Exchange
Income
Corporation

Second Quarter Financial Statements & Notes

For the three and six months ended June 30, 2015

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited, in thousands of Canadian dollars)

As at	June 30 2015	December 31 2014
ASSETS		
CURRENT		
Cash and cash equivalents	$ 33,246	$ 14,968
Accounts receivable	110,712	82,575
Costs incurred plus recognized profits in excess of billings	12,444	11,507
Inventory	111,511	84,020
Prepaid expenses and deposits	15,302	6,249
Income taxes receivable	9,570	-
	292,785	199,319
OTHER ASSETS	9,958	9,110
CAPITAL ASSETS	512,102	364,914
INTANGIBLE ASSETS	93,691	42,760
DEFERRED INCOME TAX ASSETS	188	397
GOODWILL	214,311	98,603
	$ 1,123,035	$ 715,103
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses	$ 127,402	$ 83,531
Income taxes payable	-	1,809
Deferred revenue	17,061	8,009
Billings in excess of costs incurred plus recognized profits	7,279	9,079
Current portion of long-term debt and finance leases (Note 7)	936	1,107
Current portion of convertible debentures (Note 8)	20,849	-
	173,527	103,535
LONG-TERM DEBT AND FINANCE LEASES (Note 7)	340,136	16,636
OTHER LONG-TERM LIABILITIES	15,033	436
CONVERTIBLE DEBENTURES (Note 8)	202,055	255,092
DEFERRED INCOME TAX LIABILITY	69,338	39,811
	800,089	415,510
EQUITY		
SHARE CAPITAL (Note 9)	323,728	308,919
CONVERTIBLE DEBENTURES - Equity Component (Note 8)	12,372	13,877
CONTRIBUTED SURPLUS	1,645	124
DEFERRED SHARE PLAN (Note 14)	4,248	3,802
RETAINED EARNINGS		
Cumulative Earnings	160,585	146,257
Cumulative Dividends (Note 10)	(209,175)	(189,073)
	(48,590)	(42,816)
ACCUMULATED OTHER COMPREHENSIVE INCOME	29,543	15,687
	322,946	299,593
	$ 1,123,035	$ 715,103

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Approved on behalf of the directors by:

Duncan Jessiman, Director
Signed

Donald Streuber, Director
Signed

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(unaudited, in thousands of Canadian dollars, except for per share amounts)

	Three Months Ended		Six Months Ended	
		Restated - Note 18		Restated - Note 18
For the periods ended June 30	**2015**	2014	**2015**	2014
REVENUE				
Aviation	$ **149,837**	$ 83,317	$ **283,295**	$ 161,666
Manufacturing	**46,377**	50,902	**86,854**	98,612
	196,214	134,219	**370,149**	260,278
EXPENSES				
Aviation expenses - excluding depreciation and amortization	**85,700**	53,945	**170,660**	106,647
Manufacturing expenses - excluding depreciation and amortization	**35,781**	39,127	**67,931**	76,286
General and administrative	**26,680**	18,885	**52,425**	37,090
	148,161	111,957	**291,016**	220,023
OPERATING PROFIT BEFORE DEPRECIATION, AMORTIZATION, FINANCE COSTS AND OTHER (Note 4)	**48,053**	22,262	**79,133**	40,255
Depreciation and amortization	**20,615**	12,719	**39,130**	24,756
Finance costs - interest	**7,119**	5,317	**15,517**	10,414
Acquisition costs	**994**	19	**3,188**	59
Consideration liability fair value adjustment	**-**	(256)	**-**	(651)
Impairment and restructuring (Note 12)	**-**	1,300	**-**	1,300
EARNINGS BEFORE INCOME TAXES	**19,325**	3,163	**21,298**	4,377
INCOME TAX EXPENSE (RECOVERY) (Note 17)				
Current	**4,283**	(537)	**5,529**	(194)
Deferred	**1,648**	2,418	**1,441**	3,639
	5,931	1,881	**6,970**	3,445
NET EARNINGS FOR THE PERIOD from continuing operations	$ **13,394**	$ 1,282	$ **14,328**	$ 932
Net earnings from discontinued operations (Note 18)	**-**	2,840	**-**	3,357
NET EARNINGS FOR THE PERIOD attributable to common shareholders	$ **13,394**	$ 4,122	$ **14,328**	$ 4,289
EARNINGS PER SHARE - continuing operations (Note 13)				
Basic	$ **0.58**	$ 0.06	$ **0.62**	$ 0.05
Diluted	$ **0.54**	$ 0.06	$ **0.61**	$ 0.05
EARNINGS PER SHARE attributable to common shareholders				
Basic	$ **0.58**	$ 0.19	$ **0.62**	$ 0.20
Diluted	$ **0.54**	$ 0.19	$ **0.61**	$ 0.19

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in thousands of Canadian dollars)

Attributable to common shareholders	Three Months Ended				Six Months Ended			
For the periods ended June 30		**2015**		2014		**2015**		2014
NET EARNINGS	$	**13,394**	$	4,122	$	**14,328**	$	4,289
OTHER COMPREHENSIVE INCOME (LOSS),								
Items that are or may be reclassified to the Statement of Income								
Cumulative translation adjustment, net of tax		**(3,668)**		(8,691)		**15,316**		683
Net gain (loss) on hedge of net investment in foreign operation		**772**		4,271		**(1,460)**		210
		(2,896)		(4,420)		**13,856**		893
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$	**10,498**	$	(298)	$	**28,184**	$	5,182

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited, in thousands of Canadian dollars)

