

American Aires Inc. Announces Debt Conversion

Toronto, Ontario--(Newsfile Corp. - June 12, 2023) - American Aires Inc. (CSE: WIFI) (OTC: AAIRF) ("**Aires**" or the "**Company**"), a leader in scientifically-proven EMF modulation technology today announces that it has completed a series of debt conversions to decrease the Company's debt.

- Birchtree Investments Ltd. ("**Birchtree**") has agreed to accept 578 debenture units (each, a "**Unit**"), with each Unit consisting of (i) one \$1,000 principal amount secured transferable convertible debenture (each, a "**Debenture**") of the Company, and (ii) 20,000 transferable common share purchase warrants (each, a "**Warrant**"), at a deemed price per Unit of \$1,000, in full and final satisfaction of outstanding principal and interest of \$578,575 on a secured loan advanced by Birchtree to the Company. The Chief Executive Officer of Birchtree (Vitaliy Savitsky) is the Chief Financial Officer of the Company.
- Mr. Savitsky, indirectly through a holding company, has agreed to accept 156 Units at a deemed price per Unit of \$1,000 in full and final satisfaction of outstanding principal and interest of \$156,263 on a loan advanced by Mr. Savitsky to the Company.
- In addition, two arm's length lenders have agreed to accept an aggregate of 559 Units at a deemed price per Unit of \$1,000 in full and final satisfaction of an aggregate outstanding principal and interest of \$559,294 on loans advanced by the lenders to the Company.

The Debentures shall bear interest at a rate of 12.0% per annum, payable semi-annually in arrears on the last day of June and December in each year, with the first interest payment payable on June 30, 2023, and mature on June 30, 2025 (the "**Maturity Date**"). The Debentures will be convertible into common shares in the capital of the Company (the "**Common Shares**") at the market price of the Common Shares at the time of conversion, subject to the approval of the Canadian Securities Exchange (the "**CSE**") in the event such price is below \$0.05, determined by the most recent closing price of the Common Shares on the day of conversion, at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date, and (ii) the date fixed for redemption. Each Warrant shall entitle the holder thereof to acquire one Common Share at an exercise price of \$0.05 until June 30, 2025. In addition, the Debentures are secured by all of the assets of the Company.

The Debentures and Warrants issuable pursuant to the debt conversion transactions have been issued in reliance on exemptions from the prospectus requirement and are subject to a four-month hold period.

The debt conversion transaction with Mr. Savitsky is considered a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The transaction is exempt from the formal valuation approval requirements of MI 61-101 as none of the securities of the Company are listed on a prescribed stock exchange and is exempt from the minority shareholder approval requirements of MI 61-101 as at the time it was agreed to, neither the fair market value of the transaction, nor the fair market value of the consideration for the transaction, insofar as they involve interested parties, exceeded 25% of the Company's market capitalization.

Early Warning Report Disclosure

The following disclosure by Birchtree is made pursuant to National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues.

As noted above, pursuant to the debt conversion agreement between the Company and Birchtree, Birchtree has acquired 578 Units, consisting of a \$578,000 principal amount Debenture and 11,560,000

Warrants. Immediately before the acquisition, Birchtree held, directly or indirectly, beneficial ownership of, or the power to exercise control or direction over, 4,100,000 Common Shares and warrants exercisable for 6,000,000 Common Shares, representing 2.5% of all of the issued and outstanding Common Shares on a non-diluted basis and representing 5.9% of all of the issued and outstanding Common Shares assuming full exercise of Birchtree's warrants. Immediately after the acquisition, Birchtree holds, directly or indirectly, beneficial ownership of, or the power to exercise control or direction over, 4,100,000 common shares, warrants exercisable for 17,560,000 Common Shares and Debentures convertible (assuming a \$0.045 conversion price) into 12,844,444 Common Shares, representing 2.5% of all of the issued and outstanding Common Shares on a non-diluted basis and representing 17.5% of all of the issued and outstanding Common Shares assuming full exercise/conversion of Birchtree's convertible securities.

The Units were acquired by Birchtree for investment purposes. Birchtree, an investment company listed on the CSE, may increase or reduce his investment in the Company according to market conditions or other relevant factors.

A copy of the report to be filed with Canadian securities regulators in connection with the acquisition of the Units by Birchtree can be obtained upon its filing by Birchtree under the Company's profile on the SEDAR website (www.SEDAR.com) or by contacting Birchtree at birchtreeinvestment@gmail.com.

About American Aires Inc.

American Aires Inc. is a Canadian-based nanotechnology company committed to enhancing well-being and environmental safety through science-led innovation, education, and advocacy. The company has developed proprietary silicon-based microprocessors that reduce the harmful effects of electromagnetic radiation (EMR). Aires' Lifetune products target EMR emitted by consumer electronic devices such as cellphones, computers, baby monitors, and Wi-Fi, including the more powerful and rapidly expanding high-speed 5G networks. Aires is listed on the CSE under the ticker 'WIF' and on the OTC Pink under the symbol 'AAIRF'. Learn more at www.airestech.com.

On behalf of the board of directors

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Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position, business strategy, use of proceeds, corporate vision, proposed acquisitions, partnerships, joint ventures and strategic alliances and co-operations, budgets, cost and plans and objectives of or involving the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions,

industry conditions and dependence upon regulatory approvals. Certain material assumptions regarding such forward-looking statements may be discussed in this news release and the Company's annual and quarterly management's discussion and analysis filed at www.sedar.com. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States, or to or for the account or benefit of any person in the United States, absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any common shares in the United States, or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. We seek safe harbour.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this news release.



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