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**OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION**

**New Issue**

**October 28, 2024**



**VOLATUS AEROSPACE INC.**  
(the “**Issuer**” or “**we**”)

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**SUBSCRIPTION PRICE \$0.14 PER UNIT**

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**PART 1 SUMMARY OF OFFERING**

**What are we offering?**

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Offering:</b>        | Units (“ <b>Units</b> ”) of the Issuer, with each Unit being comprised of one common voting of the Issuer (a “ <b>Offered Share</b> ”) and one-half of one common voting share purchase warrant (each whole common share purchase warrant, a “ <b>Warrant</b> ”). Each Warrant will be exercisable to acquire an additional common voting share of the Issuer (each a “ <b>Warrant Share</b> ”, and together with the Units, Offered Shares and Warrants, the “ <b>Securities</b> ”) at an exercise price of \$0.20 for a period of 24 months from the date of closing.                                     |
| <b>Offering Price:</b>  | \$0.14 per Unit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Offering Amount:</b> | Up to 35,714,286 Units, for gross proceeds of up to \$5,000,000 (the “ <b>Offering</b> ”). The Agents (as defined herein) shall have an option (the “ <b>Agents’ Option</b> ”), exercisable in whole or in part at any time up to 48 hours prior to the Closing Date (as defined herein), to offer for sale up to an additional 5,357,143 Units for additional gross proceeds to the Issuer of up to \$750,000. In the event that the Agents’ Option is exercised in its entirety, the total gross proceeds to the Issuer from the Offering will be a maximum of \$5,750,000. There is no minimum offering. |
| <b>Closing Date:</b>    | In one or more closings and is expected to close on or about November 6, 2024, or such other date as may be determined by the Issuer and the Co-Lead Agents (the “ <b>Closing Date</b> ”). At the Closing Date, Units will be issued against receipt of funds.                                                                                                                                                                                                                                                                                                                                              |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Exchange:</b>                      | The common voting shares (“ <b>Common Voting Shares</b> ”) and the variable voting shares (“ <b>Variable Voting Shares</b> ”, together with the Common Voting Shares, the “ <b>Shares</b> ”) of the Issuer are listed on the TSX Venture Exchange (the “ <b>Exchange</b> ”) under the symbol “FLT”. The Warrants are not currently listed on TSX Venture Exchange, however the Issuer intends to apply to list the Warrants on the Exchange.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Last Closing Price:</b>            | The closing price of the Shares on the Exchange on October 28, 2024, was \$0.16.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Description of Offered Shares:</b> | <p>The holders of Offered Shares are entitled to: (i) receive notice of, and to attend and vote at, all meetings of shareholders on the basis of one vote per Offered Share; (ii) receive any dividends declared by the board of directors of the Issuer and will rank equally with the Variable Voting Shares as to dividends on a share-for-share basis; and (iii) upon liquidation, dissolution or winding-up of the Issuer, to participate equally with the Variable Voting Shares in the remaining property and assets of the Issuer available for distribution to holders of Shares.</p> <p>Additionally, each Offered Share may only be held, beneficially owned and controlled, directly or indirectly, by Canadians. An issued and outstanding Offered Share shall be converted into one Variable Voting Share, automatically and without any further act of the Issuer or the holder, if such Offered Share becomes held, beneficially owned or controlled, directly or indirectly, other than by way of security only, by a person who is not a Canadian.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Description of Warrants:</b>       | <p>Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one-half Warrant Share at an exercise price of \$0.20 until 5:00 p.m. (Toronto time) on the date that is 24 months following the date of closing. The Warrants will be created and issued pursuant to the terms of a warrant indenture (the “<b>Warrant Indenture</b>”) to be dated as of the Closing Date between the Issuer and Endeavor Trust Corporation, as warrant trustee. The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain customary events. The Warrant Indenture will also contain provisions designed to protect holders of the Warrants against dilution upon the happening of certain events.</p> <p>No fractional Warrants Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Issuer or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Shares.</p> <p>Except for Offered Shares and Warrants issued to, or for the account or benefit of, persons within the United States or U.S. persons who are acquiring Units pursuant to the registration exemption in Rule 506(b) of Regulation D, which will be issued in each case in certificated form, no certificates evidencing the Offered Shares and Warrants are expected to be issued. Instead, the Shares and Warrants sold pursuant to the Offering are expected to be issued in electronic form to the Canadian Depository for Securities (“<b>CDS</b>”) or nominees thereof and deposited with CDS on the closing of the Offering.</p> |

