

## **AGENCY AGREEMENT**

THIS AGREEMENT dated for reference the 2<sup>nd</sup> day of October, 2019 (the “Agreement”).

BETWEEN:

**AMERICAN AIRES INC.**, 400 Applewood Crescent, Unit 100, Vaughan, Ontario  
L4K 0C3

(the “Issuer”)

AND:

**CANACCORD GENUITY CORP.**, 520 3<sup>rd</sup> Avenue SW, Suite 2400, Calgary,  
Alberta T2P 0R3

(the “Agent”)

### **BACKGROUND**

- A. The Issuer wishes to raise money for the purposes set forth in its Prospectus, which is to be filed with the Regulatory Authorities, by offering for sale certain of its securities; and
- B. The Issuer wishes to appoint the Agent to distribute those securities and the Agent is willing to accept such appointment on the terms and conditions of this Agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that for good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

#### **1. DEFINITIONS**

1.1 In this Agreement:

- (a) “Agent’s Cash Commission” has the meaning set out in section 5.1(a);
- (b) “Agent’s Option” has the meaning set out in section 5.1(b);
- (c) “Agent’s Option Shares” has the meaning set out in section 5.1(b);

- (d) “Alternative Business Transaction” means any debt or equity financing transaction, other than a bank loan from one or more commercial bank lenders, completed by the Issuer or any affiliate or subsidiary thereof in respect of which the Agent is not the sole underwriter, placement agent, arranger or initial purchaser, or in respect of which the Agent does not receive at least the same amount of compensation as it would have been entitled under the Offering.
- (e) “Business Day” means any day, other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Vancouver, British Columbia are not open for business during normal banking hours;
- (f) “Certificates” means the certificates representing the Common Shares sold pursuant to the Offering and the Agent’s Option;
- (g) “Claim” and “Claims” have the respective meanings set out in section 12.1;
- (h) “Closing Date” means the date on which the Offering closes, which date will be no earlier than 10 Business Days after the Effective Date as agreed by the Agent and the Issuer;
- (i) “Common Shares” means common shares in the capital of the Issuer;
- (j) “Corporate Finance Fee” has the meaning set out in section 5.2;
- (k) “Effective Date” means the date on which a receipt for a (final) prospectus qualifying the Offering and all other securities required by this Agreement to be qualified is issued by the securities commission that is designated as the Principal Regulator in accordance with National Policy 11-202;
- (l) “Exchange” means the Canadian Securities Exchange;
- (m) “Final Prospectus” means the Prospectus for which a receipt is issued by the securities commission that is designated as the Principal Regulator in accordance with National Policy 11-202 qualifying the Offering and all other securities required by this Agreement to be qualified;
- (n) “Financing Notice” has the meaning set out in section 15.1;
- (o) “Indemnified Parties” and “Indemnified Party” have the respective meanings set out in section 12.1;
- (p) “Intellectual Property Rights” means all patents and inventions, trade-marks, trade names and styles, logos and designs, service marks, trade dress, industrial designs, internet domain names, world wide websites, website names, electronic mail addresses, copyrights, trade secrets, technical information, engineering procedures, designs, know-how and processes (whether confidential or otherwise), software, other industrial property

(including applications for any of these) and other similar rights and properties;

- (q) “Listing Date” means the date that the Common Shares commence trading on the Exchange;
- (r) “Material Change” has the meaning set out in the Securities Acts;
- (s) “Material Fact” has the meaning set out in the Securities Acts;
- (t) “Misrepresentation” has the meaning set out in the Securities Acts;
- (u) “Offered Securities” means the Common Shares offered under the Prospectus;
- (v) “Offering” means the offering of a minimum of 24,000,000 Common Shares up to a maximum of 25,200,000 Common Shares under the Prospectus at the Offering Price for a total of a minimum of \$7,200,000 and a maximum of \$7,560,000;
- (w) “Offering Price” means \$0.30 per Common Share;
- (x) “Principal Regulator” has the meaning set out in Multilateral Instrument 11-102;
- (y) “Proceeds” means the gross proceeds of the Offering less:
  - (i) the Agent’s Cash Commission; and
  - (ii) the expenses of the Agent in connection with the Offering which have not been paid by the Issuer;
- (z) “Professional, Sponsorship or Advisory Notice” has the meaning set out in section 15.2;
- (aa) “Prospectus” means the preliminary prospectus and the prospectus filed or intended to be filed by the Issuer with the Regulatory Authorities in connection with the Offering and includes any amendments to the preliminary prospectus and prospectus which may be filed with the Regulatory Authorities;
- (bb) “Regulatory Authorities” means the Exchange and the securities commissions or similar regulatory authorities in the Selling Jurisdictions;
- (cc) “Securities” means the Shares, the Agent’s Option and the Agent’s Option Shares;
- (dd) “Securities Acts” means the securities acts in effect from time to time in the Selling Jurisdictions;

