

AMENDED AND RESTATED AGENCY AGREEMENT

(Amending and restating the Agency Agreement dated May 16, 2024)

May 22, 2024

American Aires Inc.
400 Applewood Crescent, Suite 100
Vaughan, ON L4K 0C3

Attention: Josh Bruni, Chief Executive Officer & Director

Dear Sir:

American Aires Inc. (the “**Corporation**”) and Eight Capital, as sole agent and bookrunner (the “**Agent**”) are parties to an agency agreement dated May 16, 2024 (the “**Original Agreement**”) and closed an initial tranche of the Offering (as hereinafter defined) in the amount of 2,894,500 Offered Units (as hereinafter defined) on May 16, 2024 (the “**Initial Closing Date**”). The parties have agreed to amend and restate the Original Agreement in its entirety, such that the respective duties, rights, and obligations of the parties with respect to each other and to the Offering (as hereinafter defined), shall be governed by this Agreement.

The Agent understands that the Corporation proposes to issue and sell up to 3,158,000 units of the Corporation (the “**Offered Units**”) at a price of \$0.95 per Offered Unit (the “**Offering Price**”) for aggregate gross proceeds of up to \$3,000,100, subject to the terms and conditions set out below. In addition, the Corporation hereby grants the Agent an option (the “**Agent’s Option**”) to increase the size of the Offering (as hereinafter defined) by up to an additional 810,911 Offered Units (the “**Additional Units**”) for additional gross proceeds of up to \$770,365, which Additional Units will be issued at the Offering Price. The Agent’s Option is exercisable, in whole or in part, at any time up to forty-eight hours prior to the final Closing Time (as hereinafter defined). The Offered Units and the Additional Units are collectively referred to herein as the “**Offered Units**” and each, individually, a “**Offered Unit**”. The offer and sale of the Offered Units is referred to herein as the “**Offering**”.

Upon and subject to the terms and conditions set forth herein, the Corporation hereby appoints the Agent, and the Agent hereby agrees to act, as agent to the Corporation to effect the Offering on a “best efforts” private placement basis to Purchasers (as hereinafter defined) in such provinces of Canada (other than Québec), the United States or, as agreed to by the Corporation and the Agent, internationally (the “**Offering Jurisdictions**”) in each case on and subject to the terms of this Agreement (as defined below).

Each Offered Unit will consist of one Common Share (as hereinafter defined) (each, a “**Unit Share**”) and one Common Share purchase warrant (each, a “**Warrant**”). Each Warrant shall entitle the holder thereof to purchase one Common Share (each, a “**Warrant Share**”) at a price of \$1.20 at any time before 5:00 p.m. (Toronto time) on the date that is 60 months following the applicable Closing Date (the “**Expiry Time**”). The Warrants shall be duly and validly created and issued pursuant to, and governed by, a warrant indenture (the “**Warrant Indenture**”) dated as of May 16, 2024 between Computershare Trust Company of Canada (the “**Warrant Agent**”), in its capacity as warrant agent thereunder, and the Corporation, as supplemented as of the date hereof. The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants set forth in the Warrant Indenture. In case of any inconsistency between the description of the Warrants in this Agreement (as hereinafter defined) and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

The Offered Units will be issued and sold in the Canadian Offering Jurisdictions (as defined below) on a private placement basis pursuant to the “listed issuer financing exemption” (the “**Listed Issuer Financing Exemption**”) under Part 5A.2 of NI 45-106 (as defined below). For the purposes of relying on the Listed Issuer Financing Exemption, the Corporation has prepared and filed an offering document on May 8, 2024, as amended and restated on May 21, 2024, in respect of the Offering pursuant to NI 45-106, including those of Form 45-106F19 (the “**Offering Document**”), and filed a press release dated May 8, 2024 (the “**Offering Release**”).

In consideration of the services rendered by the Agent in connection with the Offering, the Corporation shall pay to the Agent at each Closing Time (as defined below) a cash commission equal to the sum of 7.0% of the gross proceeds from the sale of Offered Units (the “**Commission**”).

As additional compensation for the services to be rendered by the Agent hereunder, the Corporation will issue to the Agent (or members of any selling group engaged by the Agent in amounts as determined by the Agent) that number of compensation options as is equal to 7.0% of the number of Offered Units sold pursuant to the Offering (the “**Compensation Options**”). Each Compensation Option will be exercisable to acquire one unit of the Corporation (each, a “**Compensation Option Unit**”) at a price of \$0.95 per Compensation Option until 5:00 p.m. (Toronto time) on the date that is 24 months following the applicable Closing Date. Each Compensation Option Unit will consist of one Common Share (each, a “**Compensation Option Share**”) and one Common Share purchase warrant (each, a “**Compensation Warrant**”). Each Compensation Warrant shall entitle the holder thereof to purchase one Common Share (each, a “**Compensation Warrant Share**”) at a price of \$1.20 at any time before 5:00 p.m. (Toronto time) on the date that is 60 months following the applicable Closing Date. The Compensation Warrants shall have the same terms as the Warrants and shall be duly and validly created and issued pursuant to, and governed by, the Compensation Warrant Certificates (as defined below). The terms governing the Compensation Options will be set out in the Compensation Option Certificates (as defined below).

The obligation of the Corporation to pay the Commission and to issue the Compensation Options shall arise at each Closing Time against payment for the Offered Units and the Commission and the Compensation Options shall be fully earned by the Agent at that time.

The Corporation shall be entitled to identify to the Agent certain investors as President’s List Purchasers (as defined herein), provided that the aggregate gross proceeds to be raised from President’s List Purchasers shall not exceed \$1,000,000 of the Offering.

The Agent shall be entitled to appoint a soliciting dealer group consisting of other registered dealers subject to agreement by the Corporation, acting reasonably (each, a “**Selling Firm**”) as its agents to assist in the Offering. Any fee payable to such dealer(s) shall be for the account of the Agent and shall be negotiated between the Agent and the Selling Firm(s) and no additional compensation shall be payable by the Corporation.

TERMS AND CONDITIONS

The following are additional terms and conditions of this Agreement between the Corporation and the Agent:

Section 1 Definitions and Interpretation

- (1) Where used in this Agreement or in any amendment hereto, the following terms have the following meanings, respectively:

“**Agreement**” means this agency agreement, including the schedules hereto, as modified, amended and/or supplemented from time to time;

“**Applicable Laws**” means all applicable laws, rules, regulations, statutes, ordinances, codes, orders, consents, decrees, judgments, decisions, rulings, or awards, including any judicial or administrative interpretation thereof, of any Governmental Authority;

“**associate**”, “**affiliate**”, “**distribution**”, “**insider**”, “**material change**”, “**material fact**”, “**misrepresentation**” and “**person**” have the respective meanings ascribed thereto in the Securities Act;

“**Authorizations**” means any regulatory licences, approvals, permits, approvals, consents, certificates, registrations, filings or other authorizations of or issued by any Governmental Authority under Applicable Laws;

“**Business**” means the business of production, distribution and sales of electromagnetic protection devices;

“**Business Assets**” means all material tangible and intangible property and assets owned (either directly or indirectly), leased, licensed, loaned, operated or used, including all real property, fixed assets, facilities, equipment, inventories and accounts receivable, by the Corporation in connection with the Business;

“**Business Data**” means all data and personal information accessed, processed, collected, stored or disseminated by the Corporation or the Subsidiary, including any Personally Identifiable Information;

“**Business Day**” means a day, other than a Saturday, a Sunday or statutory or civic holiday in the city of Toronto, Ontario or Vancouver, British Columbia;

“**Canadian Securities Laws**” means, collectively, all applicable securities laws of each of the applicable Offering Jurisdictions in Canada and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the applicable Offering Jurisdictions in Canada, including the rules and policies of the Exchange;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Closing**” means the completion of the issuance, delivery and sale of the Offered Units on each Closing Date in accordance with the terms and conditions of this Agreement;

“**Closing Date**” means the date or dates upon which a Closing occurs as agreed to between the Corporation and the Agent, with the Initial Closing Date having occurred on May 16, 2024, it being acknowledged that the Closing may be completed in one or more tranches as may be determined by the Corporation and the Agent;

“**Closing Time**” means 8:00 a.m. (Toronto time) on each Closing Date, or such other time on each Closing Date as may be agreed to by the Corporation and the Agent;

“**Commission**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Common Shares**” means the common shares in the capital of the Corporation;

“**Compensation Options**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Compensation Option Certificates**” means the certificates representing the Compensation Options;

“**Compensation Option Unit**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Compensation Option Shares**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Compensation Warrant Certificate**” means the certificate representing the Compensation Warrants;

“**Compensation Warrant Shares**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Compensation Warrants**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Corporate IP**” means the material Intellectual Property that has been developed by the Corporation or the Subsidiary, or that is being used, by the Corporation or the Subsidiary, other than Licensed IP;

“**Corporation**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Data Protection Laws and Standards**” has the meaning ascribed thereto in Section 5(ss) of this Agreement;

“**Debt Instrument**” means any and all loans, bonds, notes, debentures, indentures, promissory notes, mortgages, guarantees or other instruments evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Corporation or the Subsidiary is a party or to which their property or assets are otherwise bound;

“**Employee Plans**” has the meaning ascribed thereto in Section 5(pp) of this Agreement;

“**Engagement Letter**” means the engagement letter between the Agent and the Corporation dated May 8, 2024;

“**Environmental Laws**” has the meaning ascribed thereto in Section 5(dd) of this Agreement;

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

“**Financial Statements**” means, the audited consolidated financial statements of the Corporation for the year ended December 31, 2023, together with the notes thereto and the auditors’ report thereon;

“Government Official” means (a) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority or (b) any salaried political party official, elected member of political office or candidate for political office;

“Governmental Authority” means and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, taxation, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

“Governmental Licences” has the meaning ascribed thereto in Section 5(cc) of this Agreement;

“Hazardous Substances” has the meaning ascribed thereto in Section 5(dd) of this Agreement;

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“including” means including but not limited to;

“Indemnified Party” or **“Indemnified Parties”** have the meanings ascribed thereto in Section 9 of this Agreement;

“Initial Closing Date” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“Intellectual Property” means all trade or brand names, business names, trademarks, service marks, copyrights, patents, patent rights, licenses, industrial designs, drug identification numbers (and equivalents in jurisdictions other than Canada), know-how (including trade secrets and other unpatented or unpatentable proprietary or confidential information, systems or procedures), and computer software, inventions, designs and other industrial or intellectual property of any nature whatsoever;

“Investor Questionnaires” means, collectively, the investor questionnaires in the form agreed to by the Agent and the Corporation pursuant to which Purchasers agree to subscribe for and purchase Offered Units as contemplated herein;

“Licensed IP” means the Intellectual Property owned by any person other than the Corporation or the Subsidiary and which the Corporation or the Subsidiary licenses or uses;

“Liens” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;

“Listed Equity Security” and **“Listed Equity Securities”** has the meaning ascribed to "Listed Equity Security" in NI 45-106;

“**Listed Issuer Financing Exemption**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Material Adverse Effect**” means any event, change, or state of being that has had or is reasonably likely to have a significant and adverse effect on the business, affairs, capital, operation, properties, permits, assets, liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) of the Corporation and the Subsidiary considered on a consolidated basis except to the extent that any such change, event, violation, inaccuracy, circumstance or effect is a result of or arose in connection with: (a) any change in regulatory accounting requirements applicable to public companies in Canada; (b) any change in (i) global, national or regional political conditions (including the outbreak of war or acts of terrorism); (ii) general economic, business, regulatory or market conditions; or (iii) global or national financial or capital markets; or (c) any natural disaster, and which, in each case, does not have a materially disproportionate effect on the Corporation and the Subsidiary, taken as a whole;

“**Material Agreement**” means any contract, commitment, agreement (written or oral), instrument, lease or other document, including licences, sub-licences, supply agreements, manufacturing agreements, distribution agreements, sales agreements, or any other similar type of agreements, to which the Corporation or the Subsidiary is a party or to which its Business Assets are otherwise bound, and which is material to the Corporation and the Subsidiary on a consolidated basis;

“**NI 45-102**” means National Instrument 45-102 – *Resale of Securities*;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“**OBCA**” means the *Business Corporations Act* (Ontario), and the regulations thereunder, as now promulgated;

“**Offered Units**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Offering**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Offering Document**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Offering Jurisdictions**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Offering Price**” has the meaning ascribed thereto in the first paragraph of this Agreement;

