A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the provinces of Ontario, British Columbia and Alberta, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about the securities offered hereunder and it is an offence to claim otherwise. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws. Accordingly, except to the extent certain transactions are exempt from the registration requirements of the 1933 Act and applicable state securities laws, these securities may not be offered or sold within the United States or to U.S. persons (as such term is defined in Regulation S under the 1933 Act). This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".

Initial Public Offering **PRELIMINARY PROSPECTUS** June 18, 2018

AIRESTECH

AMERICAN AIRES INC.

400 Applewood Crescent, Unit 100
Vaughan, Ontario
L4K 0C3

24,000,000 Common Shares for gross proceeds of $7,200,000
Price: $0.30 per Common Share
(the "Offering")

Price: $0.30 Per Common Share

American Aires Inc. (the "**Corporation**") hereby offers for sale through Richardson GMP Limited (the "**Agent**") on a commercially reasonable efforts basis, 24,000,000 common shares ("**Common Shares**") of the Corporation at a price of $0.30 per Common Share for aggregate gross proceeds of $7,200,000. The offering price was determined by negotiation between the Agent and the Corporation. This prospectus ("**Prospectus**") qualifies the distribution of the Common Shares. See "*Plan of Distribution*".

	Price to the Public	Agent's Commission(1)	Net Proceeds to the Corporation(2)
Per Common Share	$0.30	$0.0225	$0.2775
Total...	$7,200,000	$540,000	$6,660,000

Notes:

(1) *The Agent shall receive a cash commission equal to 7.5% of the aggregate gross proceeds of the Offering and a non-transferable option (the "**Agent's Option**") to purchase up to that number of Common Shares in the capital of the Corporation equal to 7.5% of the aggregate number of Common Shares sold under this Offering at a price of $0.30 per Common Share for a period of one (1) year from the date the Common Shares are listed on the Canadian Securities Exchange (as defined herein). The Agent's Option will be qualified under this Prospectus. See "Plan of Distribution".*

(2) *Before deducting the balance of the costs of this Offering which are estimated to be $440,000. The Corporation has also paid the Agent a corporate finance fee of $25,000, which is non-refundable. The Corporation will also pay the Agent its legal fees and disbursements, of which a retainer of $10,000 has been paid to the Agent.*

(3) *The Corporation grants to the Agent an option (the "**Over-Allotment Option**"), exercisable in whole or in part by notice given at any time up until the Closing Date (as defined herein), to solicit and accept subscriptions for such number of Shares as is equal to 5% of the number of Shares sold under the Offering (the "**Over-Allotment Shares**"). The purchase price for each Over-Allotment Share in respect of which the option is*

exercised shall be the Offering Price. The issuance of the Over-Allotment Shares shall be only for the purpose of covering over-allotments. The Over-Allotment Option and all securities issuable thereunder shall be qualified under the Prospectus. If the Over-Allotment Option is exercised in full, the Offering, the Agent's commission and net proceeds to the Corporation, before deducting the expenses of the Offering, will be $7,560,000, $567,000 and $6,993,000, respectively. See "Plan of Distribution".

Concurrently with the filing of the Prospectus, the Corporation will make an application for listing on the the Exchange. Listing is subject to the Corporation fulfilling all of the listing requirements of the Exchange which include completion of the distribution of the Common Shares to a minimum number of public shareholders. See "*Plan of Distribution*".

The Agent conditionally offers the Common Shares on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Corporation and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*", subject to approval of legal matters on the Corporation's behalf by Irwin Lowy LLP, of Toronto, Ontario and on the Agent's behalf by Getz Prince Wells LLP, of Vancouver, British Columbia.

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part by the Corporation and the right is reserved by the Corporation to close the subscription books at any time without notice. It is expected that the Closing of the offering will occur on a date agreed upon by the Corporation and the Agent, but not later than the date that is 90 days after a receipt is issued for the final prospectus or if a receipt has been issued for an amendment to the final prospectus, within 90 days of issuance of such receipt and in any event not later than 180 days from the date of receipt of the final prospectus. It is expected that the Common Shares will be delivered in electronic book entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee upon Closing unless the Agent elects for physical share certificates which would be available for delivery upon Closing. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Risk Factors".

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

An investment in the Common Shares should be considered highly speculative and involves a high degree of risk due to the nature of the Corporation's business and other risk factors. Investors should consider an investment in the securities of the Corporation to be speculative and should review the "Risk Factors" outlined in this Prospectus.

The Corporation is not a "related issuer" or a "connected issuer" to the Agent as such terms are defined under applicable Canadian securities laws.

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of the Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Common Shares.

The completion of the Offering is subject to the Corporation obtaining conditional approval of its listing application from the Exchange and other regulatory approvals which are expected to occur on or about [●], 2018 (the "**Closing Date**"), or such other date as the Agent and the Corporation may agree in writing.

Until such time as a Closing has occurred in respect of the Offering, all subscription funds received by the Agent will be held by the Agent pending Closing of the Offering. If the Offering has not been closed prior to the expiry of the 90 day period described above, the Agent shall promptly return the proceeds of subscriptions to the subscribers without interest or deduction unless such subscribers have otherwise instructed the Agent.

Other than the Agent, no underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

The following table sets out the number of options and other compensation securities that have been issued or may be issued by the Corporation to the Agent:

Agent's Position	Maximum size or number of securities available(1)	Price to the Public	Exercise Period	Exercise Price)
Over-Allotment Option..........	1,200,000	$0.30	Prior to Closing Date	$0.30 per Common Share
Agent's Options.....................	1,890,000(1)	$0.30	One (1) year from the Listing Date	$0.30 per Common Share

Note:

(1) Assuming that the Over-Allotment Option is exercised in full.

No person is authorized by the Corporation or the Agent to provide any information or to make any representations other than those contained in this Prospectus in connection with the issue and sale of the securities offered pursuant to this Prospectus.

Prospective investors should rely only on the information contained in or incorporated by reference into this Prospectus. The Corporation has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this prospectus is accurate only as of its date, regardless of its time of delivery. The Corporation's business, financial condition, results of operations and prospects may have changed since that date.

Richardson GMP Limited
550 Burrard Street, Suite 500
Vancouver, British Columbia, V6C 2B5
Telephone: 604.640.0400
Facsimile: 604.640.0300

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus and the documents incorporated by reference herein are forward looking statements or information (collectively "**forward-looking statements**"). All statements other than statements of historical facts contained in this Prospectus, including statements relating to the Corporation's expectations regarding its revenue, expenses and operations; anticipated cash needs and the need for additional financing; the timing, availability and amount of financings and the ability to successfully complete financings; expected use of proceeds; future results of operations and financial position; business strategy; prospective products; ability to protect, maintain and enforce intellectual property rights; timing of and costs associated with research and development; timing and likelihood of success; plans and objectives of management for future operations and future growth; the acceptance by customers and the marketplace of new technologies and solutions; ability to attract new customers and develop and maintain existing customers; ability to attract and retain personnel; expectations with respect to advancement in technologies; competitive position and expectations regarding competition; future results of current and anticipated products; anticipated trends and challenges in the Corporation's business and the markets in which it operates; and regulatory developments and the regulatory environments in which the Corporation operates are forward-looking statements.

The Corporation is providing cautionary statements identifying important factors that could cause the Corporation's actual results to differ materially from those projected in these forward-looking statements. Any statements that express or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases including, but not limited to, and including grammatical tense variations of such words as: "may", "anticipates", "is expected to", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

The Corporation has based the forward-looking statements largely on the Corporation's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Corporation believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond our control, include, but are not limited to: the Corporation's anticipated cash needs and the need for additional financing; the Corporation's ability to successfully complete future financings; the Corporation's ability to protect, maintain and enforce its intellectual property and to secure the right to use other intellectual property that it deems desirable for the conduct of its business; the acceptance by the Corporation's customers and the marketplace of new technologies and solutions; the Corporation's ability to attract new customers and develop and maintain existing customers; the Corporation's ability to increase brand awareness through marketing efforts; the Corporation's expectations regarding its competitive position; the Corporation's expectations regarding regulatory developments and the impact of the regulatory environment in which the Corporation operates; the Corporation's ability to attract and retain qualified management personnel and key employees; and anticipated trends and challenges in the Corporation's business and the markets in which it operates.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as of the date they are made and are based on information currently available and on our then current expectations and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and assumptions described under the headings in this Prospectus entitled "Risk Factors" and elsewhere in this Prospectus. Factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, include, but are not limited to, risks and uncertainties related to:

- market risk for securities;
- future financing risks;
- going-concern risks;
- global economy risks;
- use of proceeds risks;
- volatility of the Corporation’s share price following a listing on a public exchange and the lack of trading history for the Common Shares;
- increased costs of being a publicly traded company;
- limited operating history in an evolving industry and history of losses;
- lack of brand development;
- expectations with respect to advancement in technologies;
- currency fluctuations;
- interest rates;
- taxes on the Company and its products;
- liabilities that are uninsured or uninsurable;
- economic conditions, dependence on management and conflicts of interest;
- intellectual property rights;
- attracting and retaining quality employees;
- key personnel risk;
- management of growth;
- product and services development;
- expansion risk;
- breach of confidential information;
- competition within the technology industry;
- corporate matters;
- issuance of debt;
- third party credit;
- short term investments;
- shares reserved for issuance;
- credit risk;
- liquidity risk;
- interest rate risk;
- other risks described in this Prospectus and described from time to time in the Corporation’s documents filed with Canadian securities regulatory authorities; and
- other factors beyond the Corporation’s control.

Further, any forward-looking statement speaks only as of the date on which such statement is made and, except as required by applicable law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Corporation's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Please also refer to "Risk Factors" in this Prospectus.

SUMMARY OF THE PROSPECTUS

The following is a summary of the principal features of this Offering and distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Capitalized terms used in this summary which are not defined in the Glossary have the meanings ascribed to them elsewhere in the Prospectus. Reference is made to the Glossary for the definitions of certain terms with initial capital letters used in this Prospectus and in this summary.

Principal Business	The Corporation is currently engaged in the business of production, distribution and sales of devices intended to protect persons from the harmful effects of electromagnetic emissions that are emitted by modern electronic devices.
The Offering	Pursuant to the Offering, the Corporation intends to raise $7,200,000 for 24,000,000 Common Shares ($7,560,000 for 25,200,000 Common Shares in the event the Over-Allotment Option is exercised in full) whereby investors may acquire Common Shares at a price of $0.30 per Common Share. The Corporation will also grant to the Agent, the Agent's Options, which options are also qualified under this Prospectus. See "*Plan of Distribution*". The Corporation will also grant to the Agent the Over-Allotment Option solely to cover Over-Allotments, if any, and for market stabilization purposes. This Prospectus also qualifies both the grant of the Over-Allotment Option and the issuance of securities upon exercise of such option. See "*Plan of Distribution*". The Corporation has applied, concurrent with the filing of this Prospectus, to list its Common Shares, the Common Shares issuable pursuant to the Agent's Option and the Over-Allotment Option on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.
Price and Subscription Procedure	The subscription price of $0.30 per Common Share is payable at the time of Closing by such method of payment as is acceptable to the Agent.
Closing	The Closing Date of the Offering is subject to the Issuer obtaining conditional approval of its listing application from the Exchange and other regulatory approvals which is expected to occur on or about [●], 2018 or such other date as the Agent and the Issuer may agree in writing. See "*Plan of Distribution*".
Offering Jurisdictions	The Offering will be made in the Provinces of Ontario, British Columbia and Alberta. See "*Plan of Distribution*".

Commission and Agent's Options	The Agent will receive a commission of 7.5% on the gross proceeds of the Offering. On the Closing Date of the Offering, the Agent will be granted Agent's Options equal in number to 7.5% of the number of Common Shares sold under the Offering. Each Agent's Option which will entitle the Agent to purchase, at an exercise price equal to $0.30, one common share in the capital of the Corporation. The Agent's Options may be exercised at any time and from time to time for a period of one (1) year following the listing on the Exchange. This Prospectus qualifies the Agent's Option. See "*Plan of Distribution*".
Listing	The Corporation has applied to have its common shares listed on the Exchange. Listing is subject to the Corporation fulfilling all of the requirements of the Exchange. See "*Plan of Distribution*".
The Corporation	The Corporation was incorporated on May 15, 2012 under the *Business Corporations Act* (Ontario). The Corporation was incorporated for the purpose of the development, production and sale of technologies that minimize the harmful effects of, and control the electromagnetic fields that are emitted by, modern electronic devices. The Corporation does not have any subsidiaries.

Directors, Officers and Key Personnel of the Corporation

Name	**Title**
Dimitry Serov	CEO, President, Secretary-Treasurer and Director
Robert Suttie	Chief Financial Officer
Ruslan Elensky	Director
Christopher Irwin	Director
Tony Di Benedetto	Director
Igor Serov	Director

See "*Directors, Officers and Key Personnel of the Corporation*".

Use of Proceeds

The gross proceeds to the Corporation will be $7,200,000 ($7,560,000 in the event the Over-Allotment Option is exercised in full). The net proceeds to the Corporation from the Offering after deducting the anticipated Agent's Commission are estimated to be $6,660,000 ($6,993,000 in the event the Over-Allotment Option is exercised in full). The total funds available to the Corporation at Closing after deducting the estimated expenses of the Offering of $440,000, not including any proceeds from the Over-Allotment Option or the exercise of any outstanding warrants to purchase Common Shares are estimated to be $6,978,229 ($7,311,229 in the event the Over-Allotment Option is exercised in full). The Corporation intends to expend its allocated total funds available as follows:

Use of Available Funds(1)	Offering(2)
Offering commissions	$540,000
Other Offering costs	$440,000
Consulting Fees	$144,000(3)
Research and development costs	$1,060,000
Marketing costs	$2,250,000
Patent costs	$285,000
General and administrative	$2,259,229
	$6,978,229

Notes:

(1) Upon completion of the Offering, the Corporation intends to spend the funds available to it to carry out its business objectives as set forth in this table and further described under the heading "Use of Proceeds". However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. ***The Corporation may redirect funds to other activities.***

(2) Does not include issuance of any Common Shares pursuant to an exercise of the Over-Allotment Option.

(3) Payable pursuant to the Consulting Agreements as described under "Business of the Corporation – Three Year History."

(4) As at May 31, 2018 the Corporation had a working capital of $758,229.

Risk Factors

The Corporation's business is subject to certain risks, including but not restricted to risks related to: market risk for securities, future financing risks; going-concern risks; global economy risks; use of proceeds risks; volatility of the Corporation's share price following a listing on a public exchange and the lack of trading history for the Common Shares; increased costs of being a publicly traded company; limited operating history in an evolving industry and history of losses; lack of brand development; expectations with respect to advancement in technologies; currency fluctuations; interest rates; taxes on the Company and its products; liabilities that are uninsured or uninsurable; economic conditions, dependence on management and conflicts of interest; intellectual property rights; attracting and retaining quality employees; key personnel risk; management of growth; product and services development; expansion risk; breach of confidential information; competition within the technology industry; corporate matters; issuance of debt; third party credit; short term investments; shares reserved for issuance; credit risk; liquidity risk; interest rate risk; other risks described in this Prospectus and described from time to time in the Corporation's documents filed with Canadian securities regulatory authorities; and other factors beyond the Corporation's control. See "*Risk Factors".*

Summary Financial Information

The selected financial information set out below is based on and derived from the audited annual consolidated financial statements of the Corporation for the years ended December 31, 2017 and December 31, 2016 and the unaudited condensed interim financial statements for the three months ended March 31, 2018 and 2017 prepared in accordance with International Financial Reporting Standards.

	For the three months ended March 31, 2018 (unaudited)	For the year ended December 31, 2017 (audited)	For the year ended December 31, 2016 (unaudited)
Balance Sheet			
Assets	3,192,101	2,323,884	63,174
Liabilities	164,933	597,050	325,600
Shareholder's equity	3,027,168	1,726,834	(262,426)
Deficit	(1,531,481)	(1,253,961)	(262,526)
Statements of Loss and Deficit			
Total Revenue	66,179	228,914	134,576
Total Expenses	343,699	1,220,349	229,509
Net Income (Loss)	(277,520)	(991,435)	(94,933)
Net Income (Loss) per share	(0.00)	(0.02)	(949.33)

GLOSSARY

In this Prospectus, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:

“**1933 Act**” means the United States Securities Act of 1933, as amended;

“**Agency Agreement**” means the agency agreement dated [●], 2018 with respect to the Offering between the Corporation and the Agent as more particularly described under the heading “*Plan of Distribution*”;

“**Agent**” means Richardson GMP Limited;

“**Agent’s Commission**” means the fee of 7.5% of the gross amount raised under the Offering and payable to the Agent pursuant to the Agency Agreement;

“**Agent’s Options**” means the non-assignable options granted by the Corporation to the Agent to purchase that number of Common Shares equal to 7.5% of the total Common Shares distributed pursuant to the Offering to investors;

“**Board**” means the board of directors of the Corporation;

“**Closing**” means closing of the issue and sale of Common Shares pursuant to the Offering;

“**Closing Date**” means the date of Closing the Offering and the date of any subsequent closings, the first of which is expected to occur on or about [●], 2018 but may occur on such other date as the Agent may agree and as may be consented to by persons or companies who subscribed within that period, but in any event not later than July 30, 2018;

“**Commissions**” means collectively, the Ontario Securities Commission, the British Columbia Securities Commission and the Alberta Securities Commission;

“**Common Share**” or “**Common Shares**” means, respectively, one or more common shares in the capital of the Corporation;

“**Computershare**” means Computershare Investor Services Inc, the registrar and transfer agent for the Common Shares;

“**Corporation**” means American Aires Inc.;

“**CRA**” means the Canada Revenue Agency;

“**CSE**” means the Canadian Securities Exchange;

"**CSE Policies**" means the rules and policies of the CSE in effect as of the date hereof;

“**Escrow Agreement**” means the escrow agreement dated [●], 2018 among the Corporation, the Escrow Agent and holders of the Escrow Securities;

“**Escrow Agent**” and “**Transfer Agent**” means Computershare Investor Services Inc, at its Toronto office located at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1;

"**Escrow Securities**" means the Common Shares held by the directors, officers and insiders on the Listing Date that will be deposited or voluntary deposited in escrow or a voluntary pooling arrangement pursuant to the Escrow Agreement or a voluntary pooling agreement, as applicable;

“**Exchange**” means the Canadian Securities Exchange;

"**Listing Date**" means the date on which the Common Shares are listed for trading on the CSE

“**Named Executive Officer**” means each of the following individuals:

(a) a chief executive officer (“**CEO**”) of the Corporation;

(b) a chief financial officer (“**CFO**”) of the Corporation;

(c) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year;

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings* as published by the Canadian Securities Administrators;

"**NI 51-102**" means National Instrument 51-102 *Continuous Disclosure Requirements*;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*;

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices*;

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines;*

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Offering**” means the public offering of the Common Shares, as described herein or in any amendment hereto;

“**Offering Jurisdictions**” means the provinces of Ontario, British Columbia and Alberta;

"**Optionee**" means the holder of an Option;

"**Options**" means incentive stock options granted to the Issuer's directors, officers, employees and consultants in accordance with the Stock Option Plan and rules and the CSE Policies;

"**Person**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual;

“**Offering**” means the Offering whereby Common Shares are sold raising gross proceeds of $7,200,000, subject to the Over-Allotment Option;

"**Over-Allotment Option**" means the option granted by the Corporation to the Agent, exercisable in whole or in part by notice given at any time up until the Closing Date, to solicit and accept subscriptions for such number of Shares as is equal to 5% of the number of Shares sold under the Offering, to cover over-allotments, if any;

"**Prospectus**" means this prospectus and any appendices, schedules or attachments hereto.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval (www.sedar.com).

"**Stock Option Plan**" means the Issuer's stock option plan providing for the grant of Options to the Issuer's directors, officers, employees and consultants in accordance with the provisions of the Stock Option Plan and the CSE Policies.

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.) and the regulations thereunder, as amended.

CONVENTIONS

Certain terms used herein are defined in the "Glossary". Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars. All financial information with respect to the Corporation has been presented in Canadian dollars in accordance with generally accepted accounting principles in Canada.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was incorporated on May 15, 2012 under the *Business Corporations Act* (Ontario). The head and registered office of the Corporation is 400 Applewood Crescent, Unit 100, Vaughan, Ontario, L4K 0C3. The Corporation does not have any subsidiaries.

BUSINESS OF THE CORPORATION

Background

According to certain research certain frequencies emitted by cellular phones can interact with the human brain's electroencephalographic activity and send signals to the human brain, which are capable of interacting with the brain's own bioelectric activity and thereby disrupting its function (source: *Saint-Petersburg Electrotechnical University- X Russian-German Conference on Biomedical Engineering (June 25-27 2014)*. This study emphasizes the importance to protect the human brain when using a mobile phone.

The Corporation's products are electromagnetic anomaly neutralizers that may be considered as one form of protection against certain frequencies emitted by cellular phones. The products are a universal three-dimensional Fourier filter. As a result of an electromagnetic field interaction with the Corporation's products, the field undergoes a structural transformation that may cancel out the influence of the frequencies that resonate with the human brain which occur when using a cellular phone.

Three Year History

The Corporation is a private company based in Vaughan, Ontario incorporated on May 15, 2012. The Corporation was formed to further research, develop and distribution devices intended to protect persons from the harmful effects of electromagnetic radiation ("**EMR**") that are emitted by modern electronic devices. Since incorporation, the Corporation has continued the research and development that was started by the AIRES Human Genome Research Foundation ("**AIRES Research**") and has manufactured its products in Russia, and sold its products primarily in North America and elsewhere throughout the world, including Asia, South-east Asia, the Middle-East, Europe and South America. Aires Research, a non-profit foundation based and governed pursuant to the laws of the Russian Federation, was founded by Igor Serov in 1998 to conduct research in various scientific areas, including controlling the harmful effects of EMR emissions. Mr. Igor Serov and Mr. Dimitry Serov established the Corporation to further develop the technology being used by the Corporation and to bring the technology to market.

