



TRANS-PACIFIC AEROSPACE TIME LINE



8/26/2016

Business Plan Enhancements

Reconstruction Analysis Stats

Start Date: April 20, 2016

End Date: August 15, 2016

of Days: 84

Processed:

2 Licensing Agreements: \$2M/year

1 Service Level Agreement:

\$13.5M/year (10 years)

EXIM Loan Application: \$85M (one time value)

Total Value: \$100.5M/year

THE OVERALL BUSINESS PLAN, NOW NAMED TPAC PRIME, IS A STRATEGIC ROUND UP OF CHINA BEARING BUSINESSES PLACING THEM UNDER THE TPAC BRAND UMBRELLA. AS THIS MILESTONE REACHES COMPLETION, TPAC GAINS A BETTER FOOT HOLD IN CHINA AND U.S. MARKETS FOR AERONAUTICAL BEARINGS AND OTHER METAL WORKS.

THE FOLLOWING INFORMATION DETAILS BUSINESS STRATEGIES AND FUNCTIONAL CHANGES TO THE 2014 BUSINESS PLAN WHILE DETAILING FUNCTIONARIES TO BE IMPLEMENTED WITHIN 36 MONTHS STARTING AUGUST 23, 2016. THESE FUNCTIONARIES ARE DIRECTIVES OF THE TRANS-PACIFIC AERONAUTICAL ADMINISTRATIVE RECONSTRUCTION AUTHORITY (ARA), WHO SEEK TO FULFILL AND ENHANCE TPAC'S 2014 BUSINESS PLAN.

THE RECONSTRUCTION ANALYSIS WAS BASED ON THE RESEARCH REPORT OF RB MILESTONE GROUP, DATED MARCH 25, 2014.

Trans-Pacific Aerospace Time Line

BUSINESS PLAN ENHANCEMENTS

STRATEGY AND BUSINESS MODEL

TPAC owns a proprietary technology which is not subject to export restrictions established by the U.S. Department of Commerce or Commerce Control List. This permits TPAC to manufacture aerospace approved self-lubricating commercial aircraft consumable component parts. TPAC now aims to monetize its proprietary technology. The company is currently focusing on leveraging its product design and engineering expertise with manufacturers in international markets and forming Licensing and Service Level Agreements to gain access to their manufacturing facilities or distribution network. By collaborating with foreign partners that have a strong local presence, TPAC will benefit from local economies of scale. This model is particularly well suited to emerging nations such as China and the Middle East. TPAC's business model targets countries where the resulting Company/entity is the sole domestic manufacturer -- where commercial aircraft manufacturers have offset obligations.

KEY ENHANCEMENTS

TPAC ARA DEFINES & DELIVERS LICENSING & SERVICE LEVEL AGREEMENTS FOR INTERNATIONAL BUSINESS CONCERNS

TPAC must create unique business to business collaborations with foreign businesses -- mainly China bearing businesses.

Trans Pacific Aeronautical Administrative Reconstruction Authority (ARA) uses the above model to incorporate enhanced business features that expand TPAC's service capability and drive revenue projects for a solid 36 month interval.

Special Note: Reconstruction shifts the burden of cost of manufacturing through Service Level Agreements. Partnering with multiple facilities, utilization of manpower and resources allows Trans-Pacific Aerospace to demonstrate its capability to be a prime player in the aeronautical market. By engaging companies to manufacture for TPAC as opposed to TPAC setting up a quality system infrastructure, TPAC saves \$750,000 annually and capital outlays of \$1,000,000.

TPAC ARA ESTABLISHES ALTERNATIVE FINANCING

CAPITALIZATION FROM EXIM BANK

Once solely a development stage company, TPAC now has established itself as a licensee and service level agreement provider and exporter. Now having a consistent source of revenue that is adequate to cover its operating costs and facilitate to continue as a going concern, TPAC still finds it necessary for to raise additional funds to cover operating losses. Nevertheless, in the past, TPAC has proved its ability to raise adequate funds to mitigate this risk through private placements. Reconstruction efforts will replace the private placement with financing options such as a Working Capital Loan Guarantee from EXIM hence China's Sovereign Guarantee Loan Program (SGLP) or any of the new financial options that have become available during the evaluation period.