- (ee) “Selling Jurisdictions” means British Columbia, Alberta and Ontario, and such other jurisdictions as the Agent and the Issuer may agree upon;
- (ff) “Subscriber” has the meaning set out in section 15.1; and
- (gg) “Subsidiary” has the meaning given under the *Business Corporations Act* (Ontario).

## **2. APPOINTMENT OF AGENT**

- 2.1 The Issuer appoints the Agent as its exclusive agent with respect to the Offering and the Agent accepts the appointment and agrees to act as the exclusive agent of the Issuer to offer the Offered Securities for sale under the Final Prospectus in the Selling Jurisdictions at the Offering Price. The Agent shall use its commercially reasonable efforts to sell the Offered Securities but it is understood and agreed that the Agent shall act as agent only and is under no obligation to purchase any Offered Securities under the Offering.
- 2.2 The Offering is subject to a minimum subscription of 24,000,000 Common Shares. All subscription funds received by the Agent will be held by the Agent until the minimum subscription has been attained. Notwithstanding any other term of this Agreement, all subscription funds received by the Agent will be returned to the subscribers if the minimum subscription is not attained by the Closing Date.

## **3. CONDUCT OF THE OFFERING**

- 3.1 Prior to the Effective Date, the Issuer will apply to the Exchange to list its Common Shares on the Exchange which the Agent acknowledges has been done prior to the date of this Agreement.
- 3.2 The Agent will advise the Issuer and its counsel when the distribution under the Prospectus is complete.

## **4. OPINIONS AND CERTIFICATES**

- 4.1 Prior to the Effective Date, the Issuer will deliver the following documents to the Agent and its counsel in a form acceptable to them, acting reasonably:
  - (a) a comfort letter from the auditor of the Issuer, dated as of the date of the Final Prospectus and addressed to the Agent and its counsel, relating to the accuracy of the financial statements forming part of the Final Prospectus and the accuracy of the financial, numerical and certain other information disclosed in the Prospectus; and
  - (b) any other certificates, comfort letters or opinions in connection with any matter related to the Final Prospectus which are requested by the Agent or its counsel, acting reasonably.

- 4.2 Prior to the Closing Date, the Issuer will provide the Agent and its counsel with evidence of the necessary approval of the Regulatory Authorities for the Offering.
- 4.3 On the Closing Date, the Issuer will deliver the following documents to the Agent and its counsel in a form acceptable to them, acting reasonably:
- (a) an opinion of counsel (and local counsel in the Offering Jurisdictions as requested by the Agent) for the Issuer, dated as of the Closing Date and addressed to the Agent and its counsel, relating to any legal matter in connection with the Prospectus and Offering;
  - (b) a legal opinion respecting the Issuer's Intellectual Property Rights; and
  - (c) a certificate of the Issuer, dated as of the Closing Date and signed by the Chief Executive Officer and Chief Financial Officer of the Issuer approved by the Agent, certifying certain facts relating to the Issuer and its affairs.

## **5. COMPENSATION**

- 5.1 The Issuer will, on the Closing Date:
- (a) pay the Agent a commission (the "Agent's Cash Commission") equal to 8% of the gross proceeds of the Offering, which amount will be payable in cash, subject to selling group participation set out in section 13.2; and
  - (b) issue to the Agent an option (the "Agent's Option") entitling the holder to acquire such number of Common Shares (the "Agent's Option Shares") as is equal to 8% of the number of Common Shares sold pursuant to the Offering, at the price of \$0.30 per share for a period of 24 months from the Listing Date, subject to selling group participation set out in section 13.2. The grant of the Agent's Option shall be qualified by the Prospectus.
- 5.2 The Agent is also entitled to a corporate finance fee (the "Corporate Finance Fee") of \$25,000 plus applicable taxes which the Agent acknowledges has been paid in full.

## **6. CLOSING**

- 6.1 If the Issuer has satisfied all of its obligations under this Agreement, the Issuer will, on the Closing Date, release the Certificates to the Agent following receipt of the Proceeds.