The core technology of the Corporation's products was originally developed as part of a 1999 Russian Military tender by the Aires New Medical Foundation, which was put in place to reduce the harmful effects of EMR on officers serving in ground-based air defense radar stations. At the time the Aires New Medical Foundation was owned and operated by Igor Serov.

Over the years following 1999, the Aires New Medical Foundation team, consisting of Russian biologists and scientists, developed the original EMR protection product. The technology developed as part of that effort laid the foundation for all products currently sold by the Corporation. Since its existence, the Corporation has invested into research and development creating the first set of consumer-oriented prototypes, devices that were geared towards reducing the harmful effects of EMR emitted by personal communication devices and the Corporation has since manufactured and imported the product from Russia to Canada with sales throughout the world.

On January 1, 2017 the Corporation entered into intellectual property assignment agreements (collectively the "**IP Assignment Agreements**") with each of Dimitry Serov and Igor Serov (the "**Founders**") whereby the Founders transferred the proprietary rights in relation to the intellectual property related to the Corporation's business of production, distribution and sales of devices intended to protect persons from the harmful effects of electromagnetic emissions. In consideration for the transfer of the intellectual property the Corporation issued 26,999,940 Common Shares to Dimitry Serov and issued 17,999,960 Common Shares to Igor Serov. Further, in connection with the IP Assignment Agreements certain shareholder loans in the amount of $173,618 was transferred to the Corporation by Igor. The fair market value of the intellectual property was deemed to be $4,499,990.

On January 2, 2017 the Corporation entered into consulting agreements (the "**Consulting Agreements**") with each of Richard Buzbuzian and Jason Monaco (collectively the "**Consultants**") whereby each of the Consultants would provide financial, strategic and advisory services to the Corporation for a term of one year expiring December 31, 2017. In consideration for the services each of the Consultants were to be paid a fee of $16,667 per month plus taxes and a fee equal to one percent (1%) of the value of the proceeds raised pursuant to any going public transaction within ten days of completion of the going public transaction. The monthly fees under the Consulting Agreements have been paid in full and the Consulting Agreements have not been extended, accordingly the only obligation currently outstanding under the Consulting Agreements is the payment of the one percent fee as stated above. In the event a going public transaction is completed within twelve (12) months of the expiry or termination of the Consulting Agreements, the Consultants will still be entitled to the one percent fee as stated above. The Consultants are bound by standard confidentiality provisions and each party agrees to indemnify the other party for any breaches under the Consulting Agreements.

On September 29, 2017 the Corporation closed private placement financing of Common Shares of the Corporation. The offering included the sale of 15,800,000 Common Shares at a price of $0.05 per Common Shares, for aggregate gross proceeds of $790,000. Certain finders received a cash commission equal to 10% in the aggregate of the gross proceeds of the private placement.

On January 26, 2018 the Corporation closed private placement financing of units of the Corporation ("**Units**"). The offering included the sale of 26,000,000 Units at a price of $0.05 per Unit, for aggregate gross proceeds of $1,300,000. Each Unit consisted of one Common Share and one Common Share purchase warrant exercisable into a Common Share at a price of $0.14 for a period of two (2) years from the date of issuance.

On October 15, 2017 the Corporation entered into a research and development agreement ("**Research Agreement**") with Aires Human Genome Research Foundation (the "**Aires Human**"), a non-profit organization governed by the laws of Russia, to among other things, conduct scientific research related to electromagnetic fields and/or radiation, develop and implement new technology based on its research activities and provide the Corporation with the results of all its research and development efforts. Mr. Igor Serov, a director of the Corporation, is the principal of Aires Human. Any and all intellectual property developed pursuant to the Research Agreement becomes the intellectual property of the Corporation.

On February 23, 2018 the Corporation closed private placement financing of Common Shares of the Corporation ("**Common Shares**"). The offering included the sale of 2,500,000 Common Shares at a price of $0.14 per Common Share, for aggregate gross proceeds of $350,000. Certain finders received a cash commission equal to 10% in the aggregate of the gross proceeds of the private placement.

On May 17, 2018 the Corporation issued 800,000 Common Shares to two individuals at a deemed price of $0.05 per Common Share, in consideration for previous services provided by such individuals.

Description of the Business

The Corporation is currently engaged in business of production, distribution and sales of devices intended to protect persons from the harmful effects of electromagnetic emissions. The Corporation currently has four principal products: Air Shield Extreme, Aires Black Crystal, Aires Defender Infinity and Aires Defender Automotive (the "**Aires Products**") and has further products in the development phase.

For each of the Corporation's products, the resonator antenna captures electromagnetic impulse from the electronic device and when the charge is accumulated, the charge is reallocated on to the microprocessor. Surface wave is generated and the microprocessor's slot matrix creates a three-dimensional field structure, consisting of regularly alternating maximum and minimum field gradients. The resulting hologram interacts with external radiation, modifies it (by direct and inverse Fourier conversion), harmonizing it with the body's own radiation, thus preventing conflict between external radiation and radiation of biological cells.

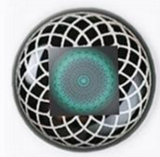
Principal Products

As noted above the Corporation currently has four principal products being manufactured and sold to consumers. Each of the products is described below.

<u>*Air Shield Extreme*</u>

Aires Shield Extreme ("**Shield**") is designed to minimize electromagnetic anomalies to reduce the effects of electromagnetic radiation from mobile communication devices such as smartphones, cell phones, personal digital assistant devices and other similar electronic devices. The Shield is placed on the body of the device via an adhesive backing. Most recently the Shield has a retail price of approximately USD$55.95. The components of the Shield are as follows:

1. **Protective layer -** Polyurethane resin type colorless, transparent compound protecting the product from mechanical effects (manufactured by Caryes Equipment s.r.l, Italy);
2. **Aires K-8 microprocessor -** Single-crystal silicon plate with an etched topology pattern - photomask-based microlithography technology is a coherent converter with a custom-designed annular slot diffraction array, applied to the surface thereof, which forms a resonance response in the form of a spherical fractal field, harmonizing external anthropogenic and natural electromagnetic fields interacting therewith by amplitude, frequency, phase and interaction diagrams (historically manufactured by Angsterm Scientific Production Organization, Russia; Integral, OJSC, Belarus);
3. **KDR-2 resonator-antenna -** Copper and gold coating printed circuit boards is an annular conductive matrix, applied to the base that captures electromagnetic radiation of an electronic device and reallocates it to the microprocessor (historically manufactured by Hong Kong, Evergreen (H.K.) PCB Ltd.);
4. **Base -** FR4 fiber-glass Kingboard Laminates Tg130 (China) with Fotochem FSR—8000 mask (Taiwan) applied as an adhesive layer to be fixed on the surface of an electronic device.
5. **Adhesive layer -** Double-sided tape. Composition: foam polyethylene, adhesive layer - rubber (Scotch-Mount, China).



Aires Black Crystal

Aires Black Crystal ("**Crystal**") is designed to minimize electromagnetic anomalies to reduce the effects of electromagnetic radiation emitted by TVs, computers and various large household appliances. The Crystal is placed on the body of the device using an adhesive backing. Four holes in the corners of the Crystal enable the Crystal to be sewed onto clothing if required. The Crystal has a retail price of approximately USD$55.95. The components of the Crystal are as follows:

1. **Aires K-8 microprocessor -** Single-crystal silicon plate with an etched topology pattern - photomask-based microlithography technology is a coherent converter with a custom-designed annular slot diffraction array, applied to the surface thereof, which forms a resonance response in the form of a spherical fractal field, harmonizing external anthropogenic and natural electromagnetic fields interacting therewith by amplitude, frequency, phase and interaction diagrams (historically manufactured by Angsterm Scientific Production Organization, Russia; Integral, OJSC, Belarus);
2. **KDR-2 resonator-antenna -** Copper and gold coating printed circuit boards is an annular conductive matrix, applied to the base that captures electromagnetic radiation of an electronic device and reallocates it to the microprocessor (manufactured by Hong Kong, Evergreen (H.K.) PCB Ltd.);
3. **Base -** FR4 fiber-glass Kingboard Laminates Tg130 (China) with Fotochem FSR—8000 mask (Taiwan) applied as an adhesive layer to be fixed on the surface of an electronic device.

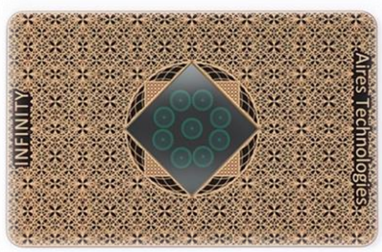
The resonator antenna captures electromagnetic impulse from the electronic device and when the charge is accumulated, the charge is reallocated on microprocessor. Surface wave is generated and the microprocessor's slot matrix creates a three-dimensional field structure, consisting of regularly alternating maximum and minimum field gradients. The resulting hologram interacts with external radiation, modifies it (by direct and inverse Fourier conversion), harmonizing it with the body's own radiation, thus preventing conflict between external radiation and radiation of biological cells.

The main difference between the Shield and the Crystal are that the Crystal is designed for large devices, such as desktop computers, and the Shield is designed for smaller devices, such as mobile phones.

Aires Defender Infinity

Aires Defender Infinity ("**Infinity**") is designed to minimize electromagnetic anomalies to reduce the effects of electromagnetic radiation from electromagnetic background, generated by numerous radiation sources: office and household appliances, electrical wires, wireless communication, TV antenna and similar large products. The Infinity is designed to be placed in your pocket, wallet, purse, etc. Most recently, the Defender has a retail price of approximately USD$239.95. The components of the Infinity are as follows:

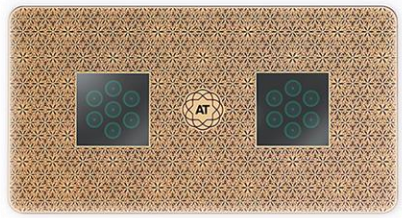
1. **Aires 9K-8 microprocessor -** Single-crystal silicon plate with an etched topology pattern - photomask-based microlithography technology is a coherent converter with a custom-designed annular slot diffraction array, applied to the surface thereof, which forms a resonance response in the form of a spherical fractal field, harmonizing external anthropogenic and natural electromagnetic fields interacting therewith by amplitude, frequency, phase and interaction diagrams (manufactured by Angsterm Scientific Production Organization, Russia; Integral, OJSC, Belarus);
2. **KDR-2 resonator-antenna -** Copper and gold coating printed circuit boards is an annular conductive matrix, applied to the base that captures electromagnetic radiation of an electronic device and reallocates it to the microprocessor (manufactured by Hong Kong, Evergreen (H.K.) PCB Ltd.);
3. **Base -** FR4 fiber-glass Kingboard Laminates Tg130 (China) with Fotochem FSR—8000 mask (Taiwan) applied as an adhesive layer to be fixed on the surface of an electronic device.



Aires Defender Automotive

Aires Defender Automotive ("**Automotive**") is designed to minimize electromagnetic anomalies to reduce the effects of electromagnetic radiation from electromagnetic background to be used inside of an automotive vehicle and place in the near vicinity of the driver. The Automotive has a retail price of USD$279.95. The components of the Automotive are as follows:

1. **Aires 7K-8 analog microprocessor -** is a coherent converter, a single-crystal silicon plate with a custom-designed annular slot diffraction matrix, applied to the surface thereof, which forms a resonance response in the form of a domed fractal field, harmonizing external electromagnetic fields interacting therewith by amplitude, frequency, phase and interaction diagrams (manufactured by Angsterm Scientific Production Organization, Russia; Integral, OJSC, Belarus);
2. **KDR-2 resonator-antenna** - Copper and gold coating printed circuit boards is an annular conductive matrix, applied to the base that captures electromagnetic radiation of an electronic device and reallocates it to the microprocessor (manufactured by Hong Kong, Evergreen (H.K.) PCB Ltd.);
3. **Base -** FR4 fiber-glass Kingboard Laminates Tg130 (China) with Fotochem FSR—8000 mask (Taiwan) applied as an adhesive layer to be fixed on the surface of an electronic device.



Principal Markets

Global consumers of electronic devices such as smartphones, tablets and computers are the principal target market of the Corporation. The Corporation intends to continually improve its existing products and introduce new products to obtain a greater share of the market and to diversify its exposure to one market segment.

The Corporation's client base is global; however, it is currently focused on the North American market. Future marketing plans include continuing efforts to increase global product awareness. Based on the Corporation's research, the customer demographic can be segmented into three groups:

Consumers ages 38-64

Mature buyer, typically buying for self and immediate family. This demographic is very health conscientious and responds particularly well to the Corporation's value proposition, line of products and pricing strategy.

New Parents

New parents are often concerned about the health impact of EMR emitting devices, such as cell phones, particularly in relation to their children's health. Unable to avoid using EMR emitting technology, they seek a means of protecting their children.

Healthy Living Consumers

Based on previous marketing experiments (e.g. social media endorsements), this segment responds particularly well, and has substantial disposable income. The typical healthy living demographic buyer is purchasing for self-use, or for others.

Sales and Marketing

The distribution channels for the Corporation initially consisted of brick and mortar retail channels, selling the product through a variety of independent stores and chains. However, the Corporation switched to online sales and found online sales to be a far more effective distribution channel, selling the product directly to customers and allowing the Corporation to target a global clientele. In management's view, the benefits of the current online direct to consumer distribution model include a superior level of customer service, less cash flow pressures, higher profit margins and the ability to operate globally. In addition, this distribution method also reduces the dependency on third party distributors.

The Corporation is currently advertising its product through the internet using SEO marketing, Google AdWords and social media. The Corporation is currently working with a company called Ad Wave Inc. which is providing the Corporation with online marketing services and web design services.

While North America is currently the Corporation's main focus, the Corporation advertises internationally to countries worldwide. The overall marketing strategy consists of search advertisements, organic search, social media and online video advertising, all leading to direct sales through the Corporation's website. The customers are able to shop from both mobile and desktop platforms and once orders are received from the Corporation, the products are shipped directly to the customer, either through inventory on hand or through direction provided by the Corporation to its manufacturer.

The Corporation is primarily focused on utilizing social media outlets to promote and drive engagement with its potential customer base. Active marketing campaigns utilizing search engine optimization, search engine advertising and social media platforms includes but is not limited to: LinkedIn, Twitter, Facebook, Instagram and augmented through the use of press releases and news wire services to engage the Corporation's target audience. The Corporation also participates in various expositions and trade shows typically sponsored by government agencies and specific industry driven groups.

Research and Development

Since its inception, the Corporation has been conducting research and development, through its laboratory in St. Petersburg, Russia. The technology specifically targets cellular phone, Wi-Fi radiation and general EMR emitted by consumer electronic devices. Aires Human continues to operate as the Corporation's main research partner, and through Aires Human's laboratory in St. Petersburg, Russia, continues to develop and act as the main co-ordination point with outside research partners that include universities, partnering firms and other research laboratories.

The Corporation follows a practice of continuous improvement. Accordingly, it intends to continue funding research and development, with the objective of improving the efficiency and efficacy of its current products and their underlying technology. The Corporation intends to secure and engage Canadian research centres at post-secondary institutions to supplement and advance the Corporation's current patents and technology; however, there is no assurance that the Corporation will be able to secure such engagements.

Revenue

The Corporation had revenues of $228,914 in the year ended December 31, 2017 and $134,576 for the fiscal year ended December 31, 2016.

Specialized Skill and Knowledge

The Corporation has a strong management team with significant experience in the development of EMR technology. The founder of the Corporation, Mr. Igor Serov, is well respected in the industry and has won numerous awards for his research and development in the field of EMR technology. Mr. Igor Serov is a valuable asset for management and other development team members. Accountability and oversight of the Corporation rests with the Board. The Board consists of the ideal mix of technology and capital market expertise so as to drive the value and performance of the Corporation from both a development standpoint and a shareholder value perspective. The Corporation will continue to evaluate and potentially expanded its management team to oversee the business development activities of the Corporation and perform all core functions.

Competitive Conditions

The markets for the Corporation's products are competitive and rapidly changing, and a number of companies offer products similar to the Corporation's products and target similar customers. The Corporation believes its ability to compete depends upon many factors within and outside its control, including the timely development and introduction of new products and product enhancements; product functionality, performance, price and reliability; customer service and support; sales and marketing efforts; and the introduction of new products and services by competitors.

At the global level, there are companies with similar products on the market. Some examples of competitors include: Pong, Sar Shield and Bodywell. However, the Corporation does not intend to focus on technology or products that other companies use or are developing. Generally speaking some of these companies offer products that are made out of mineral elements using a homeopathic/holistic approach as opposed to patented technology. To the Corporation's knowledge, it has no direct competitors but there is no assurance that this is in fact the case, or that a superior product will not develop in the near future. All these factors could have a material adverse effect on the Corporation's business.

In addition, the Corporation believes it has a first mover advantage in the equity markets as to the Corporation's knowledge there are currently no other publicly listed EMR technology companies. However, it is expected that there may be a number of other companies intending to enter into the public markets in the near future.

New Products

The Corporation's products described herein are currently the only products being sold by the Corporation. There are, however, other products in the research and development phase that may go to market in the near future. The Corporation has not publicly announced the intention to bring any of these new products to market but will potentially make an announcement if and when approved by the Board.

Production, Distribution and Components

Currently, the final product is assembled and packaged in the Russian Federation, however, beginning in July 2018 the Corporation is undergoing a transition process whereby all its products will be assembled and packaged in Vilnius, Lithuania (European Union) by Aires Lita UAB ("**UAB**"), an independent third party. The Corporation is not planning to use the facility located in the Russian Federation going forward as it has just received a shipment of inventory from that facility which will be sufficient to meet the Corporation's needs until the commencement of the assembly process by UAB in July 2018. However, there can be no assurance, that UAB will be in a position to assemble and package the Corporation's products in a timely manner and in accordance with the Corporation's requirements. All of these factors could have a material adverse impact on the Corporation and its business. See "Risk Factors". The Corporation believes that switching its assembly and packaging from the Russian Federation to Lithuania will result in reduced geo-political and operational risk and facilitate greater market penetration into the European Union.

Despite the above, the Corporation believes that switching its assembly and packaging from the Russian Federation to Lithuania will result in reduced operation risks, eliminate duties for export into Canada and facilitate greater market penetration, especially into the European Union.

The Corporation does not have any guaranteed supply agreement for any of the components of its various products. The Corporation utilizes a network of international suppliers. The base (resonator antenna) component of its products is currently manufactured in Hong Kong by Evergreen (HK) PCB Ltd. The microprocessors are manufactured by ON Semiconductor Corporation in Belgium. The Corporation does not have any supply agreements with either ON Semiconductor or Evergreen (HK) PCB Ltd. given the difference in relative size between the Corporation and these suppliers. In the event that these suppliers are not able to manufacture the components to the specifications requested by the Corporation, it has contacts with other suppliers in other parts of the world. However, there can be no assurance that the Corporation will receive the components for its products in a timely manner and in accordance with its requirements, or at all. This could have a material adverse impact on the Corporation and its business. See "Risk Factors".

The Corporation's business model focuses on sales and marketing through its online social media platforms as noted above. The Corporation is focused on maintaining control over its marketing and sales efforts and accordingly sells its products directly to its customers online mainly through its website. The Corporation believes that by maintaining control over marketing and distribution procedures it will enable the Corporation to maintain control of the reputation of its products and alleviate any risk that results from third parties marketing and distributing its products. Further, the Corporation is of the view that it will be able to achieve higher profit margins by selling the product directly to its consumers.

Components for the Corporation's products have historically been made by various suppliers in China, Hong Kong, Belgium, Moscow, Russia, and Minsk, Belarus. The Corporation is constantly looking for other suppliers, who are able to provide improved components more efficiently, and in order to diversify its supplier base.

On October 15, 2017 the Corporation entered into a manufacturing agreement (the "**Manufacturing Agreement**") with UAB, an independent third party incorporated under the laws of Lithuania, whereby UAB agreed to assemble and package the Corporation's products from components supplied by suppliers approved by the Corporation which will commence in July 2018. At such time, the Corporation's four products as noted below will be manufactured by UAB to the specifications of the Corporation, at prices agreed to by the parties, subject to adjustments to be agreed upon 180 days' notice. UAB will provide these services from its manufacturing facilities in Lithuania and ships the products to the Corporation's head office in Ontario, Canada. The Corporation is required to pay the price for the manufacturing of the products within thirty (30) days from receipt of an invoice from UAB. The Manufacturing Agreement is for a period of five (5) years with an automatic one year renewal, unless terminated by either party on not less than ninety (90) days prior to the expiry of the term.

The Corporation will arrange for the delivery of all parts and software for its suppliers to UAB beginning in July 2018 and UAB will assemble, package and ship the product in final packaged form either to the customer or to the Corporation as determined on direction by the Corporation. For products shipped to the Corporation, the Corporation will receive the product from UAB, sell the product on its website and then ship the product using standard shipping companies.

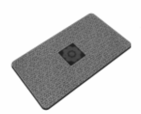
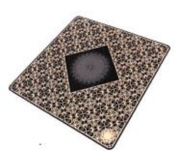
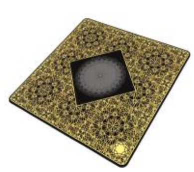
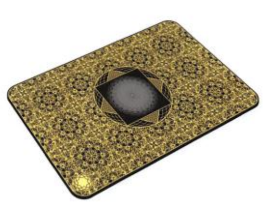
Under the terms of the Manufacturing Agreement, UAB and the Corporation have agreed that: (i) any inventorship laws shall be determined under Canadian patent laws; (ii) UAB shall assign any and all rights and title to any intellectual property related to the Corporation's business that has been solely or jointly conceived or developed or may arise out of any research or other activity conducted under the direction of the Corporation; and (iii) each party shall be subject to standard confidentiality clauses to protect the confidential information of each party that is received by the other party during the term of the Manufacturing Agreement and for a period of five years following termination of the Manufacturing Agreement.