“**Offering Release**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Original Agreement**” has the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Permitted Encumbrances**” means: (i) any validly perfected security interest given by the Corporation or the Subsidiary in respect of any indebtedness; (ii) any other security given by the Corporation or the Subsidiary in connection with the operation of the Business in the ordinary course of business; (iii) liens against the Corporation or the Subsidiary, or their assets, for taxes,

assessments or governmental charges or levies not due and delinquent; (iv) undetermined or inchoate liens and charges incidental to the current operations of the Corporation and the Subsidiary which have not been filed pursuant to law or which relate to obligations not due or delinquent; (v) restrictions on transfer pursuant to Applicable Laws or the constating documents of the entity; and (vi) Liens that arise in the ordinary course of business and do not materially impair the Corporation's or the Subsidiary's ownership or use of such property or assets;

"Personally Identifiable Information" means any information relating to an identified or identifiable natural person (including without limitation any information protected under Data Protection Laws and Standards, such as name, postal address, email address, telephone number, date of birth, Social Insurance Number (or its equivalent), driver's license number, account number, credit or debit card number or identification number);

"President's List Purchasers" means, collectively, certain purchasers of Offered Units acquiring such Offered Units whose names are set forth on a president's list agreed to between the Corporation and the Agent as of the date hereof;

"Public Disclosure Record" means collectively, all of the documents which have been filed on SEDAR+ (or its predecessor www.sedar.com, as applicable) as at the date hereof since January 1, 2022 by or on behalf of the Corporation with the Securities Regulators in Canada pursuant to the requirements of Canadian Securities Laws;

"Purchasers" means the persons who, as purchasers, acquire the Offered Units by duly completing, executing and delivering the Investor Questionnaires;

"Registered IP" means all Corporate IP that is the subject of registration for Intellectual Property or an application for such registration;

"Repayment Event" means any event or condition which gives the holder of any Debt Instrument (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a material portion of such indebtedness by the Corporation;

"Securities Act" means the *Securities Act* (Ontario) in effect on the date hereof;

"Securities Laws" means collectively, Canadian Securities Laws and all applicable securities laws, rules, regulations, policies and other instruments promulgated by the Securities Regulators in any of the other Offering Jurisdictions;

"Securities Regulators" means collectively, the securities regulators or other securities regulatory authorities in the Offering Jurisdictions, and each a **"Securities Regulator"**;

"SEDAR+" means the System for Electronic Document Analysis and Retrieval+ of the Canadian Securities Administrators;

"Selling Firm" has the meaning ascribed thereto in the opening paragraphs of this Agreement;

"subsidiary" or **"subsidiaries"** has the meaning ascribed thereto in the Securities Act;

"Subsidiary" means American Aires USA Inc.;

“**Transaction Documents**” means this Agreement, the Warrant Indenture, the Compensation Option Certificates and the Compensation Warrant Certificates;

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Person**” means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and

“**Tax Act**” has the meaning ascribed thereto in Section 5(j) of this Agreement.

- (2) Any reference in this Agreement to a section or subsection shall refer to a section or subsection of this Agreement.
- (3) All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case required and the verb shall be construed as agreeing with the required word and/or pronoun.
- (4) Any reference in this Agreement to \$ or to “dollars” shall refer to the lawful currency of Canada, unless otherwise specified.
- (5) The following are the schedules to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule “A” Existing Rights

Schedule “B” Compliance with United States Securities Laws

Section 2 Offering and Sale of the Offered Units

- (1) **Sale on Exempt Basis.** The Agent shall use best efforts to arrange for the purchase of Offered Units:
 - (i) in the applicable Offering Jurisdictions in Canada on a private placement basis in compliance with Canadian Securities Laws such that the offer and sale of the Offered Units does not obligate the Corporation to file a prospectus or deliver an offering memorandum (other than the Offering Document); and
 - (ii) in such other Offering Jurisdictions outside of Canada as consented to by the Corporation on a private placement basis in compliance with all applicable Securities Laws of such other Offering Jurisdictions provided that no prospectus, registration statement, offering memorandum or similar document is required to be filed in such Offering Jurisdiction, no registration or similar requirement would apply with respect to the Corporation in such other Offering Jurisdictions and the Corporation does not thereafter become subject to on-going continuous disclosure obligations under any applicable Securities Laws of such Offering Jurisdiction.
- (2) **U.S. Securities Act.** The parties to this Agreement acknowledge that the Offered Units have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons except

that the Offered Units may be offered and sold to, or for the account or benefit of, persons in the United States or U.S. Persons solely pursuant to transactions that are exempt from the registration requirements of the U.S. Securities Act and the applicable laws of any U.S. state. Accordingly, the Corporation and the Agent hereby agree that all offers and sales of the Offered Units to, or for the account or benefit of, persons in the United States and U.S. Persons, shall be conducted only in the manner specified in Schedule “B”, which terms and conditions are hereby incorporated by reference in and shall form a part of this Agreement.

(3) **Filings in respect of the Offering.** The Corporation has filed, will file, or will cause to be filed, all forms required to be filed by the Corporation under Canadian Securities Laws in connection with the issue and sale of the Offered Units (including a Form 45-106F1 with the applicable Securities Regulators in Canada) so that the distribution of the Offered Units to the Purchasers and the Compensation Options to the Agent may lawfully occur without the necessity of filing a prospectus, registration statement or other offering document (other than the Offering Document) in Canada, but on terms that will permit the Offered Units acquired by the Purchasers to be sold by such Purchasers at any time in the Canadian Offering Jurisdictions without being subject to a hold period under Canadian Securities Law, provided that the conditions described in Section 7(1)(l)(i) to (v) inclusive are satisfied. All prescribed fees payable in connection with filings that the Corporation is obligated to make shall be at the expense of the Corporation. The Corporation represents and warrants that the Offering Document complies with the requirements of Part 5A of NI 45-106 and Form 45-106F19 and does not contain any misrepresentations.

(4) **Other Obligations.** Neither the Corporation nor the Agent shall: (i) provide to any prospective purchasers of Offered Units any document or other material that would constitute an offering memorandum (other than the Offering Document) within the meaning of Canadian Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Units, including any advertisement, article, notice or other communication published in any newspaper, magazine, printed public media, printed media or similar media, or broadcast over radio, television or telecommunications, including electronic display, or any seminar or meeting relating to the offer and sale of the Offered Units whose attendees have been invited by general solicitation or advertising.

(5) **News Releases.** The Corporation agrees that it shall obtain prior approval of the Agent as to the content and form of any press release relating to the Offering, such approval not to be unreasonably withheld, conditioned or delayed. For greater certainty, the Agent agrees that the Corporation shall be entitled to disclose the terms of this Agreement and the Engagement Letter in its press releases in connection with the Offering. In addition, if required by the relevant Securities Laws, any press release announcing or otherwise referring to the Offering shall include an appropriate notation as follows: “Not for distribution to United States newswire services or for dissemination in the United States.” and a disclaimer to substantially the following effect “The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state securities law, and may not be offered or sold in the “United States” or to “U.S. persons” (as such terms are defined in Regulation S under the U.S. Securities Act) absent registration under the U.S. Securities Act and all applicable U.S. state securities laws or compliance with an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or to U.S. persons nor shall there be any sale of the securities in any jurisdiction (including in the United States or Canada) in which such offer, solicitation or sale would be unlawful.”

Section 3 Diligence

Prior to the Closing Time on the final Closing Date, the Corporation shall: (i) allow the Agent and its representatives the opportunity to conduct all due diligence investigations which the Agent may reasonably require to be conducted in connection with the Offering prior to and until the Closing Time on the final Closing Date; (ii) make available to the Agent (and its counsel), on a timely basis all material

books and records including all material corporate, financial, property, legal and operational information and documentation of the Corporation, and will provide reasonable access to facilities, properties, employees, auditors, legal counsel, consultants or other experts of the Corporation, to permit the Agent, its legal counsel and other advisers to conduct their due diligence investigation of the business and affairs of the Corporation; (iii) assist the Agent in sourcing any other information useful and reasonably necessary in conducting such due diligence; and (iv) make available its senior management, the chair or another member of its audit committee and its legal counsel to answer any reasonable questions which the Agent may have and to participate in one or more due diligence sessions to be held prior to Closing.

Section 4 Covenants of the Corporation

The Corporation hereby covenants to the Agent and the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Offered Units, that the Corporation shall:

- (a) for a period of 36 months following the final Closing Date, use its commercially reasonable efforts to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws in each of the applicable Canadian Offering Jurisdictions where the Corporation is a “reporting issuer” as at the date hereof, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation and shall not limit or be construed as limiting or restricting the Corporation from completing any consolidation, amalgamation, arrangement, business combination, sale of all or substantially all of the Corporation's assets, take-over bid, merger or other similar transaction, or any transaction which would result in the Corporation ceasing to be a “reporting issuer” so long as the holders of Offered Units have approved the transaction if required in accordance with the requirements of applicable corporate laws, Canadian Securities Laws or the policies of the Exchange;
- (b) use its commercially reasonable efforts to maintain the listing of the Common Shares (including those issuable pursuant to the Offering) on the Exchange or such other recognized stock exchange or quotation system as the Agent may approve, acting reasonably, for a period of 36 months following the final Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation and shall not limit or be construed as limiting or restricting the Corporation from completing any consolidation, amalgamation, arrangement, business combination, sale of all or substantially all of the Corporation's assets, take-over bid, merger or other similar transaction, or any transaction which would result in the Common Shares ceasing to be listed so long as the holders of Common Shares have approved the transaction if required in accordance with the requirements of applicable corporate laws, Canadian Securities Laws or the policies of the Exchange;
- (c) at or prior to each Closing Time, satisfy all terms, conditions and covenants contained in this Agreement required to be complied with or satisfied by the Corporation (unless waived by the Agent);
- (d) ensure that at each Closing Time the Units Shares partially comprising the Offered Units will be issued as fully paid and non-assessable Common Shares on payment of the Offering Price therefor;
- (e) ensure that at each Closing Time or upon issuance thereof, as applicable, the Warrants, the Compensation Options and the Compensation Warrants shall be authorized, validly created

and issued in accordance with the Warrant Indenture and Compensation Option Certificates, as applicable, and shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Offering Document;

- (f) ensure that at all times prior to the expiry of the Warrants, Compensation Options and the Compensation Warrants a sufficient number of Warrant Shares, Compensation Option Shares and Compensation Warrant Shares, as applicable, are allotted and reserved for issuance upon the exercise of the Warrants, Compensation Options and the Compensation Warrants in accordance with their applicable terms;
- (g) ensure that, upon issuance thereof and payment therefor, the Unit Shares, the Warrant Shares, the Compensation Option Shares and the Compensation Warrant Shares will be duly issued as fully paid and non-assessable Common Shares;
- (h) obtain all consents, approvals, permits, authorizations or filings as may be required under Canadian Securities Laws for the execution and delivery of and the performance by the Corporation of its obligations hereunder, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Canadian Securities Laws and the Securities Laws applicable in the United States;
- (i) ensure that the Unit Shares, the Warrant Shares, Compensation Option Shares and the Compensation Warrant Shares are conditionally approved for listing on the Exchange on or prior to each Closing Date, and a copy of the conditional approval letter of the Exchange, if any, for the Offering has been made available to the Agent;
- (j) use the net proceeds of the Offering in accordance with the term sheet appended to the Engagement Letter and use the funds available to Corporation in accordance with the descriptions set out in the Offering Document;
- (k) prepare and file all forms, documents, notices and certificates within prescribed time periods required by Securities Regulators in Canada in connection with the issuance and sale of the Offered Units by the Corporation, so as to permit and enable such securities to be lawfully distributed on an exempt basis in the Offering Jurisdictions in accordance with this Agreement;
- (l) not have taken any action nor will take any action that would cause the exemptions from the prospectus requirements afforded by the Securities Laws to be unavailable for offers and sales of the Offered Units pursuant to this Agreement or for the exercise of the Warrants, the Compensation Options and the Compensation Warrants;
- (m) not, for a period of 90 days following the final Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld, conditioned or delayed, issue, agree to issue, or announce an intention to issue, any additional debt, Common Shares or any securities convertible into, or exchangeable or exercisable for, Common Shares or equity of the Corporation; except in connection with: (i) the Offering; (ii) exchange, transfer, conversion or exercise rights of existing outstanding securities or existing commitments to issue securities, including, without limitation, pursuant to any equity incentive plan of the Corporation; (iii) as full or partial consideration for a bona fide, arm's length transaction; or (iv) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements;

- (n) use its commercially reasonable best efforts to cause each of the directors and officers of the Corporation who are directors or officers effective as of the Initial Closing Date, to enter into lock-up agreements in a form satisfactory to the Corporation and the Agent, each acting reasonably, pursuant to which such person shall agree, not to, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to do any of the foregoing, whether through the facilities of a stock exchange, by private placement or otherwise, any securities of the Corporation held by such person on the Initial Closing Date, directly or indirectly, for a period of 90 days after the Initial Closing Date, unless they first obtain the prior written consent of the Agent, such consent not to be unreasonably withheld, conditioned or delayed;
- (o) if a material change occurs in respect of the Corporation from the date of the Offering Document and prior to the completion of the Offering, the Corporation shall cease the distribution until the Corporation (i) complies with NI 51-102 in connection with the material change; (ii) files an amendment to the Offering Document; and (iii) issues and files a news release that states that an amendment to the Offering Document addressing the material change has been filed;
- (p) from the date of the Original Agreement until the final Closing Date:
 - (i) promptly notify the Agent (and, if requested by the Agent, confirm such notification in writing) of any material change or change in a material fact (in either case, whether actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital, ownership, control, management or prospects of the Corporation; and
 - (ii) promptly, and in any event, within any applicable time limitation period, comply with all applicable filings and other requirements under Canadian Securities Laws as a result of such change. During such period, the Corporation shall in good faith discuss with the Agent as promptly as possible any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to this Section 4(p).

