

URBANSTAR CORPORATE UPDATE



UrbanStar Corporate Update - July 19, 2018

UrbanStar is pleased to update its investors on the events and progress the company has made during the first six months of 2018, and information and milestones that UrbanStar could potentially receive or complete in the upcoming months. At present, all UrbanStar Land Development and multi-family projects continue to progress in a manner that will potentially add value for investors. The company's project planners continue to meet and work with various regulatory agencies to ensure UrbanStar's projects align with municipal planning initiatives, and that land usage and building density maximize value while complying with municipal zoning requirements.

Going forward, the company will be providing quarterly updates on all UrbanStar projects, and update project information on the UrbanStar corporate website at www.urbanstarcapital.com. Below is a comprehensive overview of each UrbanStar project, the most recent information available to UrbanStar and its project planners, regional infrastructure and economic information, and the newly formed Calgary Metropolitan Region Board.

GOVERNMENT & REGULATORY

As of January 2018, the Calgary Metropolitan Region Board (CMRB) was created for the purpose of complying with a provincially-mandated growth management program. The CMRB consists of the 10 major municipalities in the Calgary region including Calgary, Rocky View, Foothills, Cochrane, High River, Chestermere, Airdrie, Wheatland, Okotoks and Strathmore.

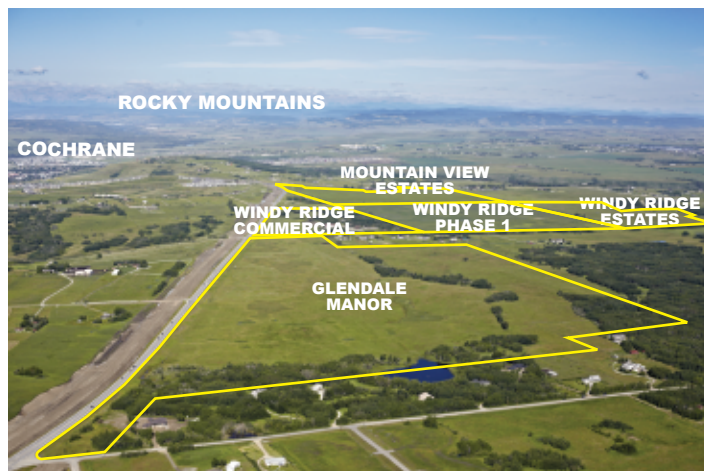
The board is committed to working towards long-term, sustainable growth and responsible land use for the Calgary region. As well, the CMRB develops policies regarding the development of infrastructure investment and service delivery.

URBANSTAR LAND DEVELOPMENT PROJECTS

UrbanStar Glendale Mountain View

UrbanStar Glendale Mountain View consists of 674 acres in the Glendale-Bearspaw area on the northeast edge of Cochrane, and approximately 25 minutes from downtown Calgary. The UrbanStar Glendale Mountain View Concept Plan was accepted by the municipality of Rocky View County for evaluation in December 2017, and was included in the Rocky View County's list of proposed conceptual plans.

The CMRB reviewed the first draft of the Interim Regional Growth Plan (Growth Plan) in late June 2018. The first draft contained planning growth nodes for Calgary and the surrounding area which included the area adjacent to the Glendale Mountain View Plan. Some of the principles within the Growth Plan suggest that community expansion within and around the urban centers be designated at higher densities (8 to 10 units per acre), and be tied in with regional services and infrastructure.



UrbanStar Glendale Mountain View is within proximity to the urban center of Cochrane, which could potentially allow UrbanStar Glendale Mountain View to increase the density from its proposed Concept Plan of 2 Units Per Acre to the higher density of 8-10 Units Per Acre and offering a diversity of housing types within the conceptual plan.

UrbanStar and many other Developer Concept Plan applications, similar to Glendale Mountain View, are currently waiting for direction from the CMRB on the Interim Regional Growth Plan and the County of Rocky View. UrbanStar has been attending and monitoring the CMRB meetings to understand what the Growth Plan might look like, and how it could impact the Glendale Mountain View proposed development. It is our understanding that the Growth Plan could potentially be made available by the CMRB in September 2018, and approved by the elected officials. The CMRB is a recently-formed group which may require additional time to speak with stakeholders and consider various suggestions or concerns before finalizing the Growth Plan.