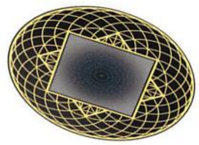
Intangible Properties

Intangibles such as patents, designs, trademarks, software, technology know-how all have a significant effect on the Corporation's business. The Corporation is focused on the development of EMR protection devices to protect users from the harmful effects of EMR. During the existence of the Corporation, the Corporation has been focused on researching and developing technology related to its products.

The Corporation has engaged patent lawyers based in Russia and Canada to aid in the filing of patents, designs, and trademarks covering the Corporation's products and brands. The Corporation's research and development team has and continues to develop key technology elements for its platform identified as being candidates for intellectual property protection. The patents noted below are the only patents filed in Canada and there is no assurance that these patents will be granted or properly registered or that such patents will protect the Company's intellectual property outside of Canada or any other noted jurisdiction below. See "Risk Factors".

The following are current patents and trademarks that have been applied for in all jurisdictions:

Designs	
	**ELECTROMAGNETIC RADIATION CONVERTER**
	RU Filing Date March 9, 2016 (2016500818)
	CA Filing Date May 4, 2016 (168304)
	US Filing Date May 27, 2016 (29/566,278)
	**ELECTROMAGNETIC RADIATION CONVERTER**
	RU Filing Date February 6, 2017 (201700559)
	CA Filing Date June 19, 2017 (175511)
	US Filing Date June 19, 2017 (29/608,088)
	**ELECTROMAGNETIC RADIATION CONVERTER**
	RU Filing Date February 15, 2017 (2017500717)
	CA Filing Date June 19, 2017 (175510)
	US Filing Date June 19, 2017 (29/608,091)
	**ELECTROMAGNETIC RADIATION CONVERTER**
	RU Filing Date March 5, 2018 (201800545)
	CA Filing Date May 28, 2018 (TBD)
	US Filing Date May 28, 2018 (29/649,182)
	**ELECTROMAGNETIC RADIATION CONVERTER**
	RU Filing Date February 12, 2018 (2018500686)
	CA Filing Date May 28, 2018 (TBD)
	US Filing Date May 28, 2018 (29/649,819)
	ELECTROMAGNETIC RADIATION CONVERTER

	RU Filing Date February 19, 2018 (2018500789)
	CA Filing Date May 28, 2018 (TBD)
	US Filing Date May 28, 2018 (29/649,184)
	**ELECTROMAGNETIC RADIATION CONVERTER**
	RU Filing Date March 13, 2018 (2018501190)
	CA Filing Date May 28, 2018 (TBD)
	US Filing Date May 28, 2018 (29/649,185)

Trademarks	
AIRES TECH	CA Filing Date May 23, 2018 (1900550)
	US Filing Date May 24, 2018 (87934704)
AIRES TECHNOLOGY	CA Filing Date May 23, 2018 (1900561)
	US Filing Date May 24, 2018 (87934715)
AMERICAN AIRES	CA Filing Date May 23, 2018 (1900560)
	US Filing Date May 24, 2018 (87934726)
AIRES SHIELD	CA Filing Date May 23, 2018 (1900559)
	US Filing Date May 24, 2018 (87934729)
AIRES DEFENDER	CA Filing Date May 23, 2018 (1900558)
	US Filing Date May 24, 2018 (87934735)
AIRES GUARDIAN	CA Filing Date May 23, 2018 (1900557)
	US Filing Date May 24, 2018 (87934741)
AIRES PROTECTOR	CA Filing Date May 23, 2018 (1900556)
	US Filing Date May 24, 2018 (87934744)

Cycles

Neither the products to be offered by the Corporation nor the markets in which it will operate are considered to be cyclical.

Economic Dependence

The Issuer's business is not substantially dependent on any one contract or on any particular third parties.

Employees and Consultants

The Corporation currently has five (5) contractors and employees on staff and will expand that number as required by the demands of its business. The Corporation intends to build an expanded management team, which will include a strong development team that will oversee the business development activities of the Corporation and perform all core functions of the business.

Foreign Operations

The management team works from and engages with suppliers in countries around the world. All team members work remotely, including from offices located in Vaughan, Ontario and St. Petersburg, and management has developed a way to engage suppliers and manage productivity through regular phone calls and use of communication technology.

Lending

The Corporation does not have any lending operations as a distinct or significant business.

Bankruptcy

There have been no bankruptcies, receiverships or similar proceedings against the Corporation or any of its subsidiaries within the past three years.

USE OF PROCEEDS

Proceeds

The net proceeds to the Corporation from the Offering, after deducting the anticipated Agent's Commission, are estimated to be $6,660,000 ($6,993,000 in the event the Over-Allotment Option is fully exercised).

The total funds available to the Corporation at the close of the Offering are estimated to be as follows:

	Offering
Net Proceeds(1)	$6,660,000
Less Estimated Expenses of the Offering	$440,000
Plus Existing Working Capital(2)	$758,229
Total Funds Available	**$6,978,229**

Notes:

(1) *Gross proceeds of $7,200,000 less the Agent's Commission of 7.5% (without giving effect to the exercise of the Over-Allotment Option). This excludes the proceeds to the Corporation from: the issuance of any Common Shares that may be issued upon exercise of any Agent's Options; any Common Shares that may be issued upon exercise of the outstanding warrants of the Corporation;*

(2) *Reflects the Corporation's estimated working capital as at May 31, 2018.*

Principal Purposes

The proposed use of the Corporation's total funds available for allocation is anticipated to be as follows:

Use of Available Funds(1)(2)	**Offering**
Offering Commissions	$540,000
Other Offering costs	$440,000
Consulting Fees	$144,000(3)
Research and development costs	$1,060,000
Marketing costs	$2,250,000
Patent costs	$285,000
General and administrative	$2,259,229(4)
Total Funds Available	**$6,978,229**

Notes:

(1) *Upon completion of the Offering, the Corporation intends to spend the funds available to it to carry out certain proposed exploration programs set forth in this table and further described under the heading "Use of Proceeds". However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.*
(2) *Does not include issuance of any Common Shares pursuant to an exercise of the Over-Allotment Option.*
(3) *Payable pursuant to the Consulting Agreements as described under "Business of the Corporation – Three Year History."*
(4) *Estimated general and administrative expenses of the Corporation for a period of 12 months from completion of the Offering. Management of the Corporation believes that the Corporation's working capital available to fund ongoing operations, assuming the Offering is completed, will be sufficient to meet its general and administrative costs for 12 months.*

The Corporation estimates general administrative expenses totalling $2,259,229 for the twelve month period following the date of this Prospectus based on the Minimum Offering, as follows:

Type of Expense	**$**
Salaries and benefits	$850,000
Office rent and associated costs	$125,000
Public company costs	$250,000
Office supplies	$25,000
Travel	$300,000
Professional fees	$145,000
Other	$564,229
TOTAL:	**$2,259,229**

BUSINESS OBJECTIVES AND MILESTONES

The business objectives the Corporation expects to achieve using the available funds are to: (i) complete the Offering; (ii) obtain a listing of the Common Shares on the Exchange; and (iii) further develop its business and expand to other markets around the world. The Corporation's business objectives of completing the Offering and listing on the Exchange will occur on the Closing Date of the Offering and the date the Corporation lists on the Exchange.

DIVIDENDS OR DISTRIBUTIONS

While there are no restrictions in the Corporation's articles or pursuant to any agreement or understanding which could prevent the Corporation from paying dividends or distributions, the Corporation anticipates using all available cash resources to fund working capital and grow its business. As such, there are no plans to pay dividends in the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board on the basis of the Corporation's earnings, financial requirements and other conditions existing at the time a determination is made.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Financial Statements and MD&As are included as a Schedule "A" to this Prospectus:

- Financial Statements of the Corporation for the years ended December 31, 2017 (audited) and December 31, 2016 (unaudited) and the Management's Discussion and Analysis of the Corporation for the years ended December 31, 2017 and December 31, 2016; and

- Financial Statements of the Corporation for the three months ended March 31, 2018 (unaudited) and 2017 (unaudited) and the Management's Discussion and Analysis of the Corporation for the three months ended March 31, 2018 and 2017.

The financial statements and the financial data derived therefrom and included in this Prospectus have been prepared in accordance with IFRS. The Corporation's MD&A included herein should read in conjunction with the financial statements and the disclosure contained in this Prospectus. The discussions of results are as of the dates stated in the applicable MD&A.

DESCRIPTION OF SECURITIES DISTRIBUTED PURSUANT TO THE OFFERING

The Offering consists of 24,000,000 Common Shares for gross proceeds of $7,200,000 (25,200,000 Common Shares for gross proceeds of $7,560,000 in the event the Over-Allotment Option is exercised in full) whereby investors may acquire Common Shares at a price of $0.30 per Common Share. This Prospectus qualifies the distribution of the Common Shares. The issuance of the Agent's Option and the grant of the Over-Allotment Option and the issuance of securities upon exercise of such options, are also qualified under this Prospectus.

Authorized Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares, of which 90,100,000 Common Shares were issued and outstanding as of the date of this prospectus. The following is a summary of the material provisions attaching to the Common Shares. For a full description of the characteristics of the Common Shares, reference should be made to the articles and by-laws of the Corporation.

As of the date of this Prospectus there were 26,000,000 common share purchase warrants outstanding exercisable at $0.14 per Common Share expiring January 26, 2020.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the Board of the Corporation may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Corporation, the remaining property and assets of the Corporation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Agent's Options

The Corporation has agreed to grant to the Agent a non-transferable option (previously defined as the "**Agent's Option**") exercisable to acquire that number of Common Shares that is equal to 7.5% of the number of Common Shares sold pursuant to this Offering at the price of $0.30 per Common Share for a period of one year following the listing of the Corporation on the Exchange. The Agent's Option will be qualified under this prospectus. See "*Plan of Distribution*".

CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Corporation's capitalization as at December 31, 2017, as of the date of this prospectus, and following completion of the Offering:

	December 31, 2017	**As at the date hereof**	**After giving effect to the Offering**
Common Shares	$2,940,795 (60,800,000 Common Shares)	$4,184,249 (90,100,000 Common Shares)	$10,769,249 (110,100,000 Common Shares)
Agent's Option	Nil	Nil	1,500,000
Over-Allotment Option	Nil	Nil	1,000,000
Options	Nil	Nil	Nil
Warrants	Nil	26,000,000	26,000,000
Long Term Liabilities	Nil	Nil	Nil
Fully Diluted Total	**60,800,000**	**116,100,000**	**138,600,000**

Note:

*(1) The Corporation has a right to purchase 26,000,000 Common Shares issued in January 2018 pursuant to agreements signed with each purchaser thereunder (the "**Purchase Agreements**"), at a price of $0.05 per Common Share, if the Corporation does not complete a liquidity event prior to July 31, 2018. The Purchaser Agreement expires upon the later of: (i) the completion of a liquidity event; or (ii) September 30, 2018.*

OPTIONS TO PURCHASE SECURITIES

The Board of the Corporation adopted a stock option plan on April 5th, 2018 (the "**Stock Option Plan**"). The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees, management company employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Corporation's Common Shares issued and outstanding at the time such options are granted.

The Stock Option Plan will be administered by the Board, which will have full and final authority with respect to the granting of all options thereunder. The Board may terminate the Stock Option Plan at any time in its absolute discretion (without shareholder approval). If the Stock Option Plan is terminated, no further options will be granted but the options then outstanding will continue in full force and effect in accordance with the provisions of this Stock Option Plan, until the time they are exercised, cancelled or surrendered or expire under the terms of the Stock Option Plan and the applicable option agreements. The Board may determine, at the time of granting an option to an Eligible Person (as defined in the Stock Option

Plan) pursuant to the Stock Option Plan, the maximum number of Common Shares that may be exercised by such Eligible Person in each year during the term of the option.

Options may be granted under the Stock Option Plan to such directors, officers, employees, management or consultants of the Corporation and its affiliates, if any, as the Board may from time to time designate. The exercise price of option grants will be determined by the Board on the grant date but will not be less than the fair market value of each Common Share issuable on the exercise of an option. For the purposes of pricing the options, "fair market value" means: (i) if the Common Shares are not listed on a stock exchange or market, the value of each Common Share determined by the Board, taking into account any considerations which it determines to be appropriate at the relevant time; and (ii) if the Common Shares are listed on a stock exchange or market, (A) if at least one board lot has traded on the trading day immediately preceding the grant date, the closing price of the Common Shares on such stock exchange or market on the trading day immediately preceding the grant date; or (B) if there has not been at least one board lot traded on the trading day immediately preceding the grant date, the volume weighted average trading price of the Common Shares on such stock exchange or market for the five trading days immediately preceding the grant date.

The Stock Option Plan provides that unless approval of shareholders as required under applicable laws (or the applicable rules and policies of any stock exchange or market on which the shares are listed, if any) is obtained, no options shall be granted to any Employee or Consultant who is an Investor Relations Person, an Associated Consultant, an Executive Officer (as those terms are defined in the Stock Option Agreement) or permitted assign of these persons if, after the grant of options: (i) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to: (A) Related Persons (as that term is defined in the Stock Option Plan), exceeds 10% of the outstanding securities of the Corporation, or (B) a Related Person, exceeds 5% of the outstanding securities of the Corporation, or (ii) the number of securities, calculated on a fully diluted basis, issued within 12 months to: (A) Related Persons, exceeds 10% of the outstanding securities of the Corporation, or (B) a Related person and associates of the Related Person, exceeds 5% of the outstanding securities of the Corporation.

No option may be exercised during a Blackout Period (as that term is defined in the Stock Option Plan), if the participant is then restricted from trading in Common Shares pursuant to any policy of the Corporation or applicable laws. If an expiry date of an option falls on a date within a Blackout Period or within nine business days following the expiration of a Blackout Period, the expiry date for that option will be automatically extended, without any further act or formality, to that date which is the tenth business day after the end of the Blackout Period.

The Board may amend the Stock Option Plan or any option at any time, subject to the requirements of any stock exchange or market on which the Common Shares are listed, if any, including any shareholder approval requirements, provided that: (i) if an amendment impairs any option or is adverse to a participant, the amendment will only be made effective after the written consent of the participant who is affected by the amendment is received; and (ii) any reduction in the option exercise price for an option held by an insider may be subject to the receipt of disinterested shareholder approval as required any stock exchange or market on which the Common Shares are listed, if any.

All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Unless otherwise determined by the Board or otherwise specified in the relevant option agreement, if a participant ceases to be an Eligible Person, any unvested portion of any option held by that participant will be immediately forfeited as of the date on which a Participant ceases to be an Eligible Person. In the case of an Employee (as defined in the Stock Option Plan), means the date that is determined by the Board in its sole discretion as the date on which the Employee ceases to actively perform services for the Corporation or any related entity (excluding any notice period which may extend beyond the date on which active services cease) (the "**Termination Date**"). Each Option held by that Participant will terminate on the earlier of the option expiry date set under the terms of the Stock Option Plan and: (i) in the case of termination of employment by the Corporation or a related entity without cause, or the failure of a director standing for election to be re-elected, or the failure by the Corporation or a related entity to renew a contract for services at the end of its term, the date which is 90 days after the Termination Date; (ii) in the case of the death of the Participant, the date which is one year after the death; (iii) in the case of the disability or retirement of the Participant, the date which is one year after the Termination Date; and (iv) in all other cases, the Termination Date.

In the event of an actual or potential Change of Control (as defined in the Stock Option Plan), the Board may, in its sole discretion and on the terms it sees fit, but subject to the Board's determination to terminate or cause the exchange of any options on a Change of Control and the Corporation giving the affected Participants at least 14 days' advance notice of the termination or exchange; (i) accelerate the vesting of any unvested options; (ii) permit the conditional exercise of any options; (iii) amend the terms of any options to permit the Participants to exercise the options on a "cashless" basis (to permit the Participants to tender the underlying Common Shares to the Change of Control transaction, or to obtain the advantage of holding the underlying Common Shares during the Change of Control transaction; (iii) cause any options to be terminated; and (iv) cause any options to be exchanged for options or other securities of another entity involved in the Change of Control transaction.

Options Granted

As of the date hereof, the Corporation has not granted any options under the Stock Option Plan.

PRIOR SALES

During the preceding twelve months, the Corporation issued the following securities as set out below.

Date of Issuance or Sale	Description of Transaction	Aggregate Number of Securities Issued	Type of Security	Price per Security	Total Gross Consideration
May 17, 2018	Services	800,000	Common Shares	$0.05 (Deemed)	$40,000
February 28, 2018	Private Placement	2,500,000	Common Shares	$0.14	$350,000
January 26, 2018	Private Placement	26,000,000	Common Shares forming part of Units	$0.05	$1,300,000
January 26, 2018	Private Placement	26,000,000	Warrants forming part of Units	Exercisable at $0.14	--
September 29, 2017	Private Placement	15,800,000	Common Shares	$0.05	$790,000

Date of Issuance or Sale	Description of Transaction	Aggregate Number of Securities Issued	Type of Security	Price per Security	Total Gross Consideration
January 1, 2017	Transfer of Assets	44,999,900	Common Shares	$0.10 (Deemed)	$4,499,990

Trading Price and Volume

The Common Shares are not currently listed on any stock exchange.

ESCROWED SECURITIES AND OTHER SECURITIES SUBJECT TO RESALE RESTRICTIONS

Escrowed Securities

In accordance with NP 46-201, all shares of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer's initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering. Upon completion of the Offering, the Corporation anticipates being an "emerging issuer" as defined in NP 46-201.

Under NP 46-201, a "principal" is: (a) a person who has acted as a promoter of the Corporation within two years of the date of this prospectus; (b) a director or senior officer of the Corporation at the time of this prospectus; (c) a person that holds securities carrying more than 20% of the voting rights attached to the Corporation's outstanding securities immediately before and immediately after the Corporation's initial public offering; and (d) a person that: (i) holds securities carrying more than 10% of the voting rights attached to the Corporation's outstanding securities immediately before and immediately after the Corporation's initial public offering; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Corporation. A principal's spouse and their relatives that live at the same address as the principal will be deemed principals and any securities of the Corporation held by such a person will be subject to the escrow requirements.

The CSE Policies require that the Escrow Securities be governed by the form of escrow agreement under NP 46-201. Pursuant to the Escrow Agreement, among the Corporation, the Escrow Agent, and the directors, officers and insiders of the Corporation, the Escrow Securities will be released in accordance with the following release schedule under NP 46-201, as on listing, the Issuer anticipates being an "Emerging Issuer" (as defined in NP 46-201):

On the Listing Date	**1/10 of the escrow securities**
6 months after the Listing Date	**1/6 of the remaining escrow securities**
12 months after the Listing Date	**1/5 of the remaining escrow securities**
18 months after the Listing Date	**1/4 of the remaining escrow securities**
24 months after the Listing Date	**1/3 of the remaining escrow securities**

30 months after the Listing Date	**1/2 of the remaining escrow securities**
36 months after the Listing Date	**The remaining escrow securities**

Assuming there are no changes to the Escrow Securities initially deposited and no additional Escrow Securities are deposited, this will result in a 10% release on the Listing Date, with the remaining Escrow Securities being released in 15% tranches every 6 months thereafter.

All the Escrow Securities are subject to the direction and determination of the Exchange. Specifically, the Escrow Securities may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the Exchange.

The following sets forth particulars of the Escrow Securities that will be subject to Emerging Issuer escrow under the Escrow Agreement on the Listing Date, such securities collectively held, directly or indirectly, by Serov Holdings Inc., a company owned and controlled by Dimitry Serov, and Ruslan Elensky:

Designation of Class	**Number of Securities in Escrow**	**Percentage of Class Prior to Offering(1)**	**Percentage of Class After Completion of Offering(2)**
Common Shares	45,500,000	50.5%	41.3%

Notes:

(1) *Based on a fully diluted number of 90,100,000 common shares outstanding prior to completion of the Offering.*
(2) *Based on 110,100,000 common shares outstanding after completion of the Offering and not including the Over-Allotment Option.*

Under the terms of the Escrow Agreement, 10% of the Escrowed Securities (a total of 4,550,000 Common Shares) will be released from escrow on the Listing Date. The remaining 40,950,000 Common Shares which will be held in escrow immediately following the Listing Date.

PRINCIPAL SHAREHOLDERS

As at the date of this prospectus, 90,100,000 Common Shares were issued and outstanding. The following table lists the persons who own or will own, directly or indirectly, 10% or more of the issued and outstanding Common Shares:

Name	**Number and Class of Shares Owned**	**Number and Class of Shares Owned After Offering**	**Type of Ownership**	**Percentage of Common Shares Owned Prior to Giving Effect to the Offering(2)**	**Percentage of Common Shares Owned After Giving Effect to Offering(3)**
Serov Holdings Inc.(4)	45,000,000	45,000,000	Direct	49.9%	40.9%

Notes:

(1) *Assuming that no Common Shares are purchased by these persons under the Offering.*
(2) *Based on a fully diluted number of 90,100,000 common shares outstanding prior to completion of the Offering.*
(3) *Based on a fully diluted number of 110,100,000 common shares outstanding prior to completion of the Offering.*
(4) *A company owned and controlled by Dimitry Serov.*

DIRECTORS, OFFICERS AND KEY PERSONNEL OF THE CORPORATION

The following table sets out, for each of the Corporation's directors and executive officers, the individual's name, municipality of residence, position(s) with the Corporation, principal occupation during the five preceding years, and if a director, the month and year in which such individual became a director. As of the date of this Prospectus, the directors and executive officers of the Corporation, as a group, own beneficially, directly or indirectly, or control or direct 45,500,000 common shares, representing approximately 50.5% of the outstanding common shares.

