

AIRBOSS OF AMERICA CORP.

**ANNUAL INFORMATION FORM
For the year ended December 31, 2004**

March 21, 2005

AIRBOSS OF AMERICA CORP.
ANNUAL INFORMATION FORM
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Certain of the information contained in this Annual Information Form has been obtained from publicly available information from third party sources. The Company has not verified the accuracy or completeness of any information contained in such publicly available information. In addition, the Company has not determined if there has been any omission by any such third party to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information contained in such publicly available information has been furnished or which may affect the significance or accuracy of any information contained in any such information and summarized herein.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in the Annual Information Form constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements that may be expressed or implied by such forward-looking statements to vary from those described herein. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. The Company does not intend, and does not assume any obligation, to update these forward-looking statements.

THE CORPORATION

Incorporation

AirBoss of America Corp. (“AirBoss” or, the “Corporation”, or the “Company”) was formed under the *Business Corporations Act* of Ontario upon the amalgamation of Greenstrike Gold Corp. and 846241 Ontario Limited under the name “IATCO Industries Inc.” on October 13, 1989. The articles of amalgamation were amended by articles of amendment filed on April 18, 1994 to change its name to “AirBoss of America Corp.” On December 31, 1996, the Corporation, through its subsidiary ITRM Inc., purchased substantially all the assets of International Technical Rubber Manufacturing Inc. ITRM Inc. was amalgamated with AirBoss on July 1, 1998. AirBoss maintains its registered office at 200 King Street West, Suite 2300, Toronto, Ontario, M5H 3W5 and its head office at 16441 Yonge Street, Newmarket, Ontario, L3X 2G8.

Subsidiaries

AirBoss operates a manufacturing division, has two wholly-owned subsidiaries, and an interest in one joint venture.

AirBoss, through its AirBoss Rubber Compounding division (“ARC”), is engaged in custom rubber compounding, supplying mixed rubber for use in transportation and industrial rubber parts manufacturing including mining, military, automotive, conveyor belting, and other products, primarily in North America.

AirBoss Produits d’Ingenierie Inc. / AirBoss Engineered Products Inc. (“AEP”), formerly Acton International Inc., of Acton Vale, Quebec, acquired by AirBoss in April, 1999, is a world-leader in the development of protective rubber wear for military and first response applications incorporated under the laws of Quebec. AEP also produces specialized rubber industrial compounds. See “Narrative Description of the Business, AEP and Other.”

AirBoss Railway Products, Inc. (“ARP”) a railway product development and sales company headquartered in Kansas City, Missouri, is a wholly owned subsidiary incorporated in Delaware.

629096 Saskatchewan Ltd. (“629096”) is a joint venture company in which AirBoss holds a 50% interest. Ralph McKay Industries Inc. (“RMI”) holds the remaining 50%. Incorporated under the laws of Saskatchewan in June, 1999, the joint venture was created to manufacture railway fastening clips, which are distributed exclusively by ARP. The joint venture operates its manufacturing facility in Saskatchewan at the RMI site and commenced operations in January 2001.

NARRATIVE DESCRIPTION OF THE BUSINESS

Business Segments

Description

The Company operates in three significant business segments: Custom Rubber Compounding, Engineered Products, and Railway Products. Each business has separate operational management.

Custom Rubber Compounding

Description

ARC is in the custom rubber compounding business of the Company. ARC manufactures synthetic or natural rubber based compounds for a wide variety of customers in North America for use in the conveyor belt, transportation, and other industrial rubber parts manufacturing industries. Formulas are either developed by ARC's technical staff for specific customer requirements or are supplied by the customer.

The main advantage that the Company has over many of its competitors is the large capacity and level of automation of its production equipment. This allows the Company to be efficient due to larger batch sizes and shorter production cycles, while providing the customer with compounds that are mixed more than once resulting in more homogeneous products. Increased homogeneity is one of several factors attributed to high quality compounds. Compound development is a key factor in both maintaining customer relationships and developing new business. The Company has established a complete compound development laboratory, which is separate from its extensive quality control laboratory.

Market

The market for the Company's custom rubber compounds includes the manufacturing of solid tires, off-road pneumatic tire re-treads, conveyor belting, roll covering, mining products, automotive parts, and other industrial rubber goods. Most of these markets experienced sales growth in 2004, particularly conveyor belting for mining applications.

