

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

American Aires Inc. (the “**Company**”)  
400 Applewood Crescent, Suite 100  
Vaughan, Ontario L4K 0C3

2. **Date of Material Change**

January 11, 2021

3. **News Release**

A press release disclosing the material change was released on January 11, 2021, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

The Company announced that it had issued 285,714 common shares in the capital of the Company (the “**Common Shares**”) at a price of \$0.21 per Common Share pursuant to a consulting agreement between the Company and SC-YN Consultants Inc. (the “**Consultant**”), a company controlled by Yan Namer, the Chief Operating Officer of the Company, dated December 5, 2019, as amended.

The Common Shares were issued to the Consultant in settlement of \$60,000 owing to the Consultant (the “**Debt Settlement**”).

5. **Full Description of Material Change**

Pursuant to the Debt Settlement, the Company agreed to settle \$60,000 of indebtedness to the Consultant through the issuance of 285,714 Common Shares of the Company at a price of \$0.21 per Common Share.

The Common Shares issued pursuant to the Debt Settlement will be subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

**(a) a description of the transaction and its material terms:**

In connection with the Debt Settlement, 285,714 Common Shares were acquired by SC-YN Consultants Inc., a company controlled by Yan Namer, an insider of the Company.

**(b) the purpose and business reasons for the transaction:**

The Company wished to settle \$60,000 of indebtedness in order to improve its financial position and reduce its accrued liabilities.

**(c) the anticipated effect of the transaction on the issuer's business and affairs:**

The settlement of indebtedness will improve the Company's financial position and reduce its accrued liabilities.

**(d) a description of:**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

Please see paragraph 5(a) above.

**(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Pursuant to the Debt Settlement, Mr. Yan Namer, through his company, acquired 285,714 Common Shares of the Company. Prior to the completion of the Debt Settlement, Mr. Namer owned 100,000 Common Shares of the Company, representing approximately 0.084% of the issued and outstanding Common Shares on a non-diluted basis. Following completion of the Debt Settlement, Mr. Namer will beneficially own and control, directly and indirectly, 385,714 Common Shares of the Company, representing approximately 0.32% of the issued and outstanding Common Shares on a non-diluted basis.

**(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors was passed on November 19, 2020. No special committee was established in connection with the Debt Settlement, and no materially contrary view or abstention was expressed or made by any director.

**(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

**(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

**(i) that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the consulting agreement, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Debt Settlement. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Debt Settlement.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the Common Shares being issued to an insider in connection with the Debt Settlement does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Debt Settlement because the Company wanted to improve its financial position as expeditiously as possible.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact Dimitry Serov, Chief Executive Officer of the Company at (905) 482-4667.

9. **Date of Report**

This report is dated at Toronto, this 12<sup>th</sup> day of January, 2021.