The Export-Import Bank of the United States (EXIM) is the official export credit agency of the United States. It empowers U.S. companies—large and small—to turn export opportunities into real sales that helps to maintain and create U.S. jobs and contribute to a stronger national economy.

EXIM does not compete with the private sector, but rather provides export financing support that fills the gaps in trade financing. No transaction or firm is too small, 90 percent of EXIM transactions directly serve U.S. small businesses

The Value of a Working Capital Loan Guarantee

An EXIM working capital loan guarantee is a simple tool with significant benefits. A government-backed loan guarantee can give your business' bank the confidence it needs to make a loan or issue standby letters of credit needed to secure projects abroad—empowering companies to win sales and grow internationally.

Liquidity through Increased Borrowing Power

Borrowing against inventory and accounts receivable allows businesses to turn assets representing future cash flow into cash flow today. But exporters face obstacles when it comes to asset-based loans. Banks can be hesitant to allow businesses to borrow against export-related assets, making accessing working capital a challenge.

An EXIM working capital loan guarantee can provide exporters with the liquidity they need. A loan guaranteed by EXIM can boost an exporter's liquidity in two ways:

1. The ability to include export-related assets into the borrowing base: Banks are often unwilling to lend against export-related assets. They might be uncomfortable with foreign market risk, and if a deal goes sour, it's harder for them to collect. An EXIM working capital loan guarantee allows U.S. businesses to borrow against assets lenders would otherwise be unwilling to include as collateral, including foreign accounts receivable, export-related, and work-in-progress inventory.
2. Higher advance rates than conventional financing: If a business wants to borrow against accounts receivable valued at \$100,000, and the advance rate offered is 75%, the business can borrow (\$100,000 x 75%) \$75,000. Higher advance rates available through an EXIM working capital loan guarantee mean the same set of collateral generates more cash flow today. With an EXIM guarantee, U.S. businesses can borrow up to 90% of their export accounts receivable.

(www.exim.gov)

TPAC has made application for an \$85M loan in the China Loan Guarantee Program.

Example

<i>Collateral</i>	<i>Value</i>	Without EXIM Guarantee		With EXIM Guarantee	
		<i>Advance Rate</i>	<i>Borrowing Rate</i>	<i>Advance Rate</i>	<i>Borrowing Rate</i>
Export Inventory					
Raw Materials	\$200,000	20%	\$40,000	75%	\$150,000
Work in-Progress Inventory	\$200,000	0%	\$0	75%	\$150,000
Finished Goods	\$600,000	50%	\$300,000	75%	\$450,000
Exports Accounts Receivable					
On Open Account	\$400,000	0%	\$0	90%	\$360,000
By Letter of Credit	\$600,000	70%	\$420,000	90%	\$540,000
Total Collateral Value	\$2,000,000				
Total Borrowing Base			\$760,000	\$1,650,000	

Source: Trade Finance Guide, U.S. Department of Commerce

SPECIAL NOTE: Export Import Assurance (EIA) Services can use this to support USA Exporters holding Letters of Credit. TPAC ARA is just not making changes – but changes that are strategic to TPACs continued value added services.

TPAC ARA ESTABLISHES EXPORT IMPORT ASSURANCE (EIA) SERVICE FOR REVENUE GENERATION

EXPORT DIVISION

As a China Importer, TPAC takes advantage of the second largest economy industry needs by expanding export capabilities to include top industry commodities: Gold, Crude Oil, Ores and Organic Food. TPAC's Export Division establishes additional revenue streams exporting to China. The export opportunities for TPAC are truly phenomenal. China's import customs are difficult to maneuver for many importers. TPAC's extensive knowledge of the environment and people make for a great candidate to support import projects to China.

