NEWS RELEASE

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KF AEROSPACE ANNOUNCES NEW DOMESTIC AND INTERNATIONAL CARGO SERVICE

Kelowna, BC – KF Aerospace announced today new route structures and a number of key strategic partners as it re-enters the Domestic and International air cargo services.

"For nearly 40 years we have been Canada's largest cargo operator and have provided over 99% reliability to Purolator and Canada Post overnight courier customers," stated Barry Lapointe, Founder and CEO of KF Aerospace. "We look forward to providing the same level of regularly scheduled service to Canadian companies reaching into Europe, USA, Asia and points beyond".

Based out of Toronto's Pearson International Airport, the air cargo services will begin May 30, 2015. The Toronto location gives KF Aerospace the opportunity to reach nearly anywhere in the world via interline arrangements.

"As a hub airport, Toronto Pearson creates connectivity, attracting business from around the world, accommodating the growing needs of local communities, and driving trade and foreign direct investment," said Howard Eng, President and CEO, Greater Toronto Airports Authority. "The introduction of KF Cargo complements our international cargo capacity to offer more opportunities for businesses in North America."

The focal point of the YYZ hub, will be the ultra-modern and highly specialized GTA World Cargo facility. According to Gary Ogden, Vice-President of GTA, "This facility is a game-changing shift in the Canadian Cargo market. We are proud and pleased to be able to offer our specialized facilities for 'Pharma', VAL's VUN's and PER's to KF Cargo".

Initial KF Aerospace routes will include four times a week service between Toronto and Europe via Brussels [with a stop in Greater Moncton](DC10-30F), and daily service between Toronto and Atlantic Canada via Greater Moncton International Airport (B727-200). The network will expand within two months to include Western Canada via Vancouver and Calgary, and all of Asia via Anchorage, Alaska.

"Within 8 hours trucking from Brussels, you reach ¾'s of the European market and we offer connections to almost every corner of Africa", confirms Steven Polmans, Head of Cargo at Brussels Airport. "Our central location, efficient services and dedicated handling for perishables and pharmaceuticals will help KF Cargo in realizing their ambitions. We are proud and pleased we were chosen as their European gateway and we will support them and their customers wherever we can."

"Key to our launching this new service is the local relationships we have forged – such as with Kales Group, the Brussels Airport Authority, the Greater Toronto Airport Authority, Midland Transport Limited, the Greater Moncton International Airport, and GTA World Cargo," indicated Tracy Medve, President of KF Aerospace. "These organizations will help any business in Canada, Europe, Asia, or the USA to move live items, perishables, pharmaceuticals, and other high value goods seamlessly across North America and into Europe or Asia. In fact, Brussels is already a natural launching point for cargo reaching in or out of the African continent."

Kales Airline Services are the general sales agents (GSA) for KF Aerospace in Europe and elsewhere. "We are proud and excited to be expanding into Canada and being associated with KF Cargo," said Peter Kales, Founder. "Both organizations share a strong commitment and history in delivering outstanding customer satisfaction."

"Together the Greater Moncton International Airport and Midland Transport Limited provide KF Aerospace with a well-positioned cargo hub into Atlantic Canada with access to a large eastern North American catchment via an established transportation network," stated Bryan Akerstream, Director of Business Development with KF Aerospace.

"The partnership we have developed in the past months with KF Aerospace and Midland Transport Limited is a good indication on this region's prosperity as the Air Cargo hub for New Brunswick. Our 10,000 foot runway and cargo facilities are the catalyst to drive the air cargo component. Being a trans-shipment airport for cargo represents a great opportunity for exporters from the region to access European and Asian markets, mainly for time sensitive goods; as well as positions us for the importation of products in relation to the upcoming European Free Trade agreement. ", says Bernard LeBlanc, President and CEO of the Greater Moncton International Airport Authority.

"The arrival of KF Aerospace's air freight service is a huge benefit for Atlantic Canadian companies. It is a service that has long been needed for those looking to grow and export into new markets," said Shane Esson, Senior Vice-President and General Manager, Midland Transport Limited. "Adding daily cargo flights out of Greater Moncton International Airport will be a huge benefit to our seafood customers as well as many other exporters."