						Retained Earnings			
	Share Capital	Convertible Debentures - Equity Component	Contributed Surplus - Matured Debentures	Deferred Share Plan	Reserved Shares	Cumulative Earnings	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	**Total**
Balance, January 1, 2014	$ 295,939	$ 12,216	$ 102	$ 2,619	$ 623	$ 138,002	$ (151,649)	$ 7,974	$ **305,826**
Shares issued to acquisition vendors	2,411	-	-	-	-	-	-	-	**2,411**
Convertible debentures									
Converted into shares	1,567	(83)	-	-	-	-	-	-	**1,484**
Issued	-	1,798	-	-	-	-	-	-	**1,798**
Matured	-	(7)	7	-	-	-	-	-	**-**
Shares issued under dividend reinvestment plan	2,152	-	-	-	-	-	-	-	**2,152**
Shares issued under vesting of reserved shares	623	-	-	-	(623)	-	-	-	**-**
Deferred share plan vesting	-	-	-	554	-	-	-	-	**554**
Comprehensive income	-	-	-	-	-	4,289	-	893	**5,182**
Dividends declared	-	-	-	-	-	-	(18,413)	-	**(18,413)**
Balance, June 30, 2014	**$ 302,692**	**$ 13,924**	**$ 109**	**$ 3,173**	**$ -**	**$ 142,291**	**$ (170,062)**	**$ 8,867**	**$ 300,994**
Balance, January 1, 2015	$ 308,919	$ 13,877	$ 124	$ 3,802	$ -	$ 146,257	$ (189,073)	$ 15,687	$ **299,593**
Shares issued to acquisition vendors (Note 6)	12,138	-	-	-	-	-	-	-	**12,138**
Convertible debentures (Note 8)									
Converted into shares	241	(16)	-	-	-	-	-	-	**225**
Matured/Redeemed	-	(1,489)	1,521	-	-	-	-	-	**32**
Shares issued under dividend reinvestment plan (Note 9)	1,850	-	-	-	-	-	-	-	**1,850**
Shares issued under First Nations community partnership agreements (Note 9)	98	-	-	-	-	-	-	-	**98**
Deferred share plan vesting	-	-	-	928	-	-	-	-	**928**
Deferred share plan issuance	482	-	-	(482)	-	-	-	-	**-**
Comprehensive income	-	-	-	-	-	14,328	-	13,856	**28,184**
Dividends declared (Note 10)	-	-	-	-	-	-	(20,102)	-	**(20,102)**
Balance, June 30, 2015	**$ 323,728**	**$ 12,372**	**$ 1,645**	**$ 4,248**	**$ -**	**$ 160,585**	**$ (209,175)**	**$ 29,543**	**$ 322,946**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in thousands of Canadian dollars)

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2015**	2014	**2015**	2014
OPERATING ACTIVITIES				
Net earnings for the period	$ **13,394**	$ 4,122	$ **14,328**	$ 4,289
Items not affecting cash:				
Depreciation and amortization	**20,615**	13,853	**39,130**	27,015
Accretion of interest	**1,161**	1,223	**3,262**	2,428
Long-term debt discount (paid) accretion	**(59)**	(5)	**(141)**	24
(Gain) on sale of disposal of capital assets	**(597)**	(209)	**(584)**	(1,473)
Deferred income tax	**1,648**	1,203	**1,441**	2,247
Deferred share program share-based vesting	**470**	280	**928**	554
Consideration liability fair value adjustment	**-**	(256)	**-**	(651)
	36,632	20,211	**58,364**	34,433
Changes in non-cash operating working capital items (Note 16)	**(32,791)**	(4,379)	**(34,284)**	(15,054)
	3,841	15,832	**24,080**	19,379
FINANCING ACTIVITIES				
Proceeds from (repayment of) long-term debt & finance leases, net of issuance costs	**6,493**	(5,490)	**321,116**	(21,983)
Proceeds from issuance of debentures, net of issuance costs	**-**	(6)	**-**	37,747
Redemption of convertible debentures (Note 8)	**-**	(126)	**(34,944)**	(126)
Issuance of shares, net of issuance costs	**1,002**	4,112	**1,948**	5,186
Cash dividends (Note 10)	**(10,064)**	(9,277)	**(20,102)**	(18,413)
	(2,569)	(10,787)	**268,018**	2,411
INVESTING ACTIVITIES				
Purchase of capital assets, net of disposals	**(37,459)**	(20,272)	**(74,176)**	(33,956)
Purchase of intangible assets	**(368)**	-	**(425)**	(27)
Cash outflow for acquisitions, net of cash acquired	**-**	-	**(201,764)**	-
Investment in other assets	**206**	5,270	**125**	5,775
Finance lease receivable payments, net of reserves	**1,324**	(428)	**2,420**	(347)
	(36,297)	(15,430)	**(273,820)**	(28,555)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(35,025)**	(10,385)	**18,278**	(6,765)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**68,271**	26,788	**14,968**	23,168
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ **33,246**	$ 16,403	$ **33,246**	$ 16,403
Supplementary cash flow information				
Interest paid	$ **5,112**	$ 4,020	$ **13,394**	$ 10,167
Income taxes paid	$ **15,871**	$ 226	$ **16,895**	$ 623

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

(unaudited, in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

1. ORGANIZATION

Exchange Income Corporation ("EIC" or the "Company") is a diversified, acquisition-oriented corporation focused on opportunities in two sectors: aviation services and equipment, and manufacturing. In particular businesses that are suited for public markets, except, in certain circumstances, for their size. The business plan of the Company is to invest in profitable, well-established companies with strong cash flows operating in niche markets. The Company is incorporated in Canada and the address of the registered office is 1067 Sherwin Road, Winnipeg, Manitoba, Canada R3H 0T8.