***No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.***

**Investors who participate in this Offering are deemed to have acknowledged certain facts and agreements on which the Issuer is relying. Please review the Appendix to ensure you agree with these acknowledgements and have provided the Issuer with any required information. NOTHING IN THE APPENDIX MODIFIES ANY DISCLOSURE MADE BY THE ISSUER IN THIS OFFERING DOCUMENT.**

All references in this Offering Document to “dollars” or “\$” are to Canadian dollars, unless otherwise stated.

### General Information

The Issuer is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 – *Prospectus Exemptions*. In connection with this Offering, the Issuer represents the following is true:

- The Issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The Issuer has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering Document, will not exceed \$7,176,000 (being 10% of the market capitalization of the Issuer’s listed securities on the date that the Issuer issued the news release announcing this Offering).
- The Issuer will not close this Offering unless the Issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.
- The Issuer will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Issuer seeks security holder approval.

### Cautionary Note Regarding Forward-Looking Statements

This Offering Document contains “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation (collectively referred to herein as “**forward-looking statements**” or “**forward-looking information**”). Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “will”, “proposes”, “expects”, “estimates”, “intends”, “anticipates” or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. All statements, other than statements of historical fact, that address activities, events or developments that the Issuer believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Issuer) are forward-looking statements. Examples of such forward-looking statements in this Offering Document include the Issuer’s business plans and strategies; the Issuer’s product, channel and program launches and development; the Issuer’s intention to grow its business and operations; the Issuer’s working capital and anticipated future revenue, costs and expenses; the Issuer’s research and development activities; the completion of the Offering and the timing thereof; obtaining all of the required stock exchange and other approvals in connection with the Offering; use of available funds, including the proceeds of the Offering and the costs of the Offering; business objectives and milestones; and adequacy of financial resources. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Issuer based on information currently available to the Issuer.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this Offering Document include, without limitation, the completion and realization of the anticipated benefits of the Offering; the timing for completion, settlement and closing of the Offering; the speculative nature of an investment in the Issuer’s securities; the satisfaction of the conditions to closing of the Offering, including receipt in a timely manner of regulatory and other required approvals and clearances, including the approval of the Exchange; the use of proceeds of the Offering; potential adverse effects on the market price of the Issuer’s securities resulting from a sale of a substantial amount of the Issuer’s securities; price volatility of the Issuer’s securities; availability of additional financing as and when required; treatment under governmental regulatory regimes; general business, economic, competitive,

