

Appendix M



KPMG Inc.
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5
Canada

Telephone (416) 777-8500
Fax (416) 777-3364
Internet www.kpmg.ca

259
Aero
#411

Air Canada
Yul 1435
P.O. Box 9000, Station Airport
Dorval QC H4Y 1C2

Attention: Ms. Diane Mazuroski
Senior Director – Supply Chain & Vendor Management

August 9, 2010

Dear Ms. Mazuroski;

At the request of the Joint Administrators of Aero Inventory (UK) Limited (the "UK Administrators"), please find enclosed invoices relating to Air Canada's consumption of Aero Inventory (UK) Limited ("Aero UK") owned parts during the following periods;

- February 1, 2010 to May 31, 2010 inclusive, the total amount of the invoices being US\$1,138,744.71

The enclosed invoices, which have been prepared and issued by the UK Administrators, have been assembled on the following basis;

- Pricing is in accordance with the Agreement for the Supply and Management of Consumable and Expendable spares dated December 10, 2008 (the "Consumption Agreement").
- Only returns amongst Prime locations (as defined in the Consumption Agreement) were processed.
- Any parts owned by Air Canada and subsequently consumed by Aveos Fleet Performance Inc or Air Canada, have not been invoiced by Aero UK.
- All inventory is being sold on an "as is, where is basis" with no representations or warranties, conditions or terms of any kind including, for greater certainty, any representation and warranties as to quality, fitness for all or any particular purpose or purposes, or as to description. Air Canada will indemnify the UK Administrators, Aero UK and Aero Inventory plc and their respective officers, employees, consultants, agents and representatives (the "Indemnified Parties") for any and all demands, claims and liabilities, whether criminal or civil, in contract, tort or otherwise, for losses, damages, legal costs and other expenses of any nature whatsoever, asserted by any third party against the Indemnified Parties relating to parts sold to Air Canada since November 10, 2010, by Aero UK, Aero Inventory plc and/or the UK Administrators including, with limitation, claims based on product liability laws and claims arising out of or in connection with any death or personal injury suffered by any person.



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Air Canada
August 9, 2010

- Title to the parts will pass to Air Canada upon receipt by the UK Administrators of funds representing payment of the invoices.

A computer disc, providing the details associated with the enclosed invoices, will be provided to you by separate letter from Mr. J.F. Desroches of Aero Inventory (Canada) Limited ("Aero Canada").

Should you have any questions, or require additional information regarding the calculation of the invoices, Aero Canada and Aero UK personnel will be made available to you or your staff.

The enclosed invoices are due upon receipt. The UK Administrators therefore request that Air Canada forthwith remit to it US\$1,138,744.71, being the total of the enclosed invoices, the wire instructions of the UK Administrators being as follows;

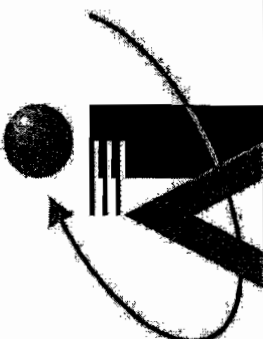
Bank: Lloyds TSB
 Branch: High Street, Exeter
 Sort Code: 30-93-14
 IBAN no: GB03 LOYD 3093 1411 6457 22
 Swift: LOYDGB21073
 A/c Name: JR Tucker, R Heis and AW Graham
 Joint Administrators Aero Inventory (UK) Ltd.

Yours very truly,

**KPMG Inc. in its capacity as
Information Officer of Aero Inventory (UK) Limited.**

Per: Nicholas Brearton
President

- cc: Mr. J. Tucker – Joint Administrator of Aero Inventory (UK) Limited
 Mr. C. Trupp – Aero Inventory (UK) Limited
 Mr. J.F. Desroches – Aero Inventory (Canada) Limited
 Mr. J. Peters – Aero Inventory (Canada) Limited
 Mr. K. Morley – Ogilvy Renault LLP
 Mr. A. Butterfield – Air Canada
 Mr. J. Salmas – Heenan Blakie LLP



Aero Inventory (UK) Limited (In Administration)
Supply Chain and Inventory Managers

30 Lancaster Road,
New Barnet, Herts, U.K. EN4 8AP
Tel: (44)20 8441 1695 (Accounts)
Fax: (44)20 8447 1664

VAT Reg. No. 644 9622 15

GST Registration No. 829481159 RT0001
GST Registration No. 1213732044 TQ0001
Ontario Registration 8825-3740
Manitoba Registration No. 079661-5
British Columbia Registration No. R455724

Invoice To:
Air Canada, Zip 1453
7373 Cote-Vertu Blvd. West
Dorval, Quebec, Canada H4Y 1H4

Despatch To:
Air Canada, Zip 1453
7373 Cote-Vertu Blvd. West
Dorval, Quebec, Canada H4Y 1H4