Import-export businesses, also known as international trading, are one of the hottest commercial trends of this decade. American companies trade in over \$2.5T a year in merchandise, of which small businesses control over 95 percent.

Importing is not just for those lone footloose adventurer types who survive by their wits and the skin of their teeth.

It's big business these days--to the tune of an annual \$1.2T in goods, according to the U.S. Department of Commerce. Exporting is just as big. In one year alone, American companies exported \$772B in merchandise to more than 150 foreign countries. Everything from beverages to commodities--and a staggering list of other products you might never imagine as global merchandise—are fair game for the savvy trader. And these products are bought, sold, represented and distributed somewhere in the world on a daily basis.

TPAC ARA ESTABLISHES GLOBAL SALES AND MARKETING STRATEGY

TPAC ARA infuses ORG Global Marketing Network 114 B2B Trade Portals Establishing an impressive and effective business directory of Domestic U.S. and Foreign Manufacturers, Foreign Buyers, Foreign Products, Foreign Suppliers and Foreign Exporters to receive global buy requirements

TPAC's products and services can now be seen daily on 6 of the world's 7 continents. TPAC has presently received 50 product requests valued at over \$10B.

TPAC EIA FOCUSES ON CHINA

This is just another version of what Boeing was looking for in an Asian prime service provider for their bearing supply needs. The difference here is that TPAC's Export Import Assurance (EIA) services can easily be sourced from an array of customers and can be more profitable; TPAC does not have to procure the actual product as it would in the BTL SLA contract.

It is important to note that TPAC does not broker deals in the way of mandates/brokers of today. It is providing assurances that there will be support at the port of destination. The buyer/seller does not have to travel or pay high fees just to ensure the product is properly and timely removed from the shipping vessel into the appropriate hands.

In June 2016, the value of imports to China had amounted to around \$132.3B US dollars. (www.statista.com)

TPAC ARA DEFINES ADMINISTRATIVE RULING TO ESTABLISH MASTER REGENERATIVE VIRTUAL BANK (MRVB) INVESTMENT PLATFORM

A Master Regenerative Virtual Brokerage or Bank as some refer to them is a brokerage account configured for Day Trading status.

The account is normally weighted with cash and/or other companies shares (not TPAC) acquired through payment option scenarios. When configured properly, the account provides a 2x & 4x multiplier offering the operator a credit line to increase acquisitions on a daily basis. When infused with cash, this can have a profound affect. Also if the shares acquired have true value the account offers the operator true credit.

No need for an application, just write a check. Knowing how to fund and maintain this type of account will provide TPAC income generation independent of day to day bearing sales. This can place/support a stable financial floor even during slowdowns in the market. Many small companies such as TPAC do not know these platforms exist or how to use them to create great hedging constructs.

FR ❖ Day Trader ❖ Hedge ❖ Margin

These terms are all standard to the industry. When configuring them as a working unit, MRVB is born.

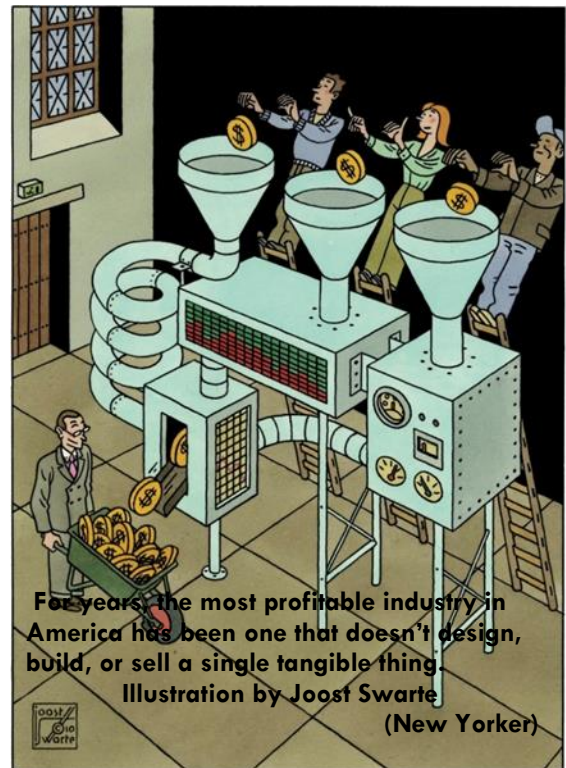
Master -- because there is normally more than one. This will be TPACs first.