political and social uncertainties; product and service development and sales; anticipated and unanticipated costs; the market price and liquidity of the Shares; exposure to increased credit and liquidity risk; third party contractual performance; customer demand; competition from other content providers; competition and the risks posed by potential technological advances; fluctuations in currency exchange rates; dependence on key personnel; conflicts of interest; and difficulty in enforcing judgements and effecting service of process on director and officers.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results, performance or developments could differ materially from those anticipated in such statements. Although the Issuer believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. The factors identified above are not intended to represent a complete list of the factors that could affect the Issuer.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Issuer's actual results, performance or developments to be materially different from any future results, performance or developments expressed or implied by the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Issuer. Prospective investors should carefully consider all information contained in this Offering Document including information contained in the section entitled "Cautionary Note Regarding Forward-Looking Statements", before deciding to purchase the Units. Additionally, purchasers should consider the risk factors set forth below, as well as risks described in the Issuer's Annual Information Form and other public filings that are available on the Issuer's SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com). Risks which may impact the forward-looking information contained in this Offering Document include but are not limited to, the Issuer's securities may experience price volatility and investors may lose all or part of their investment; the Issuer's growth is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of significant revenues; there is no assurance that the Issuer will be successful in achieving a return on shareholder's investment and the likelihood of success must be considered in light of the early stage of operations; as a manufacturer and service provider in the unmanned aerial vehicle sector, and with aircraft and aviation sector companies under increased scrutiny, claims could be brought against the Issuer if use or misuse of one of its products causes, or merely appears to have caused, personal injury or death; defects in the Issuer's products may lead to other potential life, health and property risks; any claims against the Issuer, regardless of their merit, could severely harm the financial condition of the Issuer and strain management and other resources; the Issuer is unable to predict if it will be able to obtain or maintain product liability insurance for any products that may be approved for marketing; the intellectual property used by the Issuer in its business is not protected by patents or registered design rights, which means that the Issuer cannot preclude or inhibit competitors from entering the same market if they develop the same or similar technology independently; the Issuer is reliant on copyright, trade secret protection and confidentiality and license agreements with its employees, suppliers, consultants and others to protect its intellectual property rights, and although the Issuer has taken steps it believes to be consistent with industry practice to reduce these risks, such steps may be inadequate; if the Issuer fails to register, renew or enforce intellectual property rights, or there is any unauthorized use or significant impairment of its intellectual property rights, the value of its products and services could be diminished, the Issuer's competitive position could be adversely affected and its business may suffer; third parties may independently discover the Issuer's trade secrets or access proprietary information or systems and, in such cases, the Issuer may not be able to rely on any intellectual property rights to prevent the use of such trade secrets, information or systems by such parties; the Issuer's ability to serve its customers in a timely manner depends on the ability of its strategic suppliers and resellers to perform their obligations and deliver their products and/or services in a timely manner and in accordance with contractual requirements; the Issuer relies to a substantial extent on supplier and reseller contracts and agreements and any delay in delivery of parts and materials by original equipment manufacturers ("OEMs") will entail a hindrance in the Issuer's ability to fulfil its contractual obligations; supply of certain products and components is highly concentrated with a small number of suppliers and such suppliers and subcontractors may not be committed or obligated to sell products to the Issuer; delays in supply may significantly hurt the Issuer's ability to fulfill our contractual obligations and may significantly hurt its business and results of operations; the Issuer's products and services are in new and rapidly evolving markets, including the commercial drone market which is in early stages of customer adoption, and as such, the Issuer's business and future prospects may be difficult to evaluate; due to the evolving markets in which the Issuer conducts business, it must rely largely on its own market research to forecast sales, as detailed forecasts are not generally obtainable from other sources at this preliminary stage of the industry; a failure in the demand for its products or services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the