## **7. MATERIAL CHANGES**

- 7.1 From the date of this Agreement to the completion of the distribution of the Offered Securities, the Issuer shall promptly discuss with the Agent and immediately thereafter notify the Agent in writing of any material adverse change (actual, anticipated or threatened), financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition, capital or prospects of the Issuer.

- 7.2 If, after the Final Prospectus is first filed with the Regulatory Authorities, a Material Change occurs in the affairs of the Issuer, the Issuer will:
- (a) notify the Agent immediately, in writing, with full particulars of the change;
  - (b) file with the Regulatory Authorities as soon as practicable, and in any event no later than 10 days after the change occurs, an amendment to the Prospectus disclosing the Material Change; and
  - (c) provide to the Agent as many copies of the amendments as the Agent may reasonably request within three Business Days of such request.

## **8. TERMINATION**

- 8.1 The Agent may without liability in its sole discretion terminate its obligations under this Agreement by written notice to the Issuer on or before the Closing Date if at any time prior to the Closing Date:
- (a) in the opinion of the Agent, acting reasonably, there shall have occurred any Material Change or change in Material Fact in relation to the Issuer or there shall be discovered any previously undisclosed Material Fact in each case which would be expected to result in a material adverse change in relation to the Issuer or have a material adverse effect on the market price or value of the Common Shares;
  - (b) any inquiry, action, investigation or other proceeding (whether formal or informal) is made, announced or threatened or any order is issued by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency, regulatory authority or other instrumentality including, without limitation, the Exchange or any other exchange or quotation or any securities regulatory authority involving the Issuer's securities, directors or officers (except for any inquiry, action, investigation or other proceeding based upon activities of the Agent and not upon activities of the Issuer) or any law or regulation is enacted or changed, which, in the opinion of the Agent, acting reasonably, prevents or restricts trading in or the distribution of the securities of the Issuer or the Securities or materially and adversely affects or might reasonably be expected to materially and adversely affect the market price or value of the securities of the Issuer or the Securities;
  - (c) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including terrorism) or any law or regulation which, in the opinion of the Agent, acting reasonably, materially adversely affects or involves, or might reasonably be expected to materially adversely affect or involve, the financial markets or the business, operations or affairs of the Issuer and its subsidiaries, taken as a whole;

- (d) the Agent becomes aware of, as a result of its due diligence review or otherwise, of any material adverse change, or a change in any Material Fact or any Material Fact with respect to the Issuer (in the sole opinion of the Agent, acting reasonably) which has not been disclosed to the Agent prior to the date hereof, or the Agent is not satisfied, acting reasonably, with the results of its due diligence review in respect of the Issuer, its securities, assets or operations, the tax attributes of any of the securities of the Issuer or the Securities or otherwise;
- (e) the Issuer is in breach of any term, condition or covenant of this Agreement or any representation or warranty given by the Issuer in this Agreement becomes or is false; or
- (f) if the state of financial markets in Canada or elsewhere where it is planned to market the Securities is such that, in the reasonable opinion of the Agent, the Offered Securities cannot be marketed profitably or successfully.

8.2 Unless otherwise agreed to by the parties, this Agreement will terminate if a receipt for the Final Prospectus is not issued by the Principal Regulator within 120 days of the date of this Agreement.

8.3 Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Issuer, provided that no termination shall discharge or otherwise affect any obligation of the Issuer under sections 10 or 12 of this Agreement. The rights of termination contained in paragraph 8.1 are in addition to, and without prejudice to, any other rights or remedies the Agent may have at law or in equity.

## **9. WARRANTIES, REPRESENTATIONS AND COVENANTS**

9.1 The Issuer covenants, represents and warrants to the Agent that:

- (a) the books and records of the Issuer fairly and correctly set out and disclose in all material respects, in accordance with International Financial Reporting Standards, the financial position of the Issuer as of the date hereof, and all material financial transactions of the Issuer have been accurately recorded in the said books and records. With the exception of forecasts, projections or estimates referred to below, all information and other data relating to the Issuer furnished by or on behalf of the Issuer to the Agent is, or, in the case of historical information, was at the date of preparation true, accurate, complete and correct in all material respects, and does not or did not, as the case may be, contain any Misrepresentation. Any projections and forecasts relating to the Issuer provided by or on behalf of the Issuer to the Agent have been prepared in good faith with the assistance of competent professional advisors and are based upon assumptions which, in light of the circumstances under which they are made, are reasonable. The Issuer is not aware of any undisclosed facts or information that could materially impact upon such projections and forecasts;

