exchange on December 29, 2017, being \$0.66 per share.
- (4) This amount includes health and medical plan premiums.

Termination Without Cause

The following table shows estimated incremental payments triggered pursuant to termination of employment of a Named Executive Officer in the event of a termination without cause in accordance with the termination provisions described above:

Name ^{(1),(2)}	Mark Morabito	Stan Gadek	Dixon Lawson ⁽⁵⁾
Severance Entitlement	12 months	12 months	18 months
Severance Period	12 months	12 months	18 months
Severance Payment (Salary/ Fee Portion)	145,000	200,000	210,000
Severance Payment (Bonus Portion)	--	--	--
Unvested Stock Options ⁽³⁾	--	--	--
Benefits ⁽⁴⁾	--	--	--
TOTALS	\$145,000	\$200,000	\$210,000

NOTES:

- (1) The termination value assumes that the triggering event took place on the last business day of the Company's financial year-end (December 31, 2017).
- (2) Mr. Jim Scott resigned as Chief Executive Officer on May 31, 2017 and he is entitled to payments equal to \$231,320, which include severance, legal fee reimbursement and vacation pay.
- (3) There is no acceleration of vesting on a termination without cause.
- (4) This amount includes health and medical plan premiums.

Oversight and Description of Director and NEO Compensation

The Company has a compensation committee that is responsible for determining all forms of compensation to be granted to the Named Executive Officers and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company. The Company's Named Executive Officers are compensated through employment agreements, consulting agreements and or management services arrangements. The compensation committee does not have a pre-determined compensation plan and does not engage in benchmarking practices.

Compensation for the NEOs is composed of three components: base salary, performance bonuses and stock options. Performance bonuses are considered from time to time. The compensation committee does not rely on any formula, or objective criteria and analysis to determine an exact amount of compensation to pay. The establishment of base salary, award of stock options and performance bonuses is based on subjective criteria including individual performance, level of responsibility, length of service and available market data. The target is for the total compensation package granted to the NEOs to be approximately in the middle range of other comparably sized exploration and development stage companies, however there is no fixed formula, or pre-determined set of peer companies that is used for this determination.

Base compensation is determined following a review of comparable compensation packages for that position, together with an assessment of the responsibility and experience required for the position to ensure that it reflects the contribution expected from each NEO. Information regarding comparable salaries and overall compensation is derived from the knowledge and experience of the compensation committee, which takes into consideration a variety of factors. These factors include overall financial and operating performance of the Company and the Board's overall assessment of each NEO's individual performance and contribution towards meeting corporate objectives, levels of responsibility and length of service. Each of these factors is evaluated on a subjective basis.

Base Salary

In the Board's view, paying base compensation that is competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. The Board considers each NEO's responsibilities based on subjective factors and made appropriate base salary increases or decreases.

Mr. Mark Morabito served as Chief Executive Officer and President of the Company from November 27, 2015 to February 28, 2017. During this period, Mr. Morabito received monthly consulting fees of \$5,000.00 in connection with his role as Chief Executive Officer and President. On March 10, 2017, Mr. Morabito was appointed Executive Chair of the Company's Board of Directors. Mr. Morabito receives annual consulting fees of \$145,000 for his services as Executive Chair.

Mr. Jim Scott served as Chief Executive Officer from February 28, 2017 to May 31, 2017. During this period, Mr. Scott received an annual base salary of \$145,000 in connection with his role as Chief Executive Officer and President. On May 31, 2017, Stan Gadek was appointed as Chief Executive Officer. Mr. Gadek receives an annual base salary of \$200,000.

Ms. Kate-Lynn Genzel served as Chief Financial Officer of the Company from January 14, 2014 to February 28, 2017. Ms. Genzel is an employee of King & Bay West and did not receive compensation directly from the Company

during this period. On February 28, 2017, Carlo Valente was appointed Chief Financial Officer of the Company. Mr. Valente does not receive compensation directly from the Company. He is also an employee of King & Bay West.

Mr. Dixon Lawson acts as Vice President, Strategic Planning and Cost Control. Mr. Lawson receives an annual base salary of \$140,000.