As at June 30, 2015, the principal wholly-owned operating subsidiaries of the Company are Perimeter Aviation LP ("Perimeter"), Keewatin Air LP ("Keewatin"), Calm Air International LP ("Calm Air"), Bearskin Lake Air Service LP ("Bearskin"), Custom Helicopters Ltd. ("Custom Helicopters"), 4873999 Manitoba Ltd., 7328010 Canada Ltd., Overlanders Manufacturing LP ("Overlanders"), Water Blast Manufacturing LP ("Water Blast"), WesTower Communications Ltd. ("WesTower CDA"), EIC Ireland Leasing Ltd. ("EIC Ireland"), R1 Canada LP ("Regional One Canada"), EIC Luxembourg Sarl ("EIC Luxembourg"), EIC Ireland Leasing No. Two Limited ("EIC Ireland Two"), Provincial Aerospace Ltd. ("Provincial") and EIIF Management USA Inc. ("EIIF USA"). Stainless Fabrication, Inc. ("Stainless"), Dallas Sailer Enterprises, Inc. ("Water Blast Dakota"), and Regional One, Inc. ("Regional One") are wholly owned subsidiaries of EIIF USA. Through the Company's subsidiaries, products and services are provided in two business segments: Aviation and Manufacturing.

The Company's interim results are impacted by seasonality factors. The Aviation segment has historically had the strongest revenues in the second and third quarters when demand tends to be highest, relatively modest in the fourth quarter and the lowest in the first quarter as communities serviced by the airlines are less isolated with the use of ice roads for transportation during the winter. With the diversity within the Manufacturing segment, the seasonality of the Manufacturing segment is relatively flat throughout a fiscal period.

On October 20, 2014, the Company completed the sale of WesTower Communications Inc. (the US operations of WesTower – "WesTower US") and within these interim condensed consolidated financial statements the operations of WesTower US are presented as Discontinued Operations for the prior period. To reflect this change in presentation, prior period comparatives have been restated from what was originally reported in the Company's interim condensed consolidated financial statements for the three and six months ended June 30, 2014.

On July 2, 2015, the Company announced the acquisition of Ben Machine Products Company Inc. ("Ben Machine") (Note 19). Also subsequent to the second quarter, the Company acquired all of the non-aircraft assets of First Air in the Kivalliq Region (Note 19). These interim condensed consolidated financial statements do not include any results of Ben Machine or the non-aircraft assets acquired from First Air as these events took place subsequent to June 30, 2015.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements are for the three and six months ended June 30, 2015, and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which were prepared in accordance with IFRS as issued by the IASB. These interim condensed consolidated financial statements are presented in thousands of Canadian dollars, except per share information and share data.

These interim condensed consolidated financial statements were approved by the Board of Directors of the Company for issue on August 12, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation used in the preparation of these interim condensed consolidated financial statements are the same as those followed in the most recent annual financial statements, except for the changes noted below:

a) *Principles of Consolidation*

The interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Perimeter, Keewatin, Calm Air, Bearskin, Custom Helicopters, 4873999 Manitoba Ltd., 7328010 Canada Ltd., Overlanders, Water Blast, WesTower CDA, EIC Ireland, EIC Ireland Two, Regional One Canada, EIC Luxembourg, Provincial, EIIF USA and their respective subsidiaries, including Stainless, WesTower US, Water Blast Dakota and Regional One. All significant inter-company transactions have been eliminated for purposes of these interim condensed consolidated financial statements.

b) *Revenue Recognition – Aviation Revenues*

With the acquisition of Provincial, revenue from aircraft modification contracts is recognized on a percentage of completion basis. The percentage complete is calculated based upon contract costs incurred to date compared with total estimated contract costs. The percentage complete is then applied to total anticipated contract revenue to determine the period's revenue. A provision for the estimated loss is made when contract costs are expected to exceed estimated contract revenue.

b) *Accounting Standards Issued but not yet Effective*

IFRS 15 – Revenue

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, a new standard that specifies the steps and timing for entities to recognize revenue as well as requiring them to provide more informative, relevant disclosures. IFRS 15 supersedes IAS 11, Customer Contracts, and IAS 18, Revenue, as well as various IFRIC and SIC interpretations regarding revenue. Adoption of IFRS 15 is mandatory and will be effective for the Company beginning on January 1, 2018, with earlier adoption permitted. The Company is assessing the impact of adopting this standard on its financial statements.

IFRS 9 – Financial Instruments

IFRS 9, Financial Instruments, first issued in November 2009 with final version released in July 2014 by the IASB, brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39. IFRS 9 introduces a principles-based approach to the classification of financial assets based on an entity's business model and the nature of the cash flows of the asset. All financial assets, including hybrid contracts, are measured as at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income or amortized cost. For financial liabilities, IFRS 9 includes the requirements for classification and measurement previously included in IAS 39. IFRS 9 also introduces an expected loss impairment model for all financial assets not carried at FVTPL. Finally, IFRS 9 introduces a new hedge accounting model that aligns the accounting for hedge relationships more closely with an entity's risk management activities. The standard is effective for annual periods beginning on or after January 1, 2018.

4. OPERATING PROFIT BEFORE DEPRECIATION, AMORTIZATION, FINANCE COSTS AND OTHER

The Company presents operating profit before depreciation, amortization, finance costs and other in the consolidated statement of income to assist users in assessing financial performance. The Company's management and the Board use this measure to evaluate consolidated operating results and assess the ability of the Company to incur and service debt. In addition, this measure is used to make operating decisions as it is an indicator of how much cash is being generated by the Company and assists in determining the need for additional cost reductions, evaluation of personnel and resource allocation decisions. Operating profit before depreciation, amortization, finance costs and other is referred to as an additional IFRS measure and may not be comparable to similar measures presented by other companies.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. There were no changes to the Company's critical accounting estimates from those described in the most recent annual financial statements.

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

6. ACQUISITIONS

Acquisition of Provincial Aerospace Ltd.

On January 2, 2015, the Company completed the acquisition of Provincial Aerospace Ltd. through a stock purchase agreement to acquire 100% of the shares of Provincial, a Canadian owned corporation based out of St. John's, Newfoundland and Labrador. Provincial was founded in 1972 and operates three distinct business units, a scheduled airline, fixed base operations and aerospace.

