

# CANADA METAL (PACIFIC) LIMITED

- FOUNDRY
- DIECAST
- CNC MACHINING

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## Memorandum:

To: Rocna Customers, Distributors and Retailers

From: John Mitchell (President), Canada Metal (Pacific) Limited

Subject: Re-establish Rocna Brand Confidence.

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### Priority Initiatives:

- **Find and Replace any Suspect Product**
- **Add Additional Controls to the existing Production process.**
- **Restore confidence in the Classification process.**
- **Invest in Inventory to ensure timely delivery.**
- **Establish Timely and Accurate Communications.**

Dear Customer,

Canada Metal was fully aware of the challenges that faced the Rocna brand well in advance of our completing the purchase. Our company is a well experienced manufacturer of marine products that are produced in our state of the art facilities located in Vancouver Canada and Ningbo China.

During the due diligence process we reassured ourselves that the Rocna product was of sound design and provided exceptional utility.

As part of the acquisition process we conducted an extensive and comprehensive analysis of quality control procedures, certifications, marketing materials, and production procedures.

- **Find and Replace any Suspect Product**

Initial information (derived from an on-going investigation) indicated that for a period beginning 2010 the shanks of some of the Rocna anchors were manufactured using a steel alloy that did not meet the manufacturing specification. This information was released in the spring of 2011 which resulted in the issue of a **West Marine Specification Notice** as well as those suspect anchors being subjected to rigorous testing. The results of the testing confirmed that these anchors, while not meeting the design specification, did not pose any safety concerns, and still exceeded industry proof load strength requirements.

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Regardless of the lack of a safety concern, Canada Metal will replicate the West Marine initiative on a global basis exchanging anchors for those concerned. For more information, please contact us so that we can ensure your complete satisfaction.

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- **Add Additional Controls to the existing Production process.**

Even before signing the final documents Canada Metal enlisted the services of a very experienced marine engineer to supervise the transition of the quality control process to those professionals who are employed at our wholly owned ISO-9001-2008 Certified Company (Ningbo Jia Da Specialty Metals Ltd) which is located in Ningbo, China.

This transition will be complete within the next couple of weeks and will ensure that all Rocna products will meet the exacting design standards.

- **Restore confidence in the Classification process.**

Canada Metal is confident that the Rocna anchor exceeds industry standards and will in the very near future submit current production samples to an internationally recognized agency in order to confirm third party SHHP Classification.

- **Invest in Inventory to ensure timely delivery.**

Canada Metal ships our Martyr Anodes and CMP Chain to every marine market in the world. We will incorporate the Rocna anchors within this very sophisticated and efficient distribution network that draws from our strategically located inventories to ensure timely and convenient service for all of our new Rocna customers.

- **Establish Timely and Accurate Communications.**

Canada Metal now has taken control of the Rocna website and is working with the Rocna designer (Peter Smith) and our Engineers to ensure that all information contained therein is accurate and relevant. Canada Metal has committed itself to moving forward with the Rocna anchor range. This will be fully supported by our advanced engineering design offices and quality control specialists, in both Canada and China.

We will be scheduling the release of subsequent memorandums that will inform you of our progress in restoring your faith in the complete line of Rocna Anchors.

**Our next memorandum will released on or about November 1<sup>st</sup>, 2011.**

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