Invoice Number 90156
Invoice Date 27.07.10

Customer ID 9ACM01
Reference
Payment Due

Item	Description	Order Qty	Desp Qty	Unit Price	GST	GST	QST	Value
	Consumption Invoice Aircraft Parts for Period 01/02/2010 - 28/02/2010							
YUL	Aircraft Parts Non - Aircraft parts	1	1	\$ 133,865.14	\$6,693.26	\$0.00	\$10,541.88	\$151,100.28
YVR	Aircraft Parts	1	1	\$ 41,812.72	\$2,090.64	\$0.00	\$0.00	\$43,903.36
YYG	Aircraft Parts	1	1	\$ 19,795.84	\$989.79	\$0.00	\$0.00	\$20,785.63
YYZ	Aircraft Parts	1	1	\$ 123,590.36	\$6,179.52	\$0.00	\$0.00	\$129,769.88
PLEASE NOTE THIS INVOICE IS IN US DOLLARS								

CONDITION OF SALE
It is a condition of sale that all goods supplied by us remain our property until paid for in full. No claim for shortages, loss or damage will be allowed unless we and the carriers are advised in writing within 3 days of delivery, or in the case of non-delivery, within 14 days of the date of advice note or invoice.

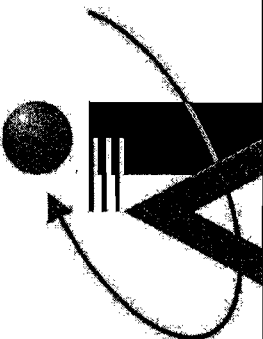
WIRE TRANSFER DETAILS
Bank Account Name: Aero Inventory UK Ltd
Bank Name and Address: Lloyds TSB Bank Plc,
234 High Street
Exeter
Devon, EX4 3NL
Bank Account Number: 11645722
Bank Sort Code: 30-93-14
IBAN: GB03LOYD30931411645722

Goods \$319,064.06
GST @ 5% \$15,953.20
Sub Total \$335,017.26
QST @ 7.5% \$10,541.88
Invoice Total \$345,559.14

Aero Inventory (UK) Limited - in administration, Aero Inventory Plc - in administration (together 'the Companies')
James Robert Tucker, Richard Heis and Allan Graham were appointed Joint Administrators of the Companies on 11 November 2009.

James Robert Tucker, Richard Heis and Allan Graham are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales
The affairs, business and property of the company are being managed by the joint administrators. The joint administrators act as agents of the Companies and contract without personal liability.

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Aero Inventory (UK) Limited (In Administration)
Supply Chain and Inventory Managers

30 Lancaster Road,
New Barnet, Herts, U.K. EN4 8AP
Tel: (44)20 8441 1695 (Accounts)
Fax: (44)20 8447 1664

VAT Reg. No. 644 9622 15

GST Registration No. 829481159 RT0001
QST Registration No. 1213732044 TQ0001
Ontario Registration 8825-3740
Manitoba Registration No. 079661-5
British Columbia Registration No. R455724

Invoice To:
Air Canada, Zip 1453
7373 Cote-Vertu Blvd. West
Dorval, Quebec, Canada H4Y 1H4

Despatch To:
Air Canada, Zip 1453
7373 Cote-Vertu Blvd. West
Dorval, Quebec, Canada H4Y 1H4

Invoice Number 90157
Invoice Date 27.07.10

Customer ID 9ACM01
Reference
Payment Due

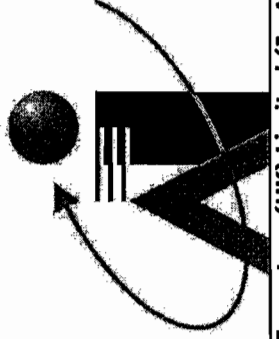
Item	Description	Order Qty	Desp Qty	Unit Price	GST	GST	Value
	Consumption Invoice Aircraft Parts for Period 01/03/2010 - 31/03/2010						
YUL	Aircraft Parts Non - Aircraft parts	1	1	\$ 100,423.10	\$5,021.16	\$7,908.32	\$113,352.57
		1	1	\$ -	\$0.00	\$0.00	\$0.00
YVR	Aircraft Parts	1	1	\$ 25,682.81	\$1,284.14	\$0.00	\$26,966.95
YWG	Aircraft Parts	1	1	\$ 24,227.21	\$1,211.36	\$0.00	\$25,438.57
YYZ	Aircraft Parts	1	1	\$ 210,030.61	\$10,501.53	\$0.00	\$220,532.14
PLEASE NOTE THIS INVOICE IS IN US DOLLARS							

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WIRE TRANSFER DETAILS
Bank Account Name: Aero Inventory UK Ltd
Bank Name and Address: Lloyds TSB Bank Plc,
Exeter
234 High Street
Devon, EX4 3NL
Bank Account Number: 11645722
Bank Sort Code: 30-93-14
IBAN: GB03LOYD30931411645722