Provincial operates its scheduled airline service using fixed wing aircraft in Newfoundland and Labrador, Quebec, New Brunswick and Nova Scotia providing approximately 210 scheduled flights weekly as well as charter services across the territory. The fixed base operations are located Newfoundland and Labrador and Nova Scotia. The aerospace business designs, modifies, maintains and operates custom sensor equipped aircraft. It has maritime surveillance and support operations in Canada, the Caribbean and the Middle East. Provincial operates a total of 29 aircraft. The scheduled operations business has a fleet primarily comprised of Dash 8's and Twin Otters and the aerospace business operates various aircraft types for multiple customers.

The acquisition allowed the Company to further diversify its revenue streams and cash flow by entering new product and geographical markets. Provincial's maritime surveillance and support operations, which constitute the largest portion of Provincial's operations, are a new niche market that the Company's existing Aviation segment entities do not operate in and the revenue streams come from several different geographic areas around the world. As a result, the addition of Provincial further diversifies the cash flows generated by the Company.

The results of operations are included in the Company's condensed consolidated interim statement of operations within the Aviation segment for the period since the date of acquisition. During the six month period ended June 30, 2015, Provincial contributed third party revenues of $98.5 million, earnings before income tax of $12.6 million and total assets of $347.7 million.

The purchase agreement contained working capital estimates to be maintained as of the acquisition date. The Company is currently assessing the opening working capital and plans to finalize the working capital settlement during the third quarter of 2015. The working capital consideration estimate totaling $7,255 is for a liability owing to the vendors, which was created mainly from excess working capital of the acquired balance sheet of Provincial over the $5,000 target in the stock purchase agreement. Included in the acquired balance sheet was $23,236 of cash and is available to be used to settle the liability with the vendors once finalized.

Consideration given:		
Cash	$	**225,000**
Working capital consideration estimate		**7,255**
Issue of 523,188 Shares of the Company at a price of $23.20 per share		**12,138**
Total purchase consideration	$	**244,393**

Details of the fair values of the net assets acquired at the time of the transaction are as follows and will be finalized in the third quarter with the settlement of working capital:

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

Fair value of assets acquired:	
Cash	$ **23,236**
Accounts receivable	**24,902**
Inventory	**9,125**
Prepaid expenses and deposits	**4,255**
Costs incurred plus recognized profits in excess of billings	**321**
Capital assets	**102,308**
Other assets	**1,549**
Intangible assets	**52,615**
	218,311
Less fair value of liabilities assumed:	
Accounts payable and accrued liabilities	**34,797**
Income taxes payable	**2,791**
Deferred revenue	**7,654**
Other long-term liabilities	**12,488**
Deferred income tax liabilities	**27,938**
Fair value of identifiable net assets acquired	**132,643**
Goodwill	**111,750**
Total purchase consideration	$ **244,393**

Of the $52,615 acquired intangible assets, $20,500 was assigned to trade name, $20,700 was assigned to customer relationships, $6,750 was assigned to certifications and $3,300 was assigned to backlog and $1,365 assigned to other. The customer relationship, backlog and other are all subject to amortization while the trade name is considered to have indefinite life and the certifications will be unamortized until they are no longer valid or used by the Company.

The Company had previously made estimates in its first quarter interim condensed consolidated financial statements regarding the purchase price allocation of the net assets acquired, but this included no recognition of intangible assets and other certain items. During the second quarter the Company revised these estimates and resulted in $52.6 million of intangible assets being recognized. This resulted in $2.2 million of intangible asset amortization being expensed in the second quarter pertaining to the six month period since being acquired at the beginning of fiscal 2015. Certain other fair value estimates were made relating to the acquired capital assets and inventory.

The current allocations included in the Company's interim consolidated financial statements for the current period are provisional and adjustments will be finalized during the third quarter of 2015 along primarily with the settlement of working capital.

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

7. LONG-TERM DEBT AND FINANCE LEASES

The following summarizes the Company's long-term debt and finance leases as at June 30, 2015 and December 31, 2014:

	June 30 2015	December 31 2014
Revolving term facility:		
Canadian dollar amounts drawn	$ 282,100	$ -
United States dollar amounts drawn (US$46,900 and US$13,900, respectively)	58,503	16,125
Total credit facility debt outstanding, principal value	340,603	16,125
less: unamortized transaction costs	(1,668)	(911)
less: unamortized discount on outstanding Banker's Acceptances	(141)	-
Net credit facility debt	338,794	15,214
Finance leases	2,278	2,529
Total net credit facility debt and finance leases	341,072	17,743
less: current portion of finance leases	(936)	(1,107)
Long-term debt and finance leases	$ 340,136	$ 16,636

The Company's credit facility is secured by a general security agreement over the assets of the Company, subject to customary terms, conditions, covenants and other provisions, and includes both financial and negative covenants. The Company is in compliance with all financial and negative covenants as at June 30, 2015.

During the first quarter of 2015, the allocation of the total credit available between EIC head office and EIIF USA was amended as part of the closing of the acquisition of Provincial. Total credit available to EIC increased to $320,000, while total credit available to EIIF USA decreased to $15,000. The total credit available to the Company remained unchanged at $335,000. Furthermore, in February 2015, the Company amended the terms of its credit facility which resulted in increasing the credit available to be $450,000 and extended the maturity to May 2019. With the changes, the amount of credit allocated to EIC and EIIF USA was changed to $400,000 and $50,000, respectively. No other significant changes were made to the terms included within the credit facility.

Interest expense recorded by the Company's continuing operations during the three and six months ended June 30, 2015 for the long-term debt and finance leases was $2,605 and $5,067, respectively (2014 – $122 and $387, respectively). In the comparative period, the Company allocated interest expense of $1,552 and $2,918, respectively, to Discontinued Operations representing the portion of interest expense related to the operations of WesTower US up to the date of disposition.