Name and Address	Position(s) Held with Applicant	Officer/Director since	Principal Occupations During Past Five Years	Common Shares Beneficially Owned, Controlled or Directed (%)(2)
Dimitry Serov(1)(3) Richmond Hill, Ontario	CEO, President, Secretary-Treasurer and Director	May 15, 2012	CEO, President and Secretary-Treasurer of the Corporation	45,000,000 (49.9%)
Igor Serov St. Petersburg, Russia	Director	September 26, 2017	President of the AIRES Human Genome Research Foundation	Nil
Ruslan Elensky(1) Vaughan, Ontario	Director	September 26, 2017	CEO of Lemarg Inc.	500,000 (0.6%)
Tony Di Benedetto(1) Toronto, Ontario	Director	May 14, 2018	Chief Executive Officer of Drone Delivery Canada Corp.	Nil
Christopher Irwin Toronto, Ontario	Director	May 14, 2018	Partner at Irwin Lowy LLP	Nil
Robert Suttie Toronto, Ontario	Chief Financial Officer	May 14, 2018	Vice President of Marrelli Support Services Inc.	Nil

Notes:

(1) Member of the Audit Committee. Mr. Elensky is the chair of the Audit Committee..
(2) Based on 110,100,000 common shares outstanding as at the date of this Prospectus.
(3) Held through Serov Holdings Inc., a company owned and controlled by Dimitry Serov.

Term of Office

The Directors are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Corporation's Articles or until such director's earlier death, resignation or removal.

Biographical Information

The following is a brief description of the background of the Directors and executive officers of the Corporation:

Dimitry Serov, Director, CEO, President, Secretary-Treasurer, age 36

Founder and CEO and President of the Corporation, Dimitry Serov is responsible for day to day operating activities that include overseas manufacturing, marketing sales and distribution. Dimitry holds a diploma from St. Petersburg's College of Economics and Business Management which he obtained in 2003. Mr.

Serov has held various sales and executive management positions in the automotive sector with BMW, Mercedes Benz and Audi. Dimitry's involvement with the technology has been instrumental in facilitating the adaptation of the original Aires technology into its current consumer-oriented form. Dimitry intends to devote his full time to the Corporation.

Igor Serov, Director, age 65

Co-founder of the Corporation, Igor Serov is the author of several patents that the modern-day Aires technology is based on. Igor Serov is a scientist who has been published several times in academic journals and received various international awards for his accomplishments and scientific discoveries. Igor intends to devote seventy percent of his time to the Corporation.

Robert Suttie, Chief Financial Officer, age 49

Mr. Suttie is the Vice President of Marrelli Support Services. He possesses several years of financial reporting experience, several of which were in public accounting prior to his tenure with Marrelli Support Services. He specializes in management advisory services, accounting and the financial disclosure needs of Marrelli's public client base. In addition to managing the group's financial-statement and disclosure team, he also serves as Chief Financial Officer for a number of TSXV-listed junior companies. Robert intends to devote ten percent of his time to the Corporation.

Ruslan Elensky, Director, age 35

Entrepreneur, Investor and Business Developer with years of experience in starting, growing and exiting businesses. Russell is currently the CEO of Lemarg Inc., a leading restoration company that specializes in working with the insurance industry. Ruslan intends to devote ten percent of his time to the Corporation.

Tony Di Benedetto, Director, age 46

Tony is the CEO of Drone Delivery Canada (TSXV: FTL). Previously, Tony was the founder of, and, subsequently sold Data Centers Cnd in May 2013 - to TeraGo Networks (TSX:TGO). Tony has several years of IT entrepreneurship, M&A and capital markets experience as well as a Degree from York University. Tony intends to devote five percent of his time to the Corporation.

Christopher Irwin, Director, age 49

Chris practices securities and corporate/commercial law and has been the President of Irwin Professional Corporation since August, 2006. He advises a number of public companies on a variety of issues including continuous disclosure and regulatory issues; reverse-takeover transactions, initial public offerings and takeover bids. Mr. Irwin also advises boards of directors, including independent committees. Mr. Irwin is a director and/or officer of several public companies including: Drone Delivery Canada Corp.; Intercontinental Gold and Metals Ltd., Open Source Health Inc., Greencastle Resources Ltd., and Deveron UAS Corp. Chris intends to devote five percent of his time to the Corporation.

Other than with respect to Dimitry Serov as stated above, all the above individuals are independent contractors of the Corporation. Dimitry Serov and Igor Serov are subject to standard non-disclosure provisions in their respective employment and consulting agreements and Dimitry Serov is subject to a non-compete clause for a period of twelve months as further described below (See *Statement of Executive Compensation - Employment, Consulting and Management Agreements*).

Cease Trade Orders and Bankruptcy

Other than as noted below, no director or executive officer of the Corporation, is or has been, within the ten years preceding the date of this prospectus, a director, chief executive officer or chief financial officer of any company that: (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this prospectus, an “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

Mr. Irwin was a director, President and Secretary of Brighter Minds Media Inc. (“**Brighter Minds**”) from March 2009 to July 2014. Brighter Minds is subject to cease trade orders resulting from a failure to file financial statements as issued May 11, 2009 by the British Columbia Securities Commission (“**BCSC**”), May 13, 2009 by the Manitoba Securities Commission, May 8, 2009 and May 20, 2009 by the Ontario Securities Commission (“**OSC**”), and August 19, 2009 by the Alberta Securities Commission. As of the date of this prospectus, the cease trade orders have not been revoked or rescinded.

Mr. Irwin has been since May 2015 a director of Intercontinental Gold and Metals Ltd. (formerly Geodex Minerals Ltd.), which was subject to a management cease trade order resulting from a failure to file financial statements as issued by the BCSC on July 30, 2015. The cease trade order was revoked on September 22, 2015.

Mr. Irwin was a director (June 2015 to December 2017) and officer (September 2015 to April 2016) of Stompy Bot Corporation, which was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2016 (BCSC) and May 4 and 16, 2016 (OSC). These cease trade orders were revoked on July 5, 2016 (BCSC) and July 6, 2016 (OSC). Stompy Bot Corporation was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2017 (BCSC) and May 4, 2017 (OSC). These cease trade orders were revoked on July 5, 2017 (BCSC) and July 6, 2017 (OSC).

From March 10, 2011 to October 17, 2013, Mr. Suttie served as the chief financial officer of Strike Minerals Inc. (“**Strike**”), a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. Strike was subject to a management cease trade order issued by the OSC on September 19, 2013 for failure to file its annual financial statements and accompanying management’s discussion and analysis for the financial year ended April 30, 2013 within the prescribed time period under applicable securities laws. A full cease trade order was subsequently issued by the OSC and the BCSC on February 12, 2014 restricting all trading in the securities of Strike until Strike becomes current with its filings. The Alberta Securities Commission issued a similar order on May 24, 2017. These cease trade orders issued against Strike remain in effect as of the date of this Prospectus.

Bankruptcies

Other than as stated below, no director or executive officer of the Corporation, or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, is or has been, within the ten years preceding the date of this prospectus:

(a) a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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 or made a proposal under any legislation relating to bankruptcies or insolvency; or

(b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 individual.

Mr. Irwin was a director of Airesurf Networks Holdings Inc. ("**Airesurf**") when it filed a proposal under Section 50 of the *Bankruptcy and Insolvency Act* (Canada) with the Ontario Superior Court of Justice in Bankruptcy. On April 17, 2012 Airesurf announced that it has received an order of the Ontario Superior Court of Justice in Bankruptcy and Insolvency dated March 23, 2012, discharging Risman & Zysman Inc. as the trustee in bankruptcy of the of the estate of the Company which was the final order with respect to the bankruptcy proposal and concluded the bankruptcy proceedings.

Penalties or Sanctions

No director or executive officer of the Corporation, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director or executive officer of the Corporation, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation or a personal holding company of any such persons has, within the ten years before the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 or officer.

Conflicts of Interest

There are no existing material conflicts of interest between the Corporation and any Director or officer of the Corporation. Directors and officers of the Corporation may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, certain Directors of the Corporation may have a conflict of interest in negotiating and conducting terms in respect of any transaction involving such companies. In the event that such conflict of interest arises at a meeting of the Board, a Director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such transaction.

The information as to ownership of securities of the Corporation, corporate cease trade orders or bankruptcies, penalties or sanctions, personal bankruptcies or insolvencies and existing or potential conflicts of interest has been provided by each insider of the Corporation individually in respect of himself or herself.

STATEMENT OF EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from the securities regulatory authorities in each of the Offering Jurisdictions the Corporation was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V

Named Executive Officers

For the purposes of this Prospectus, a Named Executive Officer ("**NEO**") of the Corporation means each of the following individuals:

(a) a chief executive officer ("**CEO**") of the Corporation;
(b) a chief financial officer ("**CFO**") of the Corporation;
(c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000. "Executive Officer" means the chairman, and any vice-chairman, president, secretary or any vice-president and any officer of the Corporation or a subsidiary who performs a policymaking function in respect of the Corporation; and
(d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The Corporation currently has the following NEO's: Dimitry Serov, Chief Executive Officer; and Robert Suttie, Chief Financial Officer.

Compensation Discussion and Analysis

The Corporation's executive compensation program during the most recently completed financial year was administered by the Board. The Board was solely responsible for determining the compensation to be paid to the Corporation's executive officers and evaluating their performance. The Board has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or officers.

Significant Elements

The significant elements of compensation for the Corporation's "Named Executive Officers", being the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers whose total compensation exceeds $150,000, will be a cash salary and stock options. The Corporation does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Corporation's compensation program. The Board of Directors reviews annually the total compensation package of each of the Corporation's executives on an individual basis and will take into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not expected to be evaluated against a formal "peer group".

Base Salary

The Corporation's compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Corporation.

The Corporation may elect to pay cash bonus incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of the Corporation to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Corporation's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated companies or any other factors the Corporation may consider appropriate at the time such performance-based bonuses are decided upon. The quantity of bonus will normally be a percentage of base salary not to exceed 100%. However, in exceptional circumstances, the quantity of bonus paid may be connected to the shareholder value creation embodied in the pre-agreed milestones.

Stock Options

The Corporation's Stock Option Plan is intended to emphasize management's commitment to the growth of the Corporation. The grant of stock options, as a key component of the executive compensation package, enables the Corporation to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the Board reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to the Corporation's Stock Option Plan. Any grant of options under the Stock Option Plan is within the discretion of the Board, subject to the condition that the maximum number of Common Shares which may be reserved for issuance under the Stock Option Plan may not exceed 10% of the Corporation's issued and outstanding Common Shares.

As of the date hereof, the Corporation has not granted any options to its directors and officers. See also "Options to Purchase Securities" for further information with respect to the material terms of the Corporation's stock option plan.

<u>Employment and Consulting Agreements</u>

The Corporation has entered into written employment agreements with its President (please see details of the Dimitry Agreement under *Employment, Consulting and Management Agreements* below). The Corporation has agreed to pay its Chief Financial Officer a total of $2,500 per month.

Summary Compensation Table

The table below sets forth information concerning the compensation paid, awarded or earned by each of the NEOs and directors for services rendered in all capacities to the Corporation during the fiscal years ended December 31, 2017 and 2016.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES[(1)]							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Dimitry Serov CEO, President, Secretary-Treasurer and Director	2017 2016	$40,813 nil	$50,000 nil	nil nil	nil nil	nil nil	$90,813 nil
Igor Serov Director	2017 2016	$12,500 nil	nil nil	nil nil	nil nil	nil nil	$12,500 nil
Ruslan Elensky Director	2017 2016	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Tony Di Benedetto Director	2017 2016	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Christopher Irwin Director	2017 2016	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Robert Suttie CFO	2017 2016	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil

Notes:

(1) *This table does not include any amount paid as reimbursement for expenses.*
(2) *During the year ended December 31, 2017, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, accrued fees of $12,470.65 for legal services.*
(3) *Rob Suttie was appointed Chief Financial Officer on May 14, 2018. In consideration of the services of Mr. Suttie as CFO, the Corporation agreed to pay the Marrelli Support Services Inc. ("Marrelli"), the sum of $2,500 per month. Services include the services of Robert Suttie as the Chief Financial Officer of the Corporation who shall undertake those duties and responsibilities normally associated with the position of Chief Financial Officer, including the preparation of all financial statements and management discussion and analysis reports.*

Stock Options and Other Compensation Securities

No Options or other compensation securities were granted or issued to any NEO or director by the Issuer in the most recent financial year ended December 31, 2017. The Corporation does not have any share-based award plans for its NEOs or directors.

Pension Plan Benefits

The Corporation does not currently provide any pension plan benefits for executive officers, directors, or employees.

Employment, Consulting and Management Agreements

Dimitry Serov –President and Director

Mr. Dimitry Serov's services are paid through an executive contract with the Corporation dated September 27, 2017, as amended on March 1, 2018 (the "**Dimitry Agreement**"). The Dimitry Agreement provides that Dimitry will serve as President of the Corporation and in exchange will be paid a gross annual salary of $180,000 with a potential bonus of up to $50,000 to be paid at the end of each calendar year conditional upon the satisfaction by Dimitry of performance criteria established by the board of directors. Further, Dimitry will be entitled to four weeks vacation time with pay for each year, prorated for periods of less than a year. The Dimitry Agreement is for an indefinite term, subject to termination in accordance with its terms.

The Dimitry Agreement may be terminated by: (i) Mr. Serov voluntarily on six weeks notice to the Corporation in which case he will be entitled to his base salary, vacation pay and benefits only to the date of termination, provided he shall be entitled to any bonus or incentive award prorated based on active employment by him during the fiscal year in which the termination date occurred for the period up to the termination date based on achievements to the date of termination; (ii) the Corporation for just cause with no entitlement to any notice payments; (iii) by the Corporation without cause with a notice period of twenty-four (24) months or a severance payment in lieu thereof; or (iv) immediately in the event of death or disability of Dimitry. The Corporation can waive any aforementioned notice periods in favour of the Corporation.

In the event of termination without just cause, Dimitry is to be paid a severance payment equal to the base salary he would have been paid during the notice period together with accrued but unpaid vacation entitlements, less any amounts he owes to the Corporation. Generally, Dimitry will be entitled to have his benefits continued throughout the notice period, if the insurer providing the benefits agrees, however, Dimitry agrees that the Corporation may deduct from any payments to be made to Dimitry the benefit plan contributions which were regularly made during the term of employment and that the Corporation's contributions to the benefits shall cease upon Dimitry obtaining alternate employment and becoming eligible for alternate benefit coverage with his new employer. Dimitry shall also be entitled to any bonus or incentive award prorated based on active employment by him during the fiscal year in which the termination date occurred for the period up to the termination date based on achievements to the date of termination. Any bonus or award payment will be made no later than 30 days following the completion of the audited financial statements for the fiscal year in which the termination date occurs.

The Dimitry Agreement is subject to a non-competition and non-solicitation period of twelve (12) months following termination of Dimitry's employment. Upon termination, Dimitry will be deemed to resign as a director. The Dimitry Agreement contains standard confidentiality provisions. The Dimitry Agreement is for an indefinite term, subject to termination in accordance with its terms. Dimitry agrees and acknowledges that the Corporation will own all works of authorship and ideas, and legally recognized proprietary rights including without limitation, trademarks, copyrights, know-how and all related records and agrees to transfer any moral rights in such developments to the Corporation.

Rob Suttie –CFO

Mr. Suttie's services are paid through a consulting agreement with the Corporation and Marelli Support Services Inc. ("**Marelli**") dated September 12th, 2017 (the "**Suttie Agreement**"). The Suttie Agreement provides for compensation at a rate of $2,500 per month payable to Marelli (for the services of Mr. Suttie) and is for an indefinite period of time, subject to termination at any time, if either party gives thirty (30) days written notice to the other party. Under the terms of the Suttie Agreement the Corporation has agreed to provide Mr. Suttie with incentive stock options consistent with and in frequency to other option holders in the next option grant approved by the Corporation.

The Suttie Agreement is subject to a non-solicitation period of twelve (12) months in favour of Marelli following termination of the consulting services. If the Corporation breaches the non-solicitation provision they agree to pay Marelli a lump sum payment equal to 24 times the monthly compensation payable under the terms of the Suttie Agreement.

In the event of a change in control of the Corporation, and Marelli or the Corporation terminates the Suttie Agreement within 24 months of such change in control, a termination fee in a lump sum payment of $2,500 shall be payable to Marelli and any stock options granted to Mr. Suttie will immediately vest and be exercisable with the earlier of: (i) the expiry date of the options; or (ii) 12 months after the date on which the Suttie Agreement is terminated.

Igor Serov –Director

Mr. Igor Serov's services are paid through a consulting agreement with the Corporation dated September 27, 2017, as amended on March 1, 2018 (the "**Igor Agreement**"). The Igor Agreement is for an indefinite term and provides that Igor will be paid a gross annual salary of $80,000 with a potential bonus of up to $20,000 to be paid at the end of each calendar year conditional upon the satisfaction by Igor of performance criteria established by the board of directors.

The Corporation can terminate the Igor Agreement if Igor commits a material breach that isn't remedied within 10 days after receipt of written notice, or if Igor commits any willful or intentional act having the effect of materially injuring the reputation, business or business relationships of the Corporation. If Igor is terminated by the Corporation for any reason, Igor will be entitled to ninety (90) days' notice and payment of all yearly fees owed pursuant to the Igor Agreement for a total of $80,000 per year. The Igor Agreement contains standard confidentiality provisions and each party agrees to indemnify the other party for any breaches under the Igor Agreement.

Termination and Change of Control Benefits

The Corporation has not granted any termination or change of control benefits, other than as described herein. Other than as described herein, there are no compensatory plans or arrangements with respect to the NEOs resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of NEOs' responsibilities following a change of control.

Director Compensation

To date, the Corporation has not paid any cash compensation or granted any stock options to its directors. The directors are reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings and also entitled to participate in the Corporation's stock option plan.

Oversight of Director and NEO Compensation

The Corporation has established a Compensation and Governance Committee of the Board which is charged with reviewing, overseeing and evaluating the corporate governance, compensation and nominating policies of the Corporation. See "*Corporate Governance – Corporate Governance Disclosure*" for further information.

Pension and Retirement Plans

The Corporation does not have any pension or retirement plans that provide for payment or benefits at, following, or in connection with retirement or provide for retirement or deferred compensation plans.

INDEBTEDNESS OF DIRECTORS, OFFICERS AND EMPLOYEES

As of the date hereof there was no indebtedness owing to the Corporation in connection with the purchase of securities or other indebtedness by any current or former executive officers, directors, employees of the Corporation. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDIT COMMITTEE INFORMATION REQUIRED FOR A VENTURE ISSUER

Multilateral Instrument 52-110 ("**MI 52-110**") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in MI 52-110) be included in the prospectus.

Audit Committee Charter

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

On May 15, 2018, the Board adopted a charter delineating the Audit Committee's responsibilities. The Audit Committee Charter is attached to this prospectus as Schedule "B".

Composition of the Audit Committee

The members of the Audit Committee are Ruslan Elensky (Chair), Dimitry Serov and Tony Di Benedetto, each of whom is a director, and financially literate and each of whom are independent in accordance with MI 52-110.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;

2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and

complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; and

4. an understanding of internal controls and procedures for financial reporting.

Tony Di Benedetto

Mr. Di Benedetto has a Bachelor of Administration degree from York University which he obtained in 1993. Mr. Di Benedetto is knowledgeable in accounting principles used by both private and public corporations in Canada. He currently serves as the CEO of Drone Delivery Canada Corp. ("**Drone**"), a TSX Venture listed issuer. Mr. Di Benedetto has experience working with the Chief Financial Officer of Drone in preparing and analyzing public company financial statements and he has a strong knowledge of internal controls and procedures required for public company financial reporting.

Ruslan Elensky

Mr. Elensky, holds a degree in Financial and Business Analytics from George Brown College, which he obtained in 2004. Since 2005, Mr. Elensky has held a range of executive and consultancy positions and has started and exited a variety of private ventures in the automotive, haulage and construction industries. Mr. Elensky is currently the CEO of Lemarg Group, a holding and management company. Through these work experiences Mr. Elensky has experience working with its accountants and financial advisors in analyzing financial statements and understanding the procedures associated with proper accounting for an operating company.

Dimitry Serov

Dimitry holds a diploma from St. Petersburg's College of Economics and Business Management which he obtained in 2003. Mr. Serov has held various sales and management positions in the automotive sector with BMW, Mercedes Benz and Audi where he worked with financial lease models in advising his clients. Since 2012, Mr. Serov has served as the Chief Executive Officer of American Aires Inc. has experience working with its accountants and financial advisors in analyzing financial statements and understanding the procedures associated with proper accounting for an operating company in his role as CEO. Mr. Serov has been actively involed in operating all aspects of the Corporations business since 2012 including the preparation of its yearly financial statements.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in MI 52-110 regarding *De Minimis* Non-audit Services or on a Regulatory Order Generally

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of MI 52-110 (which exempts all non-audit services provided by the Corporation's auditor from the requirement to be pre-approved

by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or

2. an exemption from the requirements of MI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of MI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter

External Auditor Service Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Corporation for professional services rendered to the Corporation during the fiscal years ended December 31, 2017 and 2016:

	Year Ended December 31, 2017	**Year Ended December 31, 2016**
Audit Fees(1)	$20,000	$20,000
Audit-Related(2)	Nil	Nil
Tax Fees(3)	Nil	Nil
All Other Fees(4)	Nil	Nil
Total	**$20,000**	**$20,000**

Notes:

(1) *Aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.*

(2) *Aggregate fees billed for professional services rendered by the auditor and were comprised primarily of the review of quarterly financial statements and related documents.*

(3) *Aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.*

(4) *Aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.*

STATEMENT ON CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Corporation.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Corporation is required to disclose its corporate governance practices, as summarized below. The Compensation and Governance Committee of the Board will monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Board of Directors

The Board is currently composed of five (5) directors. Form 58-102F1 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under Multilateral Instrument 52-110 ("**MI 52-110**)", which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Of the current directors, Dimitry Serov, Chief Executive Officer and Robert Suttie, Chief Financial Officer are "inside" or management directors and accordingly are considered not "independent". The remaining 3 directors are considered by the Board to be "independent", within the meaning of MI 52-110.