Goods
GST @ 5% \$18,018.19
Sub Total \$378,381.92
GST @ 7.5% \$7,908.32
Invoice Total \$386,290.24

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James Robert Tucker, Richard Heis and Allan Graham were appointed Joint Administrators of the Companies on 11 November 2009.
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VAT Reg. No. 644 9622 15

GST Registration No. 829481159 RT0001
QST Registration No. 1213732044 TQ0001
Ontario Registration 8825-3740
Manitoba Registration No. 079661-5
British Columbia Registration No. R455724

Invoice To:
Air Canada, Zip 1453
7373 Cote-Vertu Blvd. West
Dorval, Quebec, Canada H4Y 1H4

Despatch To:
Air Canada, Zip 1453
7373 Cote-Vertu Blvd. West
Dorval, Quebec, Canada H4Y 1H4

Invoice Number 90158
Invoice Date 27.07.10

Customer ID 9ACM01
Reference
Payment Due

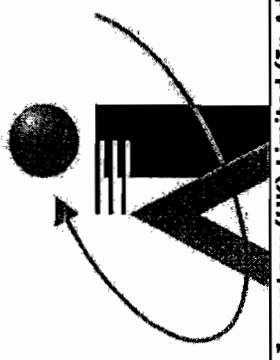
Item	Description	Order Qty	Desp Qty	Unit Price	GST	QST	Value
	Consumption Invoice Aircraft Parts for Period 01/04/2010 - 30/04/2010						
YUL	Aircraft Parts Non - Aircraft parts	1	1	\$ 82,567.28	\$4,128.36	\$6,502.17	\$93,197.82
		1	1	\$ -	\$0.00	\$0.00	\$0.00
YVR	Aircraft Parts	1	1	\$ 24,620.08	\$1,231.00	\$0.00	\$25,851.08
YWG	Aircraft Parts	1	1	\$ 17,592.68	\$879.63	\$0.00	\$18,472.31
YYZ	Aircraft Parts	1	1	\$ 92,856.00	\$4,642.80	\$0.00	\$97,498.80
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WIRE TRANSFER DETAILS
Bank Account Name: Aero Inventory UK Ltd
Bank Name and Address: Lloyds TSB Bank Plc,
234 High Street
Exeter
Devon, EX4 3NL
Bank Account Number: 11645722
30-93-14
IBAN: GB03LOYD30931411645722

Goods \$217,636.04
GST @ 5% \$10,881.80
Sub Total \$228,517.84
QST @ 7.5% \$6,502.17
Invoice Total \$235,020.02

Aero Inventory (UK) Limited - in administration, Aero Inventory Plc - in administration (together "the Companies")
James Robert Tucker, Richard Heis and Allan Graham were appointed Joint Administrators of the Companies on 11 November 2008.
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Supply Chain and Inventory Managers

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Tel: (44)20 8441 1695 (Accounts)
Fax: (44)20 8447 1664
VAT Reg. No. 644 9622 15
GST Registration No. 829481159 RT0001
QST Registration No. 1213732044 TQ0001
Ontario Registration 8825-3740
Manitoba Registration No. 079661-5
British Columbia Registration No. R455724

Invoice To:
Air Canada, Zip 1453
7373 Cote-Vertu Blvd. West
Dorval, Quebec, Canada H4Y 1H4

Despatch To:
Air Canada, Zip 1453
7373 Cote-Vertu Blvd. West
Dorval, Quebec, Canada H4Y 1H4

Invoice Number 90159
Invoice Date 27.07.10

Customer ID 9ACM01
Reference
Payment Due

Item	Description	Order Qty	Desp. Qty	Unit Price	GST	QST	Value
	Consumption Invoice Aircraft Parts for Period 01/05/2010 - 31/05/2010						
YUL	Aircraft Parts Non - Aircraft parts	1	1	\$ 39,985.52	\$1,999.28	\$3,148.86	\$45,133.66
		1	1	\$ -	\$0.00	\$0.00	\$0.00
YVR	Aircraft Parts	1	1	\$ 22,686.77	\$1,134.34	\$0.00	\$23,821.11
YWG	Aircraft Parts	1	1	\$ 14,779.87	\$738.99	\$0.00	\$15,518.86
YYZ	Aircraft Parts	1	1	\$ 83,239.70	\$4,161.99	\$0.00	\$87,401.69
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Bank Account Name: Aero Inventory UK Ltd
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234 High Street
Exeter
Devon, EX4 3NL
Bank Account Number: 11645722
Bank Sort Code: 30-93-14
IBAN: GB03LOYD30931411645722

Goods \$160,691.86
GST @ 5% \$8,034.59
Sub Total \$168,726.45
QST @ 7.5% \$3,148.86
Invoice Total \$171,875.31

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