Credit Facility

The following is the continuity of long-term debt for the six months ended June 30, 2015:

	Six Months Ended June 30, 2015				
	Opening	Withdrawals	Repayments	Exchange Differences	Ending
Credit facility amounts drawn					
Canadian dollar portion	$ -	$ 282,100	$ -	$ -	$ 282,100
United States dollar portion	16,125	52,812	(12,204)	1,770	58,503
	$ 16,125				$ 340,603

Subsequent to June 30, 2015 and before these interim condensed consolidated financial statements were authorized, the Company made net senior debt draws of US$35,000.

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

8. CONVERTIBLE DEBENTURES

Series - Year of Issuance	Trade Symbol	Maturity	Interest Rate	Conversion Price
Series H - 2010	EIF.DB.B	May 31, 2017	6.5%	$ 20.00
Series J - 2011	EIF.DB.D	May 31, 2018	6.25%	$ 30.60
Unsecured Debentures - 2012	EIF.DB.E	September 30, 2019	5.5%	$ 36.80
Unsecured Debentures - 2013	EIF.DB.F	March 31, 2020	5.35%	$ 41.60
Unsecured Debentures - 2014	EIF.DB.G	March 31, 2021	6.0%	$ 31.70

Summary of the debt component of the convertible debentures:

	2015 Balance, Beginning of Period	Debentures Issued	Accretion Charges	Debentures Converted	Redeemed / Matured	2015 Balance, End of Period
Series H	$ 21,276	$ -	$ 135	$ (223)	$ -	$ 21,188
Series I	34,390	-	554	-	(34,944)	-
Series J	54,917	-	333	-	-	55,250
Unsecured - 2012	54,068	-	308	-	-	54,376
Unsecured - 2013	61,447	-	286	-	-	61,733
Unsecured - 2014	37,495	-	159	-	-	37,654
						230,201
less: unamortized transaction costs						(7,297)
Convertible Debentures - Debt Component, end of period						222,904
less: current portion						(20,849)
Convertible Debentures - Debt Component (long-term portion)						$ 202,055

During the six months ended June 30, 2015, convertible debentures totaling a face value of $235 were converted by the holders at various times into 11,750 Shares of the Company (2014 – $1,491 face value into 127,072 Shares).

Interest expense recorded during the three and six months ended June 30, 2015 for the convertible debentures was $4,514 and $10,450, respectively (2014 – $5,195 and $10,027, respectively).

The Series I debentures due January 31, 2016, were redeemed on March 31, 2015 pursuant to the trust indenture. This resulted in a payment of $35,269, comprising of $34,944 in principal plus accrued interest. The redemption was funded through a draw on the Company's senior credit facility. The related equity component and tax impacts were transferred to contributed surplus.

During the quarter, the Company announced it was redeeming the Series H debentures pursuant to the trust indenture. The redemption date was July 15, 2015. Subsequent to June 30, 2015, $19,594 in principal of Series H debentures were converted, resulting in a cash payment of $2,181, comprising of $2,164 in principal plus accrued interest, on the date of redemption.

Convertible Debentures Equity Component

Since all of the outstanding convertible debentures contain a conversion feature available to the debenture-holder to convert debenture principal into Shares of the Company, the debenture obligation is classified partly as debt and partly as shareholders' equity. The debt component represents the present value of interest and principal payments over the life of the convertible debentures discounted at a rate approximating the rate which would have been applicable to non-convertible debentures at the time the convertible debentures were issued. The difference between the principal amount of the convertible debentures and the present value of interest and principal payments over the life of the convertible debentures is accreted over the term of the convertible debentures through periodic charges to the debt component, such that, on maturity, the debt component equals the principal amount of the convertible debentures outstanding.

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

Summary of the equity component of the convertible debentures:

		June 30 2015		December 31 2014
Series H - 2010	$	1,172	$	1,188
Series I - 2011		-		1,489
Series J - 2011		3,136		3,136
Unsecured Debentures - 2012		3,204		3,204
Unsecured Debentures - 2013		3,063		3,063
Unsecured Debentures - 2014		1,797		1,797
Convertible Debentures - Equity Component, end of period	$	12,372	$	13,877

The Series H and Series J debentures are secured, subordinate only to senior security, by a charge on the assets and undertakings of the Company' and it subsidiaries. The September 2012, March 2013 and March 2014 convertible debenture offerings represent direct unsecured debt obligations of the Company.

9. SHARE CAPITAL

Changes in the Shares issued and outstanding during the six months ended June 30, 2015 are as follows:

	Number of Shares		2015 Amount
Share capital, beginning of period	22,507,341	$	308,919
Issued upon conversion of convertible debentures	11,750		241
Issued under dividend reinvestment plan	86,594		1,850
Issued to Provincial vendors on closing (Note 6)	523,188		12,138
Issued under First Nations community partnership agreements	4,500		98
Issued under deferred share plan	21,749		482
Share capital, end of period	23,155,122	$	323,728

There were significant events subsequent to the end of the second quarter but before the release of this report which resulted in the Company issuing Shares. First, the Company issued 329,552 Shares as part of the acquisition of Ben Machine at the beginning of July. Second, with the early redemption of the Series H Convertible Senior Secured Debentures, the Company issued 979,700 Shares during the first half of July with the conversion of $19,594 of principal amount of Series H.

10. DIVIDENDS DECLARED

The Company's dividend policy is to pay cash dividends on or about the 15th of each month to shareholders of record on the last business day of the previous month. The Company's Board of Directors regularly examines the dividends paid to shareholders.