Regenerative -- because it actually allows the operator to draw from the generated revenue while maintaining cash-on-hand and then repeats the process.

Virtual -- because it is not a real bank however has the properties of a bank. A loan can be taken out from the system based on the credit power of the securities stored within.

TPACs USA FR is fully experienced in this type of revenue generating operation as well as how to raise the base revenue on a quarterly basis.

MRVB's are external to the OTC Pink stock offering and is designed for Daily Day Trading volumes/dollars. When a MRVB is properly capitalized with \$25K and fully configured as a 4x leverage machine, it can create base revenues up to \$1M annually or as most point out for every \$100K one million dollars of generation (conservative estimate).



TPAC RECONSTRUCTIONS EFFORTS AND EFFECTS

BUSINESS ACTIVITIES

- **BTL** -- a long time part manufacturer of TPAC signs an agreement to manufacture TPAC Spherical Bearings under a Licensing and Service Level Agreement for ten years at an annual contract value of \$13.5M/year
This contract commences in the first quarter of 2017. TPAC will start moving NAVAIR certified facility to the BTL facility in the month of September.
Timeline scheduled move to complete EOY 2016.
Effects: Signed contract provide base income for \$13.5M/year; Reduces TPAC debt losses and secures forward momentum. USA FR will apply proper percentage to MRVB creating adequate cash-on-hand to strengthen the TPAC OTC stock offering. Estimated percentage per year -- up to 20% of net profits.
The contract also provides a clear way to demonstrate TPAC as a U.S.A business exporter to China creating an easier process to take advantage of the \$85M LOI when applicable, if and when the absence of a needed EXIM nomination is absolved.
- **TPAC Australia** -- signs Licensing agreement and is presently working on a government scenario to build a new TPAC manufacturing facility to handle the AU defense and commercial aeronautical markets. Once the complete details have been devised, there will be a second Service Level Agreement.
Timeline for SLA execution marks milestone for close of 2ndQ 2017.
Effects: Increased revenue; Global exposure; increased market share; higher volume of material cost means lower price per quantity (TPAC material costs lowers and profits points rise); additional stability to cash-on-hand/retained earnings.
TPACs estimated price per share rise up to \$0.05
- **Multinational Status** -- Forming and incorporating TPAC AU; completed the milestone. TPAC will soon raise its presence through new Licensing and Service Level Agreements in the Middle East Regions.
Timeline for Middle East Regions insertion for close of 3rdQ 2017.
Effects: Virtual acquisitions bring higher visibility to Boeing and other majors in the aeronautical industry; provides appearance of a one-stop-shop.
- **Export Import Assurance Division** -- Created July 2016 as a separate entity; private concern presently with on-line regional coverage; Asia focus in China; Expansion efforts to Africa
Timeline for expansion to Africa -- EOY 2016.
Effects: Provides TPAC EIA involvement in Global opportunities up to \$100B/year; Supporting sectors of energy, precious metals, agriculture and base metals by offering EIA into China as the second largest economy; this type of business supports the EXIM \$85M SGLP process. Estimated retained earnings of 2.7 percent as a minimum, 22 percent as a maximum (Keep in mind when reading the estimated figures this is high volume business. Every business opportunity starts with a billion dollar price tag.)

REVENUE

Per the USA FR, collection of the manufacturing Licensing Fees will commence EOY 2016.

TPAC moves into its 4th quarter with great revenue positioning. Positive cash flow and all on demand loan debt zeroed. New contract dollars are headed in to the tune of \$1M in licensing fees. TPACs alternative financing allows the use of its account receivables based on the BTL contract to establish a credit line through EXIMs Work Capital Guarantee -- when for raw materials.