businesses, results of operations and financial condition of the Issuer; there can be no assurance that the Issuer's targeted vertical and geographic markets will grow, or that they will be successful in establishing new vertical and geographic markets; an accident involving a drone or UAV provided by the Issuer or another manufacturer could cause regulatory agencies around the world to tighten restrictions on the use of drones and UAVs, particularly overpopulated areas, and could cause the public to lose confidence in the Issuer's products; there are risks associated with unmanned systems and services, flight control, communications and/or other advanced technologies, and there may be accidents associated with these technologies, including crashes with or without personal injury; the Issuer has incurred net losses since its inception; the Issuer cannot assure that it can become profitable or avoid net losses in the future or that there will be any earnings or revenues in any future quarterly or other periods; the regulations of drones and UAVs may not evolve as expected and thus impact the future operations of the Issuer; the Issuer may fail to obtain required regulatory approvals impacting its ability to operate; the Issuer believes that a significant amount of its business opportunities lie outside of Canada, particularly in the United States; many of the third-party products sold by the Issuer and a majority of the components needed to build the products that the Issuer expects to manufacture are made and purchased from countries outside of Canada, particularly in Asia, and operating in foreign countries and relying on suppliers in foreign countries exposes the Issuer to political risks, country risks and currency risks in many forms; there can be no assurance that any market for the Issuer's products will develop; the Issuer may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition, which may limit the Issuer's ability to successfully expand its operations into such jurisdictions, may interfere with its supply chains and may have a material adverse effect on the Issuer's business, financial condition and results of operations; the industry in which the Issuer operates, and in which the Issuer will operate, is very competitive; the Issuer engages in transactions and activities in currencies other than its functional currency and the applicable currency exchange rates may positively or negatively impact the Issuer; forecasting the Issuer's revenues and profitability for new business models is inherently uncertain and volatile; the Issuer could be subject to interest rate risks, which is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates; theft of data for competitive purposes, particularly user and partner lists, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack and any such theft or privacy breach could have a material adverse effect on the Issuer's businesses, financial condition or results of operations; the Issuer and its customers are subject to cyber-attacks from cybercriminals and the rapid changes in attack vectors makes it difficult to stop attacks and adapt to new threats and the increased social hacking creates a cyber-threat risk for the Issuer; failure to obtain additional funding could prevent the Issuer from making expenditures that may be required to implement the Issuer's growth strategy and grow or maintain the Issuer's operations; changes in market conditions may increase insurance premiums, which could adversely affect the Issuer's financial conditions, results of operations, cash flow and/or prospects; the loss of one or more key personnel may have a significant adverse effect on the Issuer's sales, operations and profits; the Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business; an extremely high fuel cost could adversely affect customer volumes as other cheaper modes of transportation are sought; and events beyond the control of the Issuer may damage its ability to accept customers' orders, maintain its production and sales or perform its services.

## **PART 2 SUMMARY DESCRIPTION OF BUSINESS**

### **What Is Our Business?**

The Issuer was incorporated as "Asher Resources Corporation" under the *Business Corporations Act* (British Columbia) ("**BCBCA**") on February 2, 2011. Effective June 6, 2016, the Issuer completed a business combination transaction whereby: (i) it changed its name to "Drone Delivery Canada Corp."; (ii) it consolidated its common shares on a 4:1 basis; and (iii) its wholly-owned subsidiary 2500527 Ontario Ltd. amalgamated with Drone Delivery Canada Inc. to form the amalgamated wholly-owned subsidiary of the Issuer named Drone Delivery Canada Inc. ("Drone Inc."). Effective December 2, 2021, Drone Inc. was continued from Ontario to British Columbia as 1336099 B.C. Ltd. and effective January 1, 2022, by way of articles of amalgamation, 1336099 B.C. Ltd. amalgamated with the Issuer.

On June 15, 2022, the Issuer filed an amendment to its notice of articles and articles in order to implement a variable voting system by creating two new classes of shares, the Common Voting Shares and the Variable Voting Shares, in accordance with the BCBCA, and to address various matters relating to the new variable voting system.

On August 30, 2024, in connection with the business combination transaction with Volatus Aerospace Corp., the Issuer

changed its name from “Drone Delivery Canada Corp.” to “Volatus Aerospace Inc.”.

The address of the Issuer’s corporate office and its principal place of business is 6221, Unit 7, Highway 7, Vaughan, Ontario. The Common Voting Shares and the Variable Voting Shares trade on the Exchange under the symbol “FLT”. The Issuer is a reporting issuer in the provinces of British Columbia, Alberta, Ontario, Québec, Saskatchewan, Newfoundland and Labrador, New Brunswick, Prince Edward Island, Nova Scotia and Manitoba.

The Issuer is a Canadian-based leader in drone technology and services, offering a wide range of solutions in aerial intelligence, remote operations, and logistics. The Issuer specializes in providing drone-based services to multiple industries, including public safety, transportation, energy, and agriculture. It focuses on improving operational efficiency and sustainability through the use of cutting-edge drone technologies.