- (b) the Issuer does not have a Subsidiary;
- (c) the Issuer has been duly incorporated and organized and is validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as now conducted and as presently proposed to be conducted, to own, lease and operate its properties and assets and to carry out the provisions hereof;
- (d) the Issuer is conducting its business in compliance in all material respects with all applicable licensing and anti-pollution legislation, regulations or by-laws, environmental protection legislation, regulations or by-laws or other similar legislation, regulations or by-laws or other lawful requirements of any governmental or regulatory bodies which are applicable to it; and the Issuer is not aware of any such legislation, regulation, by-law or lawful requirement presently in force or proposed to be brought into force by any governmental or regulatory authority which the Issuer anticipates it will be unable to comply with without materially adversely affecting its business;
- (e) the Issuer is the beneficial owner of the properties, business and assets, or the interest in the properties, business and assets, referred to as owned by it in the Final Prospectus, and any and all agreements pursuant to which the Issuer holds any such interest in its properties, business or assets are in good standing under the applicable laws, and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated;
- (f) the Final Prospectus contains full, true and plain disclosure of all Material Facts in relation to the Issuer and its business and securities, and contains no Misrepresentation;
- (g) the financial statements of the Issuer which form part of the Final Prospectus have been prepared in accordance with International Financial Reporting Standards accurately reflect the financial position of the Issuer and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer, as at the date of the financial statements and there have been no adverse material changes in the financial position of the Issuer since that date, except as fully and plainly disclosed in the Final Prospectus;
- (h) the authorized and outstanding share capital of the Issuer is as set forth in the Final Prospectus, all outstanding shares have been issued as fully paid and non-assessable and the only outstanding options, warrants or other rights to acquire any shares or other securities of the Issuer are as set forth in the Final Prospectus;
- (i) the Issuer is not in default or breach of, and the execution and delivery of, and the performance and compliance with the terms of this Agreement by the Issuer does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a



default under, in any material respect, any term or provisions of the constating documents or resolutions of the Issuer or any indenture, agreement (written or oral), lease or other document to which the Issuer is a party or by which it is bound, or any judgment, decree or order, or to its knowledge, statute, rule or regulation applicable to the Issuer which default or breach might reasonably be expected to materially adversely affect the business, operations, assets, capital or condition (financial or otherwise) of the Issuer;

- (j) this Agreement is a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to the laws relating to creditors' rights generally and equitable remedies and except to the extent that the enforcement of rights to indemnity and waiver of contribution may be limited by applicable law;
- (k) the Issuer has full corporate authority and capacity to issue the Securities and on the Closing Date:
  - (i) the Common Shares will be duly and validly authorized and issued as fully paid and non-assessable;
  - (ii) the Agent's Option will be duly and validly created, authorized and issued; and
  - (iii) the Agent's Option Shares issuable on exercise of the Agent's Option will be duly and validly authorized for issuance upon exercise of the Agent's Option and upon such issuance shall be issued as fully paid and non-assessable;
- (l) no consent of any third party is required in connection with the transactions contemplated by this Agreement, except to the extent that this Agreement contemplates obtaining receipts for the Final Prospectus or approval to list the Common Shares on the Exchange;
- (m) no securities regulatory authority has issued any order preventing or suspending trading in any securities of the Issuer, and the Issuer has not been, and is not currently, in default of any requirement of any securities laws to which the Issuer is subject;
- (n) no litigation, administrative proceeding, arbitration or other proceeding before or of any court, tribunal, arbitrator or regulatory or other governmental body or dispute with any regulatory or other governmental body is presently in process or pending or threatened against the Issuer which, if determined adversely to the Issuer might have a material adverse effect on the financial condition, results of operations, business or prospects of the Issuer or which would materially impair the ability of the Issuer to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations herein;