Cumulative dividends during the six months ended June 30, 2015 and the comparative 2014 period are as follows:

Six Months Ended June 30		2015		2014
Cumulative dividends, beginning of period	$	189,073	$	151,649
Dividends during the period		20,102		18,413
Cumulative dividends, end of period	$	209,175	$	170,062

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

The amounts and record dates of the dividends during the six months ended June 30, 2015 and the comparative 2014 period are as follows:

Month	Record date	Per Share	2015 Dividends Amount	Record date	Per Share	2014 Dividends Amount
January	January 30, 2015	$ 0.145	$ 3,342	January 31, 2014	$ 0.14	$ 3,039
February	February 27, 2015	0.145	3,347	February 28, 2014	0.14	3,043
March	March 31, 2015	0.145	3,349	March 31, 2014	0.14	3,054
April	April 30, 2015	0.145	3,352	April 30, 2014	0.14	3,080
May	May 31, 2015	0.145	3,354	May 30, 2014	0.14	3,097
June	June 30, 2015	0.145	3,358	June 30, 2014	0.14	3,100
Total		$ 0.87	$ 20,102		$ 0.84	$ 18,413

Subsequent to June 30, 2015 and before these interim condensed consolidated financial statements were authorized, the Company declared a dividend of $0.145 per Share for July 2015. With the approval of these interim condensed consolidated financial statements, the Company announced the increase of the monthly dividend to $0.16 per Share for the August 2015 dividend declaration, which will be paid to shareholders mid-September.

11. SEGMENTED AND SUPPLEMENTAL INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The Company's operating business segments include strategic business units that offer different products and services. The Company has two operating business segments: Aviation and Manufacturing. The Aviation segment provides airline services to communities in Manitoba, Ontario, Nunavut and Alberta and also provides aircraft and engine aftermarket parts to regional airline operators around the world. With the acquisition of Provincial, our airline services have expanded to eastern Canada. In addition, Provincial's aerospace business designs, modifies, maintains and operates custom sensor equipped aircraft. Provincial is included in the Aviation segment as of the date of acquisition (Note 6). The Manufacturing segment consists of niche specialty metal manufacturers in markets throughout Canada and the United States. The Discontinued Operations includes the results of WesTower US that was disposed of in the fourth quarter of 2014.

The Company evaluates each segment's performance based on EBITDA. The Company's method of calculating EBITDA may differ from that of other corporations and therefore may not be comparable to measures utilized by them. The Company's method of calculating EBITDA is consistent with the Company's Operating Profit before Depreciation, Amortization, Finance Costs and Other presented in the consolidated statement of income. There are no inter-segment revenues, and all segment revenues presented in the tables below are from external customers.

"Head Office" used in the following segment tables is not a separate segment and is only presented to reconcile to enterpriseEBITDA, certain statement of financial position amounts and capital asset additions. It includes expenses incurred at head office of the Company.

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

	Three Months Ended June 30, 2015			
	Aviation	**Manufacturing**	**Head Office**	**Consolidated**
Revenue	**$ 149,837**	**$ 46,377**	**$ -**	**$ 196,214**
Expenses	**102,635**	**41,316**	**4,210**	**148,161**
EBITDA	**47,202**	**5,061**	**(4,210)**	**48,053**
Depreciation and amortization				**20,615**
Finance costs - interest				**7,119**
Acquisition costs				**994**
Earnings before tax				**19,325**
Current income tax expense				**4,283**
Deferred income tax expense				**1,648**
Net earnings from continuing operations				**13,394**
Net earnings from discontinued operations				**-**
Net earnings				**$ 13,394**

	Three Months Ended June 30, 2014			
	Aviation	Manufacturing	Head Office	Consolidated
Revenue	$ 83,317	$ 50,902	$ -	$ 134,219
Expenses	64,487	44,390	3,080	111,957
EBITDA	18,830	6,512	(3,080)	22,262
Depreciation and amortization				12,719
Finance costs - interest				5,317
Acquisition costs				19
Consideration liability fair value adjustment				(256)
Impairment and restructuring				1,300
Earnings before tax				3,163
Current income tax recovery				(537)
Deferred income tax expense				2,418
Net earnings from continuing operations				1,282
Net earnings from discontinued operations				2,840
Net earnings				$ 4,122

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

	Six Months Ended June 30, 2015			
	Aviation	**Manufacturing**	**Head Office**	**Consolidated**
Revenue	**$ 283,295**	**$ 86,854**	**$ -**	**$ 370,149**
Expenses	**204,872**	**78,991**	**7,153**	**291,016**
EBITDA	**78,423**	**7,863**	**(7,153)**	**79,133**
Depreciation and amortization				**39,130**
Finance costs - interest				**15,517**
Acquisition costs				**3,188**
Earnings before income tax				**21,298**
Current income tax expense				**5,529**
Deferred income tax expense				**1,441**
Net earnings from continuing operations				**14,328**
Net earnings from discontinued operations				**-**
Net earnings				**$ 14,328**

	Six Months Ended June 30, 2014			
	Aviation	Manufacturing	Head Office	Consolidated
Revenue	$ 161,666	$ 98,612	$ -	$ 260,278
Expenses	127,917	86,813	5,293	220,023
EBITDA	33,749	11,799	(5,293)	40,255
Depreciation and amortization				24,756
Finance costs - interest				10,414
Acquisition costs				59
Consideration liability fair value adjustment				(651)
Impairment and restructuring				1,300
Earnings before income tax				4,377
Current income tax recovery				(194)
Deferred income tax expense				3,639
Net earnings from continuing operations				932
Net earnings from discontinued operations				3,357
Net earnings				$ 4,289

	June 30, 2015			
	Aviation	**Manufacturing**	**Head Office**	**Consolidated**
Total assets	**$ 868,508**	**$ 139,602**	**$ 114,925**	**$ 1,123,035**
Net capital asset additions	**72,507**	**1,440**	**229**	**74,176**

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

								December 31, 2014
		Aviation		Manufacturing		Head Office		Consolidated
Total assets	$	448,025	$	145,172	$	121,906	$	715,103
Net capital asset additions		79,645		4,335		70		84,050

12. IMPAIRMENT AND RESTRUCTURING

During the second quarter of 2014, the Company restructured Bearskin's operations to eliminate certain unprofitable routes. Management accrued and expensed restructuring costs of $1,300 which mainly related to severance costs for reducing personnel levels.