Summary of Projections

	2016 (4thQ)	2017	2018	2019
Revenues	\$ 75,000	\$ 25,400,000	\$ 50,000,000	\$ 67,000,000
Cost of Goods	\$ 25,000	\$ 8,400,000	\$ 16,000,000	\$ 22,000,000
Gross Profit	\$ 50,000	\$ 17,000,000	\$ 34,000,000	\$ 45,000,000
Operating Expenses	\$ 25,000	\$ 5,100,000	\$ 7,000,000	\$ 10,000,000
Total Operating Expenses	\$ 25,000	\$ 5,100,000	\$ 7,000,000	\$ 10,000,000
Net Income	\$ 25,000	\$ 11,900,000	\$ 27,000,000	\$ 35,000,000

Over the next 36 months tpac looks for a steady growth pattern of 27 percent year over year, while expanding it operations and afliations in more then a half dozen countries around the globe

STOCK OFFERING



MARKET EXCHANGE UPGRADE

Currently, TPAC is listed on the OTC Pink exchange. It is the next level goal of TPAC to restore its presence on the OTCQB to the 2014 price of \$0.05. TPAC strongly identifies with the mission of the OTCQB.

Timeline estimates TPAC to meet minimum requirement of \$0.01 by EOY 2016.

The OTCQB Venture Market offers public companies a strong baseline of transparency and trading to inform and engage investors. OTCQB's streamlined rules and regulations create the benefits of being publicly traded at less than a quarter of the cost of a national stock exchange listing. As America's Venture Market, OTCQB provides efficient public trading for companies to start building shareholder liquidity today and develop into tomorrow's leaders. (www.otcm Markets.com)

To be eligible for OTCQB, TPAC must meet the following OTC Markets criteria:

- Meet a minimum bid price test of \$0.01 and not be subject to bankruptcy or reorganization proceedings
- Be current in their reporting to a regulator
- Be listed on a Qualified Foreign Stock Exchange (for International Reporting companies)
- Post regulatory filings on www.otcm Markets.com (for Non-SEC Reporting companies that do not file disclosures on EDGAR)
- Submit an OTCQB Annual Certification confirming the Company Profile displayed on otcm Markets.com is current and complete and providing additional information on officers, directors, and controlling shareholders
- Submit an application to OTCQB and pay an application and annual fee

DILUTION

TPAC will implement a Share Reduction program in 2017.

Timeline estimates as early as 2ndQ (April 2017). Type of program: TBD.

SHARE STRUCTURE

TPAC's current share structure provided by the Transfer Agent (as of 8/24/16):

OUTSTANDING SHARES	OUTSTANDING NON-RESTRICTED
3.73B	3.33B

ON GOING BUSINESS STRATEGIES

CONTRACTS

TPAC has diversified business support lines. One being technology transfer -- utilizing its bearing technology and transferring the know-how to design, engineer, manufacture and market. TPAC will continue to use Licensing agreements to promote the brand. Service Level Agreements support the prime directive to acquire more manufacturing capacity to manage the efforts to produce higher volumes and provide a prime domain for majors like Boeing to have one stop shopping. First quarter 2017, TPAC will implement a new campaign targeting China bearings manufacturers. This campaign utilizes EXIMs support programs and China business initiatives to form a secure financial environment from which TPAC will work directly with the China government to source the top five manufacturers and create a USA/China conglomerate to compete for global market share. TPAC holds a \$135M contract with Billion Technology Limited.