Other Directorships

The following table sets forth the directors of the Corporation who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Chris Irwin	Drone Delivery Canada Corp.; Intercontinental Gold and Metals Ltd. (formerly Geodex Minerals Ltd.); Open Source Health Inc.; Greencastle Resources Ltd.; Deveron UAS Corp.; Roscan Minerals Corporation; Argo Gold Inc.; Hornby Bay Mineral Exploration Ltd.; Minnova Corp.
Tony Di Benedetto	Drone Delivery Canada Corp.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically board members have been nominated who are familiar with the Corporation and the nature of its business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (Ontario), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new directors of the Corporation and recommending to the Board any new director nominees for the next annual meeting of shareholders of the Corporation. New nominees must have a track record in general business management, experience in an area of strategic interest to the Corporation, the ability to devote the time required, show support for the Corporation's mission and strategic objectives, and/or demonstrate a willingness to serve the interests of the Corporation.

Compensation

To determine compensation payable, the Board reviews compensation paid for directors and executive officers of companies of similar size and stage of development and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation.

Other Board Committees

In addition to the Audit Committee, the Board performs the functions of an Executive Committee, a Nominating Committee, a Disclosure Policy Committee and a Corporate Governance Committee, however, the Board may appoint a number of directors, the majority of whom are independent, to act on issues related to the above on an as needed basis.

Assessments

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and the quality of information provided by management, and among other things**:**

- overseeing strategic planning;
- monitoring the performance of the Corporation's assets;
- evaluating the principal risks and opportunities associated with the Corporation's business and overseeing the implementation of appropriate systems to manage these risks;
- approving specific acquisitions and divestitures;
- evaluating senior management; and
- overseeing the Corporation's internal control and management information systems.

PLAN OF DISTRIBUTION

Offering

Under the Agency Agreement the Corporation has appointed the Agent on a commercially reasonable efforts basis to offer for sale of 24,000,000 Common Shares of the Corporation at a price of $0.30 per Common Share for gross proceeds of $7,200,000. The issue price of $0.30 per Common Share was determined by arm's length negotiation between the Corporation and the Agent. The distribution of the Common Shares is qualified by this Prospectus.

The Corporation has agreed not to, directly or indirectly, issue, sell or grant or agree to announce any intention to issue, sell or grant, any additional equity or quasi-equity securities for a period of 90 days after the Closing of the Offering without the prior written consent of the Agent, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements; (ii) obligations in respect of existing consulting agreements; and (iii) the issuance of securities in connection with property or share acquisitions in the normal course of business.

Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved by the Corporation to close the subscription books at any time without notice. It is expected that the Closing of the Offering will occur on a date agreed upon by the Corporation and the Agent, but not later than the date that is 90 days after a receipt is issued for the final prospectus or if a receipt has been issued for an amendment to the final prospectus, within 90 days of issuance of such receipt and in any event not later than 180 days from the date of receipt of the final prospectus. It is expected that share certificates evidencing the Common Shares will be available for delivery on the Closing unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

There is currently no market through which any of the securities of the Corporation, including the Common Shares, may be sold and purchasers and holders thereof may not be able to resell or dispose of any of the securities purchased, distributed or qualified under this Prospectus.

The Corporation has agreed to indemnify the Agent and its directors, officers, employees, shareholders and agents against all liabilities arising directly or indirectly from the Agency Agreement. Notwithstanding the above, the indemnity does not include claims arising from gross negligence, dishonesty, or wilful misconduct of the Agent.

The obligations of the Agent under the Agency Agreement may be terminated at the Agent's discretion upon the occurrence of certain stated events. The Agent is not obligated to purchase any of the Common Shares under the Offering.

Agent's Commission

The Corporation has agreed to pay to the Agent a cash commission equal to 7.5% of the aggregate gross proceeds of the Offering in consideration for its services in connection with the Offering. Such commission, together with all other expenses of the Offering, will be paid by the Corporation out of the proceeds of the Offering.

As additional compensation, on the Closing, the Corporation has agreed to grant to the Agent the Agent's Option exercisable to acquire that number of Common Shares that is equal to 7.5% of the number of Common Shares sold pursuant to this Offering at the price of $0.30 per Common Share for a period of one (1) year from the Listing Date. The Agent's Option will be qualified under this Prospectus.

Over-Allotment Option

The Corporation grants to the Agent an option (the "Over-Allotment Option"), exercisable in whole or in part by notice given at any time up until the Closing Date, to solicit and accept subscriptions for such number of Shares as is equal to 5% of the number of Shares sold under the Offering (the "Over-Allotment

Shares”). The purchase price for each Over-Allotment Share in respect of which the option is exercised shall be the Offering Price. The issuance of the Over-Allotment Shares shall be only for the purpose of covering over-allotments. The Over-Allotment Option and all securities issuable thereunder shall be qualified under the Prospectus.

A purchaser who acquires Common Shares forming part of the Agents' over-allocation position acquires such Common Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Listing of Common Shares on the Exchange

The Corporation has applied to list its Common Shares on the Exchange. Listing of the Common Shares is subject to the Corporation fulfilling all of the listing requirements of the Exchange

None of the securities offered hereunder or qualified for distribution hereunder have been and will not be registered under the 1933 Act or any state securities laws, and accordingly may not be offered or sold within the United States or to U.S. persons (as such term is defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. The Agency Agreement will permit the Agent to offer and resell the Common Shares to certain accredited investors in the United States, provided such offers and sales were made in accordance with Regulation D under the 1933 Act.

As of the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

RISK FACTORS

The securities offered hereby should be considered highly speculative due to the nature of the Corporation’s business and the present stage of its development. A prospective investor should consider carefully the risk factors set out below. In addition, prospective investors should carefully review and consider all other information contained in the Prospectus before making an investment decision. An investment in securities of the Corporation should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus.

The following are certain factors relating to the Corporation’s business, which prospective investors should carefully consider before deciding whether to invest in the Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this Prospectus. These risks and uncertainties are not the only ones the Corporation is facing. Additional risks and uncertainties not presently known to the Corporation, or that the Corporation currently deems immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

Risks Related to the Offering

Market Risk for Securities

There can be no assurance that an active trading market for the Common Shares will be established and sustained. Upon listing, the market price for the Common Shares could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Corporation’s securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Future Financing Risk

The Corporation may require additional financing in order to fund future operations and expansion plans. The Corporation’s ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Corporation will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional Common Shares, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Corporation may be required to scale back its current business plan or cease operating.

Going-Concern Risk

The Corporation’s financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Corporation’s future operations may be dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Corporation will be successful in completing equity or debt financing or in achieving profitability. The Corporation’s financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

Global Economy Risk

The Corporation may be dependent upon capital markets to raise additional financing in the future while concurrently establishing a wider customer base. Access to financing could be negatively impacted by any global economic downturn. As such, the Corporation is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Corporation and its management. If these levels of volatility and slow market conditions persist, the Corporation’s operations, the Corporation’s ability to raise capital and the trading price of the Common Shares could be adversely impacted.

Discretion in the Use of Proceeds

Management will have broad discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

Share Price Volatility Risk

It is anticipated that the Common Shares will be listed for trading on the Exchange. As such, external factors outside of the Corporation's control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward technology and education sector stocks, may have a significant impact on the market price of the Common Shares. Global stock markets, including the Exchange, have, from time to time, experienced extreme price and volume fluctuations. The same applies to companies in the financial, technology and IT sectors. There can be no assurance that an active or liquid market will develop or be sustained for the Common Shares.

Increased Costs of Being a Publicly Traded Corporation

As the Corporation will have publicly-traded securities, significant legal, accounting and filing fees will be incurred that are not presently being incurred. Securities legislation and the rules and policies of the Exchange require publicly listed companies to, among other things, adopt corporate governance policies and related practices and to continuously prepare and disclose material information, all of which will significantly increase legal, financial and securities regulatory compliance costs.

Operating History

The Corporation has a very limited history of operations, is in the early stage of development and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the foreseeable future.

Risks Related to the Corporation's Business

Suppliers and Distributors

The Corporation relies on certain third party suppliers for its product components and does not have any supply or distribution agreements in place. As a result the Corporation's ability to manufacture and deliver its products are subject to several risks, some of which are outside the control of the Corporation, including the inability to replace a supplier in a timely fashion, the interruption of operations or increased costs in the event that a supplier ceases its business due to insolvency or other unforeseen events and the risks that the Corporation's products will not be received by the customer in a timely fashion. The occurrence of one or more of these events could materially delay or prevent the manufacturing and supply of the Corporation's products to its customers and harm the reputation of the Corporation. Further the Corporation does not have any agreements in place with any distributors or re-sellers and relies solely on its internal operations to process online orders and distribute its products to its customers. There is a risk that the Corporation may not be able to process orders and distribute its products to its consumers in a timely manner in the event demand for its product increases at a significant rate. This may harm the reputation of the Corporation and negatively impact future sales or perception of the Corporation.

Brand Development

The success of the Corporation's brand depends on the effectiveness of the Corporation's marketing efforts and on the Corporation's ability to provide reliable products and support to customers at competitive prices. The Corporation's brand marketing strategies may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses incurred in its attempts to build the Corporation's brand. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Corporation's products or services. If the Corporation fails to effectively market its brand, the Corporation may fail to attract new customers, retain existing customers or attract sufficient media coverage in order to realize a sufficient return on branding efforts. A failure in brand development and marketing may result in a negative impact on the Corporation's business and potential revenues.

Technology Risk

The Corporation's products are dependent upon technologies which are susceptible to rapid and substantial changes. There can be no assurance that the Corporation's products will not be seriously affected by, or become obsolete as a result of, such technological changes. Further, the Corporation's products are constantly under revision and development and there can be no assurance that the Corporation's efforts will result in viable commercial products as conceived by the Corporation. There is a risk that similar products which may include features more appealing to customers may be developed and that other products competing with the Corporation's products may use technologies not yet incorporated in the Corporation's products. The occurrence of any of these events could negatively impact interest in the Corporation's products and thus limit the potential revenues to be generated by the Corporation.

Currency Risk

The Corporation is exposed to the financial risk related to the fluctuation of foreign exchange rates. A significant change in the currency exchange rates between the Canadian Dollar relative to the U.S. Dollar or other foreign currencies could have an effect on the Corporation's results of operations.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flow or fair values of financial instruments. It arises when the Corporation invests in interest bearing financial instruments. As of the date of this Prospectus, the Corporation did not have any significant exposure to interest rate risk, but such exposure may increase in future.

Tax Risk

The Corporation is subject to various taxes including, but not limited to the following: Canadian income tax; goods and services tax; provincial sales tax; and payroll tax. The Corporation's tax filings will be subject to audit by various taxation authorities. While the Corporation intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

Uninsured or Uninsurable Risk

The Corporation may become subject to liability for risks against which are uninsurable or against which the Corporation may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on the Corporation's financial position and operations.

Conflicts of Interest Risk

Certain of the Corporation's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors to the Corporation. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Corporation's interests. In accordance with the OBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the Corporation's best interests. However, in conflict of interest situations, directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Corporation. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Corporation.

Intellectual Property

The ability of the Corporation to maintain or increase sales will depend in part on its ability to maintain and grow its brand equity through the use of its registered domain names and intellectual property. A loss of any of these may result in the Corporation's brand equity being diminished and thus a loss of potential customers. As protection, the Corporation usually requires its employees and independent contractors to enter into confidentiality agreements, however it cannot be assured that the obligations therein will be maintained and honoured. In spite of confidentiality agreements and other methods of protecting trade secrets, the Corporation's proprietary information could become known to or independently developed by competitors.

Further, the Corporation's competitors may have been granted patents protecting various product features, including methods and designs. If the Corporation's products employ these processes, or other subject matter that is claimed under its competitors' patents, or if other companies obtain patents claiming subject matter that the Corporation uses, those companies may bring infringement actions against us. Whether a product infringes a patent involves complex legal and factual issues, the determination of which is often uncertain. In addition, because patent applications can take many years to issue, there may be applications now pending of which the Corporation is unaware, which might later result in issued patents that the Corporation's products may infringe. If any of the Corporation's products infringes a valid patent, it could be prevented from distributing that particular product, unless and until it can obtain a license or redesign the product in question to avoid infringement. A license may not be available or may require us to pay substantial royalties. Additionally, the Corporation may not be successful in any attempt to redesign the infringing product. Infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and the Corporation may not have the financial and human resources to defend ourselves against any infringement suits that may be brought against us.

Moreover, due to the differences in foreign patent, trademark, trade dress, copyright and other laws concerning proprietary rights, the Corporation's intellectual property may not receive the same degree of protection in foreign countries as it would in Canada. The Corporation's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason in these jurisdictions could have a material adverse effect on its business, results of operations and financial condition. The Corporation currently has several patents registered in Russia and these patents may receive little or no protection in other foreign jurisdictions including Canada and other jurisdictions where it will sell its products. This would prohibit the Corporation from excluding or preventing its competitors from using the Corporation's proprietary technology, methods and processes to the extent independently developed by its competitors and have a material adverse impact on the Corporation's business.

Attracting and Retaining Quality Employees

The Corporation's business is dependent upon attracting and retaining quality employees with the skills required particularly with respect to business development, sales and marketing. The inability of the Corporation to hire, train and retain employees may adversely affect operations and could have an adverse effect on sales. The Corporation's ability to meet its labour needs while controlling the costs associated with hiring and training new employees is subject to external factors such as unemployment levels, prevailing wage rates, government legislation and changing demographics. Changes that adversely impact the Corporation's ability to attract and retain quality employees could adversely affect its business.

Key Personnel Risk

The Corporation's success will depend on its directors and officers to develop the business and manage operations and on their ability to attract and retain key technical, sales and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Corporation will be able to attract or retain key personnel in the future which may adversely impact operations.

Management of Growth

The Corporation's management anticipates rapid growth and plans to capitalize on this growth. Future operating results will depend on management's ability to manage this anticipated growth, hire and retain qualified personnel, properly generate revenues and control expenses. A decline in the growth rate of revenues without a corresponding reduction in the growth rate of expenses could have a material adverse effect on the Corporation's business, results of operations, cash flows and financial condition.

Product and Services Development

The Corporation may not be able to improve the content and delivery of its products in a timely or cost-effective manner. Revisions to the certain products may not be well received by existing or prospective customers. Furthermore, modifying the products may require the Corporation to invest in development, increase marketing efforts and re-allocate resources away from other uses. Even if the Corporation's new products are well received, the Corporation could suffer adverse results if these new features and services are not offered to customers in a timely or cost-effective manner. If the Corporation does not respond adequately to changes in market demands, then the Corporation's ability to attract and retain customers may be impaired and financial results could suffer.

Expansion Rate

In order for the Corporation to improve its operating results and continue to grow its business, it is important for the Corporation to continue to attract new customers and continually update and improve its products for its existing and future customer base. To the extent the Corporation is successful in increasing its customer base, it could incur increased losses because the costs associated with attracting new customers are generally incurred up front, while revenue is recognized rateably over the term of a contract for services.

Alternatively, to the extent the Corporation is unsuccessful in increasing its customer base, the Corporation could also incur increased losses as the costs associated with marketing programs and new products intended to attract new customers would not be offset by incremental revenue and cash flow. Furthermore, if the Corporation's customers do not expand on the development of new products and services, the Corporation's revenue may grow more slowly than the Corporation expects. All of these factors could negatively impact the Corporation's future revenue and operating results.

Confidentiality Risk

Personal information collected by the Corporation in the ordinary course of business may be vulnerable to breach, theft or loss. This could subject the Corporation to liability or negatively impact the Corporation's reputation and operations. The Corporation collects, uses and retains personal information from its customer base, including personal and financial data. The Corporation also collects and maintains personal information of its employees. Although the Corporation uses security controls to limit access and use of personal information, a third party or internal errors within the Corporation may circumvent these controls, which could result in a breach of student or employee privacy. A violation of any laws or regulations relating to the collection or use of personal information could result in the Corporation incurring fines. While the Corporation believes it takes appropriate precautions and safety measures, there is still a possibility that a breach, theft or loss of personal information may occur. Any breach, theft or loss of such personal information could negatively impact the Corporation's financial condition, reputation, and may result in the Corporation incurring liability.

Competition

The Corporation faces competition and new competitors will continue to emerge throughout the world. Products offered by the Corporation's competitors may take a larger share of consumer spending than anticipated, which could cause revenue generated from the Corporation's products to fall below expectations. It is expected that competition in these markets will intensify. If competitors of the Corporation develop and market more successful products, offer competitive products at lower price points, or if the Corporation does not produce consistently high-quality and well-received products, revenues, margins, and profitability of the Corporation will decline.

The Corporation's ability to compete effectively will depend on, among other things, the Corporation's pricing of services and equipment, quality of customer service, development of new and enhanced products and services in response to customer demands and changing technology, reach and quality of sales and distribution channels and capital resources. Competition could lead to a reduction in the rate at which the Corporation adds new customers, a decrease in the size of the Corporation's market share and a decline in its customers.

Corporate Matters

To date, the Corporation has not paid any dividends on its outstanding Common Shares and does not anticipate the payment of any dividends on its Common Shares for the foreseeable future. Certain of the directors and officers of the Corporation are also directors and officers of other reporting issuers, and conflicts of interest may arise between their duties as officers and directors of the Corporation and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the OBCA.

Issuance of Debt

From time to time, the Corporation may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Corporation's debt levels above industry standards. Neither the Corporation's articles nor its by-laws limit the amount of indebtedness that the Corporation may incur. The level of the Corporation's indebtedness from time to time could impair the Corporation's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Third Party Credit Risk

The Corporation is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its cash flow from operations.

Short term investment risks

The Corporation may from time to time invest excess cash balances in short term commercial paper or similar securities. Recent market conditions affecting certain types of short term investments of some North American and European issuers as well as certain financial institutions have resulted in restricted liquidity for these investments. There can be no guarantee that further market disruptions affecting various short term investments or the potential failure of such financial institutions will not have a negative effect on the liquidity of investments made by the Corporation.

Shares Reserved For Future Issuance

Options and warrants are likely to be exercised when the market price of the Common Shares exceeds the exercise price of such options or warrants. The exercise price of such options or warrants and the subsequent resale of such Common Shares in the public market could adversely affect the prevailing market price and the Corporation's ability to raise equity capital in the future at a time and price when it deems appropriate. The Corporation may also enter into commitments in the future which would require the issuance of additional Common Shares and the Corporation may grant additional Common Share purchase warrants and stock options. Any Common Share issuances from the Corporation's treasury will result in immediate dilution to existing shareholders.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Corporation is exposed to credit risk with respect to its cash and accounts receivable. The Corporation tries to reduce its credit risk by maintaining its primary bank accounts at large financial institutions. The Corporation assesses its credit risk based on general market knowledge and specific information obtained through its business relationships.

A significant portion of the Corporation's cash is held with the Corporation's broker, and as such, the Corporation is exposed to concentration of credit risk. The amount held by the broker was received subsequent to year end.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation manages liquidity risk through the management of its capital structure. Management will continue to raise capital to fund the Corporation's exploration, development and feasibility expenditures and for general and administrative costs.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in this interest rates. While the Corporation manages its operations in order to minimize exposure to risk, the Corporation has not entered into any derivatives or contract to hedge or otherwise mitigate this exposure.

PROMOTERS OF THE CORPORATION

Dimitry Serov the Corporation's CEO, President, Secretary-Treasurer and Director, took the initiative in the primary organization of the Corporation and accordingly is a promoter of the Corporation. Mr. Dimitry Serov owns 45,000,000 Common Shares of the Corporation, which is 49.9% of the Common Shares outstanding prior to giving effect to the Offering. See "Principal Shareholders", "Directors and Executive Officers" and "Executive Compensation".

Pursuant to intellectual property assignment agreements dated January 1, 2017 between the Corporation and each of Dimitry Serov and Igor Serov (the "**IP Assignment Agreements**"), Mr. Dimitry Serov transferred certain intellectual property to the Corporation with a value of $2,699,994 in exchange for 26,999,940 Common Shares of the Corporation and Igor Serov transferred certain intellectual property to the Corporation with a value of $1,799,996 in exchange for 17,999,960 Common Shares of the Corporation. The determination of the value of the assets was determined by the sole director of the Corporation at January 1, 2017, namely Dimitry Serov.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings outstanding, threatened or pending as of the date of this Prospectus by or against the Corporation or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the directors and officers of the Corporation are any such legal proceedings contemplated which could become material to a purchaser of the Corporation's securities.

There have not been any penalties or sanctions imposed against the Corporation by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Corporation, and the Corporation has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The current auditor of the Corporation is MNP LLP, located at 111 Richmond Street West, Suite 300, Toronto, ON M5H 2G4 and was appointed on December 17, 2017.

The Corporation's registrar and transfer agent is Computershare Investor Services Inc., located at at its Toronto office located at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than with respect to the IP Assignment Agreements, no director, executive officer or principal shareholder of the Corporation, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in the current financial year or in any proposed transaction that has materially affected or will materially affect the Corporation.

MATERIAL CONTRACTS

The only material contracts entered into or proposed to be entered into by the Corporation, or on its behalf, since incorporation, other than contracts in the ordinary course of business, are as follows:

1. The agency agreement dated [●], 2018 between the Corporation and the Agent.
2. Escrow Agreement dated [●], 2018 between the Corporation, [●] and certain principals of the Corporation. See "*Escrowed Securities*".
3. Transfer Agent Agreement between the Corporation and the Transfer Agent dated [●], 2018; and
4. The IP Assignment Agreements.

