

Titanium Transportation Group Inc.

TSX VENTURE : [TTR](#)



June 8, 2016

Titanium Transportation Group to Acquire Windsor Terminal and Transportation Assets

Asset acquisitions to create strategic presence and growth platform at Windsor-Detroit border crossing

WOODBIDGE, ONTARIO - (Marketwired - June 8, 2016) - Titanium Transportation Group Inc. ("Titanium" or the "Company") (TSX VENTURE:TTR) is pleased to announce that it has entered into agreements to acquire certain assets from Tregaskiss Investment Group Inc. (the "Vendor") for aggregate consideration of \$6.3 million.

Transaction highlights include:

- Acquisition of 31,560 square foot Windsor Terminal and approximately six acres of parking within ten kilometers of the Windsor-Detroit border
- Additional acquisition of 19 Volvo power units and 59 trailers
- Significant growth potential at Canada's busiest land border crossing
- Accretive to EBITDA and earnings
- Cash consideration funded with cash on hand and credit facilities, no requirement for equity financing
- Expected net debt to equity of 1.27 and net debt to EBITDA of 3.14 post transactions

Mr. Ted Daniel, CEO of Titanium commented, "Titanium has a proven track record of acquiring transportation assets and maximizing profitability by implementing its leading edge technology. The acquisition of the Windsor Terminal creates a strategic presence for Titanium at the Windsor-Detroit border crossing and a platform for growth in the region. The new terminal will also allow for significant cross-selling to Titanium's existing customer base."

Titanium has entered into two agreements with the Vendor as follows:

- (1) An agreement to purchase the land and building located at 3315 Devon Dr., Windsor, Ontario that is currently occupied by Drive Logistics Ltd. (the "Windsor Terminal"). The Windsor Terminal is being acquired for cash consideration of \$3.4 million. The transaction is expected to close on or about June 10th, 2016.
- (2) An agreement to purchase 19 Volvo power units, 59 trailers and furniture and equipment ("Rolling Stock") for aggregate consideration of \$2.9 million. The consideration paid is expected to be comprised of a payment of \$0.9 million in cash and the issuance of \$2 million of the Company's common shares to the Vendor. The acquisition of the Rolling Stock is expected to close on or about June 14th, 2016.

The Company's acquisition of the Windsor Terminal is subject to a number of conditions to closing, including the Company's satisfactory completion of its due diligence, the current tenant entering into a lease for the interim use of the Windsor Terminal, the Vendor entering into an office lease for a portion of the building on the Windsor Terminal, and other customary conditions for a land acquisition. The Company's acquisition of the Rolling Stock is subject to a number of conditions to closing, including the acquisition of the Windsor Terminal, the Company's satisfactory completion of its due diligence, the Vendor's successful completion of its financial restructuring, approval by the TSX Venture Exchange, and other customary conditions for this type of transaction. The acquisition of the Windsor Terminal is not conditional upon the closing of the acquisition of the Rolling Stock.

Finder's fees totaling \$98,000 will be payable on closing of this transaction to RockSteady Management, subject to approval from the TSX Venture Exchange. The common shares of Titanium to be issued in connection with the transaction will be subject to a two-year escrow arrangement with partial releases every six months.

About Titanium

Titanium is a leading asset-based transportation and logistics company servicing Canada and the United States, with approximately 420 power units, over 1,300 trailers and over 500 employees and independent owner operators. Titanium provides truckload, dedicated, and cross-border trucking services, freight logistics, and warehousing and distribution to over 1,000 customers. Titanium is a recognized consolidator of asset-based transportation companies in Ontario, having completed eight asset-based trucking acquisitions since 2011. Titanium has also been ranked by PROFIT magazine as one of Canada's Fastest Growing Companies for seven consecutive years.

Cautionary statement regarding forward-looking statements

Certain statements contained in this press release constitute forward-looking statements and information within the meaning of Canadian securities laws. Forward-looking statements and information are provided for the purposes of assisting the reader in understanding Titanium's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Particularly, statements regarding performance, achievements, prospects or opportunities for Titanium or the industry in which it operates are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts. More particularly, without limitation, this

press release contains forward-looking statements concerning the following: the completion of the acquisition of the Windsor Terminal and the Rolling Stock, and on the terms and conditions described herein; and the benefits to the Company of the acquisition of the Windsor Terminal and the Rolling Stock. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking statements made in this press release are dated, and relate only to events or information, as of the date of this press release. Except as specifically required by law, Titanium undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

CONTACT INFORMATION

Titanium Transportation Group Inc.

Ted Daniel, CPA, CA

Chief Executive Officer

(905) 266-3011

ted.daniel@ttgi.com

www.ttgi.com

For Investor Relations

Kin Communications Inc.

+1 (604) 684.6730 or +1 (866) 684.6730

TTR@kincommunications.com

www.kincommunications.com