## **Recent Developments**

The most material recent developments in our business are:

On October 21, 2024, the Issuer announced the closing of a \$15M financing with Investissement Québec and Economic Development Canada (“**EDC**”) comprising of a \$7.5M secured convertible debenture of the Issuer issued to Investissement Québec (the “**IQ Debenture**”) and a \$7.5M secured term loan (the “**EDC Loan**”) between EDC and Volatus Aerospace Corp. (“**Volatus Corp.**”), a wholly-owned subsidiary of the Issuer. The principal under the IQ Debenture is convertible at the option of Investissement Québec into Common Voting Shares at a conversion price of \$0.202 per share (the “**Conversion Price**”). The Debenture will bear interest at a rate of 12.5% per annum until its maturity date on October 21, 2029 (the “**Maturity Date**”). The interest portion for the first three-year period will be initially non-cash interest, and capitalized semi-annually, and convertible, at the holder’s option at the then market price of the Common Voting Shares as permissible by securities regulations and the rules of the TSX Venture Exchange, while the interest portion for the last two years will be payable, semi-annually, in cash until the Maturity Date, unless the IQ Debenture is otherwise converted at the Conversion Price, at any time and at the holder’s option before the Maturity Date. The EDC Loan is non-convertible, bears interest at a rate of the prime lending rate set by Royal Bank of Canada plus 8% and has a term of four years with a balloon payment of up to \$4.5M at the end of the fourth year on October 21, 2028.

On September 10, 2024, the Issuer announced that it received approval from Transport Canada to conduct drone cargo operations beyond a visual line of sight of the pilot (“**BVLOS**”) in respect of its DroneCare project.

On September 3, 2024, the Issuer launched Volatus Aerospace Europe AS, a wholly-owned subsidiary of the Issuer, in Norway to accelerate its expansion into the European and African markets.

On August 30, 2024, the Issuer completed the merger of equals with Volatus Corp. (the “**Merger**”), pursuant to which, among other things, the Issuer acquired all of the outstanding common shares of Volatus Corp. by way of a plan of arrangement under the *Business Corporations Act* (Ontario) resulting in Volatus Corp. becoming a wholly-owned subsidiary of the Issuer. On August 30, 2024, in connection with the completion of the Merger, the Issuer changed its name from “Drone Delivery Canada Corp.” to “Volatus Aerospace Inc.” and, on September 5, 2024, the Issuer began trading on the TSX Venture Exchange under its new name. For further information about the Merger, see the Issuer’s news releases dated May 21, 2024, August 12, 2024, August 19, 2024, August 26, 2024 and August 30, 2024 and the joint management information circular of the Issuer and Volatus Corp. dated July 12, 2024, as well as the definitive agreements with respect to the Merger, all of which are filed on the Issuer’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **Material Facts**

The Offering is being conducted as a brokered private placement on a commercially reasonable best efforts basis and will be subject to an agency agreement to be entered into with Venum Financial Corp. and Cormark Securities Inc., as co-lead agents (the “**Co-Lead Agents**”) as well as a syndicate of agents (collectively, the “**Agents**”).

There are no material facts about the securities being distributed hereunder that have not been disclosed either in this Offering Document or in another document filed by the Issuer over the 12 months preceding the date of this Offering

Document on the Issuer’s profile at [www.sedarplus.com](http://www.sedarplus.com). You should read these documents prior to investing.

**What are the business objectives that we expect to accomplish using the available funds?**

The following table sets out: (i) the business objectives the Issuer expects to accomplish using its available funds following the Offering; (ii) the significant event(s) that must occur for each business objective to be accomplished; and (iii) the anticipated time period for completion and estimated cost for each such event.