Copies of these agreements, when executed, may be inspected at the head office of the Corporation at 400 Applewood Crescent, Unit 100, Vaughan, Ontario, L4K 0C3 or at the offices of Irwin Lowy LLP, legal counsel to the Corporation, at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1 during normal business hours, as well as under the Issuer's SEDAR profile at www.sedar.com upon the Effective Date of this Prospectus.

EXPERTS

Certain legal matters in connection with the Offering are being reviewed on behalf of the Corporation by Irwin Lowy LLP, 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1.

Except as disclosed herein, none of the above experts or any director, officer, partner, associate or employee thereof received or will receive a direct or indirect interest in the property of the Corporation or of any associate or affiliate of the Corporation. As at the date hereof, the aforementioned companies and partnerships, and all directors, officers, employees and partners thereof, do not beneficially own, directly or indirectly, any of the securities of the Corporation and its associates and affiliates. In addition, other than Chris Irwin of Irwin Lowy LLP, no other director, officer, partner or employee of any of the aforementioned companies and partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associates or affiliates of the Corporation.

The Corporation's auditor, MNP LLP, is independent in accordance with the auditor's rules of professional conduct in the Province of Ontario.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Corporation that are not otherwise disclosed in this Prospectus, or are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Corporation.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus or any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. **The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.**

FINANCIAL STATEMENTS

Attached to and forming a part of this Prospectus as Schedule "A" are the following documents:

1. Audited financial statements of the Corporation for the years ended December 31, 2017 and 2016;
2. Management's Discussion and Analysis of the Corporation for the years ended December 31, 2017 and 2016;
3. Unaudited condensed interim financial statements of the Corporation for the three months ended March 31, 2018 and 2017; and
4. Management's Discussion and Analysis of the Corporation for the three months ended March 31, 2018 and 2017.

SCHEDULE "A"

FINANCIAL STATEMENTS

AMERICAN AIRES INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditors' Report

To the Shareholders of American Aires Inc.:

We have audited the accompanying financial statements of American Aires Inc. which comprise the statements of financial position as at December 31, 2017 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of American Aires Inc. as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about American Aires Inc.'s ability to continue as a going concern.

April •, 2018
Toronto, Ontario

Chartered Professional Accountants
Licensed Public Accountants

DRAFT

AMERICAN AIRES INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at December 31		**2017**		2016
ASSETS				
Current assets				
Cash	**$**	**354,839**	$	12,037
Prepaid and sundry receivable		**72,499**		3,538
Accounts receivable		**4,258**		994
Inventory		**57,730**		46,605
		489,326		63,174
Intellectual property (note 7)		**1,834,558**		-
Total assets	**$**	**2,323,884**	$	63,174
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (note 9)	**$**	**588,535**	$	66,769
Shareholder loan (note 6)		**-**		258,831
Deferred revenue		**8,515**		-
		597,050		325,600
Shareholders' equity				
Share capital (note 7)		**2,940,795**		100
Shares to be issued (note 7)		**40,000**		-
Deficit		**(1,253,961)**		(262,526)
Total shareholders' equity		**1,726,834**		(262,426)
Total liabilities and shareholders' equity	**$**	**2,323,884**	$	63,174

Subsequent Event (note 12)

Approved on behalf of the Board of Directors:

"Dimitry Serov"
Director

"Ruslan Elensky"
Director

The accompanying notes are an integral part of these financial statements.

AMERICAN AIRES INC.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended December 31,	2017	2016 *(unaudited)*
Revenue		
Sales	**$ 352,570**	$ 240,567
Cost of sales	**(123,656)**	(105,991)
Gross margin	**228,914**	134,576
Expenses		
Advertising and promotion	**191,698**	62,969
Bad debt expense	**-**	14,676
Consulting fees	**470,231**	1,530
Foreign exchange	**2,109**	2,054
Impairment of property and equipment	**-**	35,898
Interest charges	**8,665**	4,457
Office and general	**65,950**	29,777
Professional fees	**52,789**	21,050
Rent expense	**32,729**	32,317
Research and development	**24,996**	-
Salaries and benefits	**90,813**	-
Travel	**38,550**	4,537
Depreciation	**241,820**	20,245
	1,220,349	229,509
Net loss and comprehensive loss for the year	**$ (991,435)**	$ (94,933)
Basic and diluted net loss per share (note 8)	**$ (0.02)**	$ (949.33)
Weighted average number of common shares outstanding, basic and diluted (note 8)	**48,768,853**	100

The accompanying notes are an integral part of these financial statements.

AMERICAN AIRES INC.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital Number	Share Capital Amount	Shares to be Issued	Contributed Surplus	Deficit	Total
Balance, December 31, 2015 *(unaudited)*	**100**	**$ 100**	**$ -**	**$ -**	**$ (135,593)**	**$ (135,493)**
Dividends issued	-	-	-	-	(32,000)	(32,000)
Net loss	-	-	-	-	(94,933)	(94,933)
Balance, December 31, 2016 *(unaudited)*	**100**	**$ 100**	**$ -**	**$ -**	**$ (262,526)**	**$ (262,426)**
Issued on acquisition of intellectual property	44,999,900	2,249,995	-	-	-	2,249,995
Shares to be issued (note 7)	-	-	40,000	-	-	40,000
Private placement, net of costs	15,800,000	690,700	-	-	-	690,700
Net loss	-	-	-	-	(991,435)	(991,435)
Balance, December 31, 2017	**60,800,000**	**$ 2,940,795**	**$ 40,000**	**$ -**	**$ (1,253,961)**	**$ 1,726,834**

The accompanying notes are an integral part of these financial statements.

AMERICAN AIRES INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended December 31,	2017	2016 *(unaudited)*
Operating activities		
Net loss for the year	**$ (991,435)**	$ (94,933)
Impairment of property and equipment	**-**	35,898
Depreciation	**241,820**	20,245
Shares to be issued for consutling fees (note 7)	**40,000**	-
Non-cash working capital items:		
Accounts receivable	**(3,264)**	19,455
Prepaid and sundry receivable	**(68,961)**	(1,127)
Accounts payable and accrued liabilities	**521,765**	(3,179)
Deferred revenue	**8,515**	(3,179)
Inventory	**(11,125)**	20,462
	(302,685)	(3,179)
Investing activities		
Acquisition of property and equipment	**-**	(6,120)
Financing activities		
Private placement, net of fees	**690,700**	-
Shareholder loan	**(85,213)**	(12,824)
	605,487	(12,824)
Net change in cash	**302,802**	(22,123)
Cash, beginning of the year	**12,037**	34,160
Cash, end of the year	**$ 314,839**	$ 12,037

The accompanying notes are an integral part of these financial statements.

1. Nature of Operations and Going Concern

American Aires Inc. (the "Company") was incorporated on May 15, 2012 and organized under the laws of Ontario, Canada. The registered office of the Company is located at 400 Applewood Crescent, unit 100, Vaughn, Ontario, L4K 0C3.

The Company is currently engaged in business of production, distribution and sales of electromagnetic protection devices. The Company currently has four principal products: Air Shield Extreme, Aires Black Crystal, Aires Defender Infinity and Aires Defender Automotive and has further products in the development phase.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. The Company has a deficit of $1,253,961 at December 31, 2017 and incurred a loss of $991,435 for the year ended December 31, 2017. The Company has a working capital deficiency of $107,724 at December 31, 2017 (2016 - a working deficiency of $262,426).

Management cannot provide assurance that the Company will achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management intends to raise additional funding in the form of equity financing from the sale of common stock. However, if the Company is unable to raise additional capital in the near future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. There are no assurances that the Company will be successful in achieving the above and, as a result, there is substantial doubt regarding the applicability of the going concern assumption. These financial statements do not give effect to adjustments that would be necessary to the reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

Basis of Preparation

These financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and their interpretations adopted by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of the Canadian Institute of Chartered Accountants, as issued and effective for the year ended December 31, 2017.

These financial statements were approved by the Board of Directors on June 19, 2018.

Basis of Measurement

These financial statements have been prepared on a historical cost basis. In addition, using the accrual basis of accounting except for cash flow information.

In the preparation of these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

2. Significant Accounting Policies (Continued)

Financial Instruments

Financial Assets

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified as 'loans and receivables', non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Loans and receivables are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest, when applicable, over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or to the net carrying amount on initial recognition.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

Financial Liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other Financial Liabilities

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the net carrying amount on initial recognition.

2. Significant Accounting Policies (Continued)

De-Recognition of Financial Liabilities

The Company de-recognizes financial liabilities when the obligations are discharged, cancelled or expire.

The Company's financial instruments consist of the following:

Financial Assets:	Classification:
Cash	FVTPL
Investments	FVTPL
Accounts receivable	Loans and receivables

Financial Liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities
Shareholder loan	Other financial liabilities

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts or loans receivable, where the carrying amount is reduced through the use of an allowance account. When an accounts or loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Instruments Recorded at Fair Value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on unadjusted quoted prices in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of December 31, 2017 cash was classified as Level 1 on the consolidated statements of financial position.

Cash

Cash in the statements of financial position comprise cash at banks and on hand. The Company's cash is invested with major financial institutions in business accounts and higher yield investment and savings accounts that are available on demand by the Company for its programs.

Inventory

Inventory consists primarily of finished goods. The Company values inventory at the lower of cost and net realizable value. The inventory value is determined using the first-in first-out method. Obsolete inventories are written down to their estimated net realizable value.

2. Significant Accounting Policies (Continued)

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company had no material provisions at December 31, 2017.

Income Taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Loss Per Share

The Company presents basic and diluted loss per share data for its common shares outstanding, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding to include potential common shares for the assumed conversion of all dilutive securities under the treasury stock method.

Revenue Recognition

The Company's revenue is substantially derived from the sale of eletromagnetic protection devices. Revenue is recognized when the product is shipped and there is a reasonable expectation of collection.

Deferred Revenue

Deferred revenue relates to sales for which payment has been received, and for which the corresponding product had not been shipped as at December 31.

2. Significant Accounting Policies (Continued)

Critical Accounting Estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Accounting Judgments

Income Taxes and Recovery of Deferred Tax Assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements. Deferred tax assets require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize recognized deferred tax assets. As at December 31, 2017, no deferred tax assets were recognized, as it is uncertain when sufficient taxable income will be available to realize the deferred tax assets.

Recent Accounting Pronouncements

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company.

i) In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

ii) IFRS 9, Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company believes the impact of this pronouncement will not have a significant impact on the financial statements..

2. Significant Accounting Policies (Continued)

Future Accounting Pronouncements (Continued)

iii) IFRS 15 was issued by IASB in May 2014 and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company believes the effect on its financial statements as a result of adopting this standard will not be significant.

3. Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, and deficit, which at December 31, 2017 totaled $1,726,834 (2016 - shareholders`deficiency of $262,426)). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2017.

4. Financial Risk Factors

Financial Risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk).

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

<u>Credit Risk</u>

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote. The Company`s customer base is well diversified with no reliance on any one client.

(Expressed in Canadian Dollars)

4. Financial Risk Factors (Continued)

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2017, the Company had a cash balance of $354,839 to settle current liabilities of $597,050. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing, controlling expenses, and preserving cash.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risks

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(i) Interest Rate Risk

The Company has cash balances and regularly monitors its cash management policy. As a result, the Company is not subject to significant interest rate risk.

5. Intellectual Property

On January 1, 2017 the Corporation entered into intellectual property assignment agreements (collectively the “IP Assignment Agreements”) with each of Dimitry Serov and Igor Serov (the “Founders”) whereby the Founders transferred the proprietary rights in relation to the intellectual property related to the Corporation’s business of production, distribution and sales of electromagnetic protection devices In consideration for the transfer of the intellectual property the Corporation issued 26,999,940 Common Shares to Dimitry Serov and issued 17,999,960 Common Shares to Igor Serov. In addition to the shares issued, under the terms of the agreement, $173,618 of shareholder loans owed to Igor Serov were forgiven. The aggregate fair market value of the intellectual property acquired by the Company, net of shareholder loans forgiven was $2,126,378. Based on the average life of existing patents held, intellectual property is being amortized over a period of 9 years on a straight-line basis.

Balance, December 31, 2016	$ -
Additions	2,076,378
Depreciation	(241,820)
Balance, December 31, 2017	**$ 1,834,558**

(Expressed in Canadian Dollars)

6. Shareholder Loan

The shareholder loan bears no interest, is due on demand and has no fixed terms for repayment. (Note 5)

7. Share Capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares.

(b) Issued and outstanding - Common Shares

	Number of common shares		Amount
Balance, December 31, 2015 and 2016	**100**	**$**	**100**
Issued on acquisition of intellectual property (note 5)	44,999,900		2,249,995
Private placement, net of costs (i)	15,800,000		690,700
Balance, December 31, 2017	**60,800,000**	**$**	**2,940,795**

(i) On September 29, 2017 the Corporation closed private placement financing of Common Shares of the Corporation. The offering included the sale of 15,800,000 Common Shares at a price of $0.05 per Common Share, for aggregate gross proceeds of $790,000. Cash costs of issue, including a 10% finders fee were $99,300.

(c) Shares to be Issued

The Company is committed to issue 800,000 common shares, ascribed a fair value of $0.05 for consulting services provided during the year ended December 31, 2017.

8. Net Loss Per Share

The calculation of basic and diluted loss per share for the periods ended December 31, 2017 and 2016 was based on the loss attributable to common shareholders of $991,435, and $94,933, respectively and the weighted average number of common shares outstanding of 48,768,853 and 100, respectively.

9. Related Party Balances and Transactions

		2017		2016
Remuneration paid for CEO	**$**	**90,813**	$	-
Remuneration paid for CFO	**$**	**7,500**	$	-
Remuneration paid for Chief Technology Officer	**$**	**12,500**	$	-

As at December 31, 2017, amounts due to related parties totaled $63,721 (2016 - $299,629) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company.

During the year ended December 31, 2017, the Company purchased $61,830 (2016 - $79,434) of inventory from a company controlled by the Company's chief technology officer. As at December 31, 2017, $nil (2016 - $40,798) was included in accounts payable pertaining to these purchases.

During the year ended December 31, 2017, shareholder loans of $173,618 were forgiven in conjunction with the acquisition of intellectual property, described in note 5.

(Expressed in Canadian Dollars)

9. Related Party Balances and Transactions (Continued)

During the year ended December 31, 2017, the Company expensed $7,500, (2016 - $nil) to Marrelli Support Services Inc. ("Marrelli Support") and for:

(i) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company;
(ii) Regulatory filing services

The Marrelli Group is also reimbursed for out of pocket expenses.

As of December 31, 2017, the Marrelli Group was owed $nil (2016 - $nil). These amounts are included in accounts payable.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

10. Income Taxes

The Canadian non-capital loss carryforwards expire as noted in the table below:

2033	$ 66,300
2034	31,600
2035	35,500
2037	762,300
	$ 895,700

11. Contingencies and Commitments

On January 1, 2017 the Corporation entered into consulting agreements (the "Consulting Agreements") with two individuals who are shareholders of the Company (collectively the "Consultants") whereby each of the Consultants provide financial, strategic and advisory services to the Company. In consideration for the services rendered during the year ended December 31, 2017, each of the Consultants were entitled to a fee of $200,000 plus HST Additionally, under the terms of the Consulting Agreements each Consultant is to be paid a fee of one percent (1%) of the value of the proceeds raised pursuant to any going public transaction to be paid within ten days of completion of a going public transaction.

12. Subsequent Events

On January 26, 2018 the Corporation closed private placement financing of units of the Corporation ("Units"). The offering included the sale of 26,000,000 Units at a price of $0.05 per Unit, for aggregate gross proceeds of $1,300,000. Each Unit consisted of one Common Share and one Common Share purchase warrant exercisable into a Common Share at a price of $0.14 for a period of two (2) years from the date of issuance.

On February 23, 2018 the Corporation closed private placement financing of Common Shares of the Corporation ("Common Shares"). The offering included the sale of 2,500,000 Common Shares at a price of $0.14 per Common Share, for aggregate gross proceeds of $350,000. Certain finders received a cash commission equal to 10% of the gross proceeds of the private placement.

On May 17, 2018 the Company issued 800,000 Common Shares to two individuals, in consideration for services provided, ascribed a fair value of $40,000.

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of American Aires Inc. ("Aires" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2017. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2017, together with the notes thereto. Information contained herein is presented as at June 19, 2018, unless otherwise indicated.

Description of Business

American Aires Inc. (the "Company") was incorporated on May 15, 2012 and organized under the laws of Ontario, Canada. The registered office of the Company is located at 400 Applewood Crescent, unit 100, Vaughn, Ontario, L4K 0C3.

The Company is currently engaged in business of production, distribution and sales of electromagnetic protection devices. The Company currently has four principal products: Air Shield Extreme, Aires Black Crystal, Aires Defender Infinity and Aires Defender Automotive and has further products in the development phase.

The Company was formed to further research, develop and distribution devices intended to protect persons from the harmful effects of electromagnetic radiation ("**EMR**") that are emitted by modern electronic devices. Since incorporation, the Company has continued the research and development that was started by the AIRES Human Genome Research Foundation ("**AIRES Research**") and has manufactured its products in Europe, and sold its products primarily in North America and elsewhere throughout the world. Aires Research, a non-profit foundation based and governed pursuant to the laws of the Russian Federation, was founded by Igor Serov in 1998 to conduct research in various scientific areas, including controlling the harmful effects of EMR emissions. Mr. Igor Serov and Mr. Dimitry Serov established the Company to further develop the technology being used by the Company and to bring the technology to market.

Highlights

On January 1, 2017 the Company entered into intellectual property assignment agreements (collectively the "**IP Assignment Agreements**") with each of Dimitry Serov and Igor Serov (the "**Founders**") whereby the Founders transferred the proprietary rights in relation to the intellectual property related to the Company's business of production, distribution and sales of devices intended to protect persons from the harmful effects of electromagnetic emissions. In consideration for the transfer of the intellectual property the Company issued 26,999,940 Common Shares to Dimitry Serov and issued 17,999,960 Common Shares to Igor Serov. The fair market value of the intellectual property was $2,249,995.

On January 2, 2017 the Company entered into consulting agreements (the "**Consulting Agreements**") with each of Richard Buzbuzian and Jason Monaco (collectively the "**Consultants**") whereby each of the Consultants would provide financial, strategic and advisory services to the Company for a term of one year expiring December 31, 2017. In consideration for the services each of the Consultants were to be paid a fee of $16,667 per month, plus taxes and a fee equal to one percent (1%) of the value of the proceeds raised pursuant to any going public transaction within ten days of completion of the going public transaction. The only obligation currently outstanding under the Consulting Agreements is the payment of the one percent fee as stated above. In the event a going public transaction is completed within twelve (12) months of the expiry or termination of the Consulting Agreements, the Consultants will still be entitled to the one percent fee as stated above. The Consultants are bound by standard confidentiality provisions and each party agrees to indemnify the other party for any breaches under the Consulting Agreements.

On September 29, 2017 the Company closed private placement financing of Common Shares of the Company. The offering included the sale of 15,800,000 Common Shares at a price of $0.05 per Common Shares, for aggregate gross proceeds of $790,000. Certain finders received a cash commission equal to 5% of the gross proceeds of the private placement.

Expressed in Canadian Dollars

On January 26, 2018 the Company closed private placement financing of units of the Company ("**Units**"). The offering included the sale of 26,000,000 Units at a price of $0.05 per Unit, for aggregate gross proceeds of $1,300,000. Each Unit consisted of one Common Share and one Common Share purchase warrant exercisable into a Common Share at a price of $0.14 for a period of two (2) years from the date of issuance.

On October 15, 2017 the Company entered into a research and development agreement ("**Research Agreement**") with Aires Human Genome Research Foundation (the "**Researcher**"), a non-profit organization governed by the laws of Russia, to among other things, conduct scientific research related to electromagnetic fields and/or radiation, develop and implement new technology based on its research activities and provide the Company with the results of all its research and development efforts. Mr. Igor Serov, a director of the Company, is the principal of the Researcher. Any and all intellectual property developed pursuant to the Research Agreement becomes the intellectual property of the Company.

On February 23, 2018 the Company closed private placement financing of Common Shares of the Company ("**Common Shares**"). The offering included the sale of 2,500,000 Common Shares at a price of $0.14 per Common Share, for aggregate gross proceeds of $350,000. Certain finders received a cash commission equal to 10% of the gross proceeds of the private placement.

On May 17, 2018 the Company issued 800,000 Common Shares to two individuals, in consideration for services provided, ascribed a fair value of $40,000.

Business Objectives and Milestones

The business objectives the Company expects to achieve using the available funds are to: (i) complete an initial public offering (the "Offering"); (ii) obtain a listing of the Common Shares on the Canadian Securities Exchange; and (iii) further develop its business and expand to other markets around the world. The Company's business objectives of completing the Offering and listing on the Exchange will occur on the Closing Date of the Offering and the date the Company lists on the Exchange.

Selected Annual Information

	Year Ended Dec. 31, 2017 $	**Year Ended Dec. 31, 2016 $**
Total assets	2,323,884	63,174
Total liabilities	(597,050)	(325,600)
Working capital	(107,724)	(262,426)
Expenses	1,220,349	229,509
Net income (loss)	(991,435)	(94,933)
Net loss per share, basic and diluted	(0.02)	(949.33)

Year Ended December 31, 2017 vs Year Ended December 31, 2016

For the year ended December 31, 2017, the Company reported a net loss and comprehensive loss of $991,435 compared with a net loss and comprehensive loss of $94,933 during the year ended December 31, 2016.

