



*Emerald Island Adventure
Tours*

BUSINESS PLAN

January 2018 to December 2022

John Doe and John Smith

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Executive Summary

Business Description

Emerald Island Adventure Tours will offer Whale and marine life tours, and cultural and historical tours from Victoria's inner harbour aboard a state-of-the-art Titan 12-passenger inflatable boat. The business will operate from a dock on Wharf Street in the heart of Victoria, an area that is thronged with tourists in summer due to the many nearby major attractions including the Parliament Buildings, Empress Hotel, and Fisherman's Wharf.

Most existing Victoria whale watching tours are focussed almost exclusively on whales rather than the broader marine environment, outstanding natural scenery and rich history and culture of the region. Mr. Doe and Mr. Smith will offer a better product for a competitive price.

Ownership and Management

Emerald Island Adventure Tours Corp. is owned 50/50 by John Doe and John Smith, who bring a passion for eco-tourism and marine conservation to this new enterprise, backstopped by a solid and complementary set of skills.

Doe's extensive marine experience includes commercial fishing, working as a dive master and supervisor, and operating vessels and diving in the waters off Scotland and Ireland, the North Sea, Eastern and Western Atlantic and the west coast of Canada. He gained marine tourism experience working Sealand of the Pacific and holds a Marine Naturalist certificate. He will pilot the vessel, supervise maintenance and deliver interpretive talks.

John Smith has travelled as an eco-tourist throughout North America, Central America, South East Asia, French Polynesia, and the Caribbean. He is computer savvy promoter with an understanding of social and conventional media, and will be responsible for marketing, reservations and reputation management.

Key Initiatives and Objectives

The primary goal of this plan is to establish Emerald Island's brand and build a solid reputation for amazing experiences and high operational standards, while creating and growing a solid revenue stream. While this plan does not include projections for expansion, Mr. Doe and Mr. Smith have investigated the option, if demand is strong, to acquire a second or third vessel and crew.

Market Opportunities

Victoria, BC is located adjacent to spectacularly scenic Pacific waters that abound with marine wildlife including orca, gray, humpback, and minke whales, sea lions, seals, porpoises and many marine birds. The area also has a rich aboriginal culture and history.

2017 was a banner year for global tourism, which grew 7% and reached a total of 1.3 billion tourists. Tourism in Victoria has been booming for the last five years, reaching new records each year. In 2017 the city enjoyed a hotel occupancy rate of 74%, average room rates of \$169.19 (up from \$120.51 in 2012) and 1,934,842 arrivals at Victoria airport (up from 1,506,212 in 2012).

All indicators show that the whale watching tour market, which was relatively flat from 2000-2012, is on an upswing. Several of the existing whale-watching tour companies are acquiring new and larger vessels, and Mr. Doe and Mr. Smith heard repeatedly that there is more demand for tours than the companies can handle. There is room for a new operator in the market that delivers an authentic and exceptional tourism experience and outstanding value.

Competitive Advantages

While there are several established whale watching companies in Victoria's inner harbour, Mr. Doe and Mr. Smith have done extensive research and are confident that they can offer a better product. The key to this is engaging with customers while they travel the route and providing better and more interesting commentary on both the marine wildlife and the history of the waters off Victoria. They will also conduct ongoing market research and have several ideas for new products which they can launch if demand is established.

Marketing Strategy

John Smith has been researching successful marketing strategies used in the eco-tourism industry and is ready to launch a far-reaching campaign that includes web-based marketing (website, social media, email), print media, and travel trade partnerships.

Summary of Financial Projections

The owners will seek investors to advance \$450,000 to the business in the first year to be used for start up costs, primarily the purchase of a boat and other equipment. This investment will be repaid under terms to be negotiated. Investor may also take shares in the business.

Summary of Financial Projections

	2018	2019	2020	2021	2022
Sales Revenue	\$607,354	\$784,555	\$977,184	\$977,184	\$977,184
Cost of Goods Sold	83,480	109,851	141,909	154,004	167,215
Net Income	202,862	277,610	389,502	377,669	376,616
Closing Cash Balance	313,928	673,451	1,144,866	1,588,193	1,997,959
Retained Earnings	192,862	470,472	859,975	1,237,643	1,614,259

1 Confidentiality and Recognition of Risks

1.1 Confidentiality Clause

The information included in this business plan is strictly confidential and is supplied on the understanding that it will not be disclosed to third parties without the written consent of John Doe, John Smith, and Emerald Island Adventure Tours Corp.

1.2 Recognition of Risks

The business plan represents the best estimate of the future of Emerald Island Adventure Tours Corp. It should be recognized that not all major risks can be predicted or avoided, and few business plans are free of errors. Therefore, investors should be aware that this business has inherent risks that should be evaluated prior to any investment.

2 Business Overview

2.1 Business Snapshot

Emerald Island Adventure Tours is an exciting new eco-tourism venture that offers whale watching, cultural and historical excursions from Victoria harbour on Vancouver Island.

2.2 Vision and Mission Statements

Vision: Emerald Island Adventure Tours will set a new industry standard for showcasing the spectacular marine environment of the Pacific Northwest and its rich aboriginal culture and history.

Mission: We offer thrilling, authentic ocean adventures while respecting marine wildlife and ecosystems. We entertain and engage our customers with compelling stories while also educating them about the importance of protecting our coast. We donate a portion of our profits to support whale research and conservation.

2.3 Objectives

The primary goal of this plan is to establish Emerald Island's brand and build a solid reputation for amazing experiences and high operational standards, while creating and growing a solid revenue stream. While this plan does not include projections for expansion, Mr. Doe and Mr. Smith are aware of the potential, if demand is strong, to acquire additional vessels and crew. They have done preliminary financial projections for a three-boat scenario (not included in this plan) for purchasing two more boats from Titan and staffing them with crews.

The owners will continually gauge the performance of the business by giving close attention to revenue and expense streams and monitoring the company's reputation and customer satisfaction via word of mouth and reviews on social networks such as Facebook, Twitter, Instagram and TripAdvisor.

2.4 Ownership

Emerald Island Adventure Tours Corp. is registered through Corporations Canada. It is owned 50/50 by John Doe and John Smith.

2.5 Location and Facilities

Victoria, BC is located on the Strait of Juan de Fuca, which separates the southern tip of Vancouver Island from the Olympic Peninsula of Washington State. These Pacific waters are some of the most spectacular in the world, with an abundance of marine wildlife including the orca (killer whale), and gray, humpback, and minke whales, sea lions, seals, porpoises and many marine birds. There are three resident orca pods totalling over 80 whales in the waters near Victoria. The Race Rocks Ecological Reserve at the southernmost tip of Vancouver Island is Canada's first Marine Protected Area and home to an abundance of rare marine life.

This proximity to abundant wildlife is an ideal tourism opportunity for Victoria. Whale watching tours have operated out of Victoria harbour since the mid 1980s, initially growing out of the fishing charter business, and then becoming a specialized sector of their own. At least half a dozen companies operate tours on boats ranging in size from small inflatables to large charter craft.

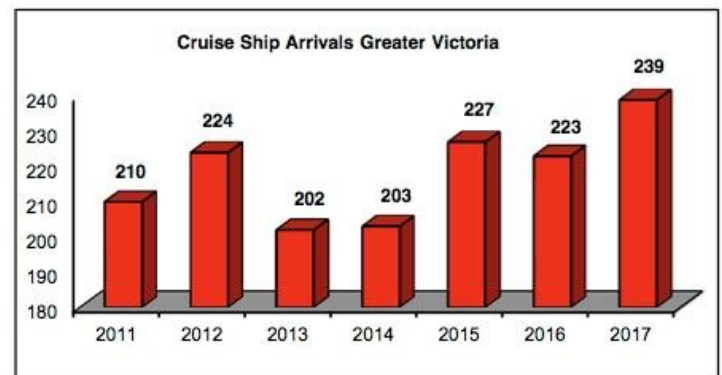
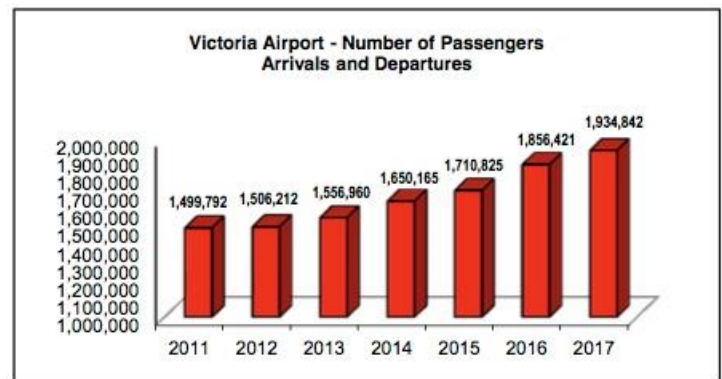
Victoria is one of the busiest tourism destinations in Canada due to its mild climate, many scenic attractions, and proximity to two major urban centres—Vancouver and Seattle. Tourism statistics show that the Vancouver Island region is the second most popular BC destination after Vancouver Coast & Mountains, drawing 4.4 million overnight visitors and almost \$1.8 billion in spending. Victoria tourism indicators are on a steady upward trend.

Year end statistics for 2017 show that Greater Victoria had a hotel occupancy rate of 74%, and average room rates of \$169.19 (up from \$159.55 in 2016, and dramatically increased from \$120.51 in 2012). The BC Ferries Tsawwassen to Schwartz Bay route reported almost 2 million passengers and there were 1,934,842 arrivals at Victoria airport, up 4.2% from 2016, making it the airport's busiest year ever.

Coastal BC posted particularly strong gains in visitors in 2017, in part due to the wildfires in the interior of the Province that caused travellers to focus their activities elsewhere. A low Canadian dollar relative to the US dollar has also driven increased American tourism.



2017 Victoria Tourism Statistics



For more data on BC and Canadian tourism, please see Section 4.3 of this plan.

Emerald Island Adventure Tours will operate from a dock on Wharf Street. This is an ideal location, central to hotels, restaurants and other major attractions including the Parliament Buildings, Royal BC Museum, Empress Hotel, National Geographic IMAX Theatre, Fisherman's Wharf, and a wealth of sightseeing tours. In summer, Wharf Street is thronged with tourists and tour buses. Visitors also arrive via the Victoria Clipper, which runs between Victoria harbour and downtown Seattle, and by cruise ship. Last year Victoria had 239 cruise ship visits.



3 Products and Services

3.1 Description of Products and Services

Emerald Island Adventure Tours will offer two core services:

- Whale and marine life tours (approx. 3 hours)
- Cultural and historical tours

Other services will be added as the business grows but are not included in this financial model. (See Section 3.3.)



3.2 Key Features of the Products and Services

Most existing whale watching tours are focussed almost exclusively on whales rather than the broader marine environment and outstanding natural scenery. Mr. Doe and Mr. Smith will offer a better product.

- Emerald Island's Captain and crew have a comprehensive knowledge of the local environment and can deliver an engaging and in-depth commentary about marine wildlife and the culture and history of the region.
- The captain and crew will not just lecture; they will engage visitors in dialogue that makes the tour more personal and enjoyable, and also offers an opportunity to educate people about the marine environment.
- The ride aboard a Titan rigid hull inflatable boat gives passengers a more intimate connection with the surrounding environment than larger vessels can deliver.

The existing tours are very similar, opening an opportunity for Emerald Island Adventure Tours to create a unique product that differentiates it in the marketplace.



3.3 The Vessel

Mr. Doe and Mr. Smith have selected the Titan model 249 XL WW vessel as ideal for this business. The boat has the following key advantages:

- The manufacturer, Titan Boats, is based in Sidney, only an hour's drive from Victoria harbour. The company has an outstanding reputation for their high quality manufacturing standards. Their boats are shipped all over the world, especially for enforcement, special ops, recreation and search and rescue uses.

- The Titan design uses materials designed to improve fuel economy, and the Yamaha twin 250 engines are also engineered for fuel economy.
- The vessel design provides passengers with a comfortable ride and has been proven in foul weather.
- A smaller vessel gives passengers a more intimate connection and overall experience with the surrounding environment than can be provided by larger vessels.
- These rigid hull inflatables have a safety rail cap with a skid guard material over the pontoon for easy access for passengers on and off the vessel.
- The vessel is trailer-ready for easy movement to or from storage, other docks or for repairs.
- Mr. Doe and Mr. Smith are very pleased with the company's customer service and the thorough manufacturing information provided. Titan also has a much faster build time than other competitors.

3.4 Future Products and Services

As they gain experience operating their business, Mr. Doe and Mr. Smith will pay close attention to what customers are looking to get out of their visits to Victoria, especially those interests which not being met by local operators, or which are over-subscribed. Emerald Island will add new activities as they determine which are the most viable. Possibilities include diving charters, snorkelling with seals, Aboriginal culture tours, star gazing with a high-resolution telescope, and sea therapy tours (offering total relaxation of mind and body). The business will also investigate adding a merchandising/gift line for additional revenues.