Section 5 Representations and Warranties of the Corporation.

The Corporation represents and warrants to the Agent and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in connection with the purchase of the Offered Units, that:

- (a) *Good Standing of the Corporation.* The Corporation (i) is a corporation existing under the OBCA and is and will at each Closing Time be current and up-to-date with all material filings required to be made and in good standing under the OBCA, (ii) has all requisite corporate power and capacity to own, lease and operate its properties and assets, including its Business Assets, and to conduct its business as now carried on by it, and (iii) has all requisite corporate power and authority to issue and sell the Offered Units and to execute, deliver and perform its obligations under this Agreement and the Transaction Documents.

- (b) *Subsidiary.* The Subsidiary is the only subsidiary of the Corporation and the Corporation is the direct or indirect registered and beneficial owner of all of the issued and outstanding securities of the Subsidiary. The Corporation has no subsidiaries that are material to its Business.
- (c) *No Proceedings for Dissolution.* No act or proceeding has been taken by or against the Corporation in connection with its liquidation, winding-up or bankruptcy, or, to its knowledge, are pending.
- (d) *Share Capital of the Corporation.* The authorized and issued share capital of the Corporation consists of an unlimited number of Common Shares, of which 87,505,288 Common Shares were issued and outstanding as at the close of business on May 15, 2024. As of the date hereof, the Corporation is not a party to any agreement, nor is the Corporation aware of any agreement, which in any manner currently affects the voting control of any securities of the Corporation.
- (e) *Common Shares are Listed.* The Common Shares are listed and posted for trading, or quoted, on the Exchange, with the Exchange being the main stock exchange for trading of the Common Shares, and the Corporation has not taken any action which would reasonably be expected to result in the delisting or suspension of the Common Shares on or from the Exchange.
- (f) *Stock Exchange Compliance.* The Corporation is, and will at each Closing Time be, in compliance in all material respects with the policies, rules and regulations of the Exchange existing on the date hereof.
- (g) *No Cease Trade Orders.* No order ceasing or suspending trading in the securities of the Corporation prohibiting the sale of the Offered Units by the Corporation has been issued by a Canadian Securities Regulator, and no proceedings for this purpose have been instituted, or are, to the Corporation's knowledge, pending, contemplated or threatened.
- (h) *Common Shares Validly Issued.* The Unit Shares, the Warrant Shares, the Compensation Option Shares and the Compensation Warrant Shares, at each Closing Time, shall be duly and validly authorized for issuance and sale pursuant to this Agreement and when issued and delivered by the Corporation pursuant to this Agreement, the Warrant Indenture and the Compensation Option Certificates, as applicable, against payment of the consideration therefor, will be validly issued as fully paid and non-assessable Common Shares and will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation.
- (i) *Warrants and Compensation Options Validly Issued.* The Warrants, Compensation Options and Compensation Warrants have been duly authorized for issuance and sale, and when issued and delivered by the Corporation pursuant to this Agreement, the Warrant Indenture and the Compensation Option Certificates against payment of the consideration therefor, will be validly issued.
- (j) *Qualified Investments.* The Unit Shares and the Warrants comprising the Offered Units and the Warrant Shares underlying the Warrants will be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (the "**Tax Act**") for trusts governed by registered retirement savings plans, registered retirement income funds, registered

education savings plans, deferred profit sharing plans, registered disability savings plans, first home savings accounts and tax free savings accounts.

- (k) *Registrar and Transfer Agent and Warrant Agent.* Computershare Investor Services Inc. at its principal office in Toronto, Ontario has been duly appointed as transfer agent and registrar for the Common Shares and Computershare Trust Company of Canada will be appointed as warrant agent under the Warrant Indenture at each Closing Time.
- (l) *Absence of Rights.* As of the date hereof, except as set out in Schedule “A” to this Agreement, no person has any existing right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued shares of the Corporation or any other agreement or option, for the issue or allotment of any unissued shares of the Corporation or any other security convertible into or exchangeable for any such shares or to require the Corporation to purchase, redeem or otherwise acquire any of the issued and outstanding shares of the Corporation, and the Offered Units, upon issuance, will not be issued in violation of any pre-emptive rights or contractual rights to purchase securities issued by the Corporation and will not be subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation other than those set out in Schedule “A”.
- (m) *Corporate Actions.* The Corporation has taken, or will have taken prior to each Closing Time, all necessary corporate action, (i) to authorize the execution, delivery and performance of this Agreement, the Warrant Indenture and the Compensation Option Certificates, (ii) to authorize the execution and filing, as applicable, of the Transaction Documents, (iii) allot and authorize the issuance of the Unit Shares comprising the Offered Units, when issued and delivered by the Corporation pursuant to the terms hereof, the Unit Shares will be validly issued as fully paid and non-assessable shares in the capital of the Corporation; (iv) to create and issue the Warrants comprising the Offered Units and to allot, authorize and reserve for issuance the Warrant Shares issuable upon exercise of the Warrants and, upon the due exercise of the Warrants, the Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Corporation; (v) to create and issue the Compensation Options and to allot, authorize and reserve for issuance the Compensation Option Shares issuable upon exercise of the Compensation Warrants and, upon the due exercise of the Compensation Options, the Compensation Option Shares will be validly issued as fully paid and non-assessable shares in the capital of the Corporation; and (vi) to create and issue the Compensation Warrants and to allot, authorize and reserve for issuance the Compensation Warrant Shares issuable upon exercise of the Compensation Warrants and, upon the due exercise of the Compensation Warrants, the Compensation Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (n) *Valid and Binding Documents.* The Transaction Documents have been duly authorized, executed and delivered by the Corporation and each of the Transaction Documents constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, provided that enforcement thereof may be limited by bankruptcy, insolvency, receivership and other similar laws affecting creditors’ rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, and that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of the *Limitations Act, 2002* (Ontario).

- (o) *No Consents, Approvals etc.* The execution and delivery of this Agreement, the Compensation Option Certificates, the Compensation Warrant Certificates and the Warrant Indenture, as applicable, and the fulfilment of the terms of such documents by the Corporation and the issuance, sale and delivery of the Offered Units and the Compensation Options to be issued and sold by the Corporation do not and will not require the consent, approval, authorization, registration or qualification of or with any Governmental Authority, stock exchange or other third party (including under the terms of any Material Agreement or material Debt Instrument), except: (i) those which have been obtained or those which may be required and shall be obtained prior to each Closing Time under the Canadian Securities Laws or the rules of the Exchange; and (ii) such customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws, as may be required in connection with the Offering.
- (p) *Continuous Disclosure.* The Corporation is in compliance in all respects with its timely and continuous disclosure obligations under Canadian Securities Laws, including, to the knowledge of the Corporation, applicable insider reporting obligations, and, without limiting the generality of the foregoing, there has been no material fact or material change relating to the Corporation since December 31, 2023 which has not been publicly disclosed and, except as may have been corrected by subsequent disclosure, the information and statements in the Public Disclosure Record were true and correct in all material respects as of the respective dates of such information and statements and at the time such documents were filed on SEDAR+ or its predecessor, SEDAR, do not contain any misrepresentations as of the date of such statements and no material facts have been omitted therefrom as of the date of such statements which would make such information materially misleading, and the Corporation has not filed any confidential material change reports which remain confidential as at the date hereof.
- (q) *Forward-Looking Information.* With respect to material forward-looking information (as that term is defined under Canadian Securities Laws) contained in the Corporation's Public Disclosure Record the Corporation had a reasonable basis for the material forward-looking information at the time disclosed.
- (r) *Financial Statements.* The Financial Statements:
- (i) present fairly, in all material respects, the financial position of the Corporation on a consolidated basis and the statements of operations, retained earnings, cash flow from operations and changes in financial information of the Corporation on a consolidated basis for the periods specified in such Financial Statements;
 - (ii) have been prepared in accordance with IFRS, applied on a consistent basis throughout the periods involved; and
 - (iii) do not contain any misrepresentations, with respect to the periods covered by the Financial Statements.
- (s) *Off-Balance Sheet Transactions.* There are no material off-balance sheet transactions, arrangements, obligations or liabilities of the Corporation or the Subsidiary whether direct, indirect, absolute, contingent or otherwise.
- (t) *Accounting Policies.* There has been no change in accounting policies or practices of the Corporation or the Subsidiary since December 31, 2023.

- (u) *Liabilities.* Neither the Corporation nor the Subsidiary has any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements, other than liabilities, obligations, or indebtedness or commitments: (i) incurred in the normal course of business; (ii) disclosed in the Public Disclosure Record; or (iii) which would not, individually or in the aggregate, have a Material Adverse Effect.
- (v) *Independent Auditors.* To the knowledge of the Corporation, the Corporation's current auditors are independent with respect to the Corporation within the meaning of the rules of professional conduct applicable to auditors in Canada and there has never been a "reportable event" (within the meaning of NI 51-102) with the current, or to the knowledge of the Corporation any predecessor, auditors of the Corporation during the last three years.
- (w) *Accounting Controls.* The Corporation maintains, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada or IFRS, as applicable, and to maintain asset accountability, (iii) access to monies and investments is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (x) *Purchases and Sales.* Other than as disclosed in the Public Disclosure Record, the Corporation has not approved, entered into any currently existing agreement in respect of, or has any knowledge, as the case may be, of:
 - (i) the purchase of any Business Assets or any interest therein, or the sale, transfer or other disposition of any Business Assets or any interest therein currently owned, directly or indirectly, by the Corporation whether by asset sale, transfer of shares, or otherwise;
 - (ii) a transaction which would result in the change of control (by sale or transfer of Common Shares or sale of all or substantially all of the assets of the Corporation or otherwise) of the Corporation; or
 - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares.
- (y) *Title to Business Assets.* The Corporation has good, valid and marketable title to and has all necessary rights in respect of all of its Business Assets as owned, leased, licensed, loaned, operated or used by it or over which it has rights, free and clear of Liens, except for Permitted Encumbrances, and no other rights or Business Assets are necessary for the conduct of the Business in materially the same manner as currently conducted. The Corporation knows of no claim or basis for any claim that would reasonably be likely to result in a Material Adverse Effect on the rights of the Corporation to use, transfer, lease, licence, operate, sell or otherwise exploit such Business Assets and, other than as disclosed in the Public Disclosure Record, the Corporation does not have any obligation to pay any commission, licence fee or similar payment to any person in respect thereof and there are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the rights, title or interests in such Business Assets.

