

Shipyard Business Transaction Opportunity

An opportunity to engage with
a longstanding participant within the Atlantic
Canadian ship repair industry.

Company Overview

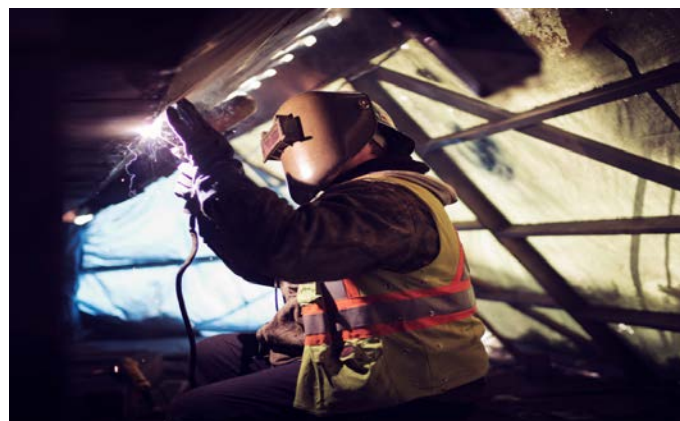
- The Company operates a shipyard located in Newfoundland and Labrador specializing in ship repair, refit services, machining, and fabrication work for vessels under 650 tonnes.
- In addition to the shipyard operations, the Company has diversified its operations to include an anode fabrication division.
- This division focuses on the manufacturing of zinc and aluminum sacrificial anodes. These anodes are widely utilized in marine industry and offshore applications.
- Key customers of the Company include the Government of Newfoundland and Labrador, the Government of Canada, Canadian Coast Guard and commercial fishing and transportation vessels.

A summary of the shipyard technical capabilities is as follows:

- The marine railway has a length of 150 feet (45.7 meters), a width of 42 feet (12.8 meters) and a weight capacity of 650 tonnes. This asset underwent a significant renovation in 2018.
- Two piers complete with fresh water, power (110, 220, 240, 440, and 600AC voltages), telephone, wireless internet and cable television connections.
- Shipyard assets also include a machine shop, welding shop, carpentry shop, paint shop and an administrative office building.

Proposed Transaction

- The Company is seeking proposals from parties interested in exploring the following transaction opportunities:
 - Partnerships/joint ventures;
 - Share purchases/management buyouts; and
 - Asset purchases/divestitures.
- The proposed timeline related to this process is provided on the following page.



Financial Performance

The Company's year end is January 31st

(\$CAD 000s)	FY14	FY15	FY16	FY17	FY18*	Average
Revenue	\$4,283	\$4,248	\$3,525	\$5,217	\$8,183	\$5,091
EBITDA	\$298	\$184	\$365	\$713	\$(518)	\$208
EBITDA (%)	6.9%	4.3%	10.4%	13.7%	(6.3)%	5.8%

*Based on internal books and records of the Company.

Key Investment Highlights

Strong Industry Reputation

- Since purchasing the business in 2012, Management has developed a strong industry reputation attracting repeat business from key public and private sector clients.

Barriers to Entry

- With its existing permits, access to Red Seal trades personnel and capital infrastructure, the Company offers an accelerated entry point to the industry.

Strategic Location

- Located in Newfoundland and Labrador, the Company is well situated to provide services to coastal ferries, offshore oil supply, commercial fishing, aquaculture support and transportation vessels.

Strategic Partnerships

- The Company maintains a strategic partnership with a coastal transportation and aquaculture support business which allows the shipyard to maintain increased visibility of its refit and maintenance pipeline.

Historical Performance

- Since 2014, the Company has grown sales by approximately 91% and generated an average EBITDA of 5.8% of revenue.

Newly Renovated Marine Railway

- The core asset of the Company is a 150 foot marine railway and carriage system with a carrying capacity of 650 tonnes. This system has recently undergone an extensive refit, reducing the need for future maintenance expenditure.

Proposed Timeline

June 28th

Circulation of Teaser

July 6th

Release of Confidential Information Memorandum

August 31st

Submission deadline for Letters of Intent

October 31st

Transaction Closing

August 13th

End of due diligence period

September 30th

Negotiation deadline and execution of purchase and sale agreement

Recipients of this document interested in participating in the above outlined process must provide a fully executed NDA to DCFI before the Confidential Information Memorandum and access to the data room will be provided.

Deloitte Corporate Finance Inc. ("DCFI") is engaged as the Company's financial advisor. All inquiries and requests for additional information concerning the Company should be directed to DCFI. Under no circumstances should the management, employees, officers, or shareholders of the Company be contacted directly. Inquiries regarding the transaction should be directed only to the following:

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