In addition, as part of the restructuring at Bearskin, $663 of additional depreciation was recorded in the second quarter of 2014 as the residual value and remaining useful lives of certain assets were reassessed as part of the restructuring.

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net earnings by the weighted average number of Shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company has two categories of dilutive potential common shares: vested deferred shares that have vested under the Company's Deferred Share Plan and convertible debentures. For the convertible debentures, the convertible debt is assumed to have been converted into common shares and net earnings is adjusted to eliminate the interest expense from the convertible debt less the tax effect.

The computation for basic and diluted earnings per share for the Company's continuing operations for the three and six months ended June 30, 2015 and comparative periods in 2014 are as follows:

	Three Months Ended				Six Months Ended			
Periods Ended June 30		**2015**		2014		**2015**		2014
Net earnings from continuing operations for the period available to common shareholders	**$**	**13,394**	$	1,282	**$**	**14,328**	$	932
Effect of dilutive securities								
Convertible debentures		**3,294**		-		**-**		-
Diluted earnings for the period	**$**	**16,688**	$	1,282	**$**	**14,328**	$	932
Basic weighted average number of Shares		**23,127,371**		22,048,256		**23,093,099**		21,931,357
Effect of dilutive securities								
Vested deferred shares		**379,581**		162,987		**379,581**		162,987
Convertible debentures		**7,358,011**		-		**-**		-
Diluted basis average number of Shares		**30,864,963**		22,211,243		**23,472,680**		22,094,344
Earnings per share - continuing operations:								
Basic	**$**	**0.58**	$	0.06	**$**	**0.62**	$	0.05
Diluted	**$**	**0.54**	$	0.06	**$**	**0.61**	$	0.05

14. DEFERRED SHARE PLAN

During the six months ended June 30, 2015, the Company granted deferred shares to certain personnel. The fair value of the deferred shares granted was $2,173 at the time of the grant and was based on the market price of the Company's Shares at that time. During the three and six months ended June 30, 2015, the Company recorded compensation expense of $470 and $928, respectively, for the Company's Deferred Share Plan within the general and administrative expenses of head-office (2014 - $280 and $554, respectively).

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (primarily currency risk and interest rate risk), credit risk and liquidity risk. Senior management is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary. The following describes the risk management areas that have significantly changed from those described in the audited December 31, 2014 consolidated financial statements.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency, interest rate and other price risk.

Currency Risk

The Company has US $46,900 ($58,503) outstanding on its credit facility. The outstanding funds in USD results in currency risk that the future cash flows will fluctuate with the changes in market currency rates. The exposure for the USD portion of its credit facility outstanding is offset by the cash generated through the operations of its US based subsidiaries.

The Company`s investment in those subsidiaries with USD functional currencies are hedged partially by US$36,900 of the secured bank loan which mitigates the foreign currency translation risk arising from the subsidiary`s net assets. The loan is designated as a net investment hedge and no ineffectiveness was recognized from the net investment hedge during the three and six month periods ended June 30, 2015.

Interest Rates

The Company is subject to the risk that future cash flows associated with the credit facility outstanding (Note 7) will fluctuate due to fluctuations in interest rates. The Company manages this risk and seeks financing terms in individual arrangements that are most advantageous.

The terms of the credit facility allow for the Company to choose the base interest rate between Prime, Bankers Acceptances or London Inter Bank Offer Rate ("LIBOR"). At June 30, 2015, US $46,900 was outstanding under US LIBOR and $282,100 was outstanding under Bankers Acceptances.

The interest rates of the convertible debentures (Note 8) have fixed interest rates.

Fair Value of Financial Instruments

The following table provides information about financial assets and liabilities measured at fair value in the consolidated balance sheet and categorized by level according to the significance of the inputs used in making the measurements and their related classifications:

Recurring fair value measurements	Carrying Value June 30, 2015	Quoted prices in an active market Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Financial Liabilities				
Consideration liabilities - Other financial liabilities	$ (2,338)	$ -	$ -	$ (2,338)
Fair Value Disclosures				
Other assets - Loans and receivables	8,534	-	8,534	-
Other assets - Equity method investment	1,424	-	-	1,424
Long term debt - Other financial liabilities	(338,794)	-	-	(340,603)
Convertible debt - Other financial liabilities	(222,904)	(230,570)	-	-

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

Recurring fair value measurements		Carrying Value December 31, 2014		Quoted prices in an active market Level 1		Significant other observable inputs Level 2		Significant unobservable inputs Level 3
Financial Liabilities								
Consideration liabilities - Other financial liabilities	$	(2,162)	$	-	$	-	$	(2,162)
Fair Value Disclosures								
Other assets - Loans and receivables		5,167		-		5,167		-
Long term debt - Other financial liabilities		(15,214)		-		-		(16,125)
Convertible debt - Other financial liabilities		(255,092)		(251,982)		-		-

The Company valued the level 3 consideration liabilities based on the present value of estimated cash outflows using probability weighted calculations, discount rates and the observable fair market value of its equity, as applicable.