In the long term the owners would like to franchise their business model.

4 Industry Overview

4.1 Market Research

John Doe and John Smith have done extensive research on the whale watching industry, including internet research, informational interviews with participants in the industry, and first-hand information-gathering trips. On visits to Victoria they took competitors tours and observed the products, services and marketing strategies that are being employed by present industry leaders.

Crucially, Doe and Smith heard from tour operators that there is more demand for whale watching tours than can be accommodated by the number of vessels currently operating. This is borne out by statistics from the San Juan Island-based Soundwatch Boater Education Program and the fact that two of the major whale watching operators have ordered large new vessels for their fleets. (See Section 5.1.)

4.2 Tourism Industry Size and Trends and Outlook

According to the UNWTO World Tourism Barometer, international tourism arrivals grew by a remarkable 7% in 2017 to reach a total of 1,322 million. This is well above the trend of 4% or higher growth experienced since 2010 and represents the strongest results in seven years. This momentum is expected to continue in 2018 at a rate of 4%-5%. (Source: Victoria Tourism Bulletin, December 2017).

Destination Canada reported in November 2017 that 2017 was on track to be a record year:

Year-to-date November 2017, Canada surpassed the cap of 19 million arrivals for this period of the year for the first time, welcoming almost 19.5 million overnight visitors. International tourist arrivals to Canada in 2017 are on track to exceed 20.8 million, surpassing the 2002 record peak of 20.1 million.

Factors in this success include increased air capacity and Canada's strong international reputation as a safe and scenic destination.

British Columbia's tourism industry had an exceptional year in 2016, with a total of 5,532,065 overnight international arrivals to the province, including 3,620,975 visitors from the US, 1,200,481 from Asia Pacific, and 535,238 visitors from Europe. International visitor arrivals were up 12.3% over 2015. (Source: Destination BC)

Final figures for BC for 2017 were not available at the time this plan was written, but data provided by Destination BC up to November 2017 showed a further 3.3% overall increase in international visitor arrivals from 2016, with particularly notable increases from Australia, Germany and Mexico. Other tourism indicators were also up, including restaurant receipts (up 7.2% from 2016).

Greater Victoria reported its best tourism year ever in 2017, with increases in hotel room rates, ferry traffic, and airport arrivals. (See Section 2.5.)

4.3 Whale Watching Industry Sector Profile

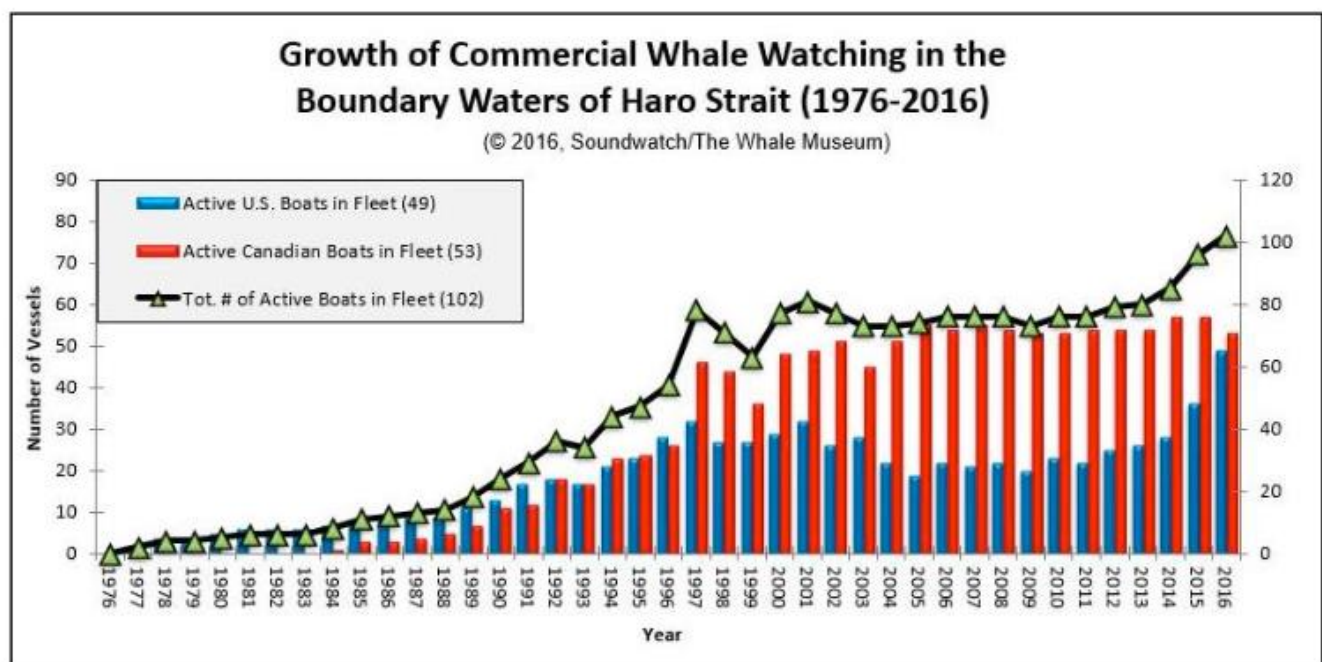
Whale watching first began in the 1950's and became established as an industry in Canada in the 1980's. In 2009, the global industry was estimated to attract 13 million tourists. (Source: seeker.com) According to a 2012 thesis on whale watching published through Simon Fraser University, North America accounts for more than 50% of the global whale watching industry.

The Pacific Whale Watch Association (PWWA), which represents over 30 West Coast whale watch operators near Victoria and Seattle reports that members' vessels carried approx. 400,000 people in 2015, made almost 14,000 voyages, and earned about US \$145 million.

According to the Canadian Business database, there are currently 84 businesses in Canada doing business under the Standard Industrial Classification code 4489-06 (Whale Watching). Forty-two of those companies operate in BC, and 15 of those are based in Victoria. The Victoria operators earn \$25 million in revenues annually.

Although several companies operate tours all year, the vast majority of whale watching tours take place between April and October, peaking from June to September. Most of the trips that originate in Victoria are 3 hours in duration. One 2008 study reported that BC whale watching passengers were 60% international and 40% domestic, but this data was drawn from across the province and doesn't necessarily reflect the Victoria market.

Recent statistics on the West Coast whale watching industry are difficult to find (much of the data is proprietary), however a number of indicators suggest that the industry was relatively flat through the first decade of this century but has grown significantly over the last five years. Data from the Soundwatch Boater Education Program based in Friday Harbour, confirms this (see chart below). Moreover, in the last five years, tourism has grown significantly in BC and specifically in Victoria. Verbal feedback from operators gathered by Mr. Doe and Mr. Smith indicated that the demand for tours has been outstripping capacity. And finally, two of the major whale watching operators have ordered large new vessels. Prince of Whales Tours brought in a new catamaran in 2017 and has another due to launch in 2019. Eagle Wing Tours is adding a new 50-person catamaran in 2018.



Source: Soundwatch Boater Education Program, Whale Museum, Friday Harbour

A 2017 report from the U.S. National Oceanic and Atmospheric Administration (NOAA) found that restrictions enacted in the U.S. in 2011 that require vessels to stay at least 200 yards away from orcas have not impeded the growth of the whale tourism industry. These restrictions were brought in to help reduce stress on the whales, which are disturbed by vessel noise. Members of the Pacific Whale Watch Association adhere to voluntary guidelines in Canada, but pressure is growing for the Canadian Department of Fisheries and Oceans (DFO) to bring in similar regulations for Canadian waters.

4.4 Target Markets

Although travellers from BC and Washington state make up the majority of the Vancouver Island tourism market (69%), people arriving from more distant destinations tend to stay longer and spend more, so they are important target customers for the tourism industry.

	Average spending per visitor	Average nights	Average spending per visitor per night
All Travellers in Vancouver Island	\$399	3.6	\$112
BC residents	\$260	2.7	\$95
Other Canadian residents	\$739	6.9	\$108
US residents	\$468	3.0	\$157
Other international residents**	\$750	6.1	\$124

*Travellers main purpose of the trip to Vancouver Island is classified as Leisure (51%), Visiting Friends and Relatives (38%), Business (5%), and Other (6%).

** Due to small unweighted sample size, please use extreme caution when interpreting.

Source: Vancouver Island Regional Tourism Profile 2017, Destination BC

The most thorough review of the whale watching industry available is an academic thesis, updated in 2012, and published through Simon Fraser University. While the majority of data cited in the report is more than ten years old, there is no reason to expect that core attributes of the overall industry have changed significantly since then. The author of the thesis surveyed passengers taking whale watching tours in Tofino in 2010, analyzing their demographics, motivation and satisfaction. This survey found:

- Slightly more than half of all respondents (51%) were from North America, with the majority (91%) residing in Canada. The remaining respondents were international tourists either from Europe (42%) or countries such as Australia, the British Virgin Islands, Israel, or Nigeria. Canadian respondents were primarily from British Columbia (36%) or Alberta (21.5%) while European respondents were primarily from Germany (35%) or the United Kingdom (25%).
- The largest segment of participants were between 25 and 55 years old and split fairly evenly between males and females. Most survey respondents were well educated and had significant disposable incomes.
- Seeing whales was important, but people who saw many different species of marine wildlife (not just whales) reported the highest levels of satisfaction with the tours.
- Whale watchers were affected by the number of other tour boats in the surrounding waters and passenger satisfaction decreased as more boats crowded around to observe the same whales. Whale watchers are increasingly aware of and concerned about the impact of boats and noise on whales.

The Tofino study is interesting, but the author cautions that Tofino is a unique market and her survey results cannot necessarily be assumed to apply to other markets. Tofino is a remote destination which requires significant time and money to reach, so visitors are likely to be wealthier and better educated. Victoria has a much higher volume of tourist traffic, and whale watching tours are both affordable and convenient, being located right downtown next to other attractions. It's also worth noting that the range of activities available in Tofino is limited, and visitors are likely to have planned their trips well in advance. By contrast, visitors to Victoria have a very wide range of activities open to them and are able to make impulse decisions based on any number of factors, including weather.

The thesis also did not differentiate between passengers who chose large, enclosed vessels and consumers who took tours on small inflatables (the Tofino fleet is less diverse than Victoria's), but it is reasonable to expect that older

people and families with toddlers are less likely to want to travel in an open boat. In fact, the Victoria companies operating small inflatables all set a minimum age or size for children. The thrilling experience of riding close to the ocean in an inflatable boat is also likely to appeal to younger and more adventurous visitors.

The target market for Emerald Island Adventure Tours is domestic and international travellers from Canada, the US, Germany and the UK. These target markets tend to like the outdoors and don't mind small vessels. Other emerging markets are Asian markets, Mexico, India and Australia.

4.5 Purchase Process and Buying Criteria

Whale watching has an exceptionally broad potential customer base, since it is accessible to people of all ages and appeals to people from very diverse backgrounds. Destination Canada has developed Explorer Quotient (EQ) profiles that segment travellers based on their attitudes, beliefs, values, motivations, and behaviours. These are known as Explorer Types. The top three international Explorer Types to visit Canada all report "Marine wild life viewing" as their top most appealing activity. For example, 76% of "Free Spirits" (who are described as enthusiastic, experimental and adventurous) are potential customers for whale watching. The three top Explorer Types represent a third of the Canadian tourism market.

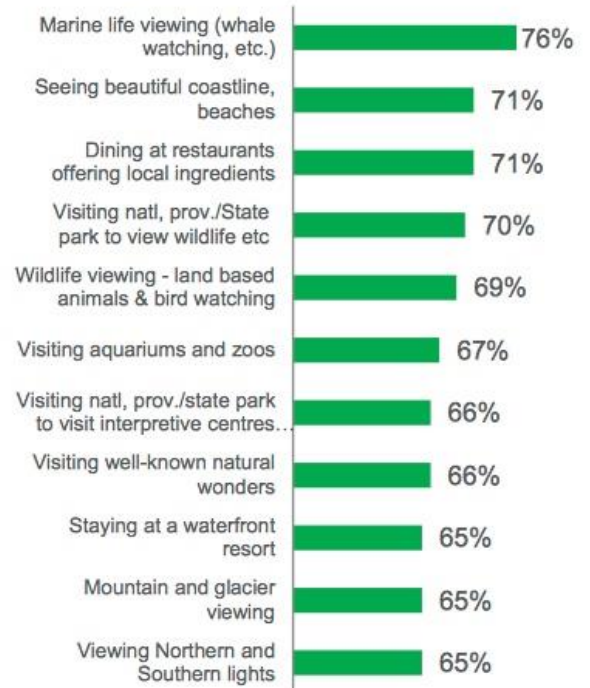
An in-depth study conducted in November 2011 and April 2012 by Tourism BC for the Vancouver Island region echoed these findings. The Tourism BC report found that key activities which motivated visitor trips were sightseeing, nature, and wildlife viewing.