Natural and synthetic rubber consumption increased by 3.7% in 2004 on a worldwide basis according to published statistics and growth of 4.6% is projected for 2005. Sixty percent of all rubber used (44 billion pounds annually) is synthetic.

Competition

The Company's largest competitor with facilities in Canada is Biltrite Industries. The Company's largest competitor in the United States is Excel Polymers, which operates five facilities with an estimated total capacity of 600 million pounds annually. Facilities in the United States, however, are generally smaller in manufacturing capacity and more specialized. Of the thirty-two most significant competitors in the U.S., eighteen possess capacity to process less than fifty million pounds annually, seven have between fifty and one hundred million pounds of capacity, and seven have over one hundred million pounds of capacity. Capacity is a strategic variable governing the ability to produce competitively priced compounds and to sustain R&D activities. So, too, is location, as freight costs and exchange rates impact a company's cost competitiveness. The Company's location in Kitchener, Ontario permits it to benefit from close proximity to the U.S. and Canadian industrial heartlands, favourable foreign exchange rates, and an efficient highway system.

Fiscal 2004 was marked by continued increases in raw material costs. Most raw materials are sourced on world markets and are US dollar-denominated. In 2004, the value of the US dollar continued to decline compared to the Canadian dollar. The rise in raw material prices, although dampened by a weakened US dollar, still resulted in overall cost increases that were not fully offset by price increases. Accordingly, gross margin rates have declined in the compounding industry as a whole as well as in AirBoss.

Marketing, Sales and Distribution

Rubber compounds are sold through in-house sales personnel, agents, and technical representatives. The Company advertises in industry trade publications, the world-wide-web, and participates at trade conventions. The current customer base encompasses virtually all industrial rubber segments. The quality/cost benefits offered by the Company have been successful in increasing compound volumes in all major rubber market segments in 2004.

ARC accounted for 67.1% of the Company's sales in 2004, compared to 59.1% in 2003.

Manufacturing

The mixing of custom rubber compounds for both internal use and sale to outside customers is done at the Company's 950,000 square foot facility in Kitchener, Ontario. The plant is ISO 9002 registered.

ARC maintains five mixers with an estimated mixing capacity of 180 million to 200 million pounds annually although this will vary depending on the product mix. Four of the five mixers are new or have been substantially refurbished in the last four years.

Railway Products

Description

ARP designs, sells, and services a complete line of rail fastening products. The primary products are moulded plastic pads and insulators, and metal rail fastening clips, which are used in the railway industry for track installations using concrete railway ties.

The Company pursues a strategy of being a complete rail fastenings systems provider and has continuously expanded its product line since its inaugural year, with shims, additional insulators, and other products. 629096 manufactures the railway fastening clips which are distributed exclusively by ARP.

Market

The market for the Company's railway fastening systems is heavy haulage railway lines in Canada and the United States, although the fastening systems are suitable for, and have been sold for, all railway applications. The Company's railway fastening systems are currently used by three major North American railways. Heavy haulage railway lines have been constructed in recent years utilizing concrete ties instead of wooden ties to support the additional weight. Concrete ties require the use of a protective pad between the rail and the tie to prevent wear on the tie. The rails are resurfaced every four to ten years at which time the clips, pads, and insulators must be replaced thereby sustaining, if not expanding, the railway fastening market. The sales pattern corresponds with the construction pattern, which is affected by weather conditions, and which is therefore generally greater in the first six months of the calendar year than in the last six months. The Company is developing new fastening systems which will permit faster installation of rails at the track site.

Competition

The Company's major competitor for railway pads and fastening systems is a subsidiary of a large foreign company. This company is much larger than AirBoss in the railway products business and also offers a complete line of track fastening products. There are also several other companies manufacturing pads for light duty applications. The Company believes that its range of fastening systems and its attention to product development, competitive pricing and customer service offers railway customers a competitive option to existing suppliers.

Marketing, Sales and Distribution

Railway products are sold by ARP directly to its customers. ARP employs railway engineers who spend the majority of their time dealing directly with other engineers and purchasing personnel on matters of customer service and new product development.

Railway Products accounted for 9.5% of the Company's sales in 2004, compared to 13.5% in 2003.