Device sales increased to $352,570 for the year ended December 31, 2017 from $240,567 during the year ended December 31, 2016, representing a 46.6% increase over fiscal 2016. In the face of increasing sales, the Company benefitted from declining costs and increasing gross margins, reflective of more favourable terms negotiated with its supply, manufacturing and procurement relationships. The Company achieved a gross margin of 64.9% during fiscal 2017, compared with 55.9% for the year ended December 31, 2016. The Company continues to focus on scalable efficiency and cost control opportunities when and where possible.

Consulting fees increased to $470,231 during the year ended December 31, 2017 compared to $1,530 during the year ended December 31, 2016. During 2016, the Company saw only a limited use of third party consultants. In fiscal 2017, the Company engaged consultants who were tasked with developing a strategic business plan, transitioning the Company into a publicly listed entity, and establishing the requisite financing to execute these initiatives. Of the $470,231 in consulting fees in fiscal 2017, $400,000 pertained to the engagement of these consultants.

Advertising and promotion increased from $62,969 during the year ended December 31, 2016, to $191,698 during the year ended December 31, 2017 as the Company ramped up its targeted online and electronic media campaigns aimed at increasing consumer awareness of its technology and related product line. Similarly, the Company refined its online presence and launched more robust e-commerce functions within its website.

Office and general increased to $65,950 for the year ended December 31, 2017, from $29,777 during the comparative year ended December 31, 2016, reflective of the incremental costs of supporting a growing headcount and corporate infrastructure.

Professional fees increased from $21,050 for the year ended December 31, 2016 to $52,789 for the year ended December 31, 2017, reflective of the engagement of a Chief Financial Officer during the last quarter of 2017 and the engagement of public company auditors, which were tasked with business development and financial reporting engagements. Additionally, as the company began to develop and execute its business plan, additional legal fees were incurred to support the initiatives.

Research and development costs increased to $24,996 for the year ended December 31, 2017 from $nil during the year ended December 31, 2016. With the acquisition of the intellectual property supporting the Company's product line on January 1, 2017, the Company began funding Canadian research, development and patent initiatives as operational liquidity improved. The Company will continue to invest in product and technological research and development as it seeks to further diversify its product line.

Salaries and benefits increased to $90,813 during the year ended December 31, 2017 compared with $nil during the year ended December 31, 2016. During the comparative year ended December 31, 2016, the Company's focused liquidity on core operations, choosing to reinvest operational liquidity into the business as it established and developed both its internal infrastructure and its market presence.

Depreciation increased from $20,245 for the year ended December 31, 2016, compared to $241,820 during the year ended December 31, 2017. Fiscal 2017 saw the depreciation of the costs to acquire its intellectual property (acquired January 1, 2017) , whereas the year ended December 31, 2016 saw depreciation of $20,245 related to furniture and fixtures which were written off and disposed of in the fourth quarter of that year.

Expressed in Canadian Dollars

Selected Quarterly Information

A summary of selected information for each of the quarters presented below is as follows:

For the Period Ended	Net Loss Total ($)	Net Loss Basic and diluted earnings per share ($)	Total assets ($)
2017 – December 31	(565,082)	(0.01)	2,323,884
2017 – September 30	(117,470)	(0.003)	1,977,439
2017 – June 30	(171,384)	(0.004)	2,054,522
2017 - March 31	(137,499)	(0.003)	2,015,198
2016 – December 31	(38,715)	(387.15)	63,174
2016 – September 30	(11,913)	(119.13)	110,573
2016 – June 30	(15,320)	(153.20)	108,992
2016 - March 31	(28,985)	(289.85)	67,263

During the three months ended December 31, 2017, the Company incurred a loss of $565,082 (compared to a loss of $38,716 for the three months ended December 31, 2016), consisting largely of third party strategic and operational consulting fees of $266,667 as it developed its operational infrastructure, and advanced its efforts to seek additional financing and transition to a publicly listed company. During the comparative three months ended December 31, 2016, there were no such consultants engaged. Additionally, the Company expensed $60,455 in depreciation on intellectual property acquired on January 1, 2017. For the three months ended December 31, 2016, the Company had not acquired intellectual property and there was no ensuing depreciation charged to the statements of loss and comprehensive loss.

Liquidity and Capital Resources

The Company had a working capital deficiency as at December 31, 2017 of $107,724 (December 31, 2016 – a working capital deficiency of $262,426), and cash and cash equivalent balance of $354,839 (December 31, 2016 - $12,037).

On September 29, 2017 the Company closed private placement financing of Common Shares of the Company. The offering included the sale of 15,800,000 Common Shares at a price of $0.05 per Common Share, for aggregate gross proceeds of $790,000. Cash costs of issue, including a 10% finders fee were $99,300.

On January 26, 2018 the Company closed private placement financing of units of the Company (“Units”). The offering included the sale of 26,000,000 Units at a price of $0.05 per Unit, for aggregate gross proceeds of $1,300,000. Each Unit consisted of one Common Share and one Common Share purchase warrant exercisable into a Common Share at a price of $0.14 for a period of two (2) years from the date of issuance.

On February 23, 2018 the Company closed private placement financing of Common Shares of the Company ("Common Shares"). The offering included the sale of 2,500,000 Common Shares at a price of $0.14 per Common Share, for aggregate gross proceeds of $350,000. Certain finders received a cash commission equal to 10% of the gross proceeds of the private placement.

The Company has no credit facilities with financial institutions. Accordingly, its financial instruments consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximates their carrying values because of their short term nature.

At this time, the Company is not anticipating an ongoing profit from operations, therefore it will be dependent on its ability to obtain equity or debt financing for growth. The Company may need additional capital, and may raise additional funds should the board of directors of the Company (the "Board of Directors") deem it advisable.

During the last financial year the Company had negative operating cash flow because its revenues did not exceed its operating expenses. In addition, as a result of the Company's business plans for the development of its products, the Company expects cash flow from operations to be negative until revenues improve to offset its operating expenditures. The Company's cash flow from operations may be affected in the future by expenditures incurred by the Company to continue to develop its products and services. The amounts set out above for use as working capital may be used to offset this anticipated negative operating cash flow.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with International Financial Reporting Standards ("IFRS") requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made.

Critical Judgments Used in Applying Accounting Policies

In the preparation of the financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

b) Depreciation expense is allocated based on assumed useful life of the equipment. Should the useful life differ from the initial estimate, an adjustment would be made to the statement of comprehensive loss.

Recent Accounting Pronouncements

There were no accounting policies adopted during the year ended December 31, 2017.

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company:

- IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in October 2010 and in its final form in June 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company adopted this standard on January 1, 2018, with no impact on its condensed interim financial statements.

- IFRS 15 was issued by IASB in May 2014 and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company adopted this standard on January 1, 2018, with no impact on its condensed interim financial statements.

- In January 2016, the International Accounting Standards Board (“IASB”) issued IFRS 16, Leases (IFRS 16). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Instruments

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments.

For amounts receivable, subscriptions receivable, accounts payable and accrued liabilities, the amount is deemed to reflect the fair value, due to their short-term nature.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's fair value of cash and short-term investments under the fair value hierarchy are measured using level 1 inputs.

Financial Risk Factors

The Company’s business is subject to certain risks, including but not restricted to risks related to: market risk for securities, future financing risks; going-concern risks; global economy risks; use of proceeds risks; volatility of the Company’s share price following a listing on a public exchange and the lack of trading history for the Common Shares; increased costs of being a publicly traded company; limited operating history in an evolving industry and history of losses; lack of brand development; expectations with respect to advancement in technologies; currency fluctuations; interest rates; taxes on the Company and its products; liabilities that are uninsured or uninsurable; economic conditions, dependence on management and conflicts of interest; intellectual property rights; attracting and retaining quality employees; key personnel risk; management of growth; product and services development; expansion risk; breach of confidential information; competition within the technology industry; corporate matters; issuance of debt; third party credit; short term investments; shares reserved for issuance; credit risk; liquidity risk; interest rate risk; and described from time to time in the Company’s documents filed with Canadian securities regulatory authorities; and other factors beyond the Company’s control.

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, and foreign exchange rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

<u>Credit Risk</u>

Credit risk is the risk of loss associated with a counterparty’s inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote. The Company`s customer base is well diversified with no reliance on any one client.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2017, the Company had a cash balance of $354,839 to settle current liabilities of $597,050. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing, controlling expenses, and preserving cash.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

i) Interest Rate Risk

The Company has cash balances and regularly monitors its cash management policy. As a result, the Company is not subject to significant interest rate risk.

Capital Management

The Company manages its capital with the following objectives:

(i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on a regular basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, and deficit, which at December 31, 2017 totaled $1,726,834 (2016 - shareholders`deficiency of $262,426). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2017.

Expressed in Canadian Dollars

Related Party Transactions

	Year Ended December 31, 2017 $	Year Ended December 31, 2016 $
Remuneration paid for CEO services	90,813	-
Remuneration paid for CFO services	7,500	-
Igor Serov	12,500	-

As at December 31, 2017, amounts due to related parties totaled $63,721 (2016 - $299,629) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company.

During the year ended December 31, 2017, the Company purchased $61,830 (2016 - $79,434) of inventory from a company controlled by the Company's chief technology officer. As at December 31, 2017, $nil (2016 - $40,798) was included in accounts payable pertaining to these purchases.

During the year ended December 31, 2017, shareholder loans of $173,618 were forgiven in conjunction with the acquisition of intellectual property, described in note 5 of the Company's December 31, 2017 audited financial statements.

During the year ended December 31, 2017, the Company expensed $7,500, (2016 - $nil) to Marrelli Support Services Inc. ("Marrelli Support") and for:

- Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company;
- Regulatory filing services

The Marrelli Group is also reimbursed for out of pocket expenses.

As of December 31, 2017, the Marrelli Group was owed $nil (2016 - $nil). These amounts are included in accounts payable.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Events Occurring after the Reporting Date

There are no significant events occurring after the reporting date which are not otherwise contained within this document.

Risks and Uncertainties

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to develop its business. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company will require new capital to continue to operate its business, and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out development of its business or operations.

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

See "Risk Factors" in the attached prospectus.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

The Company has a strong management team with significant experience in the development of EMR technology. The founder of the Company, Mr. Igor Serov, is well respected in the industry and has won numerous awards for his research and development in the field of EMR technology. Mr. Igor Serov is a valuable asset for management and other development team members. Accountability and oversight of the Company rests with the Board. The Board consists of the ideal mix of technology and capital market expertise so as to drive the value and performance of the Company from both a development standpoint and a shareholder value perspective. The Company will continue to evaluate and potentially expanded its management team to oversee the business development activities of the Company and perform all core functions.

Competitive Conditions

The markets for the Company's products are competitive and rapidly changing, and a number of companies offer products similar to the Company's products and target similar customers. The Company believes its ability to compete depends upon many factors within and outside its control, including the timely development and introduction of new products and product enhancements; product functionality, performance, price and reliability; customer service and support; sales and marketing efforts; and the introduction of new products and services by competitors.

At the global level, there are companies with similar products on the market. Some examples of competitors include: Pong, Sar Shield and Bodywell. However, the Company does not intend to focus on technology or products that other companies use or are developing. In addition, the Company believes it has a first mover advantage in the equity markets as to the Company's knowledge there are currently no other publicly listed EMR technology companies. However, it is expected that there may be a number of other companies intending to enter into the public markets in the near future.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company’s current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company’s then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of technology companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of Companies in the technology sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business. The economy remains in a period of significant economic volatility, although there have been signs of positive economic growth in North American and European markets. Continued volatility is expected in the near term.

Management’s Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company’s management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Disclosure of Outstanding Share Data

As of the date of this document, the Company had 89,300,000 common shares, and 26,000,000 warrants outstanding,

Forward Looking Statements

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities laws (forward-looking information being collectively hereinafter referred to as “forward-looking statements”). Such forward-looking statements are based on expectations, estimates and projections as at the date of this MD&A. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as “expects”, “is expected”, “anticipates”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends”, or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this MD&A; market position, ability to compete and future financial or operating performance of the Company after the date of this MD&A; anticipated developments in operations of the Company; the timing and amount of funding required to execute the Company’s business plans; capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation, related to the following: operational risks; regulation and permitting; evolving markets; industry growth; uncertainty of new business models; speed of introduction of products and services to the marketplace; undetected flaws; risks of operation in urban areas; marketing risks; geographical expansion; limited operating history; substantial capital requirements; history of losses; reliance on management and key employees; management of growth; risk associated with foreign operations in other countries; risks associated with acquisitions; electronic communication security risks; insurance coverage; tax risk; currency fluctuations; conflicts of interest; competitive markets; uncertainty and adverse changes in the economy; reliance on components and raw materials; change in technology; quality of products and services; maintenance of technology infrastructure; privacy protection; development costs; product defects; insufficient research and development funding; uncertainty related to exportation; legal proceedings; reliance on business partners; protection of intellectual property rights; infringement by the Company of intellectual property rights; resale of shares; market for securities; dividends; and global financial conditions.

The lists of risk factors set out in this MD&A or in the Company's other public disclosure documents are not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out in this MD&A generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, the global financial and credit markets have experienced significant debt and equity market and commodity price volatility which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue reliance on forward-looking statements.

Additional Information

Additional information relating to the Company is available in the prospectus.

AMERICAN AIRES INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2018 AND 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of American Aires Inc. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

AMERICAN AIRES INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	March 31, 2018	December 31 2017
ASSETS		
Current assets		
Cash	$ **1,093,281**	$ 354,839
Prepaid and sundry receivable	**104,985**	72,499
Accounts receivable	**493**	4,258
Inventory	**219,239**	57,730
	1,417,998	489,326
Intellectual property (note 3)	**1,774,103**	1,834,558
Total assets	$ **3,192,101**	$ 2,323,884
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	$ **156,143**	$ 588,535
Deferred revenue	**8,790**	8,515
	164,933	597,050
Shareholders' equity		
Share capital (note 4)	**4,144,249**	2,940,795
Shares to be issued (note 4)	**40,000**	40,000
Contributed surplus (note 5)	**374,400**	-
Deficit	**(1,531,481)**	(1,253,961)
Total shareholders' equity	**3,027,168**	1,726,834
Total liabilities and shareholders' equity	$ **3,192,101**	$ 2,323,884

Subsequent Event (note 9)

Approved on behalf of the Board of Directors:

"Dimitry Serov"
Director

"Ruslan Elensky"
Director

The accompanying notes are an integral part of these condensed interim financial statements.

AMERICAN AIRES INC.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

For the Three Months Ended March 31,	2018	2017
Revenue		
Sales	**$ 108,803**	$ 71,663
Cost of sales	**(42,624)**	(24,143)
Gross margin	**66,179**	47,520
Expenses		
Advertising and promotion	**115,771**	38,847
Bad debt expense	**-**	14,676
Consulting fees	**12,435**	740
Foreign exchange	**(436)**	(223)
Impairment of property and equipment	**-**	35,898
Interest charges	**4,024**	1,352
Office and general	**43,166**	7,959
Professional fees	**7,103**	15,331
Rent expense	**4,773**	8,507
Research and development	**3,635**	-
Salaries and benefits	**70,108**	-
Travel	**22,665**	1,477
Depreciation	**60,455**	60,455
	343,699	185,019
Net loss and comprehensive loss for the period	**$ (277,520)**	$ (137,499)
Basic and diluted net loss per share (note 6)	**$ (0.00)**	$ (1,374.99)
Weighted average number of common shares outstanding, basic and diluted (note 6)	**80,021,918**	100

The accompanying notes are an integral part of these condensed interim financial statements.

AMERICAN AIRES INC.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital										
	Number		Amount		Shares to be Issued		Contributed Surplus		Deficit		Total
Balance, December 31, 2016	100	$	100	$	-	$	-	$	(262,526)	$	(262,426)
Net loss	-		-		-		-		(137,499)		(137,499)
Balance, March 31, 2017	**100**	**$**	**100**	**$**	**-**	**$**	**-**	**$**	**(400,025)**	**$**	**(399,925)**
Balance, December 31, 2017	60,800,000		2,940,795		40,000		-		(1,253,961)		1,726,834
Private placements, net of costs (note 4)	28,500,000		1,577,854		-		-		-		1,577,854
Warrants issued (note 4)	-		(374,400)		-		374,400		-		-
Net loss	-		-		-		-		(277,520)		(277,520)
Balance, March 31, 2018	**89,300,000**	**$**	**4,144,249**	**$**	**40,000**	**$**	**374,400**	**$**	**(1,531,481)**	**$**	**3,027,168**

The accompanying notes are an integral part of these condensed interim financial statements.

AMERICAN AIRES INC.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the Three Months Ended March 31,	2018	2017
Operating activities		
Net loss for the period	$ (277,520)	$ (137,499)
Impairment of property and equipment	-	35,898
Depreciation	60,455	60,454
Non-cash working capital items:		
Accounts receivable	3,765	11,846
Prepaid and sundry receivable	(32,486)	(8,332)
Accounts payable and accrued liabilities	(432,392)	18,431
Deferred revenue	275	-
Inventory	(161,509)	9,527
	(839,412)	(9,675)
Investing activities		
Financing activities		
Private placements, net of fees	1,577,854	-
Shareholder loan	-	4,595
	1,577,854	4,595
Net change in cash	738,442	(5,080)
Cash, beginning of the period	354,839	12,037
Cash, end of the period	$ 1,093,281	$ 6,957

The accompanying notes are an integral part of these condensed interim financial statements.

1. Nature of Operations and Going Concern

American Aires Inc. (the "Company") was incorporated on May 15, 2012 and organized under the laws of Ontario, Canada. The registered office of the Company is located at 400 Applewood Crescent, unit 100, Vaughn, Ontario, L4K 0C3.

The Company is currently engaged in business of production, distribution and sales of electromagnetic protection devices. The Company currently has four principal products: Air Shield Extreme, Aires Black Crystal, Aires Defender Infinity and Aires Defender Automotive and has further products in the development phase.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. The Company has a deficit of $1,531,481 at March 31, 2018 and incurred a loss of $277,520 for the three months ended March 31, 2018. The Company has working capital of $1,253,065 at March 31, 2018 (December 31, 2017 - a working deficiency of $107,724).

Management cannot provide assurance that the Company will achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management intends to raise additional funding in the form of equity financing from the sale of common stock. However, if the Company is unable to raise additional capital in the near future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. There are no assurances that the Company will be successful in achieving the above and, as a result, there is substantial doubt regarding the applicability of the going concern assumption. These condensed interim financial statements do not give effect to adjustments that would be necessary to the reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. Accounting Policies

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2017.

These financial statements were approved by the Board of Directors on June 19, 2018.

Basis of Measurement

These financial statements have been prepared on a historical cost basis. In addition, using the accrual basis of accounting except for cash flow information.

In the preparation of these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

i) In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

ii) IFRS 9, Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company adopted this standard on January 1, 2018, with no impact on its condensed interim financial statements.

iii) IFRS 15 was issued by IASB in May 2014 and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company adopted this standard on January 1, 2018, with no impact on its condensed interim financial statements.

3. Intellectual Property

Balance, December 31, 2016	$	-
Additions		2,076,378
Depreciation		(241,820)
Balance, December 31, 2017	**$**	**1,834,558**
Depreciation		(60,455)
Balance, March 31, 2018	**$**	**1,774,103**

(Expressed in Canadian Dollars)

4. Share Capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares.

(b) Issued and outstanding - Common Shares

	Number of common shares		Amount
Balance, December 31, 2016 and March 31, 2017	**100**	**$**	**100**
Balance, December 31, 2017	60,800,000		2,940,795
Private placements, net of costs (i)	28,500,000		1,577,854
Issuance of warrants (i)	-		(374,400)
Balance, March 31, 2018	**89,300,000**	**$**	**4,144,249**

i) On January 26, 2018 the Corporation closed private placement financing of units of the Corporation ("Units"). The offering included the sale of 26,000,000 Units at a price of $0.05 per Unit, for aggregate gross proceeds of $1,300,000. Each Unit consisted of one Common Share and one Common Share purchase warrant exercisable into a Common Share at a price of $0.14 for a period of two (2) years from the date of issuance. Cash costs of issue amounted to $36,250.

The fair value of the resulting 26,000,000 warrants issued in connection with this financing was $374,400 as calculated using the Black-Scholes option pricing model with the following assumptions: a 24 months expected average life; share price of $0.05; 100% expected volatility; risk free interest rate of 1.81%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants.

ii) On February 23, 2018 the Corporation closed private placement financing of 2,500,000 Common Shares at a price of $0.14 per Common Share, for aggregate gross proceeds of $350,000. Cash costs of issue amounted to $35,896.

(c) Shares to be Issued

The Company is committed to issue 800,000 common shares, ascribed a fair value of $0.05 for consulting services provided during the year ended December 31, 2017.

5. Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2018 and 2017:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2016 and March 31, 2017	**-**	**$ -**
Balance, December 31, 2017	-	$ -
Issued (note 4(i))	26,000,000	$ 0.14
Balance, March 31, 2018	**26,000,000**	**$ 0.14**

(Expressed in Canadian Dollars)

5. Warrants (Continued)

The following table reflects the warrants outstanding as at March 31, 2018 :

Expiry Date	Exercise Price	Weighted Average Life Remaining	Warrants Outstanding	Black-Scholes Value
January 26, 2020	$ 0.14	1.91 years	26,000,000	$ 374,400

6. Net Loss Per Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2018 and 2017 was based on the loss attributable to common shareholders of $277,520, and $(137,499) respectively and the weighted average number of common shares outstanding of 80,021,918 and 100, respectively.

7. Related Party Balances and Transactions

Three Months Ended March 31,	2018	2017
Remuneration paid for CEO	**$ 40,000**	$ -
Remuneration paid for CFO	**$ 7,500**	$ -
Remuneration paid for Chief Technology Officer	**$ 10,834**	$ -

As at March 31, 2018, amounts due to related parties totaled $nil (December 31, 2017 - $63,721) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company.