The following table summarizes the changes in the consideration liability recorded on the acquisition of Regional One, including any changes for settlements, changes in fair value and foreign currency:

Consideration Liability Summary For the periods ended		**June 30 2015**		December 31 2014
Opening	**$**	**2,162**	$	12,582
Accretion		**15**		102
Consideration liability fair value adjustment		**-**		(651)
Settled during the year		**-**		(10,393)
Translation loss		**161**		522
Ending	**$**	**2,338**	$	2,162

16. CHANGES IN WORKING CAPITAL ITEMS

The changes in non-cash operating working capital items during the three and six months ended June 30, 2015 and the comparative periods in 2014 are as follows:

	Three Months Ended				Six Months Ended			
Periods Ended June 30		**2015**		2014		**2015**		2014
Accounts receivable	**$**	**(3,383)**	$	6,198	**$**	**(3,235)**	$	(24,577)
Costs incurred plus recognized profits in excess of billings		**(2,727)**		(1,115)		**(616)**		(13,661)
Inventory		**(14,843)**		(1,833)		**(18,366)**		(7,381)
Prepaid expenses		**96**		(1,020)		**(4,798)**		(1,434)
Accounts payable and accrued charges		**1,373**		(10,562)		**1,819**		4,801
Income taxes receivable		**(8,125)**		718		**(13,705)**		(958)
Deferred revenue		**422**		257		**2,878**		507
Billings in excess of costs incurred plus recognized profits		**(3,981)**		11,448		**(3,280)**		27,183
Foreign currency adjustments		**(1,623)**		(8,470)		**5,019**		466
Net change in working capital items	**$**	**(32,791)**	$	(4,379)	**$**	**(34,284)**	$	(15,054)

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

17. INCOME TAX

During the first quarter of 2015, the Company entered into an agreement with the Canada Revenue Agency ("CRA") regarding the CRA's objection to the tax consequences of the conversion of EIC's income trust structure into a business corporation in July 2009. The agreement did not give rise to any cash outlay by the Corporation for prior taxation years. The agreement resulted in a non-cash charge recognized in the Company's consolidated net earnings for the 2014 year related to the write-off of certain of the Company's deferred tax assets.

18. DISCONTINUED OPERATIONS

During the fourth quarter of 2014, the Company sold the US operations of WesTower. As a result of this transaction, the Company's prior period results are presented with discontinued operations, which represent the operational results of WesTower US and the allocation of certain costs incurred in the consolidated entity from supporting the operations of WesTower US. The net gain on the disposition was recognized in the fourth quarter of 2014 and is therefore excluded from the table below. The purchase price will be finalized with the settlement of the transaction's customary purchase price adjustments. The Company expects to have the purchase price adjustments settled in 2015. The following summarizes the results of the Discontinued Operations in the comparative period ended June 30, 2014 (nil for the current periods).

	Three Months Ended		Six Months Ended	
For the periods ended June 30,	**2015**	2014	**2015**	2014
Revenue	**$ -**	$ 140,281	**$ -**	$ 271,701
Expenses				
Manufacturing expenses - excluding depreciation and amortization	**-**	123,868	**-**	244,422
General and administrative	**-**	10,863	**-**	20,265
Operating profit before depreciation, amortization, finance costs and other	**-**	5,550	**-**	7,014
Depreciation and amortization	**-**	1,134	**-**	2,259
Finance costs - interest(1)	**-**	1,552	**-**	2,918
Earnings before tax	**-**	2,864	**-**	1,837
Current income tax expense (recovery)	**-**	1,239	**-**	(128)
Deferred income tax (recovery)(2)	**-**	(1,215)	**-**	(1,392)
Results from operating activities	**$ -**	$ 2,840	**$ -**	$ 3,357

(1) The Company allocated interest expense to Discontinued Operations representing the portion of interest expense related to the Company's senior credit facility that was repaid as a result of the transaction. During the three and six months ended June 30, 2014, the Company allocated interest expense of $1,552 and $2,918, respectively, to discontinued operations.

(2) The presentation of Discontinued Operations have certain inter-company transactions between WesTower US and the Company's continuing operations eliminated in computing consolidated net earnings for continuing operations. The tax benefits of the inter-company transactions are included in Discontinued Operations.

The following are the cash flows from the Company's Discontinued Operations for the three and six months ended June 30, 2014 (nil for the current periods):

CASH FLOWS from discontinued operations	Three Months Ended		Six Months Ended	
For the periods ended June 30,	**2015**	2014	**2015**	2014
Net cash from (used in) operating activities	**$ -**	$ 22,579	**$ -**	$ 14,375
Net cash from (used in) investing activities	**-**	(210)	**-**	(563)
Net cash from (used in) financing activities	**-**	(16,615)	**-**	(16,100)
CASH FLOWS from discontinued operations	$ -	$ 5,754	$ -	$ (2,288)

19. SUBSEQUENT EVENT

Acquisition of Ben Machine Products Company Incorporated

The Company announced on July 2, 2015, that it signed a stock purchase agreement to acquire the shares of Ben Machine Products Company Incorporated ("Ben Machine"), a Canadian owned corporation based out of Vaughn, Ontario. Ben Machine is a manufacturer that provides complex precision machined components and assemblies primarily for the aerospace and defence sector.

The transaction closed on July 2, 2015. The Company paid a total purchase price of approximately $46 million, subject to customary post-closing adjustments, of which $6.8 million (approximately 15%) was paid through the issuance of 329,552 common Shares of the Company. The balance of $39.2 million was paid in cash and financed through the Company's existing credit facility. Financial results of Ben Machine's operations will be included in the Company's results starting in the third quarter of 2015.

Acquisition of First Air's Kivalliq Operations

On July 3, 2015 the Company acquired all of the non-aircraft assets of First Air in the Kivalliq Region and will assume responsibility for all scheduled freight and charter operations in the region. The acquisition price was approximately $3.5 million and was funded by cash available through the Company's credit facility. The acquisition of First Air's Kivalliq Operations will improve the service to the region by offering a better schedule, faster freight delivery and competitive pricing, while resolving the chronic airline overcapacity that has been endemic in the region. The Company has contracted First Air to fly the Winnipeg to Rankin Inlet route on the Company's behalf.