Sample Requests:

<p>Import steel rebar, deformed steel bar, iron rods for construction material with details given below :</p> <p>1.) Steel Bar Diameter: 8 to 25 mm x 12 M British stand BS 460 Quantity Required: 25,000 MT</p> <p>2.) Black Steel PIP 49 x 3.2 mm X 6 M Quantity Required: 1,500 MT</p> <p>Shipping Terms: CIF or FOB Destination Port: Sihanoukville Port, Cambodia Payment Terms: DLC at sight Looking for suppliers from: Worldwide</p>	<p>Import steel rebar and iron rod with the details given below :</p> <p>Reinforcing Iron bar: 12-16 mm Material: Iron Application: Wall</p> <p>Quantity Required: 1,00,000 Metric Tons Shipping Terms: FOB Payment Terms: T/T Looking for suppliers from: Worldwide</p>
<p>Import ball bearing with the specifications given below:</p> <p>Sizes : All sizes (small to big sizes) Bore size : 4mm and so on Outer diameter : 10 mm and so on Uses : Machineries, cars, etc.</p> <p>Quantity Required: Initially 2,000 - 3,000 pcs. Shipping Terms : FOB Payment Terms : T/T Looking for suppliers from : Kazakhstan</p>	<p>Import ball bearings with the following terms and conditions :</p> <p>Product Specifications : Ball Bearings 600 : 1 ball bearings Polyurethane coated; 3mm thick Type : Ball Structure : Deep Groove Number of Row : Single row ; Double rows The maximum outside diameter must be less than 34mm The bore can be either 10mm or 12mm(prefer 12mm)</p> <p>Quantity Required : Initially 400 pieces later 1000 pieces</p>

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	<p>Shipping Terms : CNF Destination Port : Brisbane, Australia Payment Terms : Bank Transfer or PayPal Worldwide suppliers or exporters can quote us their best offers.</p>
<p>Import company based out of Hungary looking forward to import iron rods.</p> <p>Product Specifications : Iron Rods Type : Bar Rods Standard : ASTM, BS, GB Surface : Ribbed/ As requested Length : 6 m Diameter : 6mm/8mm/10mm-/12mm/16mm Application : Building Material for Concrete construction</p> <p>Quantity Required : 20 MT Shipment Terms : CIF Destination Port : Budapest, Hungary Payment Terms : L/C or T/T Packaging Terms : Standard Looking for Suppliers from : Worldwide</p>	<p>We need lithium carbonate regularly for some of our domestic customers. In the past we have purchased the material from some domestic supplier. From now on, we want to import the lithium carbonate material from Chile. The key point is that the material's country of origin must be Chile.</p> <p>Hope you can reply as soon as possible.</p> <p>Purity: 99% Origin of manufacturer: Chile Trial order quantity: 1 X 20" container Shipment Terms: CIF Hong Kong price.</p>
<p>Purchase lithium carbonate with following terms and conditions :</p> <p>Quantity Required : 30-100MT Shipping Terms : FOB or CIF Destination Port : China Main Port Payment Terms : Negotiable Looking for Supplier from : Worldwide especially India</p>	

TPACs EIA service is seeing great potential due to China's growth. Other parts of Asia are also on the rise. India, having an economic boom across many sectors, is an easy target for EIA. TPAC is also aware of many new middle classes on the rise in Africa, Ghana & Kenya are importing spices like sugar while exporting soybeans and avocados. Great products for China imports. TPAC will use the remainder of 2016 to ensure proper infrastructure is in place to take advantage of the billion dollar opportunity available providing EIA services.

TPAC is currently negotiating an EIA service contract for oil: \$44.58/barrel with 10 percent discount x 6M barrels = \$2.67M/month x 12months

China's main imports are mechanical and electrical products (34 percent of total imports) and high tech goods (23 percent). The country is also one of the biggest consumers of commodities in the world. Among commodities the biggest demand is for crude oil (6 percent of total imports), iron ore (2 percent), copper and aluminum. Agricultural products account for 5 percent.

IR/BUSINESS & FINANCIAL UNITS

Integrating IR to manage information has been very successful for the company. Not only have they kept the shareholder base informed, but they have freed up time for TPAC management to focus on business. Additionally, through affiliated groups, IR has provided TPAC with the ability to leverage our strong China presence and understanding of international trade and explore export-import opportunities which we anticipate will lead to significant revenue. We are excited to maintain and continue this partnership well into the future. – CEO Bill McKay

DISCLAIMER

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