- (z) *Real Property.* The Corporation does not own any real property and has no leased premises.
- (aa) *Compliance with Laws.* Each of the Corporation and the Subsidiary has conducted and is conducting its business in compliance, in all material respects, with all Applicable Laws, rules and regulations of each jurisdiction in which it carries on business, and neither the Corporation nor the Subsidiary has received any notice of any alleged violation of any such laws, rules and regulations that, to the Corporation's knowledge and belief, would constitute a Material Adverse Effect. To the Corporation's knowledge and belief, the Corporation is not aware of any legislation or proposed legislation, where the Corporation is operating, which it anticipates will have a Material Adverse Effect.
- (bb) *Licences.* The Corporation possesses such permits, licences, approvals, consents and other authorizations issued by Governmental Authorities (collectively, "**Governmental Licences**") necessary to conduct the business now operated by it and all such Governmental Licences are valid and existing and in good standing; the Corporation is in compliance, in all material respects, with the terms and conditions of all such Governmental Licences.
- (cc) *Environmental Compliance.* (i) The Corporation is not in material violation of any applicable federal, state, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**"), including without limitation laws relating to the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substance ("**Hazardous Substances**"); (ii) the Corporation has obtained all material licenses, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the "**Environmental Permits**") necessary as at the date hereof for the operation of the Business and each Environmental Permit is to the knowledge of the Corporation valid, subsisting and in material good standing and the Corporation is not in default or breach of any Environmental Permit which would have a Material Adverse Effect, and no proceeding is pending or, to the knowledge of the Corporation, threatened, to revoke or limit any Environmental Permit; (iii) the Corporation has not used any property or facility of the Corporation (except in compliance with all Environmental Laws and Environmental Permits, and other than as may be incidental to any property or facility which it owns or leases or previously owned or leased) to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance in a manner that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect; (iv) the Corporation has not received any notice of, or been prosecuted for an offence alleging, non-compliance with any Environmental Law that would have a Material Adverse Effect; (v) to the knowledge of the Corporation there are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Corporation, nor has the Corporation received notice of any of the same; (vi) the Corporation has not received any notice wherein it is alleged or stated that the Corporation is potentially responsible for a federal, provincial, territorial, state, municipal or local clean-up site or corrective action under any Environmental Laws; and (vii) the Corporation has not received any request for information in connection with any federal, provincial, territorial, state, municipal or local inquiries as to disposal sites.
- (dd) *Business Relationships.* All Material Agreements with third parties in connection with the Business have been entered into and are being performed by the Corporation and, to the

knowledge of the Corporation, by all other third parties thereto, in compliance with their terms in all material respects. There exists no actual or, to the knowledge of the Corporation, threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Corporation, with any material supplier or customer, or any group of suppliers or customers whose business with or whose purchases or inventories/components provided to the business of the Corporation are individually or in the aggregate material to the assets, business, properties, operations or financial condition of the Corporation. All such business relationships are intact and mutually cooperative in all material respects, and there exists no condition or state of fact or circumstances that would prevent the Corporation from conducting such business with any such third parties in the same manner in all material respects as currently conducted or proposed to be conducted.

(ee) *Intellectual Property.*

- (i) The Corporation owns, possesses or can acquire on commercially reasonable terms sufficient legal rights to all Corporate IP used for the conduct of its business as currently carried on without, to the knowledge of the Corporation, any conflict with, or infringement of, the rights of others.
- (ii) The Corporation has not received any notice or claim (whether written, oral or otherwise) challenging its ownership or right to use of any Corporate IP or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto, nor, to the knowledge of the Corporation, is there a reasonable basis for any claim that any person other than the Corporation has any claim of legal or beneficial ownership or other claim or interest in any Corporate IP.
- (iii) All applications for registration of any Registered IP that is material to the Business are in good standing, stand in the name of the Corporation and have been filed in a timely manner in the appropriate offices to preserve the rights thereto and, in the case of a provisional application, the Corporation confirms that all right, title and interest in and to the invention(s) disclosed in such application have been assigned in writing (without any express right to revoke such assignment) to the Corporation, and the Corporation has prosecuted, and is prosecuting, such applications diligently. Other than as disclosed in the Public Disclosure Record, to the actual knowledge of the Corporation, there has been no public disclosure, sale or offer for sale of any Corporate IP anywhere in the world that may prevent the valid issue of all available Intellectual Property rights in such Corporate IP. All material prior art or other information has been disclosed to the appropriate offices as required according to the local laws in the jurisdictions where the applications are pending.
- (iv) All registrations of Registered IP that is material to the Business are in good standing and are recorded in the name of the Corporation in the appropriate offices to preserve the rights thereto, and all such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements. No registration of Registered IP that is material to the Business has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained,

except where such expiration, abandonment, cancellation, expungement or lapse would not result in a Material Adverse Effect.

- (v) To the knowledge of the Corporation, the conduct of the business of the Corporation has not infringed, violated, or misappropriated the Intellectual Property right of any person.
- (vi) The Corporation is not a party to any action or proceeding, nor, to the Corporation's knowledge, has any action or proceeding been threatened that alleges that any current conduct of its business has infringed, violated or misappropriated any Intellectual Property rights of any person.
- (vii) To the knowledge of the Corporation, no person has infringed or misappropriated, or is infringing or misappropriating, any rights of the Corporation in or to any Corporate IP.
- (viii) The Corporation has entered into valid and enforceable written agreements pursuant to which the Corporation has been granted all licenses and permissions to use, reproduce, sub license, sell, modify, update, enhance or otherwise exploit the Licensed IP to the extent required to operate all aspects of the business of the Corporation currently conducted (including, if required, the right to incorporate such Licensed IP into Corporate IP) except for which would not result in a Material Adverse Effect. All license agreements in respect to Licensed IP are in full force and effect and the Corporation is not, nor, to the knowledge of the Corporation, any other person, is in default of its obligations thereunder except for any default which would not result in a Material Adverse Effect.
- (ix) To the extent that any Corporate IP is licensed or disclosed to any person or any person has access to such Corporate IP (including any employee, officer, shareholder or consultant of the Corporation), the Corporation has entered into a valid and enforceable written agreement which contains terms and conditions prohibiting the unauthorized use, reproduction, disclosure, reverse engineering or transfer of such Corporate IP by such person. All such agreements are in full force and effect and the Corporation is not, nor, to the knowledge of the Corporation, any other person, is in default of its obligations thereunder.
- (ff) *Systems.* In respect of both the material hardware equipment and material software components of the information management and computer systems (collectively, the "**Systems**") of the Corporation: (i) the Systems have been maintained and supported in accordance with commercially reasonable industry practices; (ii) where determined necessary by the Corporation, acting reasonably, there is a commercially reasonable disaster recovery plan in place in respect of such Systems; (iii) commercially reasonable controls are in place to control access and security to such Systems and there are appropriate firewalls and virus protection programs in place; and (vi) all software being used is supported by valid licences and all licences in respect of such software are in good standing in all material respects and, to the knowledge of the Corporation, not in default in any respect.
- (gg) *Insurance.* The Corporation maintains insurance by insurers of recognized financial responsibility, against such losses, risks and damages to their Business Assets in such amounts that are customary for the business in which they are engaged and on a basis

consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage, fidelity or surety bonds insuring the Corporation, and its respective directors, officers and employees, and the Business Assets, are in good standing and in full force and effect in all respects, and not in default. The Corporation is in compliance with the terms of such policies and instruments in all material respects and there are no claims by the Corporation under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Corporation has no reason to believe that it will not be able to renew such existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue the Business at a cost that would not have a Material Adverse Effect, and the Corporation has not failed to promptly give any notice of any claim thereunder.

- (hh) *Material Agreements and Debt Instruments.* Each Material Agreement and material Debt Instrument is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. The Corporation has, in all material respects, performed all obligations in a timely manner under, and is in compliance, in all material respects, with all terms and conditions (including any financial covenants) contained in each Material Agreement and Debt Instrument. The Corporation is not in material breach, violation or default nor has it received any notification from any party claiming that the Corporation is in material breach, violation or default under any Material Agreement or material Debt Instrument and no other party, to the knowledge of the Corporation, is in material breach, violation or default of any term under any Material Agreement or material Debt Instrument.
- (ii) *No Material Changes.* Since December 31, 2023, except as disclosed in the Public Disclosure Record (a) there has been no material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise) business, condition (financial or otherwise), properties, capital or results of operations of the Corporation, and (b) there have been no transactions entered into by the Corporation, other than those in the ordinary course of business, which are material with respect to the Corporation.
- (jj) *Absence of Proceedings.* There is no action, suit, proceeding, inquiry or investigation before or brought by any Governmental Authority, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation, the Subsidiary or the Business Assets which would have a Material Adverse Effect, or would materially and adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Corporation of its obligations hereunder. The aggregate of all pending legal or governmental proceedings to which the Corporation is a party or of which any of their respective property or assets is subject would not reasonably be expected to result in a Material Adverse Effect.
- (kk) *Absence of Defaults and Conflicts.* The Corporation is not in material violation, default or breach of, and the execution, delivery and performance of this Agreement, the Transaction Documents and the consummation of the transactions and compliance by the Corporation with its obligations hereunder and thereunder, each of the sale, issue and delivery (as applicable) of the Unit Shares and Warrants comprising the Offered Units, the Warrant Shares upon due exercise of the Warrants, the Compensation Options, the Compensation Option Shares and Compensation Warrants upon due exercise of the Compensation Warrants, in accordance with their respective terms does not and will not, whether with or without the giving of notice or passage of time or both, result in a material violation, default

or breach of, or conflict with, or result in a Repayment Event or the creation or imposition of any Lien (other than a Permitted Lien) upon any property or assets of the Corporation, including the Business Assets under the terms or provisions of (i) any Material Agreements or material Debt Instruments, (ii) the notice of articles, articles or resolutions of the directors or shareholders of the Corporation which are in effect as at the date hereof, (iii) any existing Applicable Laws, (iv) any judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Corporation or any of their assets, properties or operations.

- (ll) *Employment.* (i) The Corporation is in compliance, in all material respects, with the provisions of all applicable federal, provincial, local and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours, and (ii) no union has been accredited or otherwise designated to represent any employees of the Corporation and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the Corporation's facilities and none is currently being negotiated by the Corporation.
- (mm) *Labour Matters.* No material work stoppage, strike, lock-out, labour disruption, dispute grievance, arbitration, proceeding or other conflict with the employees of the Corporation currently exists or, to the knowledge of the Corporation, is threatened, imminent or pending. The Corporation is not a party to any collective bargaining agreements with unionized employees.
- (nn) *Employment Standards.* There are no material complaints against the Corporation before any employment standards branch or tribunal or human rights tribunal, nor to the knowledge of the Corporation any complaints or any occurrence which would reasonably be expected to lead to a complaint under any human rights legislation or employment standards legislation that would be material to the Corporation. There are no outstanding decisions or settlements or pending settlements under applicable employment standards legislation, which place any material obligation upon the Corporation to do or refrain from doing any act. The Corporation is currently in compliance with all workers' compensation, occupational health and safety and similar legislation, including payment in full of all amounts owing thereunder except for any non-compliance which would not result in a Material Adverse Effect, and there are no pending claims or outstanding orders of a material nature against either of them under applicable workers' compensation legislation, occupational health and safety or similar legislation nor has any event occurred which to the knowledge of the Corporation may give rise to any such material claim.
- (oo) *Employee Plans.* Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of any current or former director, officer, employee or consultant of the Corporation (the "**Employee Plans**") has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans.
- (pp) *Taxes.* All tax returns, reports, elections, remittances and payments of the Corporation and the Subsidiary required by Applicable Law to have been filed or made in any applicable

jurisdiction, have been filed or made (as the case may be) and are true, complete and correct in all respects except where the failure to make such return, report, election, remittance or payment would not constitute a Material Adverse Effect on the Corporation and the Subsidiary taken as a whole. All taxes of the Corporation and the Subsidiary have been paid or accrued in the Financial Statements, except as any extension may have been requested or granted and in any case in which the failure to pay or accrue such taxes would not result in a Material Adverse Effect. To the knowledge of the Corporation, there are no examinations of any tax return of the Corporation or the Subsidiary currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by the Corporation or the Subsidiary.