The Corporation intends to use the available funds for expenses associated with its growth trajectory. Funds required are based on the Corporation’s current budget and a one-year forecast.

| Business Objectives                                    | Preceding Significant Event(s) (each, an “Event”)                                                                                                            | Expected Time Period for Event | Cost of Event      |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------|
| Expand Oil and Gas inspection infrastructure in the US | Investment in the purchase of aircrafts and establishing a team for the maintenance of such aircraft.                                                        | 12 months                      | \$1,000,000        |
| Research & Development and Go-To-Market Cost           | Investment in development of version 2.0 of drone nesting station (Aerieport) and large cargo drone.                                                         | 9 months                       | \$1,000,000        |
| Capital Expenditure                                    | Purchase of drones to fulfil service contracts.                                                                                                              | 12 months                      | \$500,000          |
| Inventory and general working capital purposes         | Increase inventory to fulfill increased demand in the United States, Canada, and the United Kingdom, and general working capital to scale service contracts. | 12 months                      | \$2,500,000        |
| <b>TOTAL:</b>                                          |                                                                                                                                                              |                                | <b>\$5,000,000</b> |

**PART 3 USE OF AVAILABLE FUNDS**

**What will our available funds be upon the closing of the Offering?**

|          |                                                                          | Assuming 100% of the Offering | Assuming Exercise of the Agents’ Option |
|----------|--------------------------------------------------------------------------|-------------------------------|-----------------------------------------|
| <b>A</b> | Amounts to be raised by the Offering                                     | \$5,000,000                   | \$5,750,000                             |
| <b>B</b> | Selling commissions and fees <sup>(1)</sup>                              | \$350,000                     | \$402,500                               |
| <b>C</b> | Estimated Offering costs (e.g., legal, accounting, audit)                | \$200,000                     | \$200,000                               |
| <b>D</b> | Net proceeds of Offering: $D = A - (B+C)$                                | \$4,450,000                   | \$5,147,500                             |
| <b>E</b> | Working capital as at most recent months end (deficiency) <sup>(2)</sup> | \$(6,370,000)                 | \$(6,370,000)                           |
| <b>F</b> | Additional sources of funding <sup>(3)</sup>                             | \$13,500,000                  | \$13,500,000                            |
| <b>G</b> | <b>Total available funds: <math>G = D+E+F</math></b>                     | <b>\$11,580,000</b>           | <b>\$12,277,500</b>                     |

(1) See Part 4 “Fees and Commissions” below.

(2) The working capital as of September 30, 2024 is an estimate of management and actual results may differ. See “Cautionary Note Regarding Forward-Looking Statements” section above.

(3) Net Funding from the EDC Loan and IQ Debenture on October 21, 2024. See Part 2 “Recent Developments” above.

### How will we use the available funds?

The Issuer intends to use the available funds as follows:

| Description of intended use of available funds listed in order of priority               | Assuming 100% of the Offering | Assuming Exercise of the Agents' Option |
|------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------------|
| Research & Development – Drone Nesting Station (Aerieport) and commercialization expense | \$500,000                     | \$500,000                               |
| Research & Development – Large Cargo Drone and commercialization expense                 | \$500,000                     | \$500,000                               |
| Expand Oil and Gas inspection infrastructure in the US                                   | \$1,000,000                   | \$1,000,000                             |
| Capital Expenditure – Drones                                                             | \$500,000                     | \$500,000                               |
| Inventory                                                                                | \$2,500,000                   | \$2,500,000                             |
| Working Capital                                                                          | \$5,000,000                   | \$5,000,000                             |
| General Corporate Purpose                                                                | \$1,580,000                   | \$2,277,500                             |
| <b>Total: Equal to "G" Total Available Funds in Chart Above</b>                          | <b>\$11,580,000</b>           | <b>12,277,500</b>                       |

The above-noted allocation of capital and anticipated timing represents the Issuer's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although the Issuer intends to spend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Issuer's ability to execute on its business plan. The Issuer has had a history of negative cash flow from operating activities and, if necessary, certain of the net proceeds from this Offering may be used to fund such negative cash flow from operating activities in future periods. The Issuer anticipates that it will continue to have negative cash flow from operating activities in future periods. The Issuer cannot guarantee that it will attain or maintain positive cash flow status in the future. See the "Cautionary Note Regarding Forward-Looking Information" section above.