- (o) Schedule 9.1(o) sets forth all of the Issuer's Intellectual Property Rights including without limitation all of the patents and trademarks held by or applied for by the Issuer and all other Intellectual Property Rights held by the Issuer; the Issuer has all Intellectual Property Rights which are necessary to the conduct of its business and the Issuer's Intellectual Property Rights are valid and subsisting and held by the Issuer with good and marketable title and are in good standing free and clear of all liens, charges, security interests or encumbrances; all registrations with respect to the Issuer's Intellectual Property Rights have been made and kept renewed and are in full force and effect; and the operation of the Issuer's business does not, to the knowledge of the Issuer, infringe the Intellectual Property Rights of any other person and there are no outstanding moral rights attaching to any copyright owned or used by the Issuer that have not been waived in favour of the Issuer;
- (p) the Issuer has conducted its activities in connection with the Offering in compliance with all applicable laws and regulatory requirements;
- (q) the Issuer shall not unreasonably reject any subscription for Common Shares tendered by the Agent, unless all such subscriptions tendered exceed the number of Common Shares offered pursuant to the Offering or the Over-Allotment Option, or the acceptance of such subscription would be contrary to applicable corporate and securities legislation or Exchange policies;
- (r) there is not presently, and will not be until the conclusion of the distribution under the Final Prospectus, any Material Change or change in any Material Fact relating to each of the Issuer, its business or its respective securities which has not been or will not be fully disclosed in the Prospectus or otherwise to the Agent;
- (s) the Issuer has filed all federal, provincial, local and foreign tax returns which are required to be filed, or has been requested extensions thereof, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for such assessments, fines and penalties which are currently being contested in good faith;
- (t) the Issuer has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable, if any, and there are no liens for taxes on the assets of the Issuer except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer which are known by the Issuer's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Issuer;

- (u) other than the Agent, no person, firm or corporation acting or purporting to act at the request of the Issuer is entitled to any brokerage, agency or finder's fee in connection with the transactions described herein; and
  - (v) the Proceeds will be used by the Issuer for research and development costs, marketing costs, intellectual property costs and for general corporate purposes as described in the Final Prospectus.
- 9.2 The Issuer covenants and agrees 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 120 days after the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld, except in conjunction with:
- (a) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Issuer and other share compensation arrangements;
  - (b) outstanding warrants; and
  - (c) the issuance of securities in connection with property or share acquisitions in the normal course of business.
- 9.3 After completion of the Offering, the Agent shall be entitled to place advertisements or announcements in financial and other newspapers, journals or other publications at its own expense describing the services it provided in connection with the Offering.
- 9.4 The Agent warrants, represents and covenants to the Issuer that:
- (a) it has been duly incorporated and is a valid and subsisting corporation under the laws of the jurisdiction in which it was incorporated and has all the requisite corporate power and capacity to carry on its business as now conducted;
  - (b) it is a member in good standing of the Exchange;
  - (c) it has complied with and will fully comply with the requirements of all applicable securities laws, including, without limitation, the by-laws and rules of the Exchange in relation to trading in the Securities and all matters relating to the Offering;
  - (d) it will be at the time of Closing, a broker or dealer properly registered in each of the Selling Jurisdictions in Canada as required by applicable securities laws; and
  - (e) it is acquiring the Agent's Options as principal for its own account.

## **10. EXPENSES OF AGENT**

- 10.1 The Issuer will pay all of the expenses of the Offering and all the expenses reasonably incurred by the Agent in connection with the Offering including, without limitation, travel expenses, searches and other costs incurred by the Agent to complete the due diligence process, as well as the costs to engage an independent expert to review the Issuer's technology and the reasonable fees of the solicitor for the Agent, and other expenses, provided however that the reasonable fees of the solicitor for the Agent will not exceed \$75,000 (not including the disbursements incurred by the solicitor for the Agent and applicable taxes on such legal fees which will be in addition to such legal fees) without the prior approval of the Issuer. The Issuer will pay such expenses even if the Final Prospectus is not accepted by the Regulatory Authorities or the transactions contemplated by this Agreement are not completed, or this Agreement is terminated. The Agent acknowledges receiving from the Issuer a retainer of \$6,750 which will be applied to the costs of an independent expert to review the Issuer's technology, and a retainer of \$15,000 which will be applied to the legal fees and expenses incurred by the solicitor for the Agent.
- 10.2 The Agent may, from time to time, render accounts to the Issuer for its expenses for payment on or before the dates set out in the accounts. The Issuer authorizes the Agent to deduct its reasonable expenses in connection with the Offering from the gross proceeds of the Offering. The Agent will on the Closing Date, deliver to the Issuer a written description and reconciliation of its expenses deducted from the gross proceeds of the Offering as contemplated by this section.