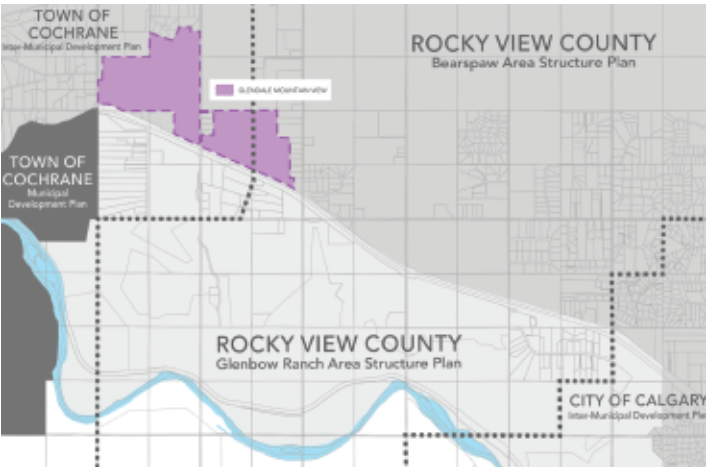
This change in direction for the regional municipalities could result in a higher density with an increased service availability strategy to the UrbanStar Glendale Mountain View proposed development. Calgary, by virtue of its population, has the majority vote on the CMRB and will have the greatest impact on any rural or urban development plans. We view this as being positive for the UrbanStar Glendale Mountain View Concept Plan as the City of Calgary has expressed the need to develop the surrounding areas and new communities with greater density and sustainability. For additional information please see the link below.

Additional and more detailed information on the regional service plan which is supposed to accompany the Growth Plan is anticipated on being available sometime in 2020.

Higher Density Suburbs Strike Right Balance

UrbanStar Horse Creek Phase 1 & 2

Horse Creek is a proposed UrbanStar development consisting of 280 acres of land located slightly north of Cochrane, and is within the Cochrane North ASP. The development site is situated advantageously between Cochrane and the Rocky Mountains, rendering it perfect for those who desire close proximity to both city and nature.



UrbanStar's Horse Creek project team met with the Rocky View County's engineering department on June 19, 2018, to discuss services such as water, wastewater, storm drainage, transportation and the geotechnical study. Wastewater has been identified as an important topic for the Horse Creek development, and the project team will be initiating discussions with the Rocky View County's planning department. The discussion will focus on increasing the allowable wastewater flows from the lands north of Cochrane to service the proposed development.

The Environmental Study Assessment Phase 1 (ESA1) was completed by CurtisGeo and no major concerns were identified. A copy of the final report has been received by UrbanStar.

A Historic Resources Application was submitted in May 2018. Upon review by the Province, a Historic Resources Act approval was granted with no requirement for a Historical Resources Impact Assessment. Other studies including a BIA, Geotechnical, Transportation and Topographical studies are ongoing over the summer months and further details will be provided as studies are completed.

URBANSTAR HOMES & DEVELOPMENTS MULTI-FAMILY PROJECTS

The Jessica by UrbanStar

The Jessica is a unique multi-family condominium development project by UrbanStar. The Jessica will be located in the redeveloping community of Ogden, in S.E. Calgary. It is situated on Ogden Road with proposed commercial/retail use on the ground-level floor of approximately 25,000 sq ft and up to six residential levels comprising approximately 174 condominium units.

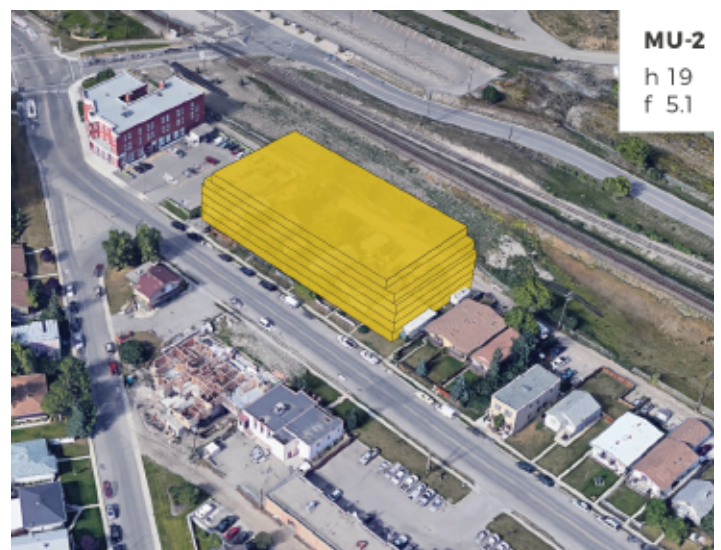
Initial meetings and discussions with Calgary city planners have been positive as plans and designs for The Jessica move forward with our Urban Planning and Architecture teams. Additionally, an Environmental Site Assessment (ESA) has been requested prior to the demolition of structures currently on the site, and UrbanStar anticipates receiving the completed ESA1 report later this summer.