- (qq) *Litigation.* There is no litigation or governmental or other proceeding or investigation, at law or in equity before any Governmental Authority, domestic or foreign, in progress, pending or, to the Corporation's knowledge, threatened (and the Corporation does not know of any basis therefor) against, or involving the assets, properties or business of, the Corporation or the Subsidiary, nor are there any matters under discussion with any Governmental Authority relating to governmental charges, orders or assessments asserted by any such authority and to the Corporation's knowledge there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, governmental charges, orders or assessments that will have Material Adverse Effect.
- (rr) *Privacy.* The Corporation's use or handling of Personally Identifiable Information does not violate any Applicable Law in Canada, including without limitation, (i) any laws relating to the collection and/or protection of Personally Identifiable Information (including without limitation the *Personal Information Protection and Electronic Documents Act*, and all privacy laws that are applicable in the jurisdictions in which the Corporation operates or conducts business), and (ii) binding guidance issued by a Governmental Authority that pertains to the Applicable Laws outlined in clause (i) (collectively "**Data Protection Laws and Standards**") in a manner that would have a Material Adverse Effect. The Corporation has provided adequate notice and obtained any necessary consents required for the collection, processing, recording, organization, storage, use, disclosure and dissemination of Personally Identifiable Information under and in compliance with Data Protection Laws and Standards except for any non-compliance which would not result in a Material Adverse Effect. The Corporation has not received any written notice from a Governmental Authority that the Corporation is or may be in violation of any Data Protection Laws and Standards. The Corporation has not disclosed any Business Data in material breach of any Material Agreement. The Corporation has implemented commercially reasonable technical, physical and organizational measures and taken commercially reasonable steps designed to secure their websites and Personally Identifiable Information from unauthorized access or unauthorized use by any person in accordance with Data Protection Laws and Standards. To the knowledge of the Corporation, there has been no unauthorized or illegal access, use or disclosure of any Personally Identifiable Information.
- (ss) *Anti-Bribery Laws.* Neither the Corporation nor the Subsidiary has, nor to the knowledge of the Corporation, any director, officer or employee of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to the Corporation and the Subsidiary, including *Canada's Corruption of Foreign Public Officials Act*, or (ii) violated any other anti-bribery and anti-corruption laws applicable to the Corporation and the Subsidiary. Neither the Corporation nor the Subsidiary has, nor to the knowledge of the Corporation,

any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded the Corporation, the Subsidiary or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any person alleging non-compliance with any such laws.

- (tt) *No Significant Acquisitions.* The Corporation has not made any significant acquisition as such term is defined in Part 8 of NI 51-102 in the current financial year or prior financial years and for which a business acquisition report has not been filed under NI 51-102, the Corporation has not entered into any agreement or arrangement in respect of a transaction that would be a significant acquisition for the purposes of Part 8 of NI 51-102, and there are no proposed acquisitions by the Corporation that have progressed to the state where a reasonable person would believe that the likelihood of the Corporation completing such acquisition is high and would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of the Offering Document.
- (uu) *No Loans.* Other than as disclosed in the Public Disclosure Record, the Corporation has no outstanding material loans to or has any outstanding guarantees of any material obligations of any person.
- (vv) *Directors and Officers.* To the knowledge of the Corporation, none of the directors or officers of the Corporation and the Subsidiary are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange.
- (ww) *Audit Committee.* The responsibilities and composition of the Corporation's audit committee comply with National Instrument 52-110 – *Audit Committees*.
- (xx) *Minute Books and Records.* The minute books and records of the Corporation made available to counsel for the Agent in connection with its due diligence investigation of the Corporation for the periods requested to the date hereof are all of the minute books and material records of the Corporation and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Corporation, as the case may be, to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Corporation to the date hereof not reflected in such minute books and other records, other than those which are not material in the context of the Corporation.
- (yy) *No Dividends.* During the previous 12 months, the Corporation has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or securities or agreed to do any of the foregoing. There are no restrictions upon or impediment to, the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation in the constating documents or in any Material Agreements or Debt Instruments.

- (zz) *Fees and Commissions.* Other than the Agent, its selling group members and certain finders approved by the Agent, pursuant to this Agreement, there is no other person acting at the request of the Corporation, or to the knowledge of the Corporation, purporting to act who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein.
- (aaa) *Related Parties.* Other than as disclosed in the Public Disclosure Record, to the knowledge of the Corporation, none of the directors, officers or employees of the Corporation, any known holder of more than 10% of any class of securities of the Corporation or securities of any person exchangeable for more than 10% of any class of securities of the Corporation, or any known associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the Securities Act), has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction which, as the case may be, materially affected or is reasonably expected to materially affect the Corporation, on a consolidated basis. The Corporation does not have any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at “arm’s length” (within the meaning of the Tax Act) with them.
- (bbb) *Sales by Insiders.* To the knowledge of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation held by it. To the knowledge of the Corporation, as of the date hereof, all insider SEDI filings are up to date.
- (ccc) *Anti-Money Laundering.* The operations of the Corporation (or to the knowledge of the Corporation, any related party thereof) are and have been conducted at all times in compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, all applicable financial recordkeeping and reporting requirements, the applicable anti-money laundering statutes of jurisdictions where the Corporation (or any related party thereof) conduct business, the rules and regulations thereunder and any related or similar rules or regulations, issued, administered or enforced by any governmental agency applicable to the Corporation (or any related party thereof) (collectively, the “**Anti-Money Laundering Laws**”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or the Subsidiary (or, to the knowledge of the Corporation, any related party thereof) with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened.
- (ddd) *Violation of U.S. federal or state laws.* Neither the Corporation nor the Subsidiary has (nor, to the knowledge of the Corporation, any related party thereof) has engaged in, or will engage in, (i) any direct or indirect dealings or transactions in violation of U.S. federal or state laws, including, without limitation, the *Controlled Substances Act*, the *Racketeering Influenced and Corrupt Practices Act*, the *Travel Act*, the *Bank Secrecy Act*, or any anti-money laundering statute, or (ii) any “aiding and abetting” in any violation of U.S. federal or state laws. No action, suit or proceeding by or before any U.S. court or governmental agency, authority or body or any arbitrator involving the Corporation or the Subsidiary (or, to the knowledge of the Corporation, any related party thereof) with respect to U.S. federal or state laws is pending or, to the knowledge of the Corporation, threatened.

(eee) *Listed Issuer Financing Exemption.*

The Corporation is eligible to offer for sale and issue the Unit Shares and Warrants comprising the Offered Units accordance with the Listed Issuer Financing Exemption, and for greater certainty satisfies each of the conditions and will comply with each of the requirements set out in Part 5A of NI 45-106, including:

- (i) the Corporation is a “reporting issuer” in British Columbia, Alberta and Ontario, is not currently in default of any requirement of Canadian Securities Laws of such jurisdictions, is not included on a list of defaulting reporting issuers maintained by the Securities Regulators in each of the provinces of Canada in which it is a “reporting issuer”, has been a reporting issuer in at least one jurisdiction of Canada for the 12 months immediately before the date the Offering Release and the Offering Document were filed, and no material change relating to the Corporation has occurred with respect to which the requisite material change report has not been filed under any applicable Securities Laws in such provinces or territories (other than in respect of the Offering), and no such disclosure has been made on a confidential basis;
- (ii) during the 12 months prior to the date of this Agreement, the Corporation has raised \$0 using the Listed Issuer Financing Exemption and is not otherwise raising funds under the Listed Issuer Financing Exemption other than in connection with the Offering;
- (iii) the Common Shares are Listed Equity Securities and the Warrants are a warrant convertible into a Listed Equity Security;
- (iv) the Corporation is not, and during the 12 months immediately before the date the Corporation filed the Offering Release the Corporation or any person or company with whom the Corporation completed a restructuring transaction was not, either of the following: (a) an issuer whose operations have ceased; or (b) an issuer whose principal asset is or was cash, cash equivalents, or its exchange listing, including, for greater certainty, a capital pool company, a special purpose acquisition company, a growth acquisition corporation or any similar person or company;
- (v) the Corporation is not an investment fund as defined under applicable Securities Laws;
- (vi) the Company has filed all periodic and timely disclosure documents that it is required to have filed under each of the following:
 - a. applicable Securities Laws;
 - b. an order issued by any Securities Regulator applicable to the Corporation;
 - c. an undertaking of the Corporation to any Securities Regulator;
- (vii) the Corporation does not intend to allocate the available funds disclosed in the Offering Document to effect: (i) an acquisition that is a significant acquisition under Part 8 of NI 51-102; (ii) a restructuring transaction as such term is defined in NI 51-102; or (iii) any other transaction that requires approval of any security

holder under the corporate law of the jurisdiction in which the Corporation is incorporated or continued, any requirement of the exchange on which the Corporation's Listed Equity Securities are listed for trading, or the Corporation's constating documents;

- (viii) on the date of the issuance of the Offering Release, the total dollar amount of the Offering, combined with the dollar amount of all other distributions made by the Corporation under the Listed Issuer Financing Exemption during the 12 months immediately before the date of the Offering Release, will not, assuming completion of the Offering, exceed the greater of the following: (i) \$5,000,000; and (ii) 10% of the aggregate market value of the Corporation's listed securities, on the date of the Offering Release, to a maximum of \$10,000,000;
- (ix) the Offering, combined with all other distributions made by the Corporation under the Listed Issuer Financing Exemption during the 12 months immediately before the date of the Offering Release, will not result in an increase of more than 50% of the Corporation's outstanding Listed Equity Securities, as of the date that is 12 months before the date of the Offering Release;
- (x) as at each Closing Date, the Corporation reasonably expects that the Corporation will have available funds to meet its business objectives and liquidity requirements for a period of 12 months following each Closing Date;
- (xi) before soliciting an offer to purchase any Offered Units under the Offering, the Company:
 - a. issued and filed the Offering Release which:
 - i. announced the Offering, and
 - ii. included the following statement: "There is an offering document related to the Offering that can be accessed under the Corporation's profile at www.sedarplus.ca and at www.investors.airestech.com. Prospective investors should read this offering document before making an investment decision.";
 - b. filed the Offering Document;
 - c. posted the Offering Document on its website;
- (xii) the Offering Document complies with the requirements of applicable Securities Laws, was filed in the manner required under applicable Securities Laws before soliciting an offer to purchase Offered Units and is dated no later than 3 business days after the date of the Offering Document;
- (xiii) the Offering Document, together with any document filed under applicable Securities Law in a jurisdiction of Canada on or after the earlier of the date that is 12 months before the date of the Offering Document and the date the Company's most recent audited annual financial statements were filed, contains disclosure of all material facts relating to the securities being distributed under the Listed Issuer Financing Exemption and does not contain a misrepresentation; and

- (xiv) except as publicly disclosed by the Company subsequent to date of the Offering Document up to the date hereof, there have been no material changes in respect of the Corporation during the during the period beginning on the date of the Offering Document and up to the date hereof, inclusive; and
- (xv) the Corporation has (a) taken reasonable steps to ensure that a prospective purchaser is aware of the means of accessing the Offering Document, and has (b) included the statement referred to in subsection (fff)(xi)(a)(ii) above in any initial written communication with a prospective purchaser.
- (iii) All information and statements contained in the Offering Document are true and correct, in all material respects. The Offering Document, together with any document filed under applicable Securities Laws on or after the date of the Offering Document, contains disclosure of all material facts about the securities being distributed in the Offering and does not contain a misrepresentation (within the meaning of such term in applicable Securities Laws). There have been no material changes (within the meaning of such term in applicable Securities Laws) in the business, operations or capital of the Corporation since the date of dissemination of the Offering Release.

It is further agreed by the Corporation that all representations and warranties of the Corporation in this Section 5 made by the Corporation to the Agent shall also be deemed to be made for the benefit of the Purchasers as if the Purchasers were also parties hereto (it being agreed that the Agent is acting for and on behalf of the Purchasers for this purpose).