## **11. FILING OF PROSPECTUS**

- 11.1 The Issuer will cause the Final Prospectus to be filed with the Regulatory Authorities, will deliver all necessary copies of the Prospectus to the Regulatory Authorities and will use its commercially reasonable efforts to have the Final Prospectus accepted by the Regulatory Authorities as soon as possible.
- 11.2 The Issuer will provide the Agent with as many copies of the Final Prospectus as the Agent may reasonably request at no charge to the Agent within three Business Days of any such request.
- 11.3 Delivery of the Final Prospectus and any amendment thereto shall constitute a representation and warranty by the Issuer to the Agent that all information and statements (except information and statements supplied by and relating solely to the Agent) contained in the Final Prospectus and any amendment thereto are true and correct in all material respects at the time of delivery thereof and contain no Misrepresentation and constitute full, true and plain disclosure of all Material Facts relating to the Issuer and the Offered Securities and that no Material Fact or material information has been omitted therefrom (except facts or information supplied by and relating solely to the Agent) which is required to be stated therein or is necessary to make statements of information contained therein not misleading in light of the circumstances under which they were made. Such delivery shall also constitute the

Issuer's consent to the Agent's use of the Final Prospectus, any amendment thereto and any other documents supplied to the Agent by the Issuer for the purpose of the sale of the Offered Securities in the Selling Jurisdictions in compliance herewith and with all applicable securities laws.

## 12. INDEMNITY

- 12.1 In consideration for the Agent accepting its appointment as the agent for the Offering pursuant to this Agreement the Issuer hereby agrees to indemnify and save harmless to the maximum extent permitted by law, the Agent, its affiliates and selling group members and their affiliates and their respective directors, officers, employees, partners, agents, advisors and shareholders (collectively, the "Indemnified Parties" and individually, an "Indemnified Party") from and against any and all losses, claims, actions, suits, proceedings, investigations, damages, liabilities or expenses of whatsoever nature or kind (excluding loss of profits and any other indirect or consequential damages arising in connection thereto) whether joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the fees, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (each a "Claim" and, collectively, the "Claims") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, this Agreement whether performed before or after the execution of this Agreement by the Issuer, and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim.
- 12.2 If and to the extent that a court of competent jurisdiction, in a final non-appealable judgement in a proceeding in which an Indemnified Party is named as a party, determines that a Claim was caused by or resulted from an Indemnified Party's material breach of this Agreement, breach of applicable laws, gross negligence or fraudulent act, this indemnity shall cease to apply to such Indemnified Party in respect of such Claim and such Indemnified Party shall reimburse any funds advanced by the Issuer to the Indemnified Party pursuant to this indemnity in respect of such Claim. The Issuer agrees to waive any right the Issuer might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.
- 12.3 If any Claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Issuer, the Indemnified Party will give the Issuer prompt written notice of any such Claim of which the Indemnified Party has knowledge and the Issuer will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment

of counsel acceptable to the Indemnified Parties affected and the payment of all expenses. Failure by the Indemnified Party to so notify shall not relieve the Issuer of its obligation of indemnification hereunder. No admission of liability and no settlement, compromise or termination of any Claim, or investigation shall be made without the consent of the Issuer and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld or delayed.

12.4 Notwithstanding that the Issuer will undertake the investigation and defence of any Claim, the Indemnified Parties will have the right to employ one separate counsel in each applicable jurisdiction with respect to such Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Parties unless:

- (a) employment of such counsel has been authorized in writing by the Issuer;
- (b) the Issuer has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim;
- (c) the named parties to any such claim include the Issuer, and any of the Indemnified Parties, and the Indemnified Parties shall have been advised by counsel to the Indemnified Parties that there may be a conflict of interest between the Issuer and any Indemnified Party; or
- (d) there are one or more defences available to the Indemnified Parties which are different from or in addition to those available to the Issuer, as the case may be,

in which case such fees and expenses of such counsel to the Indemnified Parties will be for the account of the Issuer.

12.5 The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights the Indemnified Parties may have at common law or otherwise. Without limiting the generality of the foregoing, this Indemnity shall apply to all reasonable expenses (including legal expenses), losses, claims and liabilities that the Indemnified Parties may incur as a result of any action, suit, proceeding or claim that may be threatened or brought against the Issuer.

12.6 If for any reason the foregoing indemnification is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties (or any of them) or insufficient to hold them harmless, the Issuer agrees to contribute to the amount paid or payable by the Indemnified Parties as a result of such Claims in such proportion as is appropriate to reflect not only the relative benefits received by the Issuer or the Issuer's shareholders, and its constituencies on the one hand and the Indemnified Parties on the other, but also the relative fault of the parties and other equitable considerations which may be relevant. Notwithstanding the foregoing, the Issuer will in any event contribute to the

amount paid or payable by the Indemnified Parties as a result of such Claim any amount in excess of the fees actually received by the Indemnified Parties hereunder.