A December 2017 Victoria Tourism Bulletin reports that travel trends for 2018 include searching for uncharted (off the beaten track) destinations; multi-generational travel; and conscious travel (mindful of both the environmental and community impacts of travel). Whale watching is a good fit with all of those.

The 2012 whale watching thesis notes the following points that are relevant to this plan:

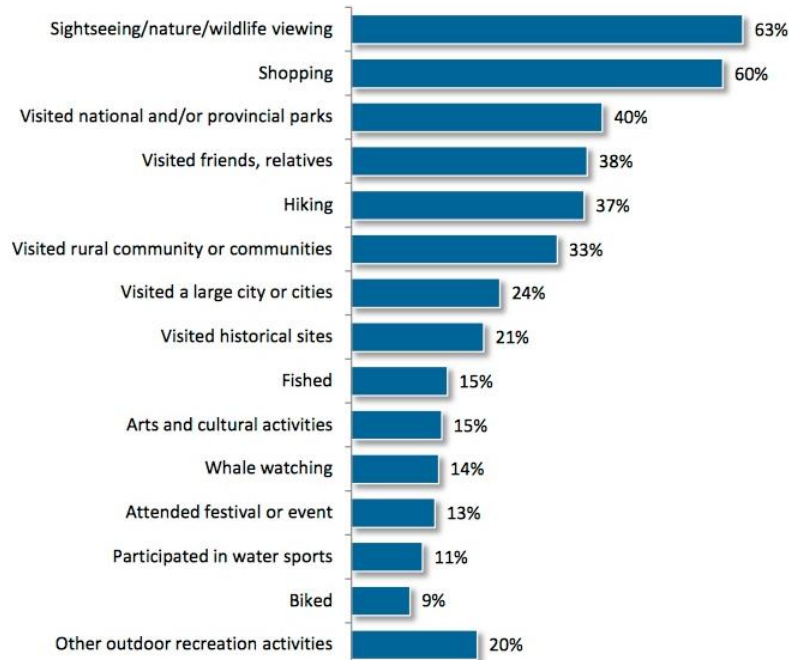
- While "seeing a whale" and "length of time spent with whales" were ranked by customers as very important factors in influencing trip memorability, passengers who saw no whales were still happy with their experience when the boat crew made the tour "fun and interesting."
- Many participants are motivated by learning and want high quality educational components to their tour. The report notes that one study found that: "passenger enjoyment was increased by the onboard interpreter and the time they spent answering questions and teaching new things."
- "Whale watchers value the whales they observe and are willing to pay for their protection and long-term survival." It is worth noting that all of the websites for existing Victoria whale watching companies emphasize their commitment to environmental sustainability.

Top 10 Most Appealing Activities Among Free Spirits:

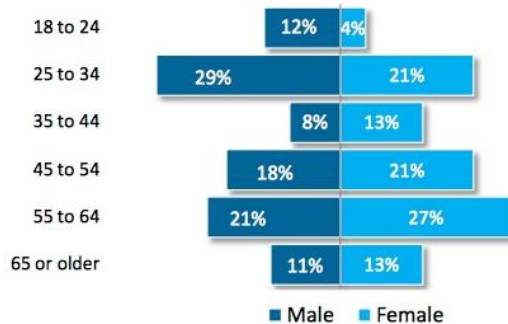


Vancouver Island Regional Visitor Profile

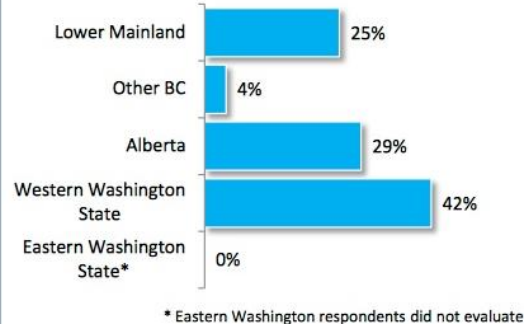
Top Activities Participated In – VI *



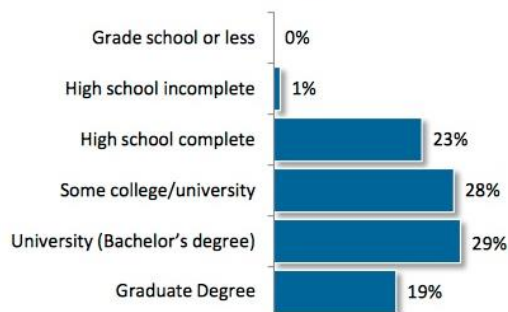
Gender & Age



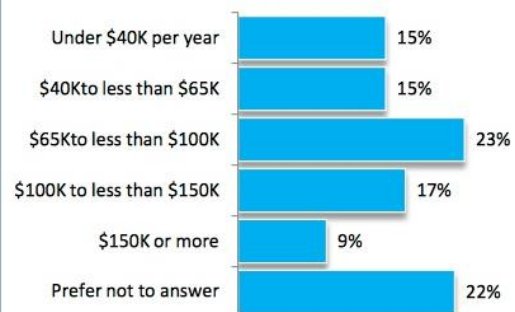
Respondent Origin



Education



Household Income



Source: Tourism BC Vancouver Island Regional Profile

5 Marketing Strategy

5.1 Description of Key Competitors

The three closest competitors for Emerald Island Adventure Tours are Orca Spirit, Prince of Whales and Eagle Wing Tours, established companies that all operate whale watching tours from Victoria's inner harbour.

- **Prince of Whales** (princeofwhales.com) - Founded in the 1990's, this company has 13 boats offering a wide selection of tours from both Victoria and Vancouver. According to their website, they employ almost 100 staff during the peak summer months in their two locations. They offer zodiac-based whale watching tours in Victoria in winter, and from March to November run whale watching tours on larger vessels. Prince of Whales recently started operating The Salish Sea Dream, a \$3.5 million custom-built catamaran and has placed an order for another new ship to be launched in spring 2019. These ships have propulsion jets rather than propellers, which make them quieter in the water. The company is also one of the founding members of the Pacific Whale Watching Association, a voluntary industry regulatory body. Off season prices for zodiac whale watching tours from Victoria harbour are \$105 adults, \$95 youth (13-17) and \$85 children.
- **Eagle Wing Tours** (eaglewingtours.com) - This company operates boats of four sizes from Fisherman's Wharf in Victoria harbour, and will add a new 50-person open and closed catamaran in 2018. In addition to whale watching, they offer a variety of packages that combine land and sea activities, such as wine and whales, or cycling and whales. In summer they advertise a "whale guarantee"—if customers don't see a whale, they can take another free trip. While Eagle Wing does run winter wildlife tours, the majority of their business is from March to October. Their winter rates are \$105 adults, \$75 youth, \$55 children.
- **Orca Spirit Adventures** (orcaspirt.com) - Orca Spirit Adventures and its sister-company Orca Spirit Marine Transport provide water-based transportation services to the tourists and commercial customers, with an emphasis on charters. They operate daily 3-hour whale watching tours from April through October from Victoria and Vancouver. They also offer "winter wildlife tours" from November to March from Victoria harbour. Winter rates are \$115 adults, \$85 youth and \$75 children.

Other competitors include:

- **BC Whale Watching Tours** - bcwhalewatchingtours.com - Started by its owner in 1996 as Eagle Wing Adventures, this business operates four vessels from Victoria harbour from March to October each year. Prices for tours on the smaller vessels are \$119 adults, \$99 students, \$89 youth, \$79 child.
- **Five Star Whale Watching** - 5starwhales.com - Five Star is one of the original whale watching companies that started in Victoria in 1985. It is a family owned business with a single custom designed catamaran tour boat that accommodates 45 passengers. They do not operate in winter. They offer whale tours and "whales and sunset" tours. Their rates are \$110 adults, \$79 students, \$69 children.

All of the major whale watching companies emphasize their "green" attributes. Eagle Wing Tours claims to be 100% carbon neutral and donates 1% of revenues to non-profits working for environmental protection. Orca Spirit Tours advertises carbon neutral tours and Green business certifications. BC Whale Tours charges a \$2 wildlife protection and conservation fee which is donated to the Pacific Salmon Foundation and the Centre of Whale Research. Five Star also donates 1% of revenues and has extensive conservation information on their website.

The following information from the Canadian Business database shows all the Victoria companies that do business under the Standard Industrial Classification code 4489-06 (Whale Watching).

Company Name	Address	City	Location No. of Employees	Location Sales Volume
Eagle Wing Tours	12 Erie St	Victoria	45	\$5,805,000
Prince Of Whales Whale Watch	812 Wharf St	Victoria	35	\$4,515,000
Springtide Whale Tours	1119 Wharf St	Victoria	25	\$3,225,000
Orca Spirit Adventures	146 Kingston St	Victoria	20	\$2,580,000
Seacoast Expeditions LTD	146 Kingston St	Victoria	17	\$2,193,000
Seafun Safaris	950 Wharf St	Victoria	11	\$1,419,000
BC Whale Tours	A-1234 Wharf St	Victoria	10	\$1,290,000
Five Star Whale Watching	651 Humboldt St	Victoria	8	\$1,032,000
Orca Spirit Adventure LTD	950 Wharf St	Victoria	8	\$1,032,000
Eagle Wing Tours	M2-1 Dallas Rd	Victoria	5	\$645,000
Five Star Whale Watching	1012 Government St	Victoria	3	\$387,000
Sea King Adventures	1 Dallas Rd	Victoria	2	\$258,000
Seaking Adventures Inc	4 Fisherman's Wharf	Victoria	2	\$258,000
Victoria Harbour Charters LTD	1234 Wharf St	Victoria	3	\$177,000
Seaker Adventures Tours	950 Wharf St	Victoria	1	\$129,000

5.2 Analysis of Competitive Position

Mr. Doe and Mr. Smith have taken their competitors' tours and are confident that they can offer a better product. The key to this is engaging with customers while they travel the route and providing better and more interesting commentary on both the marine wildlife and the history of the waters off Victoria.

Their observation of competing tours is that many of the crews don't have much knowledge of the area and do little but operate the vessels. Many competitors are also focused on whales, rather than providing a broader perspective on marine wildlife and the culture and history of the region, and they don't take enough time to let passengers enjoy the spectacular surroundings. Finally, the tours are very much the same from one company to the next, opening up an opportunity for Emerald Island Adventure Tours to create a unique and superior experience. Engaging passengers in a dialogue about coastal waters is also an opportunity to educate, inspire, and raise awareness of the importance of marine ecosystems.

Several of the existing whale-watching tour companies are acquiring new and larger vessels because there is more demand for tours than the companies can handle. There is room for a new operator in the market, especially one that delivers an authentic and exceptional tourism experience and outstanding value for the price.

5.3 Pricing Strategy

Prices were set by studying competitor pricing in Victoria and Vancouver. In the first year, Emerald Island's rates will be set a little below the market rate in order to generate businesses. Prices are projected to rise in subsequent years to match competitors' rates.

	<u>Year 1</u>	<u>Years 2 -5</u>
Adult Fare	\$ 115	\$ 120
Youth (13-17 years)	\$ 95	\$ 100
Child (6-12 years)	\$ 75	\$ 80

5.4 Promotion Strategy



John Smith has been researching successful marketing strategies used in the eco-tourism industry and is ready to launch a top-notch campaign. It will include:

- **Website** - Emerald Island Adventure Tours will launch a compelling website that incorporates an online booking service and search engine optimization. Links and advertising will drive traffic from travel and tourism websites for the Victoria area. The site content will be kept fresh with photos, video and blogs that use personal stories to engage visitors.
- **Travel Trade Partnerships** - Many companies create joint marketing activities with hotel chains and travel agencies. These partnerships and other outreach activities drive positive editorial and broadcast coverage in target markets, which include visitors from the UK, Germany, Japan and Australia. Travellers are influenced by what they read and see, and editorial and broadcast coverage is more effective than advertising. Other tourism partners include the Canadian Tourism Commission, Destination BC, and Tourism Victoria.
- **Social Media** - Consumers are strongly attracted by images and messages on social media platforms such as YouTube, Facebook, Twitter, Google+, Pinterest, Instagram and Trip Advisor. Engaging with consumers is key so social media marketing will focus on contests and engaging content (particularly images and videos). Ads will be placed via platforms such as Google Ad Words and Facebook advertising. Reviews are also very important. Positive third-party reviews on sites such as tripadvisor.com can drive bookings.
- **Promotions and Special Offers** - These will be used to generate business, especially in slower times or shoulder seasons.
- **E-Mail marketing** - Customers will be signed up to an email list. Email campaigns will use stories and images to engage them.
- **Print Media** - Brochures are still widely distributed to tourists, especially via visitor centres, ferries, travel agencies, cruise ships, and hotels. Emerald Island Adventure Tours will develop a 3-fold pamphlet for this market. The business will also advertise in regional print travel guides.
- **Signage** - The company will have an attractive, highly visible sign at its physical location in Victoria harbour.
- **Trade Shows** - Travel trade shows are a good way to raise the business's profile. The two key shows for this market are Rendez-vous Canada (RVC), Canada's annual signature international tourism marketplace that provides a meeting place for 1,800+ international tourism industry leaders, and Canada's West Marketplace (CWM), which matches up international and domestic travel and tour operators with BC and Alberta tourism suppliers.