Section 6 Representations, Warranties and Covenants of the Agent

- (1) The Agent hereby represents and warrants to the Corporation the following (acknowledging that the Corporation is relying upon such representations and warranties in acting hereunder):
 - (a) it is duly incorporated, continued, amalgamated or formed, as applicable, and in good standing under the laws of the jurisdiction in which it is existing;
 - (b) it is appropriately and duly registered under applicable Securities Laws so as to permit it to lawfully fulfill its obligations hereunder and it is qualified or registered, or exempt from the requirement to be qualified or registered, to solicit subscriptions for Offered Units in each of the Offering Jurisdictions in which it solicits or procures subscriptions for the Offered Units;
 - (c) in respect of the offer and sale of the Offered Units to Purchasers, it will, and will require any Selling Firm to agree to, comply with applicable Canadian Securities Laws and the applicable securities laws of the Selling Jurisdictions outside of Canada in connection with the issuance and sale of the Offered Units;
 - (d) it has good and sufficient power, capacity, right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
 - (e) it and its affiliates and representatives did not engage in any solicitation prior to the filing of the Offering Document on SEDAR+ and have not engaged in or authorized, and will not engage in or authorize, any form of general solicitation or general advertising in connection with or in respect of the Offered Units in any newspaper, magazine, printed

media of general and regular paid circulation or any similar medium, or broadcast over radio or television or otherwise, or conducted any seminar or meeting concerning the offer or sale of the Offered Units whose attendees have been invited by any general solicitation or general advertising;

- (f) it has internal policies and/or procedures in place to verify investor status and has followed such policies and/or procedures;
 - (g) it has not and will not, in connection with the Offering, make any representation or warranty with respect to the Corporation or the Offered Units except pursuant to (i) this Agreement; (ii) the Offering Document; (iii) the Offering Release; or (iii) any disclosure otherwise authorized by the Corporation;
 - (h) it has conducted its activities in connection with the offer and sale of the Offered Units in compliance with all applicable Securities Laws and the provisions of this Agreement, and has only solicited offers to purchase Offered Units from such persons listed in such manner that, pursuant to applicable Securities Laws, no prospectus, registration statement or similar document needed to be delivered or filed; and
 - (i) it, or any Selling Firm appointed by the Agent, is acquiring the Compensation Options as principal for its own account and not for the benefit of any other Person and is acquiring the Compensation Options for investment only and not with a view to resale or distribution of the Compensation Options and is an “accredited investor” as such term is defined in NI 45-106;
- (2) The Agent covenants and agrees with the Corporation as follows:
- (a) it will conduct (and will cause any Selling Firm to conduct) its activities in connection with the offer and sale of the Offered Units in compliance with all applicable Securities Laws and the provisions of this Agreement, and only solicit offers to purchase Offered Units from such persons listed in such manner that, pursuant to applicable Securities Laws, no prospectus, registration statement or similar document needs to be delivered or filed;
 - (b) other than the Offering Document, it has not delivered and will not deliver to any prospective Purchaser any document or materials which constitutes or is deemed to be an offering memorandum under applicable Securities Laws;
 - (c) other than the Offering Document and the term sheet appended to the Engagement Letter, it will not make use of any green sheet or other internal marketing document without the written consent of the Corporation;
 - (d) it will not solicit offers to purchase or sell the Offered Units so as to require registration thereof or the filing of a prospectus, offering memorandum (other than the Offering Document), registration statement or similar disclosure document with respect thereto in any jurisdiction or so as to create continuing obligations on the part of the Corporation under the laws of any jurisdiction outside of Canada or an obligation to establish or maintain any office or director or officer in such jurisdiction, and it will not solicit offers to purchase or sell the Offered Units in any jurisdiction outside of Canada where the solicitation or sale of the Offered Units would result in any statutory ongoing disclosure requirements in such jurisdiction or any registration requirements in such jurisdiction on

the part of the Corporation except for the filing of a notice or report of the solicitation or sale;

- (e) it will not solicit offers to purchase or sell the Offered Units in any jurisdiction other than the Offering Jurisdictions;
- (f) it will obtain from each Purchaser an executed and duly completed Investor Questionnaire in a form reasonably acceptable to the Corporation and to the Agent relating to the transaction herein contemplated, together with all documentation as may be necessary in connection with the distribution of the Offered Units;
- (g) any Selling Firm appointed by Agent, if any, will be compensated by the Agent from its compensation hereunder and no additional compensation will be payable by the Corporation to any such Selling Firm;
- (h) prior to the completion of the transactions contemplated in this Agreement, collect, use and disclose Personally Identifiable Information disclosed by the Corporation under this Agreement (“**Transferred Information**”) solely for the purpose of reviewing and completing the transactions contemplated in this Agreement;
- (i) after the completion of the transactions contemplated in this Agreement, collect, use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the transactions contemplated in this Agreement.

Section 7 Conditions of Closing

The obligation of the Agent hereunder and each of the Purchaser’s obligation to purchase the Offered Units at each Closing Time on each Closing Date shall be conditional upon the fulfilment at or before each Closing Time of the following conditions:

- (1) the Agent receiving favourable legal opinions from Cozen O’Connor LLP, counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, or arrange for separate opinions of local counsel acceptable to counsel to the Agent, acting reasonably, as to the qualification of the Offered Units for sale to the public in Canada and as to other matters governed by the laws of jurisdictions in Canada and each such counsel may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, public and exchange officials or of the auditor or transfer agent of the Corporation), in form and substance acceptable to the Agent and its counsel, acting reasonably;
- (2) if any sales of Offered Units are made to, or for the account or benefit of, persons in the United States or U.S. Persons, the Agent receiving a favourable opinion of Cozen O’Connor LLP, addressed to the Agent, in form and substance satisfactory to the Agent and its counsel, acting reasonably, to the effect that no registration is required under the U.S. Securities Act, in connection with the offer, sale and delivery of the Offered Units to, or for the account or benefit of, persons in the United States and U.S. Persons;
- (3) the Agent having received a certificate dated each Closing Date and signed by a senior officer of the Corporation as may be acceptable to the Agent, acting reasonably, in form and substance satisfactory to the Agent, acting reasonably, with respect to:

- (a) the constating documents of the Corporation;
 - (b) all resolutions of the directors of the Corporation relevant to the Transaction Documents, the sale of the Offered Units and the authorization of the Transaction Documents and the transactions contemplated herein and therein; and
 - (c) the incumbency and signatures of signing officers for the Corporation;
- (4) the Agent receiving certificates of status and/or compliance (or the equivalent), where issuable under Applicable Law, for the Corporation and the Subsidiary, dated within one Business Day prior to each Closing Date;
- (5) the Agent receiving a certificate dated each Closing Date and signed by the Chief Executive Officer or such other senior officer(s) of the Corporation as may be acceptable to the Agent, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiries, that:
- (a) the representations and warranties of the Corporation contained in this Agreement, and in any certificates of the Corporation delivered pursuant to or in connection with this Agreement, are true and correct in all respects as of the applicable Closing Time, as if such representations and warranties were made as at the applicable Closing Time, after giving effect to the transactions contemplated hereby, except for those representations and warranties that are stated to be true and correct as a specified date, in which case, they will be true and correct as of that date only;
 - (b) the Corporation has complied in all respects with all the covenants and satisfied in all respects all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the applicable Closing Time; and
 - (c) no order, ruling or determination having the effect of suspending the sale or ceasing the trading or prohibiting the sale of the Common Shares or any other securities of the Corporation has been issued by any Securities Regulator and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any Securities Regulator;
- (6) the Warrant Indenture shall have been executed and delivered by the Corporation in form and substance satisfactory to the Agent, acting reasonably;
- (7) the Agent receiving fully executed Compensation Option Certificates in respect of all Compensation Options;
- (8) the Agent receiving the executed lock-up agreements from each director and officer of the Corporation in favour of the Agent in a form satisfactory to the Agent, acting reasonably, as required pursuant to Section 4(xiv) of this Agreement;
- (9) the Agent receiving a certificate from Computershare Investor Services Inc. as to the number of Common Shares issued and outstanding as at the end of Business Day on the date prior to each Closing Date;
- (10) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Offered Units or any of the securities underlying

the Offered Units or any of the Corporation's issued securities being issued and no proceeding for such purpose being pending or, to the knowledge of the Corporation, threatened by any Canadian Securities Regulator or the Exchange;

- (11) the Agent shall have received satisfactory evidence that notice of the Offering has been provided to the Exchange in accordance with the applicable policies of the Exchange;
- (12) the Corporation materially complying with all of its covenants and obligations under this Agreement required to be satisfied at or prior to each Closing Time;
- (13) the Agent not having exercised any rights of termination set forth herein; and
- (14) the Agent having received such further reasonably requested certificates and other documentation from the Corporation contemplated herein, provided, however, that the Agent or its counsel shall request any such certificate or document within a reasonable time, and in any event not later than 48 hours, prior to each Closing Time in order to ensure that the Corporation has sufficient time to obtain and deliver such certificate or document.

Section 8 Closing

- (1) *Location of Closing.* The Offering will be completed electronically at each Closing Time on each Closing Date, or as otherwise determined by the Agent and the Corporation.
- (2) *Securities.* At each Closing Time, subject to the terms and conditions contained in this Agreement, the Corporation shall deliver to the Agent in Toronto, Ontario, the Unit Shares and the Warrants comprising the Offered Units by way of book-entry securities in accordance with the "non-certificated inventory" rules and procedures of CDS, and shall direct CDS to credit such Unit Shares and the Warrants comprising the Offered Units to the accounts of participants of CDS as designated by the Agent against payment to the Corporation of the aggregate Offering Price for the Offered Units sold to Purchasers (less the Commission and the expenses of the Agent payable by the Corporation as set out in this Agreement) by wire transfer or certified cheque; provided that, at the request of the Agent, the Corporation shall cause the transfer agent to deliver physical certificates or direct registration system (DRS) statements to such Purchasers as the Agent may direct.

Section 9 Indemnification and Contribution

- (1) The Corporation hereby agrees to indemnify and hold the Agent, each of its subsidiaries and affiliates, and each of their respective directors, officers, employees, shareholders and agents (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") harmless from and against any and all expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Indemnified Parties may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder, or otherwise in connection with the matters referred to in this Agreement (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against the Indemnified Parties), unless such actual or

threatened claim, action, suit, investigation or proceeding has been caused solely by or is the result of the gross negligence, illegal act or fraud of any of the Indemnified Parties. Without limiting the generality of the foregoing, this indemnity shall apply to all expenses (including legal expenses), losses, claims and liabilities that the Indemnified Parties may incur as a result of any action or litigation that may be threatened or brought against the Indemnified Parties.

- (2) If for any reason, the foregoing indemnification is unavailable to the Indemnified Parties or insufficient to hold the Indemnified Parties harmless, then the Corporation shall contribute to the amount paid or payable by the Indemnified Parties as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Indemnified Parties on the other hand but also the relative fault of the Corporation and the Indemnified Parties, as well as any relevant equitable considerations; provided that the Corporation shall in any event contribute to the amount paid or payable by any Indemnified Party as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by the Agent pursuant this Agreement.
- (3) The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or the Indemnified Parties by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or in case any such entity shall investigate the Corporation and/or any Indemnified Party shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Indemnified Parties, the Corporation shall reimburse the Indemnified Parties monthly for the time spent by the Indemnified Party in connection therewith at their normal per diem rates and the Indemnified Parties shall have the right to employ their own counsel in connection therewith provided the Indemnified Parties act reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Parties for time spent by the Indemnified Parties in connection therewith) and out-of-pocket expenses incurred by the Indemnified Parties in connection therewith shall be paid by the Corporation as they occur unless such proceeding has been caused solely by or is the result of the gross negligence, illegal act or fraud of the Indemnified Parties.
- (4) Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, the Agent will notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. However, the failure by the Agent to notify the Corporation will not relieve the Corporation of its obligations to indemnify the Indemnified Parties, except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit proceeding, claim or investigation.
- (5) The Corporation shall on behalf of itself and the Indemnified Parties, as applicable, be entitled to (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however, that the defence shall be conducted through legal counsel acceptable to the Indemnified Parties, as applicable, acting reasonably, that no settlement of any such legal proceeding may be made by the Corporation without the prior written consent of the Indemnified Parties, acting reasonably, as applicable, and none of the Indemnified Parties, as applicable, shall

be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld, delayed or conditioned.

- (6) No admission of liability shall be made and the Corporation shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without the consent of the Corporation, such consent not to be unreasonably withheld, delayed or conditioned.
- (7) Notwithstanding foregoing, the Indemnified Parties shall have the right, at the Corporation's expense, to employ counsel of such person's choice in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized in writing by the Corporation; (ii) the Corporation has not assumed the defence and employed counsel therefor within a reasonable time (which shall in any case be not less than 15 days) after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Corporation or the Indemnified Party has advised the Indemnified Party in writing that there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Corporation (in which event and to that extent, the Corporation shall not have the right to assume or direct the defence on the Indemnified Party's behalf) or that there is a conflict of interest between the Company and the Indemnified Party or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Corporation shall not have the right to assume or direct the defence on the Agent's behalf), provided that the Corporation shall not be responsible for the fees and expenses of more than one set of counsel to the Indemnified Parties.
- (8) The Corporation hereby acknowledges that the Agent is acting as trustee for each of the other Indemnified Parties of the Corporation's covenants under this indemnity and contribution and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.
- (9) The indemnity and contribution obligations of the Corporation shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation and the Indemnified Parties. This Section 9 shall survive the completion of the Offering and any termination of this Agreement.

Section 10 Compensation of the Agent

At each Closing Time, the Corporation shall (i) pay to the Agent the Commission; and (ii) issue to the Agent (or members of its selling group) such number of Compensation Options calculated in accordance with the opening paragraphs of this Agreement in consideration of the services to be rendered by the Agent in connection with the Offering. The Commission shall be netted out of the gross proceeds of the Offering.