Manufacturing

Polyurethane pad manufacturing as well as all other components are outsourced from custom plastic injection moulding and metal stamping companies. The Company owns all product moulds and specialized tooling and enjoys patent protection on its newest systems. Rail fastening clips are manufactured by the Company's 50-50 joint venture 629096 Saskatchewan Ltd. These manufacturing arrangements provide the Company greater flexibility by allowing it to concentrate on product development in an ever-changing marketplace without concern for equipment obsolescence and the need to devote resources to production activities. Sub-contracting its manufacturing also permits the Company to benefit from economies of scale as its orders often enhances the productivity of its suppliers.

AEP and Other

Business

AEP is a manufacturer of protective wear for military and first response applications. AEP is a world leader in developing protective rubber wear. These chemical, biological, radiological, and nuclear ("CBRN") products, and other rubber military products including military and firefighter footwear, historically accounted for approximately one-half of sales while sales of industrial rubber products such as extruded rubber, calendered rubber (rubber coated fabric), cushion gum for tire retreads, and a variety of compression moulded products have constituted the balance.

In 2004, the Company sold its commercial footwear business and manufactured a small amount of footwear for the purchaser until February, 2005.

AEP and other accounted for 23.4% of the Company's sales in 2004, compared to 27.4% in 2003.

Market

Military Products – AEP's Military Division (AirBoss Defense) sells military protective wear and rubber engineered products to armed forces, world-wide. Specifically, AirBoss Defense provides gas masks, rubber gloves, boots and over-boots for military applications requiring CBRN contaminant protection. AirBoss Defense also develops and

supplies extreme cold weather footwear protection for military use and rubber compounds and pre-forms for military tank track repair. Military clients typically engage AirBoss Defense to develop and manufacture boots or engineered rubber products to their specifications. In some cases, AirBoss Defense's own design has been specified. In the twenty-five years that AirBoss Defense has been in this business, it has produced or currently has contracts to produce military boots for more than twenty countries. The AirBoss Defense marketing team comprises one division manager and several contract managers supported by a number of sales agents around the world who represent the Company in countries such as Canada, U.K., U.S., Scandinavia, and Western Europe.

Industrial Products - AEP's industrial division sells a wide variety of vulcanized and non-vulcanized products for the tire re-treading, recreational vehicle and other industries. The products are sold everywhere in North America to major companies who require large-scale high volume calendered or extruded rubber products including reinforced moulded products. The business is currently concentrated with 83% of sales in 2004 being to three customers. The products are sold to customers in North America through one sales manager and commissioned sales agents for specific products.

Competition

The competitors for military and first response (civil) applications include foreign and domestic North American suppliers of footwear and custom moulded products made from rubber or plastic. The main competitors in industrial products are US-based custom rubber mixers who provide calendered and extruded products and a number of companies located in Quebec. In this segment, AirBoss' competition includes American Biltrite (mixing, calendering), Thona (mixing), PPD (mixing, extrusion, calendering), Bauce Caoutchouc and Soucy-Baron (moulded products), and Soucy-Techno (mixing).

Property and Equipment

Management believes that all of the properties and equipment of the Company are in a condition satisfactory for its operations.

ARC

The Company's rubber mixing plant expanded its capacity to over 200 million pounds in 1999. In January 2005, a facility in North Carolina was secured to provide an additional 20 million pounds of mixing capacity. Management believes that the Company has sufficient plant, property, and capacity to meet its needs for the businesses.

The Kitchener property includes approximately 950,000 square feet of manufacturing and warehouse space, and 50,000 square feet of office space.

AEP

AEP's manufacturing operations are located within a 260,000 square foot Company-owned facility on 12.7 acres of land in Acton Vale, Quebec. The factory operates on electricity and natural gas. The key manufacturing equipment include: a rubber mixer, a calender, two extruders, and a slitting machine. The calender is capable of bonding rubber to both sides of a roll of fabric simultaneously. AEP also operates four rubber moulding injection presses located within ARC's facility in Kitchener. These presses are used to manufacture the rubber components of gas masks and gloves for military applications.

Environmental Matters

As the Company handles a few hazardous chemicals in its manufacturing process, the Company is subject to environmental regulation by federal, provincial, and local authorities; however, the Company does not anticipate being required to make any significant capital expenditures to comply with environmental regulations.