The owners will engage in active reputation management by monitoring the company's reputation and customer satisfaction via word of mouth and responding to reviews on social networks such as Facebook, Twitter, Instagram and TripAdvisor.

6 Operations, Management and Staffing

6.1 Retail Processes

Whale watching tours are primarily booked online, either by individuals or through tour operators and travel agents. At this time Emerald Island Adventure Tours does not plan to have an office or staff for in-person sales. The owners have researched a suitable online booking service that will provide 24/7 online booking services and support. The software can be incorporated in the website with a "book now" button or integrated fully, and it supports features such as coupons, early-bird tiers and commissionable sales.

The company will operate from a dock accessed from Wharf Street in Victoria. Emerald Island will run two tours per day in the shoulder season and three during the summer, with a maximum of 12 passengers per trip.



6.2 Management Team

John Doe, Captain and Operations Manager

John Doe will pilot the vessel and deliver interpretive talks. Doe has a background as a commercial fisherman and has owned and operated many vessels since the late 1970's. From 1978-2006 he was involved in the commercial diving industry as a dive master and dive supervisor, and from 2006 to 2018 he worked as an equipment operator in oilfield operations. His extensive marine experience includes operating vessels and diving in the waters of the Western isles of Scotland, west coast of Ireland, North Sea, Eastern and Western Atlantic and the west coast of Canada. He also gained marine tourism experience working with orca whales and seals at Sealand of the Pacific.

Doe will also supervise vessel maintenance. He has maintained and inspected vessels for Fisheries, and his 35 years of experience includes deck cranes, hydraulic booms, hydraulic winches, and diving compressors. He brings a comprehensive safety mindset to his work, plus a knowledge of first aid, and a respect for the environment and ecosystem sustainability.

Doe hold the following certifications:

- Small Vessel Operator Proficiency certificate
- Marine Commercial Radio Operator certificate
- Marine Emergency Duties A2 certificate
- Marine Basic First Aid
- Marine Naturalist certificate from the Society for Ecological and Coastal Research

John Smith - Crew and Marketing Manager

John Smith will handle the reservations and marketing end of the business and will assist with tours as needed. Smith brings a passion for adventure to the business. He has travelled as an eco-tourist throughout North America, Central America, South East Asia, French Polynesia, and the Caribbean.

Smith also has extensive knowledge of equipment and mechanics. He operated equipment for large farm and cattle operations from 1990-2018 and worked as a heavy equipment operator in the oilfields from 2001-2018. He has first aid knowledge and a healthy respect for safety as well as the environment. On the marketing end, he is computer savvy and will promote the business through social and conventional media.

6.3 Staffing

Emerald Island Adventure Tours will launch with the two principles as the sole employees. Starting in Year 2, the business has budgeted to hire a summer student and an administrative assistant for 30 hours per week from June to August. A sum of \$500 per month has also been budgeted from the outset to cover bookkeeping and accounting costs.

If the business expands to a second vessel, a second captain and crew will be hired, however that exceeds the scope of this plan.

7 Regulatory Issues

7.1 Intellectual Property Protection

No patents, copyrights, or trademarks are required to operate this business.

7.2 Regulatory Issues

Operators of commercial vessels require Transport Canada certificates in marine operations and safety, and a commercial radio operator's certificate.

In American waters (the US Canadian border runs down the middle of the Strait of Juan de Fuca, less than 10 km from Victoria), the U.S. National Oceanic and Atmospheric Administration limits vessel noise and traffic around killer whales. Similar regulations are expected in Canada in 2018, replacing the current guidelines for whale watching in Johnstone Strait developed by the Department of Fisheries and Oceans. The Pacific Whale Watch Association, an industry association, has committed to following the new regulations immediately, rather than waiting for them to come into effect. The Association represents 32 companies operating from 19 ports in B.C. and Washington State.

The business will, of course, require a City of Victoria business license.

8 Contingency Plan

8.1 Market Risks

Although tourism in coastal British Columbia has performed very strongly in the past five years, the industry is always sensitive to economic downturns. If there were a recession, the market would likely suffer a significant drop.

8.2 Other Risks

Safety is always a concern on the water, especially in open boats. This risk was brought vividly to public attention in 2015 when the Tofino-based whale watching vessel *Leviathan II* was overturned by a large wave and six passengers drowned. Since then the industry has placed even more emphasis on operator training, safety procedures, and emergency preparedness. Emerald Island Adventure Tours will adhere to the highest safety standards. Both partners have first aid training and are committed to safety. The company will also carry suitable commercial general liability insurance.

Mechanical difficulties can also impact a business, so ongoing maintenance of the boat is critical. The business is purchasing a new vessel, which should be very reliable for the first few years, given careful handling and meticulous maintenance.

Small start-up businesses are always highly reliant on their owners. If one of the partners should be sidelined by illness or injury, the other would be challenged to keep operations running. Mr. Doe and Mr. Smith are aware of this risk and have friends in the Victoria area who can step in to replace them if needed.

Finally, weather is always unpredictable. Extreme weather events or heavy fog can make it necessary to cancel tours.

8.3 S.W.O.T. Analysis

There are a number of factors that will ensure Emerald Island Adventure Tours' success, and some factors that could be a challenge for the company. The brief analysis that follows is a high-level overview of the strengths, weaknesses, opportunities and threats that can influence the company's success.

Strengths

- John Doe has decades of marine experience, plus expertise in maintaining, inspecting and repairing a wide range of equipment.
- John Smith understands the eco-tourism industry and online promotion, and also bring with him hands-on skills in equipment maintenance and first aid.
- The owners will give customers a uniquely high-quality experience, sharing the story of this coast, its history and its rich marine life in a personal and engaging way.
- The partners are funding the venture through private investment, so the business will not be burdened with debt financing costs during its start-up years.

Weaknesses

- Neither principal has operated a business of this type before.
- The partners plan to operate 7 days a week, 12 hours per day with only two people and some summer help.
- The business is entirely reliant on the mechanical reliability of one vessel.

Opportunities

- The Canadian, BC and Victoria tourism markets are all showing strong growth in visitor numbers and spending.
- The Canadian dollar continues low relative to the US dollar, a significant driver of US visits.
- Marine wild life viewing is extremely popular among a wide range of visitors.
- Whale watching operators report that they cannot keep up with demand for whale watching tours.
- Emerald Island Adventure Tours will be alert to opportunities for to add other products and services.

Threats

- This is a highly competitive industry with established players who have large marketing budgets.
- Orca populations in south coast waters are dwindling, possibly as a result of declining fish stocks

9 Financial Statements

9.1 Pro-Forma Income Statement

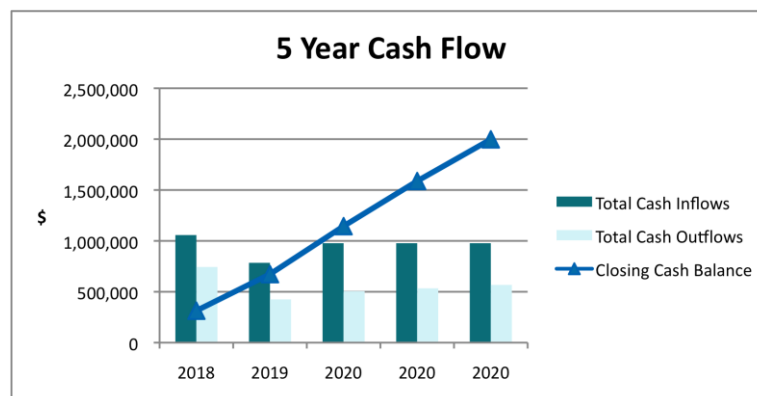
INCOME	2018	2019	2020	2021	2022
Net Sales	607,354	784,555	977,184	977,184	977,184
Primary Revenues	607,354	784,555	977,184	977,184	977,184
Cost of Goods Sold	83,480	109,851	141,909	154,004	167,215
Gross Margin	523,874	674,704	835,275	823,180	809,969
EXPENSES	2018	2019	2020	2021	2022
Sales & Marketing Assumptions	27,500	34,125	35,831	37,623	39,504
Property & Utilities Assumptions	16,650	22,866	23,552	24,259	24,986
Operating Assumptions	18,523	24,257	24,984	25,734	26,506
Administrative Assumptions	11,225	14,573	17,885	17,923	17,963
Wages Assumptions	100,100	149,958	164,231	179,897	197,090
Depreciation	96,298	81,913	81,913	65,659	33,150
Total Expenses	270,296	327,691	348,397	351,094	339,199
NET RESULT	2018	2019	2020	2021	2022
Net Income Before Taxes	253,578	347,012	486,878	472,086	470,770
Less: Income Taxes	50,716	69,402	97,376	94,417	94,154
Net Income	202,862	277,610	389,502	377,669	376,616

9.2 Pro-Forma Income Statement - Year 1

INCOME	2018											
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Net Sales	0	0	0	0	66,662	108,864	124,992	124,992	72,576	74,995	34,272	0
Primary Revenues	0	0	0	0	66,662	108,864	124,992	124,992	72,576	74,995	34,272	0
Cost of Goods Sold	0	0	0	1,464	9,790	13,590	13,590	13,590	13,490	9,790	5,990	2,190
Gross Margin	0	0	0	-1,464	56,873	95,275	111,403	111,403	59,087	65,206	28,283	-2,190
EXPENSES												
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Sales & Marketing Assumptions	0	0	2,500	2,500	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Property & Utilities Assumptions	0	0	0	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Operating Assumptions	0	0	0	2,823	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963
Administrative Assumptions	0	0	0	100	1,233	1,951	2,225	2,225	1,334	1,375	683	100
Wages Assumptions	0	0	0	0	15,400	15,400	15,400	15,400	15,400	15,400	7,700	0
Depreciation	0	0	0	41,690	6,826	6,826	6,826	6,826	6,826	6,826	6,826	6,826
Total Expenses	0	0	2,500	48,962	32,272	30,489	30,763	30,763	29,872	29,913	21,521	13,239
NET RESULT												
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Net Income Before Taxes	0	0	-2,500	-50,426	24,601	64,785	80,639	80,639	29,214	35,292	6,761	-15,428
Less: Income Taxes	0	0	0	0	0	0	0	0	0	0	0	50,716
Net Income	0	0	-2,500	-50,426	24,601	64,785	80,639	80,639	29,214	35,292	6,761	-66,144

9.3 Three Year Projected Annual Cash Flow Statement

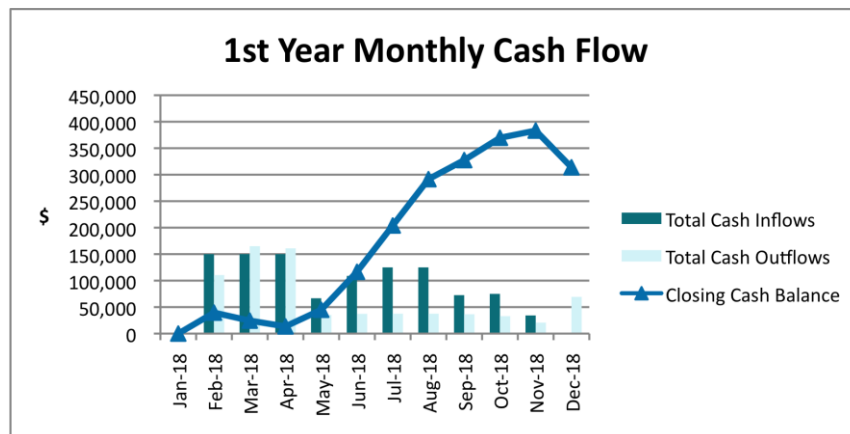
CASH INFLOWS	2018	2019	2020	2021	2022
Cash Receipts	607,354	784,555	977,184	977,184	977,184
Investor Advances	450,000	0	0	0	0
Shareholder Loan Advances	0	0	0	0	0
Total Cash Inflows	1,057,354	784,555	977,184	977,184	977,184
CASH OUTFLOWS	2018	2019	2020	2021	2022
Cost of Goods Sold	83,480	109,851	141,909	154,004	167,215
Sales & Marketing Assumptions	27,500	34,125	35,831	37,623	39,504
Property & Utilities Assumptions	16,650	22,866	23,552	24,259	24,986
Operating Assumptions	18,523	24,257	24,984	25,734	26,506
Administrative Assumptions	11,225	14,573	17,885	17,923	17,963
Wages Assumptions	100,100	149,958	164,231	179,897	197,090
Investor Repayments	0	0	0	0	0
Dividends / Earnings Shareholders	0	0	0	0	0
Shareholder Loan Repayments	10,000	0	0	0	0
Purchase of Fixed Assets	425,233	0	0	0	0
Payment for Income Taxes	50,716	69,402	97,376	94,417	94,154
Total Cash Outflows	743,426	425,032	505,769	533,857	567,418
NET RESULT	2018	2019	2020	2021	2022
Increase/Decrease in Cash	313,928	359,523	471,415	443,327	409,766
Beginning Cash Balance	0	313,928	673,451	1,144,866	1,588,193
Closing Cash Balance	313,928	673,451	1,144,866	1,588,193	1,997,959



Note: Dividends / Earnings Shareholders will be determined based on the actual performance of the business.