- 12.7 The Issuer hereby constitutes the Agent as trustee for each of the other Indemnified Parties of the covenants of the Issuer under this indemnity with respect to such persons and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.
- 12.8 The Issuer agrees that, in any event, no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Issuer, or any person asserting claims on their behalf or in right for or in connection with the engagement, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Issuer are determined by a court of competent jurisdiction in a final judgement (in a proceeding in which an Indemnified Party is named as a party) that has become non-appealable to have resulted from the material breach of this Agreement, breach of applicable laws, gross negligence or fraudulent act of such Indemnified Party.
- 12.9 The Issuer agrees to reimburse the Indemnified Parties monthly for time spent by such Indemnified Party's personnel in connection with any Claim at their normal per diem rates. The Issuer also agrees that if any action, suit, proceeding or claim shall be brought against, or an investigation commenced in respect of the Issuer and the Agent or selling group member and personnel of such Agent or selling group member shall be required to testify, participate or respond in respect of or in connection with the engagement, each such Indemnified Party shall have the right to employ its own counsel in connection therewith and the Issuer will reimburse such Indemnified Party monthly for the time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and reasonable out-of-pocket expenses as may be incurred, including fees and disbursements of such Indemnified Party's counsel.
- 12.10 The indemnity and contribution obligations of the Issuer shall be in addition to any liability which the Issuer may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Issuer, and any Indemnified Party. The foregoing provisions shall survive the completion of professional services rendered pursuant to this Agreement or any termination of this Agreement.

### **13. ASSIGNMENT AND SELLING GROUP PARTICIPATION**

- 13.1 The Agent will not assign this Agreement or any of its rights under the Agreement nor, with respect to the Offered Securities, enter into any agreement in the nature of an option or a sub-option unless and until, for each intended transaction, the Agent has obtained the consent of the Issuer and notice has been given to and accepted by the Regulatory Authorities.

- 13.2 The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investment dealers, who may be offered part of the compensation received by the Agent hereunder.

#### **14. ALTERNATIVE BUSINESS TRANSACTION**

- 14.1 If the Issuer does not complete the Offering, but the Issuer or any affiliate or subsidiary thereof completes an Alternative Business Transaction prior to the date that is 180 days after the date of this Agreement, the Agent shall be entitled to receive from the Issuer immediately upon the completion of such Alternative Business Transaction the lesser of:

- (a) the amount of compensation to which the Agent would have been entitled if the Offering has completed assuming completion of the maximum Offering under this Agreement; and
- (b) the amount of compensation to which the Agent would have been entitled under this Agreement based on the amount raised pursuant to the Alternative Business Transaction;

provided, however, that the Agent shall not be entitled to any amount under this section in the event the Agent voluntarily terminates this Agreement or the Issuer voluntarily terminates this Agreement as a result of a material breach by the Agent of its obligations hereunder. For greater certainty, if the Agent terminates this Agreement pursuant to section 8.1(f), the Issuer will be free to pursue other methods of financing, in which case, the Issuer will not be responsible for the fees payable under this section except for the Agent's out of pocket due diligence costs incurred up to that date.

#### **15. RIGHTS OF FIRST REFUSAL**

- 15.1 The Issuer will notify the Agent (the "Financing Notice") of the terms of any further financing (private or public) that it requires or proposes to obtain during the term of this Agreement and until that day which is one year from the Closing Date and the Agent will have the right of first refusal to provide such financing. For greater certainty, the right of first refusal set out in this section includes, but is not limited to:

- (a) the right of the Agent to co-lead such financing;
- (b) the right of the Agent to be part of a syndicate group with respect to such financing; and
- (c) the right of the Agent to participate in a portion of such financing to be mutually agreed upon by the Agent and the Issuer.

This right of first refusal does not apply if the Issuer does not retain or utilize a registered dealer as agent for the financing unless any of the subscribers to the