During the three months ended March 31, 2018, the Company purchased $Nil (three months ended March 31, 2017 - $12,062) of inventory from a company controlled by the Company's chief technology officer. As at March 31, 2018, $nil (December 31, 2017 - $nil) was included in accounts payable pertaining to these purchases.

During the three months ended March 31, 2018, the Company expensed $7,500, (three months ended March 31, 2017 - $nil) to Marrelli Support Services Inc. (“Marrelli Support”) and for:

(i) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer (“CFO”) of the Company;
(ii) Regulatory filing services

The Marrelli Group is also reimbursed for out of pocket expenses.

As of March 31, 2018, the Marrelli Group was owed $nil (December 31, 2017 - $nil). These amounts are included in accounts payable.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

8. Contingencies and Commitments

On January 1, 2017 the Corporation entered into consulting agreements (the "Consulting Agreements") with two individuals who are shareholders of the Company (collectively the "Consultants") whereby each of the Consultants provide financial, strategic and advisory services to the Company. In consideration for the services rendered during the year ended December 31, 2017, each of the Consultants were paid a fee of $200,000 plus HST Additionally, under the terms of the Consulting Agreements each Consultant is to be paid a fee of one percent (1%) of the value of the proceeds raised pursuant to any going public transaction to be paid within ten days of completion of a going public transaction.

9. Subsequent Events

On May 17, 2018 the Company issued 800,000 Common Shares to two individuals, in consideration for services provided, ascribed a fair value of $40,000.

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of American Aires.("Aires" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2018. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2017 as well as the unaudited interim financial statements for the three months ended March 31, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at June 19, 2018 unless otherwise indicated.

Description of Business

American Aires Inc. (the "Company") was incorporated on May 15, 2012 and organized under the laws of Ontario, Canada. The registered office of the Company is located at 400 Applewood Crescent, unit 100, Vaughn, Ontario, L4K 0C3.

The Company is currently engaged in business of production, distribution and sales of electromagnetic protection devices. The Company currently has four principal products: Air Shield Extreme, Aires Black Crystal, Aires Defender Infinity and Aires Defender Automotive and has further products in the development phase.

The Company was formed to further research, develop and distribution devices intended to protect persons from the harmful effects of electromagnetic radiation ("**EMR**") that are emitted by modern electronic devices. Since incorporation, the Company has continued the research and development that was started by the AIRES Human Genome Research Foundation ("**AIRES Research**") and has manufactured its products in Europe, and sold its products primarily in North America and elsewhere throughout the world. Aires Research, a non-profit foundation based and governed pursuant to the laws of the Russian Federation, was founded by Igor Serov in 1998 to conduct research in various scientific areas, including controlling the harmful effects of EMR emissions. Mr. Igor Serov and Mr. Dimitry Serov established the Company to further develop the technology being used by the Company and to bring the technology to market.

Highlights

On January 1, 2017 the Company entered into intellectual property assignment agreements (collectively the "**IP Assignment Agreements**") with each of Dimitry Serov and Igor Serov (the "**Founders**") whereby the Founders transferred the proprietary rights in relation to the intellectual property related to the Company's business of production, distribution and sales of devices intended to protect persons from the harmful effects of electromagnetic emissions. In consideration for the transfer of the intellectual property the Company issued 26,999,940 Common Shares to Dimitry Serov and issued 17,999,960 Common Shares to Igor Serov. The fair market value of the intellectual property was $2,249,995.

On January 2, 2017 the Company entered into consulting agreements (the "**Consulting Agreements**") with each of Richard Buzbuzian and Jason Monaco (collectively the "**Consultants**") whereby each of the Consultants would provide financial, strategic and advisory services to the Company for a term of one year expiring December 31, 2017. In consideration for the services each of the Consultants were to be paid a fee of $16,667 per month,plus taxes, and a fee equal to one percent (1%) of the value of the proceeds raised pursuant to any going public transaction within ten days of completion of the going public transaction. The only obligation currently outstanding under the Consulting Agreements is the payment of the one percent fee as stated above. In the event a going public transaction is completed within twelve (12) months of the expiry or termination of the Consulting Agreements, the Consultants will still be entitled to the one percent fee as stated above. The Consultants are bound by standard confidentiality provisions and each party agrees to indemnify the other party for any breaches under the Consulting Agreements.

On September 29, 2017 the Company closed private placement financing of Common Shares of the

Company. The offering included the sale of 15,800,000 Common Shares at a price of $0.05 per Common Shares, for aggregate gross proceeds of $790,000. Certain finders received a cash commission equal to 10% of the gross proceeds of the private placement.

On January 26, 2018 the Company closed private placement financing of units of the Company ("**Units**"). The offering included the sale of 26,000,000 Units at a price of $0.05 per Unit, for aggregate gross proceeds of $1,300,000. Each Unit consisted of one Common Share and one Common Share purchase warrant exercisable into a Common Share at a price of $0.14 for a period of two (2) years from the date of issuance.

On October 15, 2017 the Company entered into a research and development agreement ("**Research Agreement**") with Aires Human Genome Research Foundation (the "**Researcher**"), a non-profit organization governed by the laws of Russia, to among other things, conduct scientific research related to electromagnetic fields and/or radiation, develop and implement new technology based on its research activities and provide the Company with the results of all its research and development efforts. Mr. Igor Serov, a director of the Company, is the principal of the Researcher. Any and all intellectual property developed pursuant to the Research Agreement becomes the intellectual property of the Company.

On February 23, 2018 the Company closed private placement financing of Common Shares of the Company ("**Common Shares**"). The offering included the sale of 2,500,000 Common Shares at a price of $0.14 per Common Share, for aggregate gross proceeds of $350,000. Certain finders received a cash commission equal to 5% of the gross proceeds of the private placement.

On May 17, 2018 the Company issued 800,000 Common Shares to two individuals, in consideration for services provided, ascribed a fair value of $40,000.

Business Objectives and Milestones

The business objectives the Company expects to achieve using the available funds are to: (i) complete an initial public offering (the "Offering"); (ii) obtain a listing of the Common Shares on the Canadian Securities Exchange; and (iii) further develop its business and expand to other markets around the world. The Company's business objectives of completing the Offering and listing on the Exchange will occur on the Closing Date of the Offering and the date the Company lists on the Exchange.

Expressed in Canadian Dollars

Selected Quarterly Information

A summary of selected information for each of the quarters presented below is as follows:

	Net Loss		
For the Period Ended	Total ($)	Basic and diluted earnings per share ($)	Total assets ($)
2018 – March 31	(277,520)	(0.003)	3,192,101
2017 – December 31	(565,082)	(0.012)	2,323,884
2017 – September 30	(117,470)	(0.003)	1,977,439
2017 – June 30	(171,384)	(0.004)	2,054,522
2017 - March 31	(137,499)	(0.003)	2,015,198
2016 – December 31	(38,715)	(387.15)	63,174
2016 – September 30	(11,913)	(119.13)	110,573
2016 – June 30	(15,320)	(153.20)	108,992

Three Months Ended March 31, 2018 vs Three Months Ended March 31, 2017

For the three months ended March 31, 2018, the Company reported a net loss and comprehensive loss of $277,520 compared with a net loss and comprehensive loss of $137,499 during the three months ended March 31, 2017.

Device sales increased to $108,803 for the three months ended March 31, 2018 from $71,663 during the three months ended March 31, 2017, representing a 51.83% increase over the comparative period. The Company achieved a gross margin of 60.82% during the three months ended March 31, 2018, compared with 66.31%% for the three months ended March 31, 2017. The variation in margins was in part due to pricing incentives offered during the current period. The Company continues to focus on scalable efficiency and cost control opportunities when and where possible.

Consulting fees increased to $12,435 during three months ended March 31, 2018 compared to $740 during the three months ended March 31, 2017. As the Company continues to grow, use of third party consultants will continue to increase.

Advertising and promotion increased from $38,847 during the three months ended March 31, 2017, to $115,771 during the three months ended March 31, 2018 as the Company ramped up its targeted online and electronic media campaigns aimed at increasing consumer awareness of its technology and related product line. Similarly, the Company refined its online presence and launched more robust e-commerce functions within its website.

Travel expense increased from $1,477 during the three months ended March 31, 2017 to $22,665 for the three months ended March 31, 2018, reflective of corporate travel required to plan and execute the

Company's business strategy in preparation for the anticipated transition to a reporting public issuer.

Office and general expenses increased to $43,166 for the three months ended March 31, 2018, from $7,959 during the comparative three months ended March 31, 2017, reflective of the incremental costs of supporting a growing headcount and corporate infrastructure.

Professional fees declined to $7,103 for the three months ended March 31, 2018 from $15,331 for the three months ended March 31, 2017, driven by a decline in legal and accounting fees.

Research and development costs increased to $3,635 for the three months ended March 31, 2018 from $nil during the three months ended March 31, 2017. With the acquisition of the intellectual property supporting the Company's product line on January 1, 2017, the Company began funding Canadian research, development and patent initiatives as operational liquidity improved. The Company will continue to invest in product and technological research and development as it seeks to further diversify its product line.

Salaries and benefits increased to $70,108 during the three months ended March 31, 2018 compared with $nil during the three months ended March 31, 2017. During the comparative period, the Company's focused liquidity on core operations, choosing to reinvest operational liquidity into the business as it established and developed both its internal infrastructure and its market presence.

Depreciation remained consistent with the comparative period. Fiscal 2017 saw the depreciation of the costs to acquire its intellectual property (acquired January 1, 2017) on a straight line basis.

Liquidity and Capital Resources

The Company had working capital as at March 31, 2018 of $1,253,065 (December 31, 2017 – a working capital deficiency of $107,724), and cash and cash equivalent balance of $1,093,281 (December 31, 2017 - $354,839).

On January 26, 2018 the Company closed private placement financing of units of the Company ("Units"). The offering included the sale of 26,000,000 Units at a price of $0.05 per Unit, for aggregate gross proceeds of $1,300,000. Each Unit consisted of one Common Share and one Common Share purchase warrant exercisable into a Common Share at a price of $0.14 for a period of two (2) years from the date of issuance.

On February 23, 2018 the Company closed private placement financing of Common Shares of the Company ("Common Shares"). The offering included the sale of 2,500,000 Common Shares at a price of $0.14 per Common Share, for aggregate gross proceeds of $350,000. Certain finders received a cash commission equal to 10% of the gross proceeds of the private placement.

The Company has no credit facilities with financial institutions. Accordingly, its financial instruments consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximates their carrying values because of their short term nature.

At this time, the Company is not anticipating an ongoing profit from operations, therefore it will be dependent on its ability to obtain equity or debt financing for growth. The Company may need additional capital, and may raise additional funds should the board of directors of the Company (the "Board of Directors") deem it advisable.

During the current and comparative three months ended March 31, the Company had negative operating cash flow because its revenues did not exceed its operating expenses. In addition, as a result of the Company's business plans for the development of its products, the Company expects cash flow from operations to be negative until revenues improve to offset its operating expenditures. The Company's cash flow from operations may be affected in the future by expenditures incurred by the Company to continue to develop its products and services. The amounts set out above for use as working capital may be used to offset this anticipated negative operating cash flow.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with International Financial Reporting Standards ("IFRS") requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made.

Critical Judgments Used in Applying Accounting Policies

In the preparation of the financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

b) Depreciation expense is allocated based on assumed useful life of the equipment. Should the useful life differ from the initial estimate, an adjustment would be made to the statement of comprehensive loss.

Recent Accounting Pronouncements

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company:

- IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and in its final form in June 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company adopted this standard on January 1, 2018, with no impact on its condensed interim financial statements.

- IFRS 15 was issued by IASB in May 2014 and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company adopted this standard on January 1, 2018, with no impact on its condensed interim financial statements.

- In January 2016, the International Accounting Standards Board ("IASB") issued IFRS 16, Leases (IFRS 16). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Instruments

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments.

For amounts receivable, subscriptions receivable, accounts payable and accrued liabilities, the amount is deemed to reflect the fair value, due to their short-term nature.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's fair value of cash and short-term investments under the fair value hierarchy are measured using level 1 inputs.

Financial Risk Factors

The Company’s business is subject to certain risks, including but not restricted to risks related to: market risk for securities, future financing risks; going-concern risks; global economy risks; use of proceeds risks; volatility of the Company’s share price following a listing on a public exchange and the lack of trading history for the Common Shares; increased costs of being a publicly traded company; limited operating history in an evolving industry and history of losses; lack of brand development; expectations with respect to advancement in technologies; currency fluctuations; interest rates; taxes on the Company and its products; liabilities that are uninsured or uninsurable; economic conditions, dependence on management and conflicts of interest; intellectual property rights; attracting and retaining quality employees; key personnel risk; management of growth; product and services development; expansion risk; breach of confidential information; competition within the technology industry; corporate matters; issuance of debt; third party credit; short term investments; shares reserved for issuance; credit risk; liquidity risk; interest rate risk; and described from time to time in the Company’s documents filed with Canadian securities regulatory authorities; and other factors beyond the Company’s control.

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, and foreign exchange rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote. The Company`s customer base is well diversified with no reliance on any one client.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at March 31, 2018, the Company had a cash balance of $1,093,281 to settle current liabilities of $164,933. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing, controlling expenses, and preserving cash.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Expressed in Canadian Dollars

Market Risk

Interest Rate Risk

The Company has cash balances and regularly monitors its cash management policy. As a result, the Company is not subject to significant interest rate risk.

See “Risk Factors” in the accompanying prospectus.

Capital Management

The Company manages its capital with the following objectives:

(i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on a regular basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, and deficit, which at December 31, 2017 totaled $3,027,168 (December 31, 2017 - $1,726,834). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2018.

Related Party Transactions

	Three Months Ended March 31, 2018 $	Three Months Ended March 31, 2017 $
Remuneration paid for CEO services	40,000	-
Remuneration paid for CFO services	7,500	-
Igor Serov	10,834	-

As at March 31, 2018, amounts due to related parties totaled $nil (December 31, 2017 - $63,721) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company.

During the three months ended March 31, 2018, the Company purchased $Nil (three months ended March 31, 2017 - $12,062) of inventory from a company controlled by the Company's chief technology officer. As at March 31, 2018, $nil (December 31, 2017 - $nil) was included in accounts payable pertaining to these purchases.

During the three months ended March 31, 2018, the Company expensed $7,500, (three months ended March 31, 2017 - $nil) to Marrelli Support Services Inc. ("Marrelli Support") and for:

- Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company;
- Regulatory filing services

The Marrelli Group is also reimbursed for out of pocket expenses.

As of March 31, 2018, the Marrelli Group was owed $nil (December 31, 2017 - $nil). These amounts are included in accounts payable.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Events Occurring after the Reporting Date

There are no significant events occurring after the reporting date which are not otherwise contained within this document.

Risks and Uncertainties

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to develop its business. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company will require new capital to continue to operate its business, and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out development of its business or operations.

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

The Company has a strong management team with significant experience in the development of EMR technology. The founder of the Company, Mr. Igor Serov, is well respected in the industry and has won numerous awards for his research and development in the field of EMR technology. Mr. Igor Serov is a valuable asset for management and other development team members. Accountability and oversight of the Company rests with the Board. The Board consists of the ideal mix of technology and capital market expertise so as to drive the value and performance of the Company from both a development standpoint and a shareholder value perspective. The Company will continue to evaluate and potentially expanded its management team to oversee the business development activities of the Company and perform all core functions.

Competitive Conditions

The markets for the Company's products are competitive and rapidly changing, and a number of companies offer products similar to the Company's products and target similar customers. The Company believes its ability to compete depends upon many factors within and outside its control, including the timely development and introduction of new products and product enhancements; product functionality, performance, price and reliability; customer service and support; sales and marketing efforts; and the introduction of new products and services by competitors.

At the global level, there are companies with similar products on the market. Some examples of competitors include: Pong, Sar Shield and Bodywell. However, the Company does not intend to focus on technology or products that other companies use or are developing.

In addition, the Company believes it has a first mover advantage in the equity markets as to the Company's knowledge there are currently no other publicly listed EMR technology companies. However, it is expected that there may be a number of other companies intending to enter into the public markets in the near future.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of technology companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of Companies in the technology sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business. The economy remains in a period of significant economic volatility, although there have been signs of positive economic growth in North American and European markets. Continued volatility is expected in the near term.

Management’s Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company’s management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Disclosure of Outstanding Share Data

As of the date of this document, the Company had 89,300,000 common shares, and 26,000,000 warrants outstanding,

Forward Looking Statements

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities laws (forward-looking information being collectively hereinafter referred to as “forward-looking statements”). Such forward-looking statements are based on expectations, estimates and projections as at the date of this MD&A. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as “expects”, “is expected”, “anticipates”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends”, or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this MD&A; market position, ability to compete and future financial or operating performance of the Company after the date of this MD&A; anticipated developments in operations of the Company; the timing and amount of funding required to execute the Company’s business plans; capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company’s management, as well as on assumptions, which such management believes to be reasonable based on information available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation, related to the following: operational risks; regulation and permitting; evolving markets; industry growth; uncertainty of new business models; speed of introduction of products and services to the marketplace; undetected flaws; risks of operation in urban areas; marketing risks; geographical expansion; limited operating history; substantial capital requirements; history of losses; reliance on management and key employees; management of growth; risk associated with foreign operations in other countries; risks associated with acquisitions; electronic communication security risks; insurance coverage; tax risk; currency fluctuations; conflicts of interest; competitive markets; uncertainty and adverse changes in the economy; reliance on components and raw materials; change in technology; quality of products and services; maintenance of technology infrastructure; privacy protection; development costs; product defects; insufficient research and development funding; uncertainty related to exportation; legal proceedings; reliance on business partners; protection of intellectual property rights; infringement by the Company of intellectual property rights; resale of shares; market for securities; dividends; and global financial conditions.

The lists of risk factors set out in this MD&A or in the Company's other public disclosure documents are not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out in this MD&A generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, the global financial and credit markets have experienced significant debt and equity market and commodity price volatility which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue reliance on forward-looking statements.

Additional Information

Additional information relating to the Company is available in the prospectus.

SCHEDULE “B”

AMERICAN AIRES INC.
(the “**Corporation**”)

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Corporation’s audit committee, or its Board of Directors (the “**Board**”) in lieu thereof (the “**Audit Committee**”). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Corporation and any subsidiaries.

1. Composition

(a) *Number of Members*. The Audit Committee must be comprised of a minimum of three directors of the Corporation, at least half of whom will be independent. Independence of the board members will be as defined by applicable legislation.

(b) *Chair*. Audit Committee members will appoint a chair of the Audit Committee (the “**Chair**”) to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.

(c) *Financially Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

(a) *Quorum*. The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.

(b) *Agenda*. The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.

(c) *Notice to Auditors*. The Corporation’s auditors (the “**Auditors**”) will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor’s duties.

(d) *Minutes*. Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

(a) *Selection of the external auditor*. Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Corporation's accounts, controls and financial statements.

(b) *Scope of Work*. Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.

(c) *Compensation*. Recommend to the Board the compensation to be paid to the external auditors.

(d) *Replacement of Auditor*. If necessary, recommend the replacement of the Auditor to the Board.

(e) *Approve Non-Audit Related Services*. Pre-approve all non-audit services to be provided by the Auditor to the Corporation or its subsidiaries.

(f) *Direct Responsibility for Overseeing Work of Auditors*. Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.

(g) *Resolution of Disputes*. Assist with resolving any disputes between the Corporation's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

(a) *Review Audited Financial Statements*. Review the audited consolidated financial statements of the Corporation, discuss those statements with management and with the Auditor, and recommend their approval to the Board.

(b) *Review of Interim Financial Statements*. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.

(c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports*. Review the Corporation's management discussion and analysis, interim and annual press releases, and audit committee reports before the Corporation publicly discloses this information.

(d) *Auditor Reports and Recommendations*. Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

(a) *Internal Control*. Review with the Auditors and with management, the general policies and procedures used by the Corporation with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Corporation or from applicable laws or regulations.

(b) *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.

(c) *Accounting Policies and Practices*. Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

(d) *Litigation*. Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation and the manner in which these matters are being disclosed in the consolidated financial statements.

(e) *Other*. Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Corporation's financial statements or disclosure.

Complaints

(a) *Accounting, Auditing and Internal Control Complaints*. The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters.

(b) *Employee Complaints*. The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Corporation's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

(a) *Auditor*. The Auditor, and any internal auditors hired by the Corporation, will report directly to the Audit Committee.

(b) *To Retain Independent Advisors*. The Audit Committee may, at the Corporation's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

(a) the Auditor's independence;

(b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;

(c) the reappointment and termination of the Auditor;

(d) the adequacy of the Corporation's internal controls and disclosure controls;

(e) the Audit Committee's review of the annual and interim consolidated financial statements;

(f) the Audit Committee's review of the annual and interim management discussion and analysis;

(g) the Corporation's compliance with legal and regulatory matters to the extent they affect the financial statements of the Corporation; and

(h) all other material matters dealt with by the Audit Committee.

CERTIFICATE OF THE CORPORATION

Dated: June 18, 2018.

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Ontario, British Columbia and Alberta.

AMERICAN AIRES INC.

Per: *"Dimitry Serov"* (Signed) CEO and President	Per: *"Robert Suttie"* (Signed) Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

Per: *"Tony Di Benedetto"* (Signed) Tony Di Benedetto Director	Per: *"Ruslan Elensky"* (Signed) Ruslan Elensky Director

CERTIFICATE OF THE PROMOTER

Dated: June 18, 2018.

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Ontario, British Columbia and Alberta.

Per: *"Dimitry Serov"* (Signed)
Dimitry Serov, CEO & President

CERTIFICATE OF THE AGENT

Dated: June 18, 2018.

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all information material facts relating to the securities offered by this Prospectus as required by the securities legislation of Ontario, British Columbia and Alberta.

RICHARDSON GMP LIMITED

"Nargis Sunderji" (Signed)

Nargis Sunderji,
Vice President, Private Capital Markets