9.4 Monthly Projected Cash Flow Statement First Year

CASH INFLOWS	2018											
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Cash Receipts	0	0	0	0	66,662	108,864	124,992	124,992	72,576	74,995	34,272	0
Investor Advances	0	150,000	150,000	150,000	0	0	0	0	0	0	0	0
Shareholder Loan Advances	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Inflows	0	150,000	150,000	150,000	66,662	108,864	124,992	124,992	72,576	74,995	34,272	0
CASH OUTFLOWS	2018											
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Cost of Goods Sold	0	0	0	1,464	9,790	13,590	13,590	13,590	13,490	9,790	5,990	2,190
Sales & Marketing Assumptions	0	0	2,500	2,500	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Property & Utilities Assumptions	0	0	0	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Operating Assumptions	0	0	0	2,823	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963
Administrative Assumptions	0	0	0	100	1,233	1,951	2,225	2,225	1,334	1,375	683	100
Wages Assumptions	0	0	0	0	15,400	15,400	15,400	15,400	15,400	15,400	7,700	0
Investor Repayments	0	0	0	0	0	0	0	0	0	0	0	0
Dividends / Earnings Shareholders	0	0	0	0	0	0	0	0	0	0	0	0
Shareholder Loan Repayments	0	0	0	0	0	0	0	0	0	0	0	10,000
Purchase of Fixed Assets	0	110,500	162,543	152,190	0	0	0	0	0	0	0	0
Payment for Income Taxes	0	0	0	0	0	0	0	0	0	0	0	50,716
Total Cash Outflows	0	110,500	165,043	160,926	35,235	37,253	37,527	37,527	36,536	32,877	20,685	69,318
NET RESULT	2018											
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Increase/Decrease in Cash	0	39,500	-15,043	-10,926	31,427	71,611	87,465	87,465	36,040	42,118	13,587	-69,318
Beginning Cash Balance	0	0	39,500	24,457	13,531	44,958	116,569	204,035	291,500	327,540	369,658	383,246
Closing Cash Balance	0	39,500	24,457	13,531	44,958	116,569	204,035	291,500	327,540	369,658	383,246	313,928

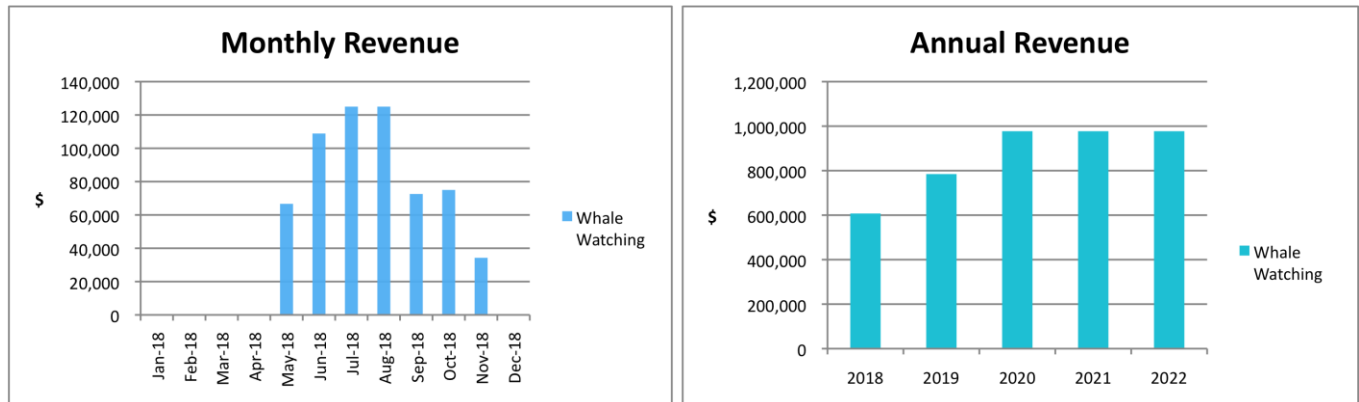


9.5 Pro-Forma Balance Sheet

ASSETS	Starting Balance	2018	2019	2020	2021	2022
Current Assets	\$ 0	313,928	673,451	1,144,866	1,588,193	1,997,959
Cash	\$ 0	313,928	673,451	1,144,866	1,588,193	1,997,959
Accounts Receivable	\$ 0	0	0	0	0	0
Inventory	\$ 0	0	0	0	0	0
Other Assets	\$ 0	0	0	0	0	0
Fixed Assets	0	328,934	247,022	165,109	99,450	66,300
Fixed Assets	\$ 0	425,233	425,233	425,233	425,233	425,233
Accumulated Depreciation	\$ 0	96,298	178,211	260,124	325,783	358,933
Current Assets + Fixes Assets	0	642,862	920,472	1,309,975	1,687,643	2,064,259
LIABILITIES	Starting Balance	2018	2019	2020	2021	2022
Liabilities	\$ 10,000	0	0	0	0	0
Accounts Payable	\$ 0	0	0	0	0	0
Taxes Payable	\$ 0	0	0	0	0	0
Due to Shareholders	\$ 10,000	0	0	0	0	0
Operating Loans Payable	\$ 0	0	0	0	0	0
Term Loans & Mortgages	\$ 0	0	0	0	0	0
Owner's Equity	\$ -10,000	642,862	920,472	1,309,975	1,687,643	2,064,259
Paid-in Capital	\$ 0	450,000	450,000	450,000	450,000	450,000
Retained Earnings	\$ -10,000	192,862	470,472	859,975	1,237,643	1,614,259
Liabilities + Owner's Equity	\$ 0	642,862	920,472	1,309,975	1,687,643	2,064,259

10 Financial Assumptions

10.1 Revenue Assumptions



REVENUE ASSUMPTIONS	2018												TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018	2019	2020	2021	2022
Primary Revenues	0	0	0	0	66,662	108,864	124,992	124,992	72,576	74,995	34,272	0	607,354	784,555	977,184	977,184	977,184
Whale Watching	0	0	0	0	66,662	108,864	124,992	124,992	72,576	74,995	34,272	0	607,354	784,555	977,184	977,184	977,184
Total Revenues	0	0	0	0	66,662	108,864	124,992	124,992	72,576	74,995	34,272	0	607,354	784,555	977,184	977,184	977,184

Primary Revenues

- Whale Watching – The business will offer whale sightings along with other marine life and an interpretive tour of historical points from March 15th to November 15th each year. In Year 1, this will start from May 1st.
- Tour Package prices and split between age categories are based on:

Tour Package Price \$	Passenger %	Year 1	Year 2	Year 3	Year 4	Year 5
18+	90%	115	120	120	120	120
13-17 Years	5%	95	100	100	100	100
6-12 Years	5%	75	80	80	80	80

- The projected revenue per month from Whale Watching in Year 1:

Projected Revenue \$	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Days in the Month	31	30	31	31	30	31	15
Tours per Day	2	3	3	3	2	2	2
No per Boat	12	12	12	12	12	12	12
18+ Revenue Per Boat	1,242	1,242	1,242	1,242	1,242	1,242	1,242
13-17 Years Rev Per Boat	57	57	57	57	57	57	57
6-12 Years Rev Per Boat	45	45	45	45	45	45	45
Revenue Per Boat Trip	1,344	1,344	1,344	1,344	1,344	1,344	1,344
Number of Boats	1	1	1	1	1	1	1
Revenue Per Day	2,688	4,032	4,032	4,032	2,688	2,688	2,688
Revenue Per Month	83,328	120,960	124,992	124,992	80,640	83,328	40,320
Operating Capacity	80%	90%	100%	100%	90%	90%	85%
Projected Revenue	66,662	108,864	124,992	124,992	72,576	74,995	34,272

- The projected revenue per month from Whale Watching in Year 2:

Projected Revenue \$	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Days in the Month	15	30	31	30	31	31	30	31	15
Tours per Day	2	2	2	3	3	3	2	2	2
No per Boat	12	12	12	12	12	12	12	12	12
18+ Revenue Per Boat	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296
13-17 Years Rev Per Boat	60	60	60	60	60	60	60	60	60
6-12 Years Rev Per Boat	48	48	48	48	48	48	48	48	48
Revenue Per Boat Trip	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
Number of Boats	1	1	1	1	1	1	1	1	1
Revenue Per Day	2,808	2,808	2,808	4,212	4,212	4,212	2,808	2,808	2,808
Revenue Per Month	42,120	84,240	87,048	126,360	130,572	130,572	84,240	87,048	42,120
Operating Capacity	85%	95%	95%	100%	100%	100%	95%	95%	85%
Projected Revenue	35,802	80,028	82,696	126,360	130,572	130,572	80,028	82,696	35,802

- The projected revenue per month from Whale Watching in Year 3:

Projected Revenue \$	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20
Days in the Month	15	30	31	30	31	31	30	31	15
Tours per Day	2	3	3	3	3	3	3	3	2
No per Boat	12	12	12	12	12	12	12	12	12
18+ Revenue Per Boat	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296
13-17 Years Rev Per Boat	60	60	60	60	60	60	60	60	60
6-12 Years Rev Per Boat	48	48	48	48	48	48	48	48	48
Revenue Per Boat Trip	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
Number of Boats	1	1	1	1	1	1	1	1	1
Revenue Per Day	2,808	4,212	4,212	4,212	4,212	4,212	4,212	4,212	2,808
Revenue Per Month	42,120	126,360	130,572	126,360	130,572	130,572	126,360	130,572	42,120
Operating Capacity	90%	100%	100%	100%	100%	100%	100%	100%	90%
Projected Revenue	37,908	126,360	130,572	126,360	130,572	130,572	126,360	130,572	37,908

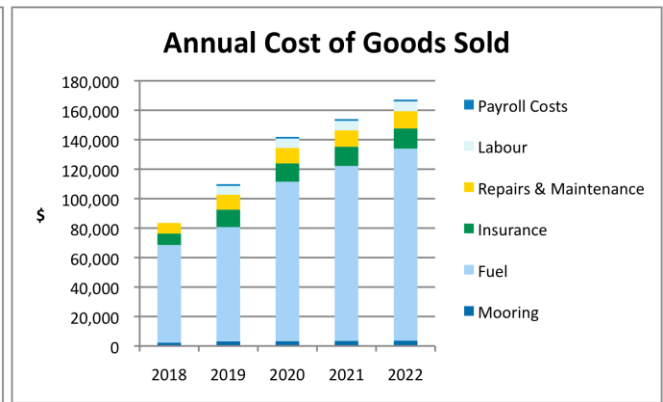
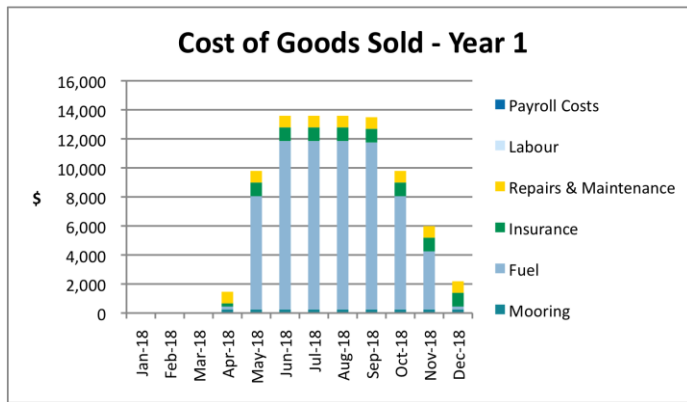
- The projected revenue per month from Whale Watching in Year 4:

Projected Revenue \$	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
Days in the Month	15	30	31	30	31	31	30	31	15
Tours per Day	2	3	3	3	3	3	3	3	2
No per Boat	12	12	12	12	12	12	12	12	12
18+ Revenue Per Boat	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296
13-17 Years Rev Per Boat	60	60	60	60	60	60	60	60	60
6-12 Years Rev Per Boat	48	48	48	48	48	48	48	48	48
Revenue Per Boat Trip	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
Number of Boats	1	1	1	1	1	1	1	1	1
Revenue Per Day	2,808	4,212	4,212	4,212	4,212	4,212	4,212	4,212	2,808
Revenue Per Month	42,120	126,360	130,572	126,360	130,572	130,572	126,360	130,572	42,120
Operating Capacity	90%	100%	100%	100%	100%	100%	100%	100%	90%
Projected Revenue	37,908	126,360	130,572	126,360	130,572	130,572	126,360	130,572	37,908

- The projected revenue per month from Whale Watching in Year 5:

Projected Revenue \$	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Days in the Month	15	30	31	30	31	31	30	31	15
Tours per Day	2	3	3	3	3	3	3	3	2
No per Boat	12	12	12	12	12	12	12	12	12
18+ Revenue Per Boat	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296
13-17 Years Rev Per Boat	60	60	60	60	60	60	60	60	60
6-12 Years Rev Per Boat	48	48	48	48	48	48	48	48	48
Revenue Per Boat Trip	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
Number of Boats	1	1	1	1	1	1	1	1	1
Revenue Per Day	2,808	4,212	4,212	4,212	4,212	4,212	4,212	4,212	2,808
Revenue Per Month	42,120	126,360	130,572	126,360	130,572	130,572	126,360	130,572	42,120
Operating Capacity	90%	100%	100%	100%	100%	100%	100%	100%	90%
Projected Revenue	37,908	126,360	130,572	126,360	130,572	130,572	126,360	130,572	37,908

10.2 Cost of Goods Sold Assumptions



COST OF GOODS SOLD	2018												TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018	2019	2020	2021	2022
Mooring	0	0	0	250	250	250	250	250	250	250	250	250	2,250	3,150	3,308	3,473	3,647
Fuel	0	0	0	200	7,800	11,600	11,600	11,600	11,500	7,800	4,000	200	66,300	77,565	108,153	118,709	130,308
Insurance	0	0	0	214	940	940	940	940	940	940	940	940	7,730	11,838	12,430	13,051	13,704
Repairs & Maintenance	0	0	0	800	800	800	800	800	800	800	800	800	7,200	10,080	10,584	11,113	11,669
Labour	0	0	0	0	0	0	0	0	0	0	0	0	0	6,563	6,759	6,962	7,171
Payroll Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	656	676	696	717
Total Cost of Goods Sold	0	0	0	1,464	9,790	13,590	13,590	13,590	13,490	9,790	5,990	2,190	83,480	109,851	141,909	154,004	167,215

Comments on Cost of Goods Sold Assumptions

- Mooring – The annual cost of mooring the boat is \$3,000 including overwintering.
- Fuel - The business is estimating the following fuel expenses:
 - Months with 2 tours a day \$7,400 per month.
 - Months with 3 tours a day \$11,100 per month.
 - Fuel is calculated using \$1.37 per litre at 90 litres per 3 hour trip.
 - Annual increase of in cost of fuel of 10% assumed.

Emerald Island Adventure Tours

Cost of Fuel \$	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Days in the Month	0	0	31	30	31	31	30	31	15	0
Tours per Day	0	0	2	3	3	3	2	2	2	0
Boat Fuel	0	0	7,400	11,100	11,100	11,100	11,100	7,400	3,700	0
Truck Fuel	0	200	200	200	200	200	200	200	200	200
Shuttle Bus Fuel	0	0	200	300	300	300	200	200	100	0
Fuel Cost per Boat Team	0	200	7,800	11,600	11,600	11,600	11,500	7,800	4,000	200
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1
Cost of Fuel per Month	0	200	7,800	11,600	11,600	11,600	11,500	7,800	4,000	200

Cost of Fuel \$	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Days in the Month	0	0	15	30	31	30	31	31	30	31	15	0
Tours per Day	0	0	2	2	2	3	3	3	2	2	2	0
Boat Fuel	0	0	4,070	0	8,140	12,210	12,210	12,210	12,210	8,140	4,070	0
Truck Fuel	210	210	210	210	210	210	210	210	210	210	210	210
Shuttle Bus Fuel	0	0	105	0	210	315	315	315	210	210	105	0
Fuel Cost per Boat Team	210	210	4,385	210	8,560	12,735	12,735	12,735	12,630	8,560	4,385	210
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1	1	1
Cost of Fuel per Month	210	210	4,385	210	8,560	12,735	12,735	12,735	12,630	8,560	4,385	210

Cost of Fuel \$	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Days in the Month	0	0	15	30	31	30	31	31	30	31	15	0
Tours per Day	0	0	2	3	3	3	3	3	3	3	2	0
Boat Fuel	0	0	4,477	13,431	13,431	13,431	13,431	13,431	13,431	13,431	4,477	0
Truck Fuel	221	221	221	221	221	221	221	221	221	221	221	221
Shuttle Bus Fuel	0	0	110	331	331	331	331	331	331	331	110	0
Fuel Cost per Boat Team	221	221	4,808	13,982	13,982	13,982	13,982	13,982	13,982	13,982	4,808	221
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1	1	1
Cost of Fuel per Month	221	221	4,808	13,982	13,982	13,982	13,982	13,982	13,982	13,982	4,808	221

Cost of Fuel \$	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Days in the Month	0	0	15	30	31	30	31	31	30	31	15	0
Tours per Day	0	0	2	3	3	3	3	3	3	3	2	0
Boat Fuel	0	0	4,925	14,774	14,774	14,774	14,774	14,774	14,774	14,774	4,925	0
Truck Fuel	232	232	232	232	232	232	232	232	232	232	232	232
Shuttle Bus Fuel	0	0	116	347	347	347	347	347	347	347	116	0
Fuel Cost per Boat Team	232	232	5,272	15,353	15,353	15,353	15,353	15,353	15,353	15,353	5,272	232
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1	1	1
Cost of Fuel per Month	232	232	5,272	15,353	15,353	15,353	15,353	15,353	15,353	15,353	5,272	232

Cost of Fuel \$	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Days in the Month	0	0	15	30	31	30	31	31	30	31	15	0
Tours per Day	0	0	2	3	3	3	3	3	3	3	2	0
Boat Fuel	0	0	5,417	16,252	16,252	16,252	16,252	16,252	16,252	16,252	5,417	0
Truck Fuel	243	243	243	243	243	243	243	243	243	243	243	243
Shuttle Bus Fuel	0	0	122	365	365	365	365	365	365	365	122	0
Fuel Cost per Boat Team	243	243	5,782	16,859	16,859	16,859	16,859	16,859	16,859	16,859	5,782	243
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1	1	1
Cost of Fuel per Month	243	243	5,782	16,859	16,859	16,859	16,859	16,859	16,859	16,859	5,782	243

● Insurance - The business is estimating the following insurance expenses:

- o Boat insurance \$4,928 per annum.
- o Truck insurance \$2,567 per annum.
- o Shuttle Bus insurance \$3,210 per annum.
- o Cargo Trailer insurance \$345 per annum.
- o Boat Trailer insurance \$224 per annum.
- o Annual increase of 5% assumed.

Emerald Island Adventure Tours

Insurance \$	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Boat Insurance	0	0	411	411	411	411	411	411	411	411
Truck Insurance	0	214	214	214	214	214	214	214	214	214
Shuttle Bus Insurance	0	0	268	268	268	268	268	268	268	268
Cargo Trailer Insurance	0	0	29	29	29	29	29	29	29	29
Boat Trailer Insurance	0	0	19	19	19	19	19	19	19	19
Insurance Cost per Boat Team	0	214	940	940	940	940	940	940	940	940
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1
Cost of Insurance per Month	0	214	940	940	940	940	940	940	940	940

Insurance \$	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Boat Insurance	431	431	431	431	431	431	431	431	431	431	431	431
Truck Insurance	225	225	225	225	225	225	225	225	225	225	225	225
Shuttle Bus Insurance	281	281	281	281	281	281	281	281	281	281	281	281
Cargo Trailer Insurance	30	30	30	30	30	30	30	30	30	30	30	30
Boat Trailer Insurance	20	20	20	20	20	20	20	20	20	20	20	20
Insurance Cost per Boat Team	986	986	986	986	986	986	986	986	986	986	986	986
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1	1	1
Cost of Insurance per Month	986	986	986	986	986	986	986	986	986	986	986	986

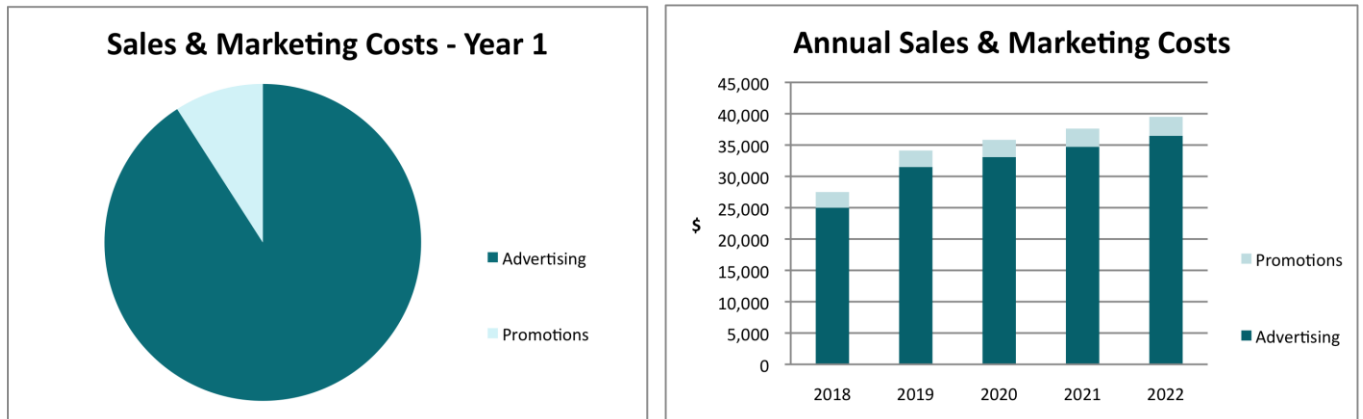
Insurance \$	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Boat Insurance	453	453	453	453	453	453	453	453	453	453	453	453
Truck Insurance	236	236	236	236	236	236	236	236	236	236	236	236
Shuttle Bus Insurance	295	295	295	295	295	295	295	295	295	295	295	295
Cargo Trailer Insurance	32	32	32	32	32	32	32	32	32	32	32	32
Boat Trailer Insurance	21	21	21	21	21	21	21	21	21	21	21	21
Insurance Cost per Boat Team	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1	1	1
Cost of Insurance per Month	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036

Insurance \$	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Boat Insurance	475	475	475	475	475	475	475	475	475	475	475	475
Truck Insurance	248	248	248	248	248	248	248	248	248	248	248	248
Shuttle Bus Insurance	310	310	310	310	310	310	310	310	310	310	310	310
Cargo Trailer Insurance	33	33	33	33	33	33	33	33	33	33	33	33
Boat Trailer Insurance	22	22	22	22	22	22	22	22	22	22	22	22
Insurance Cost per Boat Team	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1	1	1
Cost of Insurance per Month	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088

Insurance \$	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Boat Insurance	499	499	499	499	499	499	499	499	499	499	499	499
Truck Insurance	260	260	260	260	260	260	260	260	260	260	260	260
Shuttle Bus Insurance	325	325	325	325	325	325	325	325	325	325	325	325
Cargo Trailer Insurance	35	35	35	35	35	35	35	35	35	35	35	35
Boat Trailer Insurance	23	23	23	23	23	23	23	23	23	23	23	23
Insurance Cost per Boat Team	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Number of Boat Teams	1	1	1	1	1	1	1	1	1	1	1	1
Cost of Insurance per Month	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142

- Repairs & Maintenance – Estimated at \$800 per month. In the early years this will be accrued to pay for repairs in later years.
- Labour – In year 2, the business will hire a summer student for the summer months (June to August) at \$15.00 per hour for 30 hours per week.
- Payroll Costs - These are calculated at 10% of wages and assumed to cover employer EI, CPP, WCB.
- Annual increase of 3%.

10.3 Sales and Marketing Assumptions

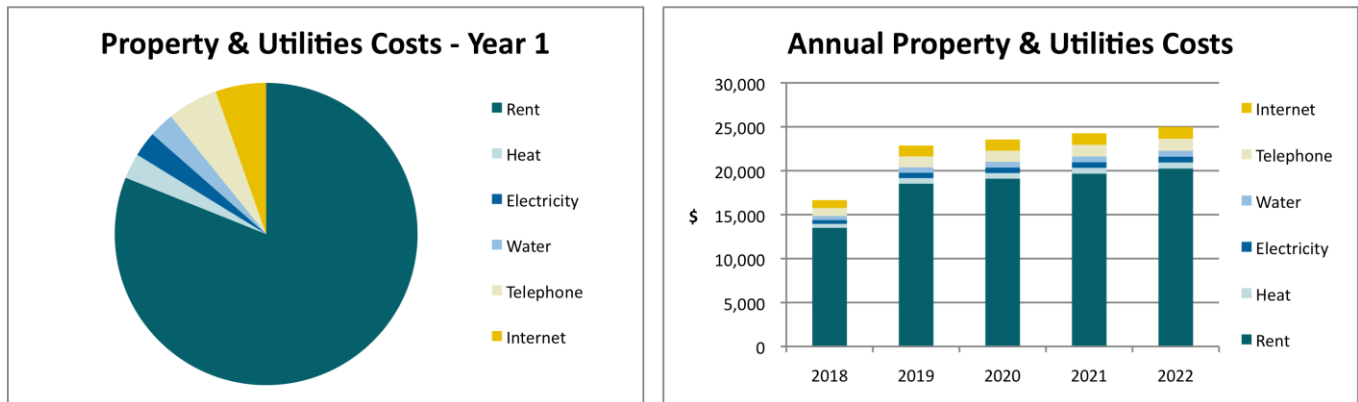


Sales & Marketing Assumptions	2018												TOTAL 2018	TOTAL 2019	TOTAL 2020	TOTAL 2021	TOTAL 2022
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18					
Advertising	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	25,000	31,500	33,075	34,729	36,465
Promotions	0	0	0	0	2,500	0	0	0	0	0	0	0	2,500	2,625	2,756	2,894	3,039
Total Sales & Marketing	0	0	2,500	2,500	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	27,500	34,125	35,831	37,623	39,504

Comments on Sales and Marketing Assumptions

- Advertising – Estimated at \$2,500 per month all year round to cover web hosting, pamphlets, business cards, Google ad words, Globespan advertising connections.
- Promotions - Estimated at \$2,500 in May in first year and March in later years to launch the new season.
- Annual cost increase of 5% on all expenses.

10.4 Property and Utilities Assumptions

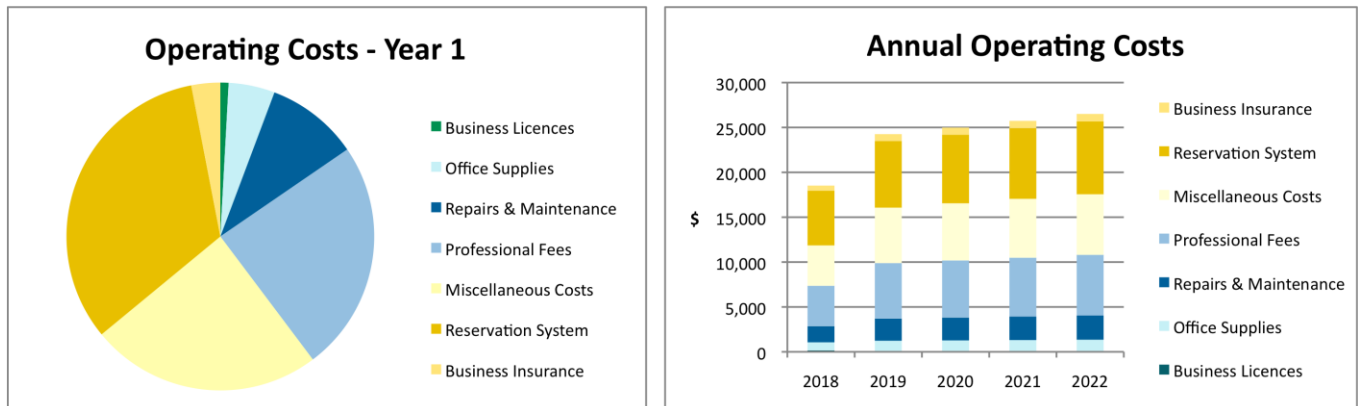


Property & Utilities Assumptions	2018												TOTAL 2018	TOTAL 2019	TOTAL 2020	TOTAL 2021	TOTAL 2022
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18					
Rent	0	0	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,500	18,540	19,096	19,669	20,259
Heat	0	0	0	50	50	50	50	50	50	50	50	50	450	618	637	656	675
Electricity	0	0	0	50	50	50	50	50	50	50	50	50	450	618	637	656	675
Water	0	0	0	50	50	50	50	50	50	50	50	50	450	618	637	656	675
Telephone	0	0	0	100	100	100	100	100	100	100	100	100	900	1,236	1,273	1,311	1,351
Internet	0	0	0	100	100	100	100	100	100	100	100	100	900	1,236	1,273	1,311	1,351
Total Property & Utilities	0	0	0	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	16,650	22,866	23,552	24,259	24,986

Comments on Property and Utility Assumptions

- Rent - The business will rent an approximately 550 sq.ft. premises near harbour in Victoria, BC. Monthly rental expense is estimated at \$1,500 per.
- Heat – Estimated at \$50 per month.
- Electricity – Estimated at \$50 per month.
- Water – Estimated at \$50 per month.
- Telephone – Estimated at \$100 per month.
- Internet – Estimated at \$100 per month.
- The current plan is to keep the office space year round between Nov 15th and Mar 15th, and all cost are presumed to be for all year round.
- Annual cost increase of 3% on all expenses.

10.5 Operations Assumptions

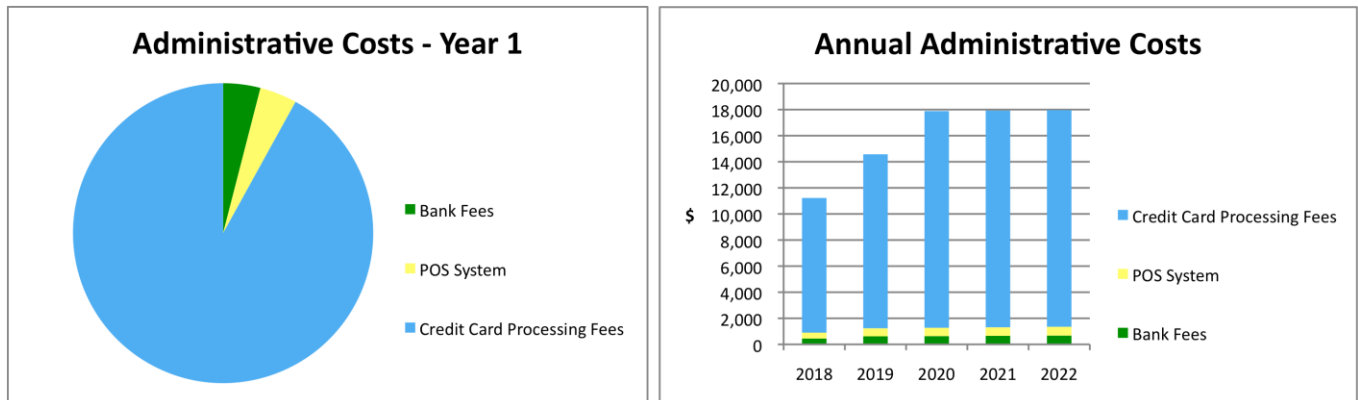


Operating Assumptions	2018												TOTAL 2018	TOTAL 2019	TOTAL 2020	TOTAL 2021	TOTAL 2022
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18					
Business Licences	0	0	0	160	0	0	0	0	0	0	0	0	160	0	0	0	0
Office Supplies	0	0	0	100	100	100	100	100	100	100	100	100	900	1,236	1,273	1,311	1,351
Repairs & Maintenance	0	0	0	200	200	200	200	200	200	200	200	200	1,800	2,472	2,546	2,623	2,701
Professional Fees	0	0	0	500	500	500	500	500	500	500	500	500	4,500	6,180	6,365	6,556	6,753
Miscellaneous Costs	0	0	0	500	500	500	500	500	500	500	500	500	4,500	6,180	6,365	6,556	6,753
Reservation System	0	0	0	1,300	600	600	600	600	600	600	600	600	6,100	7,416	7,638	7,868	8,104
Business Insurance	0	0	0	63	63	63	63	63	63	63	63	63	563	773	796	820	844
Total Operations	0	0	0	2,823	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	18,523	24,257	24,984	25,734	26,506

Comments on Operating Assumptions

- Business Licences - Estimated at \$160 per year.
- Office Supplies - Estimated at \$100 per month.
- Repairs & Maintenance – Estimated at \$200 per month.
- Professional Fees - Estimated at \$500 per month to cover bookkeeping, accounting or legal fees.
- Miscellaneous Costs - Estimated at \$500 per month.
- Reservation System – Estimated at \$600 per month for 2 stations on Bluesky booking system.
- Business Insurance - Estimated at \$750 per annum.
- The current plan is to keep the office space year round between Nov 15th and Mar 15th, and all cost are presumed to be for all year round.
- Annual cost increase of 3% on all expenses.

10.6 Administrative Assumptions

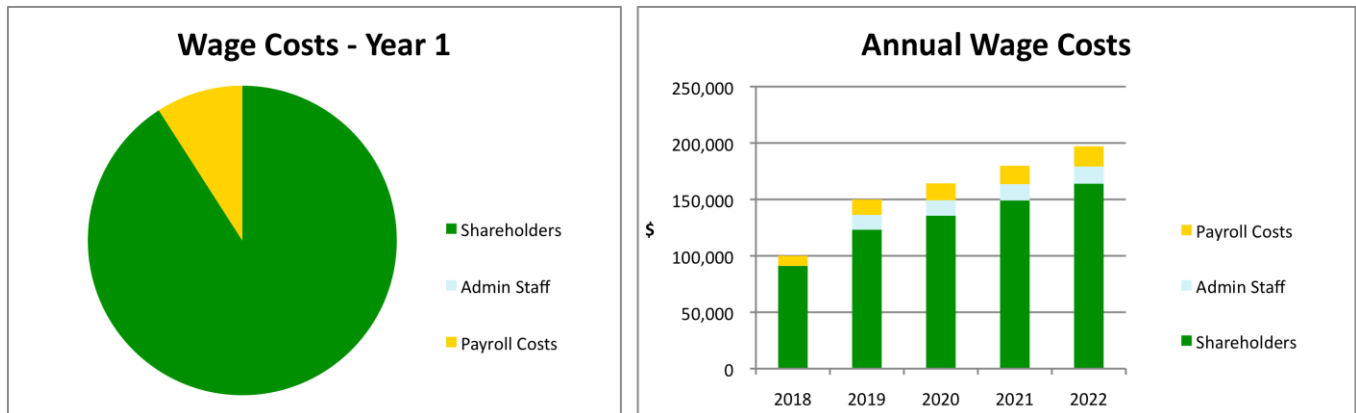


Administrative Assumptions	2018												TOTAL 2018	TOTAL 2019	TOTAL 2020	TOTAL 2021	TOTAL 2022
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18					
Bank Fees	0	0	0	50	50	50	50	50	50	50	50	50	450	618	637	656	675
POS System	0	0	0	50	50	50	50	50	50	50	50	50	450	618	637	656	675
Credit Card Processing Fees	0	0	0	0	1,133	1,851	2,125	2,125	1,234	1,275	583	0	10,325	13,337	16,612	16,612	16,612
Total Administrative	0	0	0	100	1,233	1,951	2,225	2,225	1,334	1,375	683	100	11,225	14,573	17,885	17,923	17,963

Comments on Administrative Assumptions

- Bank Charges - Estimated at \$50 per month.
- POS System - Estimated at \$50 per month.
- Credit Card Processing Fees - Estimated based on 85% of all booking on-line at 2% cost per transaction.
- Annual cost increase of 3% on Bank Charges and POS System only.

10.7 Wages Assumptions



Wages Assumptions	2018												TOTAL 2018	TOTAL 2019	TOTAL 2020	TOTAL 2021	TOTAL 2022
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18					
Shareholders	0	0	0	0	14,000	14,000	14,000	14,000	14,000	14,000	7,000	0	91,000	123,200	135,520	149,072	163,979
Admin Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	13,125	13,781	14,470	15,194
Payroll Costs	0	0	0	0	1,400	1,400	1,400	1,400	1,400	1,400	700	0	9,100	13,633	14,930	16,354	17,917
Total Wages	0	0	0	0	15,400	15,400	15,400	15,400	15,400	15,400	7,700	0	100,100	149,958	164,231	179,897	197,090

Comments on Wages Assumptions

- Shareholders – John Doe and John Smith will receive a salary of \$7,000 each per month pro-rated based on the months the business is offering whale watching trips. e.g. no trips, no salary; trips for only half of the month, only 50% of salary.
- Admin Staff – In year 2, the business will hire an administrative assistant for the summer months (June to August) at \$15.00 per hour for 30 hours per week.
- Payroll Costs - 10% of all wages assumed to cover employer EI, CPP, WCB.
- Annual increase of 10% for the shareholders and 3% for staff.

10.8 Sources and Uses of Funding

SOURCES OF FUNDING	2018												TOTAL 2018	TOTAL 2019	TOTAL 2020	TOTAL 2021	TOTAL 2022
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18					
Investor Advances	0	150,000	150,000	150,000	0	0	0	0	0	0	0	0	450,000	0	0	0	0
Shareholder Loan Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Loan Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Term Loan Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Comments on Sources of Funding

- The owners will seek investors to advance \$450,000 to the business in the first year. This will be repaid over a negotiated amount of time at a negotiated interest rate. The investor also has the option of taking shares within the business.
- No bank loans will be applied for.

USES OF FUNDING	2018												TOTAL 2018	TOTAL 2019	TOTAL 2020	TOTAL 2021	TOTAL 2022
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18					
Investor Repayments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends / Earnings Shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shareholder Loan Repayments	0	0	0	0	0	0	0	0	0	0	0	10,000	10,000	0	0	0	0
Operating Loan Interest & Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Term Loan Interest & Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of Fixed Assets	0	110,500	162,543	152,190	0	0	0	0	0	0	0	0	425,233	0	0	0	0
Payments for Other Assets & Other Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Comments on Uses of Funding

- The investors advances will be paid back within a negotiated amount of time at a negotiated interest rate. The investor also has the option of taking shares within the business.
- The Shareholders have estimated they have incurred costs to date of \$10,000 and this will be repaid in the first year.
- The business expects to purchase \$425,233 in Year 1 of capital:

Equipment	\$	Timing	Depreciation
Bus	84,999.00	Mar- April 2018	30% Per Year
Truck	57,120.00	Mar- April 2018	30% Per Year
Cargo Trailer	9,688.00	Mar- April 2018	30% Per Year
RHI Boat	221,000.00	Feb- April 2018 (*)	15% Per Year
Boat Trailer	10,736.00	Mar- April 2018	30% Per Year
Wraps	13,600.00	April 2018	100% Year 1
Floater Jackets	13,500.00	April 2018	100% Year 1
Video Recorder	3,995.00	April 2018	100% Year 1
Drone	8,095.00	April 2018	100% Year 1
Hydrophone System	2,500.00	April 2018	100% Year 1
Total	425,233.00		

(*) 50% deposit Feb 2018,
balance April 2018

- No further capital expenditure has been forecast for later years.

11 Appendices

11.1 Industry and Market References

Destination Canada

<https://www.destinationcanada.com/en/research>

Tourism Industry Association of BC - Tourism by the Numbers

<http://www.tiabc.ca/advocacy-policy-development/bctourismmatters/tourism-by-the-numbers/>

Tourism Industry Association of BC - Research Resources

<http://www.tiabc.ca/advocacy-policy-development/bctourismmatters/provincial-research-resources/>

Destination BC - Tourism Overview:

<https://www.destinationbc.ca/BC-Tourism-Industry/Overview-of-Tourism-in-B-C.aspx>

Destination BC - Research by Activity

<https://www.destinationbc.ca/Research/Research-by-Activity/All-Research-by-Activity.aspx>

Destination BC - Explorer Quotient (profiles of visitor types)

<https://www.destinationbc.ca/Resources/Explorer-Quotient.aspx>

Vancouver Island Tourism Region in-depth study, November 2011 to April 2012:

https://www.destinationbc.ca/getattachment/Research/Research-by-Region/Vancouver-Island/In-Market_Regional_Report_VI_2012.pdf.aspx

Victoria Tourism Bulletins (published by Chemistry Consulting)

<http://chemistryconsulting.ca/taxonomy/term/5>

Pacific Whale Watch Association

<https://www.pacificwhalewatchassociation.com>

Soundwatch Boater Education Program, Whale Museum, Friday Harbour

<https://whalemuseum.org/pages/soundwatch-boater-education-program>

BC's Whale Watching Industry Seeing Big Big Boom (2016)

<https://www.cantechletter.com/2016/08/bcs-whale-watching-industry-seeing-big-big-boom/>

Whale Watching - a Booming Business (2013)

<https://www.seeker.com/whale-watching-a-booming-business-discovery-news-1766490722.html>

Department of Fisheries and Oceans - Backgrounder on Whale Watching

<http://www.dfo-mpo.gc.ca/Library/329592.pdf>

Passenger Preferences for Whale Watching Tour Attributes and Payment for Grey Whale Habitat Protection, Sandra Warren, B.Sc., (Wildlife Biology), McGill University, 2012

http://rem-main.rem.sfu.ca/theses/WarrenSandra_2012_MRM553.pdf

International Whaling Commission - Whale Watching

<https://iwc.int/whalewatching>

11.2 Competitors Analysis

Prince of Whales - <https://princeofwhales.com/victoria-tours/>

Eagle Wing Tours - <https://www.eaglewingtours.com>

Orca Spirit Adventures - <https://orcaspirit.com/about/>

BC Whale Watching Tours - <https://bcwhalewatchingtours.com/whalewatching-bcwhaletours/>

Five Star Whale Watching - <https://5starwhales.com/about-2.html>

Company Name	Executive First Name	Executive Last Name	Address	City	Postal Code	Location Number of Employees	Location Sales Volume	Credit Rating
Bc Whale Tours			A-1234 Wharf St	Victoria	V8W3H9	10	\$1,290,000	Very Good
Eagle Wing Tours	Brett	Soberg	12 Erie St	Victoria	V8V4X5	45	\$5,805,000	Excellent
Eagle Wing Tours	Heather	Menzies	M2-1 Dallas Rd	Victoria	V8V0B2	5	\$645,000	Very Good
Five Star Whale Watching	Eric	Johnson	1012 Government St	Victoria	V8W1X7	3	\$387,000	Good
Five Star Whale Watching	Eric	Johnson	651 Humboldt St	Victoria	V8W1A6	8	\$1,032,000	Very Good
Orca Spirit Adventure LTD			950 Wharf St	Victoria	V8W1T3	8	\$1,032,000	Very Good
Orca Spirit Adventures	Lauren	Douglas	146 Kingston St	Victoria	V8V1V4	20	\$2,580,000	Very Good
Prince Of Whales Whale Watch	Liz	Steele	812 Wharf St	Victoria	V8W1T3	35	\$4,515,000	Excellent
Sea King Adventures	Ron	King	1 Dallas Rd	Victoria	V8V0B2	2	\$258,000	Good
Seacoast Expeditions LTD	John	Douglas	146 Kingston St	Victoria	V8V1V4	17	\$2,193,000	Very Good
Seafun Safaris	Anton	Roberts	950 Wharf St	Victoria	V8W1T3	11	\$1,419,000	Very Good
Seaker Adventures Tours	Anne	Sheridan	950 Wharf St	Victoria	V8W1T3	1	\$129,000	Good
Seaking Adventures Inc	Ron	King	4 Fishermans Wharf	Victoria		2	\$258,000	Good
Springtide Whale Tours	Dan	Kukat	1119 Wharf St	Victoria	V8W1T7	25	\$3,225,000	Excellent
Victoria Harbour Charters LTD	Claude	Himbeault	1234 Wharf St	Victoria	V8W3H9	3	\$177,000	Very Good

11.3 Additional Information

Titan Boats <http://www.titanboats.com>

University of Victoria Whale Research Lab
<http://whalelab.geog.uvic.ca>

Marine Naturalist Course:
<http://whalelab.geog.uvic.ca/naturalist>

The U.S. Whale Watching Industry of Greater Puget Sound
https://www.nwfsc.noaa.gov/assets/25/7442_04172014_143023_WhaleWatchingTM126WebFinal.pdf

Table 1. Whale watching company and vessel trends by year (Koski 2006, 2008, 2009, 2010, 2011, 2012, Eisenhardt 2013). No report available with 2006 data.

	2005	2007	2008	2009	2010	2011	2012
Total no. of companies	39	34	37	35	35	33	37
Total no. of vessels	74	76	76	73	76	76	79
No. of U.S. companies	17	15	21	16	16	17	18
No. of U.S. vessels	19	21	22	20	23	22	25
No. of Canadian companies	22	19	18	19	19	16	19
No. of Canadian vessels	55	55	54	53	53	54	54

International Fund for Animal Welfare - Protecting Whales

https://s3.amazonaws.com/ifaw-pantheon/sites/default/files/legacy/protecting_whales_eng_web.pdf

World Whale Watching worth \$2 billion per year (2010)

<https://www.theaustralian.com.au/news/world/worlds-whale-watching-industry-worth-2-billion-a-year-and-growing/news-story/>

Whale Watching Tragedies spark industry change (2015)

<https://globalnews.ca/news/2421911/whale-watching-industry-braces-for-changes/>

Orca Populations Threatened (Oct. 2017)

<http://www.cbc.ca/news/canada/british-columbia/bc-orca-symposium-1.4350859>

Whale Watching Industry Grows Despite Distance Restrictions (December 2017)

<http://www.thenewstribune.com/news/local/article191681624.html>

Canadian Government Petitioned to Save Southern Resident Orcas (Feb. 2018)

<http://uk.whales.org/news/2018/02/canadian-organizations-push-government-for-emergency-action-to-save-southern-resident>

11.4 John Doe Resume

Dave McGuire
#306- 6112 65TH ST, BEAUMONT, AB,
T4X 2A9
Phone: 780-222-8713
Email: d3mcguire@gmail.com

Objective: To Obtain employment with your company

Work History:

2006-2017

Semi-Vac/ Water Tanker/Straight Truck Vac and Water / Hydro-Vac Swamper /
Truck and Pup/ Belly Dump/ End Dump Gravel Hauling /Tandem / Tridem / Cat 740 Rock
Truck

Building: high grade / Ice roads/ access roads and leases for drilling rigs. Vac/water for drilling
rigs. Frac/ completions. Cement jobs/ Pipeline construction/ Plant Work – Shell Scottford/
Petro China Canada (Brion Sagd) Fluid Haul

Municipal District of Foothills #31

Clean Harbours Canada

Allen Services & Contracting LTD

2007-2011

Water Truck/ Truck and Pup/ Belly Dump Gravel Hauling/

Operator/ Fuel service truck/ Tandem/ Tri- Drive

Steel drum packer/ Cat Loader

Road surfacing/ Dust Control

Municipal District of Foothills #31

1977-2006 (B.C, N.S, N.B, U.K.)

Dive Supervisor, Diver, Fisherman, Vessel Owner and Operator

Underwater vessel maintenance and inspections, Salmon, Halibut, Prawn, Herring and Dive
fisheries.

Experience with Deck cranes, Hydraulic booms, Hydraulic winches, Diving compressors, etc.

Nordly's Diving LTD

Alchemy Diving U.K

Seashine Smoked Octopus

Discovery Fishing Adventures LTD

Certifications Held:

Class 1 Drivers licence (Abstract Available)

High River Driving School
Alberta, Canada

H2S Alive

St. Johns Ambulance
Alberta, Canada

C.S.T.S/ PST

Enform
Alberta, Canada

OSHA Academy

- Occupational Health and Safety training
- Conducting Job hazard analysis
- Hazard analysis and control

Standard First Aid- CPR A (ESO)

- Emergency First Aid industry
 - Level A CPR
- St Johns Ambulance
Alberta, Canada

OSSA Driving in the Mine

- RCOP 2009-2012 Training
- Synchrude Canada

OSSA Regional Orientation Program

- OSSA# SP20063
- SP# 07 4. 26 FM

OSSA Safe Work Permits course

- OSSA# SWP2010
- Synchrude Canada

Fall Protection - OSSA

- AAE Safety Instructor Training Inc.

Confined Space - OSSA

- AAE Safety Instructor Training Inc.

Alberta Construction Safety Association

- Principles of Health and Safety Management
- Confined Space Entry Monitor
- Prime Contractor
- WHIMS Train the Trainer
- Construction Environmental Awareness
- Safety Culture: A Road Map to Zero
- Alberta Legislation Awareness
- Road Builders Safety Training System
- Leadership for Safety Excellence
- Basic Instructional Techniques

Transportation of Dangerous Goods

SafetySync

Global Training Centre

- Ground Disturbance Supervisory

Build Force

- Pipeline Construction Safety Training

Capilano Truck Driver Training Institute

- Federal Hours of Service **Course**

Enform

Alberta, Canada

- Wildlife Awareness

Professional Association of Diving Instructors Canada/U.K.

- Dive Supervisor/ Dive Master - Rescue Diver/ Emergency First Response

Transport Canada

- SVOP
 - Marine Emergency Duties A2 Certificate
 - Firefighting and Prevention
 - Safety and Prevention
 - Sea Survival/ Risk Assessment
- Camosun College B.C Canada

Industry Canada

Radio Operator Certificate-Marine Commercial
Camosun College B.C Canada