Section 11 Expenses

Whether or not the purchase and sale of the Offered Units shall be completed, all expenses and fees in connection with the Offering shall be borne by the Corporation, including, without limitation, all expenses of or incidental to the creation, issue, sale or distribution of the Offered Units, the fees and expenses of the Corporation's legal counsel, all costs incurred in connection with the preparation of documentation relating to the Offering, and the reasonable documented out-of-pocket expenses incurred by the Agent in connection with the Offering, including the completion of reasonable due diligence related to the Corporation and its business, and the reasonable fees and disbursements (exclusive of applicable taxes) of the Agent's legal counsel and local counsel including U.S. counsel. In addition, the Corporation agrees to pay to the Agent certain out-of-pocket and travel expenses in connection with due diligence and

marketing meetings in the amount set forth in the Engagement Letter. The legal fees of the legal counsel retained by the Agent shall not exceed the cap set forth in the Engagement Letter. The Agent's expenses will be netted out of the gross proceeds of the Offering.

Section 12 All Terms to be Conditions

The Corporation agrees that the conditions contained in this Agreement will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation and each of the Corporation and the Agent will use its commercially reasonable efforts to cause all such conditions to be complied with. It is understood that the Agent may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Agent in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agent any such waiver or extension must be in writing.

Section 13 Termination by Agent in Certain Events

- (1) The Agent shall also be entitled to terminate its obligation hereunder and the obligations of the Purchasers in relation to the Offering by written notice to that effect given to the Corporation at or prior to each Closing Time if:
 - (a) *due diligence* - the due diligence investigations performed by the Agent or its representatives reveal any material information or fact, which, in the sole opinion of the Agent, is materially adverse to the Corporation or its business, or materially adversely affects the price or value of the Offered Units;
 - (b) *material adverse change* - there is a material change or a change in a material fact or new material fact shall arise or there should be discovered any previously undisclosed material fact required to be disclosed or any amendment thereto, in each case, that has or would be expected to have, in the sole opinion of the Agent, a significant adverse change or effect on the business or affairs of the Corporation or on the market price or the value of the securities of the Corporation;
 - (c) *disaster* – (i) there should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of the Agent, acting reasonably, seriously adversely affects or involves or may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Corporation and its subsidiaries taken as a whole or the market price or value of the securities of the Corporation, (ii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Corporation or any one of the officers or directors of the Corporation or any of its principal shareholders where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the Exchange or securities commission which involves a finding of wrong-doing, or (iii) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the common shares or any other securities of the Corporation is made or threatened by a securities regulatory authority;

- (d) *breach* - the Corporation is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false in any material respect; or
 - (e) *market*– the state of the financial markets in Canada is such that in the reasonable opinion of the Agent, the securities cannot be profitably marketed.
- (2) The rights of termination contained in this Section 13 are in addition to any other rights or remedies the Agent may have in respect of any of the matters contemplated by this Agreement or otherwise. Any such termination shall not discharge or otherwise affect any obligation or liability of the Corporation provided herein or prejudice any other rights or remedies any party may have as a result of any breach, default or non-compliance by any other party. In the event of any such termination by the Agent, there shall be no further liability on the part of the Agent to the Corporation or on the part of the Corporation to the Agent except in respect of any liability which may have arisen or may arise after such termination in respect of acts or omissions prior to such termination under Sections 9, 11 and 15(e).
- (3) Notwithstanding the foregoing and for the avoidance of doubt, this Agreement may be terminated at any time at or prior to each Closing Time upon the mutual written agreement of the Corporation and the Agent, if the parties hereto decide not to proceed with the Offering.

Section 14 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered,

in the case of the Corporation, to:

American Aires Inc.
400 Applewood Crescent, Suite 100
Vaughan, ON L4K 0C3

Attention: Josh Bruni
Email: [REDACTED]

with a copy (which shall not constitute notice) to:

Cozen O'Connor LLP
40 Temperance Street, Suite 2700
Toronto, ON M5H 0B4

Attention: Andrew Elbaz
Email: [REDACTED]

in the case of the Agent, to:

Eight Capital
100 Adelaide Street West, Suite 2900
Toronto, ON M5H 1S3

Attention: Michelle Goh
Email: [REDACTED]

with a copy of any such notice (which shall not constitute notice) to:

Wildeboer Dellelce LLP
Wildeboer Dellelce Place
365 Bay Street, Suite 800
Toronto, ON M5H 2V1

Attention: Perry Dellelce
Email: [REDACTED]

The Corporation and the Agent may change their respective addresses for notices by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, shall be given by telecopy and shall be deemed to have been given when: (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered or given by electronic transmission on the first Business Day following the day on which it is sent.

Section 15 Miscellaneous

- (a) *Successors and Assigns.* This Agreement shall enure to the benefit of, and shall be binding upon, the Agent and the Corporation and their respective successors and legal representatives.
- (b) *Governing Law.* This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (c) *Time of the Essence.* Time shall be of the essence hereof and, following any waiver or indulgence by any party, time shall again be of the essence hereof.
- (d) *Interpretation.* The words, “hereunder”, “hereof” and similar phrases mean and refer to the agreement formed as a result of the acceptance by the Corporation of this offer by the Agents to arrange for the purchase of Offered Units.
- (e) *Survival.* All representations, warranties, covenants and agreements of the Corporation and/or the Agent herein contained or contained in documents submitted pursuant to this Agreement and in connection with the transaction of purchase and sale herein contemplated shall survive for a period ending on the date that is three years following the final Closing Date. Notwithstanding the preceding sentence, Sections 9 and 11 shall survive the purchase and sale of the Offered Units and the termination of this Agreement and shall continue in full force and effect for the benefit of the Agent or the Corporation, as the case may be, regardless of any subsequent disposition of the Offered Units or any investigation by or on behalf of the Agent with respect thereto without limitation other than any limitation requirements of Applicable Law.
- (f) *Electronic Copies.* Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

- (g) *Severability.* If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- (h) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.
- (i) *No Fiduciary Duty.* The Corporation acknowledges that in connection with the Offering, the Agent: (i) has acted at arm's length, is not an agent of, and owe no fiduciary duties to, the Corporation or any other person, (ii) owe the Corporation only those duties and obligations set forth in this Agreement, and (iii) may have interests that differ from those of the Corporation. The Corporation waives to the full extent permitted by Applicable Law any claims it may have against the Agent arising from an alleged breach of fiduciary duty in connection with the Offering.
- (j) *Entire Agreement.* This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings in respect of the Offering, including the Engagement Letter and the Original Agreement. This Agreement may be amended or modified in any respect by written instrument only.
- (k) *Further Assurances.* Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.
- (l) *Language.* The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties reconnaissent avoir expressément demandées que la présente convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.*

[Remainder of page intentionally left blank]

If this Agreement accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this Agreement where indicated and returning them to us.

Yours very truly,

EIGHT CAPITAL

By: "Michelle Goh"
Name: Michelle Goh
Title: Principal, Managing Director

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

AMERICAN AIRES INC.

By: "Josh Bruni"

Name: Josh Bruni
Title: Chief Executive Officer

**SCHEDULE “A”
EXISTING RIGHTS**

As at the date hereof and, prior to the closing of the Offering, there are outstanding:

- the following common share purchase warrants:

| Number of warrants | Exercise Price (\$) | Expiry Date |
|--------------------|---------------------|-------------|
| 603,333 | \$3.00 | 28-May-24 |
| 197,500 | \$1.50 | 31-Aug-24 |
| 178,750 | \$1.50 | 20-Sep-24 |
| 64,998 | \$1.50 | 28-Oct-24 |
| 246,000 | \$1.50 | 17-Dec-24 |
| 500,000 | \$1.00 | 07-Feb-25 |
| 81,000 | \$1.00 | 15-Mar-25 |
| 92,625 | \$1.00 | 24-Mar-25 |
| 27,464 | \$1.00 | 05-Apr-25 |
| 536,242 | \$0.50 | 12-May-25 |
| 4,080,000 | \$0.50 | 30-Jun-25 |
| 26,666,663 | \$0.25 | 16-Feb-26 |
| 289,100 | \$0.15 | 16-Feb-26 |
| 33,563,675 | | |

- the following incentive stock options:

| Number of options | Exercise Price (\$) | Expiry Date |
|-------------------|---------------------|-------------|
| 50,000 | \$5.00 | 10-Dec-24 |
| 50,000 | \$1.00 | 12-Jan-25 |
| 70,000 | \$0.095 | 06-Jul-26 |
| 10,000 | \$0.21 | 06-Jul-26 |
| 180,000 | | |

- the following restricted share units:

| Number of RSUs | Vesting Date |
|----------------|--------------|
| 4,050,000 | 19-Oct-24 |

- the following convertible debentures:

| Outstanding principal and accrued but unpaid interest owing under the convertible debentures (\$) | Conversion Price (\$) | Maturity Date |
|---|-----------------------|---------------|
| N/A | | |

SCHEDULE “B”
COMPLIANCE WITH UNITED STATES SECURITIES LAWS

As used in this Schedule and related exhibits, the following terms shall have the meanings indicated:

- (a) **“Directed Selling Efforts”** means “directed selling efforts” as that term is defined in Rule 902(c) of Regulation S, which, without limiting the foregoing, but for greater clarity in this Schedule “B”, includes, subject to the exclusions from the definition of “directed selling efforts” contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Units and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Units;
- (b) **“Disqualification Event”** means any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D;
- (c) **“Foreign Issuer”** means “foreign issuer” as that term is defined in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule “B”, it means any issuer that is (a) the government of any country, or of any political subdivision of a country, other than the United States, or (b) a national of any country other than the United States, or (c) a corporation or other organization incorporated or organized under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States, and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;
- (d) **“General Solicitation”** and **“General Advertising”** means “general solicitation” and “general advertising”, respectively, as used under Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or the internet or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
- (e) **“Offshore Transaction”** means an “offshore transaction” as that term is defined in Rule 902(h) of Regulation S;
- (f) **“Qualified Institutional Buyer”** means a “qualified institutional buyer” as such term is defined in Rule 144A, that is also a U.S. Accredited Investor;
- (g) **“Regulation D”** means Regulation D adopted by the SEC under the U.S. Securities Act;
- (h) **“Regulation S”** means Regulation S adopted by the SEC under the U.S. Securities Act;
- (i) **“Rule 144A”** means Rule 144A under the U.S. Securities Act;
- (j) **“SEC”** means the United States Securities and Exchange Commission;
- (k) **“Substantial U.S. Market Interest”** means “substantial U.S. market interest” as that term is defined in Rule 902(j) of Regulation S;

- (l) **“United States”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (m) **“U.S. Accredited Investor”** means an “accredited investor” as defined in Rule 501(a) of Regulation D;
- (n) **“U.S. Affiliate”** means the U.S. registered broker-dealer affiliate of the Agent that makes offers of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons;
- (o) **“U.S. Exchange Act”** means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder; and
- (p) **“U.S. Person”** means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S.

All other capitalized terms used but not otherwise defined in this Schedule shall have the meanings assigned to them in the Agency Agreement to which this Schedule is attached.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, acknowledges, covenants and agrees with the Agent, as at the date hereof and as at the applicable Closing Date, that:

1. The Corporation is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to the any of its equity securities.
2. The Corporation is not, and after giving effect to the offering contemplated hereby and the application of the proceeds, will not be, registered or required to be registered as an “investment company” (as such term is defined under the Investment Company Act of 1940, as amended), under such Act.
3. The Unit Shares and Warrants comprising the Offered Units have not been and will not be registered under the U.S. Securities Act or any state securities laws and that the Offered Units may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. Except with respect to sales of Offered Units offered by the Agent, the U.S. Affiliates or any members of the selling group formed by them (as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement) in compliance with an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws, neither the Corporation nor any of its affiliates, nor any person acting on any of their behalf and at their direction (other than the Agent, the U.S. Affiliates, or any members of the selling group formed by them, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Offered Units to, or for the account or benefit of, a person in the United States or a U.S. Person; or (B) any sale of Offered Units unless, at the time the buy order was or will have been originated, the Purchaser is (i) outside the United States and not a U.S. Person, or (ii) the Corporation, its affiliates, and any person acting on any of their behalf reasonably believe that the Purchaser is outside the United States and not a U.S. Person.
4. None of the Corporation, any of its affiliates or any person acting on any of their behalf and at their direction (other than the Agent, the U.S. Affiliates, or any members of the selling group formed by them, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement), has engaged or will engage in any Directed Selling Efforts, or has taken or will take any action that would cause the applicable exemption afforded by Section 4(a)(2) of the U.S.