Details on flight schedules are published on the KF Aerospace website (www.KFAero.ca).

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KF Aerospace Background:

Founded in 1970 by Barry Lapointe and Jim Rogers, the company began providing maintenance services to aircraft in Western Canada, and now provides a wide range of aviation services to corporate, commercial and military customers worldwide. KF Aerospace is extremely proud to be a strong contributor to the Canadian Aviation community for 45 years.

Headquartered in British Columbia's Okanagan Valley, KF Aerospace is privately owned and one of the top aviation service providers in Canada. With nearly 1,000 highly skilled employees in locations across Canada, the company provides air cargo operations, aircraft leasing services, heavy maintenance and modifications, and pilot training. KF Aerospace Defence Programs trains 80% of Canada's Royal Canadian Air Force pilots in Multi-Engine and Rotary Wing, and oversees all aspects of training and facilities management at a location in Portage La Prairie, MB. As the Type Certificate holder (OEM) for the Convair twin engine aircraft, the company provides 24-hour technical services, parts and support.

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Kales Background:

Established in 1994, founder Peter Kales started a cargo intermediary that offered superior service through dedicated personal care and attention. Today, Kales Airline Services has over 30 offices in more than 20 European countries, as well as offices in Asia and South America. Representing more than 90 airlines and handling 200,000 tons of cargo and over 100,000 passenger tickets per annum, Kales Airline Services has become a household name in the global GSSA industry. With roots in Holland, offices are populated by management and staff sourced locally, chosen for their expertise, experience, and local knowledge. This enables us to meet just-in-time demand, cut logistical lead times, maximize yields, and deliver reliability.

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Brussels Airport Authority Background:

Brussels Airport is one of the largest airports in Europe, handling 21.9 million passengers and 654,000 tonnes of freight annually. Brussels Airport links the European capital with 228 destinations worldwide that are served by 80 different airlines. (2014). Brussels Airport caters for the specific needs of the business travelers, and also has the largest low-fare offer in Belgium. Brussels Airport is the second most important center of economic growth in Belgium providing direct and indirect employment for 60,000 people. Brussels Airport is operated by Brussels Airport Company, who's shareholders are the Belgian State (25 percent) and a consortium of private investors (75 percent).

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MIDLAND TRANSPORT LIMITED Background:

Midland Transport Limited's head office is located in Dieppe, New Brunswick, and employs more than 1,835 people in North America. With 45 years in the transportation industry, Midland Transport Limited has earned a reputation for delivering superior quality service. The company provides a complete range of transportation, distribution and logistics services, specializing in Ontario, Quebec, Atlantic Canada and the U.S.

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Greater Moncton International Airport Background:

An Economic Impact Study revealed that the Greater Moncton International Airport injects over \$380 million annually in revenue in the local, regional and provincial economy and is responsible for the employment of over 1,500 people in the Greater Moncton region, while contributing \$13 million annually in fiscal obligations, making it one of the region's foremost employers. The Greater Moncton International Airport Authority is a non-share capital corporation mandated to manage local airport assets on behalf of the community.

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Greater Toronto Airport Authority Background:

Toronto Pearson Background:

The Greater Toronto Airport Authority (GTAA) is the operator of Toronto Pearson International Airport, the largest airport in Canada and one of the largest in North America in terms of passenger and air cargo traffic. In 2014, Toronto Pearson handled nearly 450,000 tonnes of cargo and 39 million passengers. The focus of the GTAA continues to be on competitiveness, growing the airport's status as an international gateway, meeting the needs of our travellers and ensuring the long-term success of the organization, our airline customers and the regional economy.

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GTA Aviation (GTA World Cargo and GTA Ground Handling) Background

GTA Aviation subsidiaries; GTA World Cargo and GTA Ground handling are fast-becoming the rising star of the Canadian Cargo scene, serving some of the finest global brands since 2013. By investing in the best Cargo Warehouse and the latest in Aircraft Ground Service Equipment, 'GTA' has demonstrated a willingness to provide the specialization and quality required to provide the finest Air Cargo operations. Our goal simply stated, is to establish YYZ as a North American Cargo hub.

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