The most recent unaudited interim financial statements of the Issuer for the three and six months ended June 30, 2024 included a going-concern note. The Issuer has not yet achieved profitable operations, has an accumulated deficit and the Issuer has not yet generated positive cash flows from its operating activities, which may cast doubt on the Issuer's ability to continue as a going concern. The Offering is intended to permit the Issuer to continue to develop its business operations, and is not expected to affect the decision to include a going concern note in the next annual financial statements of the Issuer.

### How have we used the other funds we have raised in the past 12 months?

| Date of Financing | Gross Proceeds of Financing       | Intended Use of Funds                                                                                                                                                                                                                                                                                                                                      | Variance                                                                           |
|-------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| October 21, 2024  | \$7,500,000 from the IQ Debenture | The net proceeds of the IQ Debenture were and are anticipated to be used to expand the Issuer's operations and accelerate the development of its aerial solutions across key core industries, such as oil and gas, energy utilities, public safety, and infrastructure, and to relocate the Issuer's principal place of business and operations to Québec. | No variance as of the date hereof or impact on business objectives and milestones. |
| October 21, 2024  | \$7,500,000 from the EDC Loan     | The net proceeds of the EDC Loan were and are anticipated to be used for the repayment of existing debt, financing                                                                                                                                                                                                                                         | No variance as of the date                                                         |



| Date of Financing | Gross Proceeds of Financing                                                                                | Intended Use of Funds                                                                                                                                | Variance                                                                           |
|-------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|                   |                                                                                                            | inventory, capital expenditures, working capital needs of the Company directly associated with its export contracts, and general corporate purposes. | hereof or impact on business objectives and milestones.                            |
| May 23, 2024      | \$585,060 from the non-brokered private placement of unsecured non-convertible debentures of Volatus Corp. | The net proceeds were used for the purchase of inventory, sales and marketing, and working capital requirements.                                     | No variance as of the date hereof or impact on business objectives and milestones. |
| May 21, 2024      | \$425,000 unsecured, non-convertible loan to Volatus Corp.                                                 | The net proceeds were used for general corporate and working capital purposes.                                                                       | No variance as of the date hereof or impact on business objectives and milestones. |

#### PART 4 FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

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**Agents:** Ventum Financial Corp., Cormark Securities Inc. and a syndicate of underwriters

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**Commission:** Cash commission equal to 7% of the gross proceeds of the Offering and that number of non-transferrable broker warrants equal to 7% of the number of Offered Shares sold pursuant to the Offering.

Each broker warrant will be exercisable into one Unit at an exercise price of \$0.14 per share for a period of 24 months following the Closing Date.

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#### PART 5 PURCHASERS' RIGHTS

**Rights of action in the Event of a Misrepresentation.**

If there is a misrepresentation in this Offering Document, you have a right:

- a) to rescind your purchase of these securities with the Issuer; or
- b) to damages against the Issuer and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

**You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.**

## **PART 6 ADDITIONAL INFORMATION ABOUT THE ISSUER**

### **Where can you find more information about us?**

You can access the Issuer's continuous disclosure under its profile at [www.sedarplus.com](http://www.sedarplus.com). Additional information regarding the Issuer is also available on the Issuer's website at [www.volatusaerospace.com](http://www.volatusaerospace.com).

**PART 7 DATE AND CERTIFICATE**

Dated: October 28, 2024

**This Offering Document, together with any document filed under Canadian securities legislation on or after October 28, 2023, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.**

(signed) "*Glen Lynch*"

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Glen Lynch  
Chief Executive Officer

(signed) "*Abhinav Singhvi*"

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Abhinav Singhvi  
Chief Financial Officer