The Jessica will be one of the first projects of its kind in Calgary that will adjoin the newly approved Green Line Light Rail Transit (LRT) platform, conveniently connecting Ogden residents to downtown and all current LRT lines (see link below for more information on the Green Line LRT).

As well, it is located within a short walk to the new Canadian Pacific Railway corporate headquarters which relocated out of its downtown office to a large corporate campus in Ogden that houses over 10,000 of its employees (see link below for more information).

[Green Line LRT project link](#)

[Canadian Pacific Railway headquarters link](#)



The Jake by UrbanStar

The Jake will be UrbanStar's premiere multi-family condominium development, and the first of its kind in the redeveloping neighborhood of Bowness. Having a project proposal of six residential levels, with a total of 66 condominium units with underground parking, The Jake's scale and scope aligns with the City of Calgary's Main Streets initiative, and helps guide the future of the Bowness community (see link below for more information on the Main Streets Initiative).



Being located in close proximity to the Bow River and Bowness Park, and only moments from downtown and the Trans-Canada Highway, The Jake will be situated close to amenities, and conveniently located for leisure activities both locally and in the rocky mountain towns of Canmore and Banff.

UrbanStar recently held a successful Open House with the residents of Bowness in conjunction with our Urban Planning and Architecture teams. Fewer residents attended the Open House than originally anticipated suggesting there are very few people or groups which oppose the project. The residents in attendance were generally pleased with the design and esthetics of the project, and only a few expressed concerns specific to parking availability, potential increases in local traffic, and project height.

Going forward, the project team will be submitting a "What We Heard Report" to the City of Calgary, which will address concerns of local residents.

Additionally, the team will also submit a "Land Use Re-designation" package which would potentially increase the current maximum number of units allowed from 29 to 66, and increase the maximum height of the project from 14 metres to 22 metres. Both documents are expected to be submitted by mid-July, at which time UrbanStar will work with the Architecture team to obtain a development permit for the project.

[Main Streets Initiative link](#)

The Leo by UrbanStar

The Leo is a multi-family conceptual plan, and a future development project of UrbanStar. The Leo will be located in the redeveloping community of Ogden, in S.E. Calgary, and situated in close proximity to Ogden Road, and the major traffic corridor Glenmore Trail. The conceptual plan is a four-level building containing 36 two-bedroom units and 13 one-bedroom units ranging in size from 612 sq ft (56.8 sq meters) to 894 sq ft (83.0 sq meters). The plan also has proposed 30 underground parking stalls, and 17 surface parking stalls and has been approved by the City of Calgary for development.



CITY OF CALGARY INFRASTRUCTURE AND ECONOMIC UPDATES

Crowchild Trail Upgrades and Expansion

Crowchild Trail is a major freeway which connects the southwest and northwest quadrants of Calgary, and becomes the 1A Highway which connects northwest Calgary to the nearby town of Cochrane, and UrbanStar's Glendale Mountain View and Horse Creek properties.

In the spring of 2017, the City of Calgary approved the \$1.5 billion recommendations of the Crowchild Trail Study which addressed traffic congestion and design issues. Improvements will include adding additional lanes across the Bow River and modifying six traffic interchanges. These improvements will remove the remaining traffic signals on Crowchild Trail, and provide users of the freeway with reduced commuting times. Construction on the project commenced in fall 2017 and is scheduled to be completed in fall 2019.