Bonus Payments

Pursuant to the MJM Consulting Agreement, Mr. Morabito is entitled to receive an annual bonus in the amount of up to 30% of his annual base salary. Pursuant to the Gadek Employment Agreement, Mr. Gadek is entitled to receive an annual bonus in the amount of up to 100% of his annual base salary. Pursuant to the Lawson Employment Agreement, Mr. Lawson is entitled to receive an annual bonus in the amount of up to 30% of his annual base salary.

The compensation committee does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather, the compensation committee uses informal goals typical for early stage companies such as strategic acquisitions, operations and development, equity and debt financings and other transactions and developments that serve to increase the Company's valuation. Precise goals or milestones are not pre-set by the compensation committee. During the two most recently completed financial years, the Company has not paid any discretionary cash bonuses to its NEOs.

Long-Term Incentives

The Company believes that granting stock options and shares to key personnel encourages retention and more closely aligns the interests of executive management with the intent of shareholders. The inclusion of options in compensation packages allows the Company to compensate employees while not drawing on limited cash resources. Further, the Company believes that the option component serves to further align the interests of management with the interests of the Company's Shareholders. The amount of options to be granted is based on the relative contribution and involvement of the individual in question, as well as taking into consideration previous option grants. There are no other specific quantitative or qualitative measures associated with option grants and no specific weights are assigned to any criteria individually, rather, the performance of the Company is broadly considered as a whole when determining the number of stock based compensation (if any) to be granted and the Company does not focus on any particular performance metric. During the financial year ended December 31, 2017, the Company granted an aggregate 2,670,000 Options to its NEOs.

Hedging Restrictions

The Company does not have any policies that restrict a NEO or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Risk Management and Assessment

With respect to the management of risk, the Board takes a conservative approach to executive compensation, rewarding individuals with additional performance-based compensation dependent upon the success of the Company and when such success can be demonstrated. The compensation committee is responsible for reviewing the Company's compensation program to ensure that risks are identified and mitigated to the extent possible. Care is taken in measuring this success, while ensuring it is achieved within normal operating procedures and standards, including those related to the environment, health, safety and sustainable development.

The nature of the business and the competitive environment in which the Company operates requires some level of

risk-taking to achieve growth and desired results in the best interest of stakeholders. The Company's executive compensation program seeks to encourage behaviours directed towards increasing long-term value, while limiting incentives that promote excessive risk taking.

While the Company has not awarded any discretionary bonuses in the past three financial years, there is a risk associated with its approach to discretionary bonuses as there are no pre-defined objectives, target amounts or caps. As a result, there is some incentive for Named Executive Officers to take on unmanageable risk and unsustainable performance over the long term in order to achieve a short term discretionary bonus payout. The Company is aware of this risk and at such time the Company moves to a more advanced stage of development, it is expected that the compensation committee will develop a bonus program with pre-defined objectives and target amounts in order to mitigate these risks.

The Company views stock options as a valuable tool for aligning the interest of management and Shareholders in the long-term growth and success of the Company. The Company is aware that stock option grants that vest immediately may create an incentive for management to maximize short term gains at the expense of the long-term success of the Company. In order to mitigate this risk, option grants are generally subject to vesting period of two years from the date of grant.

Director Compensation

For the period January 1, 2017 to April 31, 2017, the Company had no formal compensation program; however, directors were eligible to receive options to purchase Shares pursuant to the terms of the Option Plan.

On May 1, 2017, the Company implemented a quarterly retainer director compensation program whereby Canadian resident directors receive CAD \$7,500 per quarter and non-Canadian resident directors receive US\$7,500 per quarter. Directors who were also NEO's during the fiscal year ended December 31, 2017, being Mark J. Morabito, Jim Scott and Stan Gadek, did not receive quarterly retainer payments during the period May 1, 2017 to December 31, 2017. All directors are eligible to receive options to purchase Shares pursuant to the terms of the Option Plan.