Securities Act and/or Rule 506(b) of Regulation D to be unavailable for offers and sales of the Offered Units pursuant to this Agreement, or the safe harbor afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Units in Offshore Transactions pursuant to this Agreement.

5. None of the Corporation, any of its affiliates or any person acting on any of their behalf and at their direction (other than the Agent, the U.S. Affiliates, or any members of the selling group formed by them, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement) has offered or will offer to sell, or has solicited or will solicit offers to buy, any of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
6. Neither the Corporation nor any person acting on behalf of the Corporation has sold, offered for sale or solicited any offer to buy any of the Corporation's securities, and will not do so during or for a period of 30 days immediately following the applicable Closing Date, in the United States in a manner that would reasonably be expected to be integrated with the offer and sale of the Offered Units and would cause the exemption from registration set forth in Section 4(a)(2) of the U.S. Securities Act and/or Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Units.
7. Neither the Corporation nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.
8. None of the Corporation, its affiliates or any person acting on any of their behalf (other than the Agent, the U.S. Affiliates, or any members of the selling group formed by them, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of Offered Units contemplated hereby.
9. The Corporation shall provide to a Purchaser that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person, upon written request, all of the information that would be required for United States income tax reporting purposes by a United States security holder making an election to treat the Corporation as a "qualified electing fund" for the purposes of the United States Internal Revenue Code of 1986, as amended, should the Corporation determine that the Corporation is a "passive foreign investment company" in any calendar year following such Purchaser's purchase of the Offered Units.
10. None of the Corporation, any of its subsidiaries, or to the knowledge of the Corporation, any member, officer, agent, employee or affiliate of the Corporation or any of its affiliates is currently subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of Treasury ("OFAC"); and the Corporation will not directly or indirectly use the proceeds hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any sanctions administered by OFAC.
11. With respect to the Offered Units offered in reliance on Rule 506(b) of Regulation D, none of the Corporation, any of its predecessors, any affiliated issuer that is issuing Offered Units in this Offering, any director, executive officer, or other officer of the Corporation participating in the Offering, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of

sale of the Offered Units (but excluding the Regulation D Agent (as defined below), as to whom no representation, warranty, covenant or agreement is made) (each, a “**Corporation Covered Person**” and, collectively, the “**Corporation Covered Persons**”) is subject to a Disqualification Event. The Corporation will notify the Agent in writing, prior to any offer or sale of Offered Units to, or for the account or benefit of, a person in the United States or a U.S. Person of (i) any Disqualification Event relating to a Corporation Covered Person not previously disclosed to the Agent in accordance with this section, and (ii) any event that would, with the passage of time, become a Disqualified Event relating to any Corporation Covered Person. As of the applicable Closing Date, the Corporation is not aware of any person (other than any Regulation D Agent Covered Person (as defined below)) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the offer and sale of any Offered Units pursuant to Rule 506(b) of Regulation D.

12. The Corporation shall duly prepare and file with the SEC a Form D within 15 days after the first sale of Offered Units in reliance on Rule 506(b) of Regulation D, and will file such notices and other documents as are required to be filed under the state securities or “blue sky” laws of the states in which Offered Units are sold.
13. None of the Corporation or any of its predecessors has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.

Representations, Warranties and Covenants of the Agent

The Agent, on its own behalf and on behalf of its U.S. Affiliate, if applicable, represents, warrants, acknowledges, agrees and covenants to and with the Corporation, as at the date hereof and as at the applicable Closing Date, that:

1. The Unit Shares and Warrants comprising the Offered Units have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. It has offered for sale by the Corporation, and will offer for sale by the Corporation, any Offered Units only as follows: (a) offers of Offered Units in Offshore Transactions in accordance with Rule 903 of Regulation S; or (b) offers of Offered Units to, or for the account or benefit of, persons in the United States and U.S. Persons that are U.S. Accredited Investors and/or Qualified Institutional Buyers, in transactions that are exempt from the registration requirements of the U.S. Securities Act and state blue sky laws, as provided in paragraphs 2 through 13 below. Accordingly, none of the Agent, its U.S. Affiliate, any of their affiliates or any persons acting on behalf of any of them, has made or will make (except as expressly permitted in paragraphs 2 through 13 below) any: (x) offer to sell, or any solicitation of an offer to buy, any Offered Units to, or for the account or benefit of, any person in the United States or any U.S. Person; (y) any sale of Offered Units to any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States and not a U.S. Person, or the Agent, U.S. Affiliate, affiliate or person acting on any of their behalf reasonably believed that such Purchaser was outside the United States and not a U.S. Person; or (z) Directed Selling Efforts.
2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Units, except with its U.S. Affiliate, any selling group members or with the prior written consent of the Corporation. It shall require its U.S. Affiliate and each selling group member appointed by it to agree, for the benefit of the Corporation, to comply with, and shall use its commercially reasonable efforts to ensure that its U.S. Affiliate and each such selling group member complies with, the provisions of this Schedule applicable to the Agent as if such provisions applied directly to its U.S. Affiliate and such selling group member.

3. All offers of Offered Units to, or for the account or benefit of, persons in the United States and U.S. Persons shall be solicited and arranged by the Agent through its U.S. Affiliate, which on the dates of such offers by the Agent through its U.S. Affiliate and subsequent sales by the Corporation was and will be duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable state broker-dealer laws (unless exempted therefrom) and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. in accordance with all applicable United States state and federal broker-dealer laws.
4. It and its U.S. Affiliate and their respective affiliates, either directly or through a person acting on behalf of any of them, have not solicited and will not solicit offers for, and have not offered to sell and will not offer to sell, any of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
5. Any offer, sale or solicitation of an offer to buy Offered Units that has been made or will be made was or will be made only (i) in the United States to U.S. Accredited Investors and/or Qualified Institutional Buyers in transactions that are exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 506(b) of Regulation D and exempt from registration under all applicable state securities laws, and (ii) outside the United States in Offshore Transactions that are exempted from registration pursuant to the safe harbor afforded by Rule 903 of Regulation S.
6. Immediately prior to soliciting any Purchaser that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person, the Agent, its U.S. Affiliate, their respective affiliates, and any person acting on behalf of any of them, had reasonable grounds to believe and did believe that each such Purchaser was a U.S. Accredited Investor or a Qualified Institutional Buyer, as applicable, and at the time of completion of each sale by the Corporation to, or for the benefit or account of, a person in the United States or a U.S. Person identified by the Agent and its U.S. Affiliate, the Agent, its U.S. Affiliate, their respective affiliates, and any person acting on behalf of any of them will have reasonable grounds to believe and will believe, that each Purchaser designated by the Agent or the U.S. Affiliate to purchase Offered Units from the Corporation is a Qualified Institutional Buyer or a U.S. Accredited Investor, as applicable.
7. Prior to arranging for any sale of Offered Units to, or for the account or benefit of, any person in the United States or a U.S. Person, it shall cause each such Purchaser to complete and execute a Subscription Agreement, including Exhibit 3 thereto – Representation Letter for Subscribers who are United States Accredited Investors for U.S. Accredited Investors or Exhibit 4 thereto – United States Qualified Institutional Buyer Letter for Qualified Institutional Buyers, as applicable.
8. At least two Business Days prior to each Closing Date, it shall provide (or cause to be provided) to the transfer agent for the Corporation a list of the names and addresses of all Purchasers of the Offered Units in the United States or that are U.S. Persons.
9. At the Closing, the Agent and its U.S. Affiliate that has offered or solicited offers and arranged for the sale of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons, will provide a certificate, substantially in the form of Exhibit I, relating to the manner of the offer and sale of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons, or be deemed to represent and warrant that no offers or sales of the Offered Units were made to, or for the account or benefit of, persons in the United States or U.S. Persons by such persons.
10. Each Purchaser will be informed that the Offered Units have not been and will not be registered under the U.S. Securities Act or any state “blue sky” securities laws, and are being offered by the

Agent through its U.S. Affiliate and sold by the Corporation to such Purchaser in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and related exemptions set forth under applicable state “blue sky” securities laws.

11. None of the Agent, its U.S. Affiliate or any person acting on any of their behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the offering of Offered Units contemplated hereby.
12. With respect to Offered Units offered in reliance on Rule 506(b) of Regulation D, neither the Agent nor its affiliates (including its U.S. Affiliate) (collectively, the “**Regulation D Agent**”), any general partner or managing member of the Regulation D Agent, any director, executive officer or other officer of the Regulation D Agent participating in the offering of the Offered Units or general partner or managing member of the Regulation D Agent or any officer, employee or agent of the Regulation D Agent or general partner or managing member of the Regulation D Agent that have been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the offer and sale of any Offered Units (each, a “**Regulation D Agent Covered Person**” and collectively, the “**Regulation D Agent Covered Persons**”) is subject to any Disqualification Event. Each Regulation D Agent will notify the Corporation in writing, prior to any offer or sale of Offered Units to, or for the account or benefit of, a person in the United States or a U.S. Person of (i) any Disqualification Event relating to any Regulation D Agent Covered Person, and (ii) any event that would, with the passage of time, become a Disqualified Event relating to any Regulation D Agent Covered Person. As of the applicable Closing Date, the Agent is not aware of any person (other than any Regulation D Agent Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the offer and sale of any Offered Units pursuant to Rule 506(b) of Regulation D.

**EXHIBIT I TO SCHEDULE “B”
(TERMS AND CONDITIONS OF U.S. SALES)**

AGENT’S CERTIFICATE

In connection with the offer and sale to, or for the account or benefit of, persons in the United States and U.S. Persons of the Offered Units of American Aires Inc. (the “**Corporation**”) pursuant to an Agency Agreement (the “**Agency Agreement**”) effective as of May 16, 2024 between the Corporation and Eight Capital (the “**Agent**”) and [●] (the “**U.S. Affiliate**”), the U.S. broker-dealer affiliate of the Agent, hereby certify as follows:

- (i) on the date hereof and on the date of each offer, solicitation of an offer or sale of Offered Units to, or for the account or benefit of, a person in the United States or a U.S. Person by the undersigned, the U.S. Affiliate is and was: (A) a duly registered broker-dealer with the United States Securities and Exchange Commission and under the laws of each state where offers and sales of Offered Units were made (unless exempted therefrom); and (B) a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;
- (ii) all offers and sales of Offered Units for sale by the Corporation to, or for the account or benefit of, persons in the United States and U.S. Persons have been and will be effected and arranged by the U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements;
- (iii) immediately prior to offering or soliciting offers for the Offered Units to or from offerees that were, or were acting for the account or benefit of, persons in the United States or U.S. Persons, we had reasonable grounds to believe and did believe that each such offeree was a U.S. Accredited Investor or a Qualified Institutional Buyer, as applicable, and, on the date hereof, we continue to believe that each such person purchasing Offered Units from the Corporation is a U.S. Accredited Investor or a Qualified Institutional Buyer, as applicable;
- (iv) no form of “general solicitation” or “general advertising” (as those terms are used in Regulation D under the U.S. Securities Act) was used by us or on our behalf, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or the internet or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Offered Units to, or for the account or benefit of, persons in the United States and U.S. Persons;
- (v) no Directed Selling Efforts were made by us in the United States in connection with the offer or sale of Offered Units;
- (vi) the offers and solicitations of offers of the Offered Units to, or for the account or benefit of, persons in the United States and U.S. Persons have been conducted by us in accordance with the terms of the Agency Agreement;
- (vii) in connection with each sale of Offered Units to, or for the account or benefit of, a person in the United States or a U.S. Person, we caused each such Purchaser to execute and deliver to the Corporation a completed Subscription Agreement, including all applicable exhibits thereto; and
- (viii) with respect to Offered Units offered to, or for the account or benefit of, persons in the United States and U.S. Persons, none of the Regulation D Agent Covered Persons relating to the undersigned is subject to any Disqualification Event, and the undersigned are not aware of any person (other than any Regulation D Agent Covered Person) that has been or will be paid (directly

or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Offered Units to, or for the account or benefit of, persons in the United States and U.S. Persons.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless otherwise defined herein.

Dated this ____ day of _____, 2024.

[INSERT NAME OF AGENT]

[INSERT NAME OF U.S. AFFILIATE]

By: _____

Name:

Title:

By: _____

Name:

Title: