

FUNDING PROPOSAL OUTLINE FOR COMMERCIAL PROJECTS

The following is a description of what an acceptable funding proposal should contain:

1. Applicant Profile (Suggested Length: 1 Page)

Please include the following:

- History
- Size of operations
- Nature of business
- Ownership and control (form of organization, parent company, shareholders' names and percent, and associated and/or related companies)
- For each manager and shareholder, please provide a letter signed by the individual, authorizing ECBC to obtain credit information. Ensure the letter includes the following:
 - Name
 - Home address
 - Date of birth
 - Net worth statement
 - Signature
 - Other information deemed relevant

2. Project Description (Suggested Length: 2 Pages)

Include the following:

- Nature, scope and purpose of project
- Commercial applications for R&D projects
- Include detailed project costing, financing and objectives
- Other relevant details

3. The Opportunity/Rationale (Suggested Length: 2-3 Pages)

List direct and indirect benefits to be achieved as a result of implementation of this project.

Determination of specific direct benefits which may include the following:

- Number and type of jobs to be created and salary per job
- Jobs maintained
- Export trade
- Import replacement opportunities
- Private/public sector partnering
- Heightening industry profile
- Technology transfer
- Adoption/implementation of most current technology
- Obtaining international recognized industry accreditation, ex. ISO 9000, CSA approval, cGMP (current good manufacturing practices), tourism grading
- Improved viability through efficiencies and cost reductions
- Strategic sector development

FUNDING PROPOSAL OUTLINE FOR COMMERCIAL PROJECTS

Determination of indirect benefits which include the following:

- Local construction benefits
- Spin-off economic benefits to the Atlantic Canada region, including indirect jobs
- Opportunities for local suppliers to benefit from purchases in relation to the project and ongoing operations

Other key economic issues that may be deemed relevant.

4. The Product or Services (Suggested Length: 1 Page)

Describe, in non-technical language, your existing and/or proposed products or services. Include their key features and what makes them different from those of competitors. Cover the status of patent, copyright or trademark protection.

5. The Market (Suggested Length: 3-5 Pages)

a) Markets/competition

Provide a well thought out marketing strategy and plan which details the following:

- Product/service description and general availability
- Competing products/services outlining characteristics and pricing
- Influencing regulations
- Industry trends
- Market position
- Market size
- Target markets
- Market opportunities and threats
- Detailed list of marketing expenditures
- Distribution channels
- Promotional campaigns
- Description of competitors
- Competitors strengths and weaknesses
- Company strengths and weaknesses
- Comments from sector experts
- Letters of intent from potential customers

b) Competitive Impact

Identify the competitive impact of your project on existing Cape Breton, Atlantic Canadian, National and International operations.

6. Management (Suggested Length: 1 Page)

Please provide the following information:

- Experience, abilities of key staff members
- Strengths and weaknesses
- Outline management's capabilities in the following areas and/or attach a

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resume:

- Finance
- Production
- Marketing
- Strategic Planning
- Industry Experience

7. Operation and Facilities (Suggested Length: 1 Page)

Please provide the following information:

- Provide verification that the company is in good standing with the Nova Scotia Registry of Joint Stocks
- Details of building size, plant layout, infrastructure requirements and proposed changes including details of occupancy (ex. owned/leased - if owned, provide a copy of the deed; if leased, provide a copy of the lease)
- Outline the impact of this project on any of your existing operations
- A description of the manufacturing process and special technologies involved including licenses and technical agreements
- An outline of existing and proposed production capacity of the plant
- An outline of sources, volumes and prices of raw materials and availability
- Availability of specialized labour in the area
- Environmental implications of the project and possible mitigation measures

- Describe measures to make more efficient use of resources and to prevent and reduce pollution and waste
- Identify any training needs
- Identify opportunities to expand operations in future years

8. Financial Information

a) Financial Position

- If you are an existing business, please provide the following:
 - Financial statements for the previous three years
 - Year to date statements at the time of application

b) Financial Projections (Suggested Length: 3 Pages) (See forms attached).

- Provide financial projections in two categories:
 - A statement of costs to develop the product or service, that is, preproduction costs
 - A projected balance sheet, income statement and cash flow statements, including your detailed assumptions, for the first three years of operations, with the first year broken down by month

c) Provide details on your line of credit and provide the latest statement.

FUNDING PROPOSAL OUTLINE FOR COMMERCIAL PROJECTS

9. Required Investments (Suggested Length: 2 Pages)

Include:

- The amount of money required
- The timing of the cash requirement
- What the funds will be used for (including copies of quotes for major expenditures)
- The proposed sources of the required funding, including your own cash injection, other equity, government assistance programs, term debt and working capital loans
- When investors can expect their funds to be paid back
- Applicant should have at least 20% equity in its operations
- Explain why financial assistance is required
- Information on other financing requests as follows:
 - Status on financial requests made to other financial institutions/government agencies (i.e. applications filed, pending approval, decision made, etc.)
 - If other financial institutions/government agencies are not prepared to support this project, provide a letter to this effect