Changes Subsequent to Year-End

Subsequent to the year ended December 31, 2017, the Company is proposing the implementation of the RSU Plan and PSU Plan in order to provide additional equity compensation tools to attract and retain experienced management and Board members. No RSUs or PSUs have been granted as of the date of this Information Circular.

Pension

The Company does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

SCHEDULE “C”
CANADA JETLINES LTD.
(the “Corporation”)

AMENDMENT TO BY-LAW NO. 1

BE IT ENACTED as an amendment to By-Law No. 1 of the Corporation that an article titled “Advance Notice of Meeting of Shareholders” be created and Article 15 be added as follows:

“15.1 Nomination Procedures

Subject only to the Act, regulations, Applicable Securities Law, articles and by-laws of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if the election of directors is a matter specified in the notice of meeting:

- a) by or at the direction of the board, including pursuant to a notice of meeting;
- b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
- c) by any person (a “**Nominating Shareholder**”) who (A) at the close of business on the date of the giving of the notice provided for in this Article 15 and on the record date for notice of such meeting, is entered in the central securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation, and (B) complies with the notice procedures set forth below in this Article 15.

15.2 Timely Notice

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Chief Executive Officer of the Corporation in accordance with this Article 15.

15.3 Manner of Timely Notice

To be timely, a Nominating Shareholder’s notice under this Article 15 must be given:

- a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than 30 days prior to the date of the meeting; provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the meeting was made.

15.4 Proper Form of Notice

To be in proper written form, a Nominating Shareholder's notice under this Article 15 must set forth:

- a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, (A) the name, age, province or state, and country of residence of the person, (B) the principal occupation, business or employment of the person, both present and within the five years preceding the notice, (C) whether the person is a resident Canadian within the meaning of the Act, (D) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act or any Applicable Securities Laws; and
- b) as to the Nominating Shareholder, (A) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person or any joint actors, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (B) full particulars regarding any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or to direct or to control the voting of any shares of the Corporation and (C) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act or any Applicable Securities Laws.

References to "Nominating Shareholder" in this Article 15 shall be deemed to refer to each shareholder that nominates a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal.

15.5 Notice to be Updated

In addition, to be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required under this Article 15 to be provided in such notice shall be true and correct as of the record date for the meeting.

15.6 Power of the Chairman

The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

15.7 Delivery of Notice

Notwithstanding any other provision of these by-laws, notice given to the Chief Executive Officer of the Corporation pursuant to this Article 15 may only be given by personal delivery, facsimile transmission or by email (provided that the Chief Executive Officer of the Corporation has stipulated an email address for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of the confirmation of such transmission has been received) to the Chief Executive Officer of the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day

or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

15.8 Waiver

Notwithstanding the foregoing, the board may, in its sole discretion, waive any or all requirements in this Article 15.

15.9 Definitions

For purposes of this Article 15:

- a) “**Affiliate**”, when used to indicate a relationship with a specific person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
- b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the written rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada;
- c) “**Associate**”, when used to indicate a relationship with a specified person, shall mean (i) any body corporate or trust of which such person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such body corporate or trust for the time being outstanding, (ii) any partner of that person, (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (iv) a spouse of such specified person, (v) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (vi) any relative of such specified person or of a person mentioned in clauses (iv) or (v) of this definition if that relative has the same residence as the specified person;
- d) “**beneficially owns**” or “**beneficially owned**” means, in connection with the ownership of shares in the capital of the Corporation by a person, (i) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) any such shares as to which such person or any of such person’s Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (iii) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty’s Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person’s Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person beneficially owns pursuant to this clause (iii) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty’s Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first

Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (iv) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities;

- e) “**close of business**” means 5:00 p.m. (Vancouver time) on a business day in British Columbia, Canada;
- f) “**Derivatives Contract**” shall mean a contract between two parties (the “**Receiving Party**” and the “**Counterparty**”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Corporation or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “**Notional Securities**”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Corporation or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts; and
- g) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.”

ENACTED by the Board of Directors the 10th day of March, 2017.

CONFIRMED by all of the Shareholders in accordance with the *Canada Business Corporations Act* the _____ day of _____, 201__.