Environmental assessments have been conducted on the Kitchener property. In March, 2001, the Company initiated various environmental assessments which resulted in further investigations, remediation and prevention efforts. Based upon its efforts to date and investigations conducted by qualified external environmental professionals, the Company believes that no significant environmental exposure exists and that the costs to remediate the areas of ongoing concern will not be significant to the financial resources of the Company. The Company has secured liability insurance coverage for environmental issues which the Company believes to be appropriate for the nature of its operations.

Prior to completing its acquisition of AEP, Phase I and II investigations were completed which identified certain clean-up matters to be undertaken. The purchase and sale agreement entered into between the Company and the vendor provides for the vendors to bear the costs of any clean-up in excess of \$50,000. The Company maintains an ongoing process, aided by additional environmental assessments conducted by qualified external environmental professionals, to remediate areas of concern. The Company believes it will be successful in the remediation and the recovery of the remediation costs from the vendors. Accordingly, these costs will not pose a significant burden on the financial resources of the Company.

Employees

Management believes that its relationship with its employees is very good. The Corporation's personnel at December 31, 2004 consisted of:

<u>Name of Company</u>	<u>No. of Employees</u>
ARC	298
ARP	10
AEP and other	447
Corporate Office	<u>6</u>
Total	<u>761</u>

Approximately 150 of the AEP employees are unionized under a collective bargaining agreement, which expires on December 31, 2006.

Raw Materials

All critical raw materials required by the Company, natural rubber in particular, are commodities readily traded in world markets. Synthetic rubber and carbon black costs are affected by world petroleum prices. To the best of the Company's knowledge, the Company is not dependent on any single source for its raw materials and to date has been able to secure the amount and quality it requires to meet its customers' needs.

Research and Development

For the year ended December 31, 2004 the Corporation expensed \$1.4 million on product research and development.

Sales to Significant Customers

During the financial year ended December 31, 2004, sales to five customers represented 52% (46% in 2003) of the consolidated sales of the Company.

Bankruptcy

The Company has not been materially impacted as a result of any bankruptcy, receivership, or similar proceedings against it or any of its subsidiaries nor were there any voluntary bankruptcy, receivership, or similar proceedings by our Company or any of its subsidiaries, within the three most recently completed financial years and up to March 21, 2005.

DIVIDEND RECORD AND POLICY

The Corporation has not declared any dividends on its shares during each of the three most recently completed financial years, as the Corporation expects to use available funds for general working capital purposes, to finance the Company's development, for expansion of its business, and to meet its obligations.

RISK FACTORS

A discussion of risks affecting the Company and its business is set forth under the heading "Risk Factors" in Management's Discussion and Analysis as contained on pages 12 to 14 of the Company's Annual Report to the Shareholders for the year ended December 31, 2004. The Management Discussion and Analysis is available on SEDAR at www.sedar.com. This description of risks does not include all possible risks, and there may be other risks the Company is not currently aware of.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has been, within the ten years before the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity, (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under Canadian securities legislation for a period of more than 30 consecutive days; (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the company being subject of a cease trade or similar order or an order that denied the company access to any exemption under Canadian securities legislation for a period of more than 30 consecutive days; or (c) has, within ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold assets of the director, executive officer, or shareholder.

LEGAL PROCEEDINGS

There are no material legal proceedings, except as disclosed in the "Audited Financial Statements" on pages 15 to 30 of the Annual Report to the Shareholders of the Company for the year ended December 31, 2004. The Audited Financial Statements are available on SEDAR at www.sedar.com.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer, or proposed nominee for election as a director of the Company, and no associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Company, except as disclosed in the "Audited Financial Statements" on pages 15 to 30 of the Annual Report to the Shareholders of the Company for the year ended December 31, 2004. The Audited Financial Statements are available on SEDAR at www.sedar.com.

MATERIAL CONTRACTS

No new material contracts, other than a contract entered into in the ordinary course of business, were entered into within the most recently completed financial year, or before the most recently completed financial year, after January 1, 2002, and is still in effect.

INTERESTS OF EXPERTS

No person or company was named as having prepared or certified a statement, report, or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Company during, or relating to, the Company's most recently completed financial year.

CAPITAL STRUCTURE

The capital structure of the Company is comprised of an unlimited number of Class A shares without par value designated as common shares. The rights of the holders include the rights to vote at all meetings of shareholders and, subject to the rights, privileges, restrictions, and conditions attaching to any other class of shares of the Company, to receive the remaining property of the Company upon dissolution. The number of shares outstanding as at December 31, 2004 was 22,623,923.