[Crowchild Trail upgrade link](#)

West Calgary Ring Road

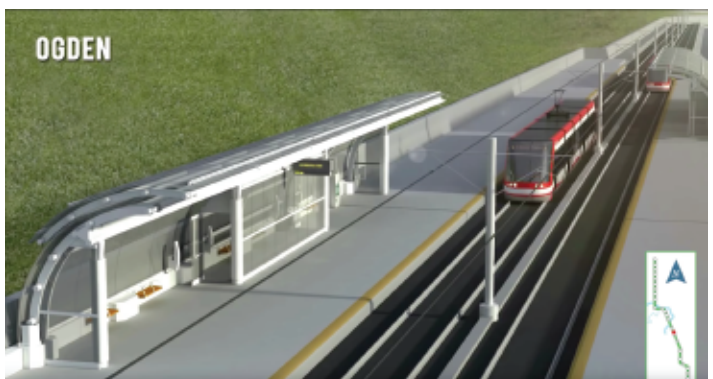
The final section of the Calgary Ring Road project will start construction in 2019. Known as the west Calgary Ring Road, the final section is a nine-kilometre divided highway that will run south from Highway 1 and connect to Glenmore Trail. Upon completion, the road will allow for better, smoother, more efficient traffic flow across Calgary and across the entire region, and will create travel efficiencies to south Calgary for residents living in northwest Calgary and Cochrane communities. This section is expected to accommodate approximately 80,000 vehicles per day and will create up to 2,600 direct construction jobs.

[West Calgary ring road link](#)



Light Rail Transit (LRT) Expansion

On July 24, 2015, the Government of Canada made a historic funding announcement committing \$1.53 billion to building the Green Line LRT in Calgary, which was the largest ever contribution by the Government of Canada to an infrastructure project in Alberta. The Green Line is designed to be both a public transportation system and a platform for city development which will provide direct connections to health services, recreational and entertainment facilities, and several business revitalization zones. The Green Line will also integrate with a future transit connection to the Calgary International Airport, which is currently undergoing a \$2 billion expansion project.

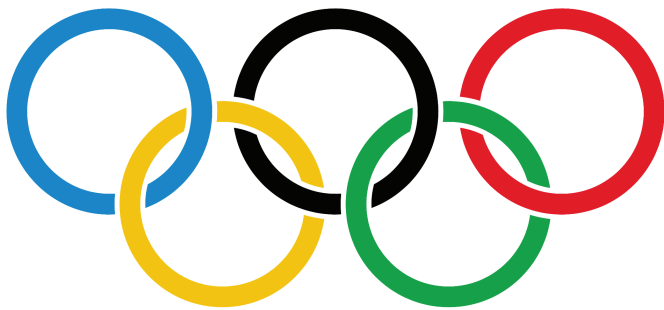


Calgary Olympic Bid

The Canadian Olympic Committee voted to unanimously support Calgary as a potential host of the 2026 Olympic and Paralympic Games. This represents a very important and positive next step towards Calgary's candidature for 2026, and creates momentum for a potential Olympic bid. The City of Calgary has not yet approved submitting an Olympic bid, and is awaiting a \$2 million study to be completed, possibly as early as November 2018.

If Calgary were to have a successful 2026 Olympic bid, the city and surrounding communities would gain additional international exposure – as was seen during the Calgary 1988 Olympics – in terms of tourism, economic development, and business interest. Calgary could be competing with five prospective bidders for the 2026 Winter Olympic Games: Turin and Milan in Italy; Graz in Austria; Stockholm; Turkey's Erzurum; and Sapporo, Japan. The host city will be announced by the International Olympic Committee (IOC) in September 2019.

1988 Olympics Transformed Calgary



Local Economy

Alberta Venture business magazine has ranked Cochrane fifth on its list of Best Communities for Business. The magazine considered factors such as population growth, employment rate, tax rate, and median home price in its decision process. In contrast to Alberta's main economic sector being energy, Cochrane is receiving excellent reviews from national media sources for its local entrepreneurs in the technology sector. Cochrane has experienced population growth of approximately 50% over the past five years, and is one of the fastest growing communities in Canada with a population of 27,960 as of 2018.

The Alberta economy is slowly beginning to recover from the downturn it has experienced over the past four years due to lower global oil prices. Alberta should see steady and sustained economic improvement if oil prices stabilize or increase (US \$73.54 as of July 5, 2018), and with the expectation of a more business-friendly government to win the Alberta Provincial Election occurring on or before May 31, 2019.

Cochrane information links:

[Cochrane is 5th best community for business](#)

[Cochrane, Alberta becomes an unlikely tech hotbed](#)

[Cochrane Demographics](#)

Alberta election poll link:

[United Conservative Party on track to win big in Alberta](#)

Kind regards,

Colin Penner

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