- issuance of such securities (each, a “Subscriber”) is a subscriber or beneficial purchaser of Offered Securities under the Offering.
- 15.2 The Issuer will also notify the Agent (the “Professional, Sponsorship or Advisory Notice”) if and when the Issuer requires or proposes to obtain professional, sponsorship or advisory services of the type performed or normally performed by a broker or investment dealer during the term of this Agreement and until that day which is one year after the Closing Date, and the Agent will have the right of first refusal to exclusively provide such professional, sponsorship or advisory services.
- 15.3 The rights of first refusal must be exercised by the Agent:
- (a) within ten business days following the receipt of the Financing Notice by notifying the Issuer that it will provide such financing on the terms set out in the Financing Notice; or
  - (b) within ten business days following the receipt of the Professional, Sponsorship or Advisory Notice by notifying the Issuer that it will provide professional, sponsorship or advisory services on terms to be mutually agreed upon by the parties.
- 15.4 If the Agent fails to give the applicable notice with the time specified, the Issuer will then be free to make other arrangements to obtain financing or professional, sponsorship or advisory services from another source on the same terms or on terms no less favourable to the Issuer than that specified in the Financing Notice or the Professional, Sponsorship or Advisory Notice, as the case may be, subject to obtaining the acceptance of the Regulatory Authorities, so long as the arrangements with such other source are entered into and documented in writing within 30 days of the Agent’s failure to exercise its right of first refusal.
- 15.5 The rights of first refusal will not terminate if, on receipt of any Financing Notice or Professional, Sponsorship or Advisory Notice from the Issuer, the Agent fails to exercise the rights however if the Agent fails to exercise its rights with respect to a particular Financing Notice or Professional, Sponsorship or Advisory Notice the Agent will have no further such rights with respect to the financial or professional, sponsorship or advisory services for which such Financing Notice or Professional, Sponsorship or Advisory Notice was given.

## 16. NOTICE

- 16.1 Any notice or other communication to be given hereunder shall be in writing and delivered or sent by facsimile or other electronic transmission such as email as follows:

If to the Issuer to:

American Aires Inc.  
400 Applewood Crescent, Unit 100  
Vaughan, Ontario L4K 0C3

Attention: Mr. Dimitry Serov, CEO

Email: dimitry@airestech.com

with a copy to:

Irwin Lowy LLP  
217 Queen Street West  
Suite 401  
Toronto, Ontario M5V 0R2

Attention: Mr. Riccardo Forno

Email: rforno@irwinlowy.com

If to the Agent to:

Canacord Genuity Corp.  
520 3<sup>rd</sup> Avenue SW, Suite 2400  
Calgary, Alberta T2P 0R3

Attention: Mr. Jeff German, Director, Retail Corporate Finance

Email: jgerman@cgf.com

with a copy to:

Getz Prince Wells LLP  
Suite 530 - 355 Burrard Street  
Vancouver, BC, V6C 2G8

Attention: Ms. Zahra Ramji

Email: zahra@getzpw.com

- 16.2 Any such notice or other communication shall be deemed to have been given and received on the day after being sent by facsimile or other electronic transmission or upon delivery if delivered, or, if such day is not a Business Day in the location where it is sent by facsimile or other electronic transmission or delivered, on the next following Business Day.

**17. TIME**

- 17.1 Time shall be the essence hereof.

**18. SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

- 18.1 The representations, warranties, covenants and indemnities set out in this Agreement will survive the closing of the Offering.

**19. LANGUAGE**

19.1 Wherever a singular or masculine expression is used in this Agreement, that expression is deemed to include the plural, feminine or the body corporate where required by the context.

**20. ENTIRE AGREEMENT**

20.1 This Agreement constitutes the entire agreement between the parties with respect to its subject matter, and supersedes any prior agreements with respect thereto between the Issuer and the Agent, including, without limitation, the letter of engagement between the Issuer and the Agent dated June 26, 2019.

**21. ENUREMENT**

21.1 This Agreement enures to the benefit of and is binding on the parties to this Agreement and their successors and permitted assigns.

**22. HEADINGS**

22.1 The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

**23. GOVERNING LAW**

23.1 This Agreement is subject to and shall be governed by the laws of the Province of British Columbia and the parties hereto irrevocably submit to the jurisdiction of the courts of British Columbia with respect to any dispute related to this Agreement.

**24. COMMUNICATION WITH PUBLIC**

24.1 All press releases and publicly available filings in respect of this Agreement or any other related instrument or with respect to the relationship between the Issuer and the Agent made by the Issuer will be approved by the Agent, acting reasonably.

**25. COUNTERPARTS**

25.1 This Agreement may be executed in as many counterparts as may be necessary and may be delivered by facsimile or other electronic transmission, each of such counterparts so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument and notwithstanding the date of execution will be deemed to bear the date as of the day and year first above written.

**IN WITNESS WHEREOF** the parties hereto have executed and delivered this Agreement.

**AMERICAN AIRES INC.**

By:

*"Dimitry Serov"* (signed)  
Authorized Signatory

**CANACCORD GENUITY CORP.**

By:

*"Jeff German"* (signed)  
Authorized Signatory

**SCHEDULE 9.1(o)**

**INTELLECTUAL PROPERTY RIGHTS**

The industrial designs and trademarks as listed in the Final Prospectus.