The capital structure also consists of an unlimited number of Class B preference shares without par value and issuable in series subject to the filing of articles of amendment. The directors may fix, from time to time before such issue, the number of shares that is to comprise each series and the designations, rights, privileges, restrictions, and conditions attaching to each series. The number of Class B preference shares outstanding as at December 31, 2004 was NIL.

MARKET FOR SECURITIES

The Common Shares are listed on The Toronto Stock Exchange (“TSX”) and trade under the stock symbol ‘BOS’.

The table below sets forth the open, high, low, and closing trading prices and volumes for the Common shares traded through the TSX for the period commencing on January 2, 2004, being the first day that Common Shares traded through the TSX during the most recently completed financial year, and ending on December 31, 2004 being the last day Common shares traded on the TSX during the most recently completed financial year.

Date	Open	High	Low	Close	Volume
December-04	\$2.80	\$3.50	\$2.70	\$3.50	19,580
November-04	\$2.10	\$2.85	\$2.10	\$2.85	34,136
October-04	\$2.20	\$2.25	\$2.00	\$2.11	5,145
September-04	\$2.15	\$2.27	\$2.02	\$2.20	5,219
August-04	\$2.10	\$2.34	\$2.00	\$2.10	14,614
July-04	\$1.85	\$2.25	\$2.00	\$2.15	30,161
June-04	\$2.00	\$2.10	\$2.00	\$2.00	9,377
May-04	\$2.20	\$2.20	\$1.95	\$2.00	7,825
April-04	\$1.85	\$2.25	\$1.83	\$2.20	44,719
March-04	\$2.19	\$2.19	\$1.75	\$1.85	32,408
February-04	\$1.66	\$2.19	\$1.51	\$2.19	43,965
January-04	\$1.85	\$1.95	\$1.65	\$1.66	12,804

DIRECTORS AND OFFICERS

The table presented below provides the names and provinces or states and countries of residence, the office held with the Corporation and the principal occupation of each of the directors and executive officers of the Corporation during the past 5 years and, with respect to each director, the year of his election as director.

<u>Name and Municipality of Residence</u>	<u>Position(s) with The Corporation</u>	<u>Principal Occupation (1)</u>	<u>Director Since</u>
P. Grenville Schoch (3) Ontario, Canada	Chairman and Director	Chairman of the Company	1989
Robert L. Hagerman (2) Ontario, Canada	President and Chief Executive Officer and Director	President and Chief Executive Officer of the Company	1989
David A. Campbell Ontario, Canada	Director	President of Acorn Equipment Rental Ltd. and principal of D.A. Campbell Consultants (construction planning and supervision companies)	1989
Brian A. Robbins (2) Ontario, Canada	Director	President and Chief Executive Officer of Exco Technologies Limited (a tooling manufacturing corporation)	1997
Robert L. McLeish (2)(3)(4) Ontario, Canada	Director	Private investor Vice Chairman and Director of Merrill Lynch Canada Inc. until November 1998	1999
Sandra S. Cowan (2)(3)(4) Ontario, Canada	Director	Partner, EdgeStone Capital Partners (a private equity investment company)	2002
Richard Crowe (2)(3)(4) Ontario, Canada	Director	Private Investor Chairman, J. R. Senecal Investment Counsel Inc.	2005

- (1) Each director of the Corporation will hold office until the next annual meeting of shareholders or until his/her successor is elected or appointed.
- (2) Member of the Audit Committee. Mr. Robbins is the Chairman of this committee.
- (3) Member of the Compensation Committee. Mr. McLeish is the Chairman of this committee.
- (4) Member of the Corporate Governance Committee.

- (5) To the knowledge of the Company, as at March 21, 2005, all directors and senior officers as a group beneficially owned, directly or indirectly, or exercised control or direction over, approximately 20.5% of the Common Shares.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada, at its principal office in Toronto.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its annual and special meeting of shareholders to be held on May 4, 2005. Additional financial information is provided in the Company's comparative financial statements for the financial year ended December 31, 2004, which are included in the Corporation's 2004 Annual Report. A copy of such documents may be obtained upon request from the Secretary of the Corporation.