

URBANSTAR CORPORATE UPDATE



UrbanStar Corporate Update - December 12, 2018

UrbanStar is pleased to inform its investors of the events and progress the company has made since the September 2018 Corporate Update. The company's project planners (CivicWorks) continue to meet and work with various regulatory agencies to ensure UrbanStar's projects align with municipal planning initiatives.

Below is an overview of each UrbanStar project, regional infrastructure and economic information, and the most recent information available from project planners and the Calgary Metropolitan Region Board. For additional information please visit UrbanStar's corporate website at www.urbanstarcapital.com.

GOVERNMENT & REGULATORY

Interim Regional Growth Plan passes in unanimous vote

As of January 2018, the Calgary Metropolitan Region Board (CMRB) was created to comply with a provincially-mandated growth management program. The CMRB recently completed their Interim Regional Growth Plan (IGP) which outlines areas of population growth, and servicing plans for future communities. The IGP was released in late September and has been adopted by the CMRB with a unanimous vote held in early October. Going forward, the CMRB will continue to meet and discuss the interpretation and implementation of the IGP to ensure that specific aspects of the plan are understood by all members.

UrbanStar is pleased with the unanimous adoption of the IGP, and the company's project team believes that precedent decisions coming from the IGP's implementation will help determine and clarify future aspects of the Growth Plan implementation. The project team will continue to attend the CMRB meetings and make any necessary adjustments which may arise from CMRB decisions during the implementation process.

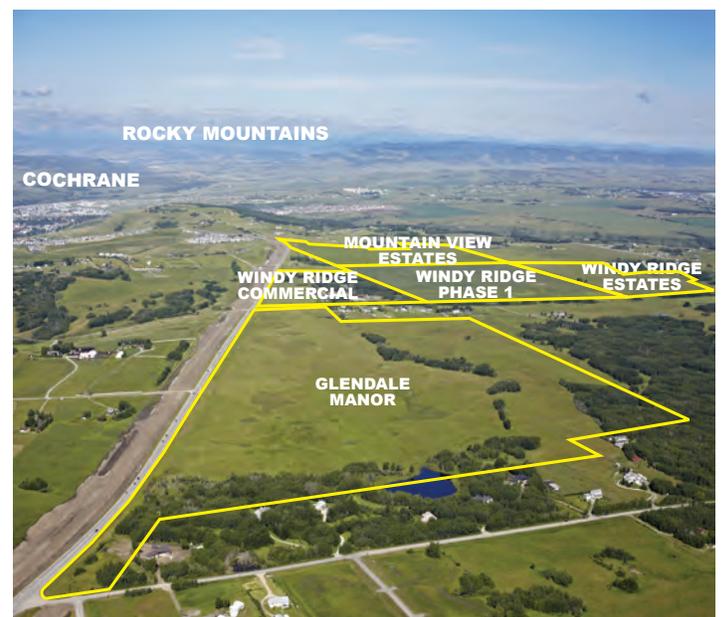
URBANSTAR LAND DEVELOPMENT PROJECTS

UrbanStar Glendale Mountain View

UrbanStar's Glendale Mountain View consists of 674 acres in the Glendale-Bears paw area on the northeast edge of Cochrane, and approximately 25 minutes from downtown Calgary. The project encompasses Glendale Manor, Windy Ridge Phase 1, Windy Ridge Estates, Windy Ridge Commercial, and Mountain View Estates.

Possible "New Urban Settlement" classification

The Glendale Mountain View Concept Plan was accepted by Rocky View County for evaluation in December 2017 and was included in the County's list of proposed conceptual plans.



Recently, the project team received comments and feedback from the County's Engineering and Planning Teams regarding the submitted Concept Plan and have implemented their changes, which generally focused on transportation and piped servicing considerations.

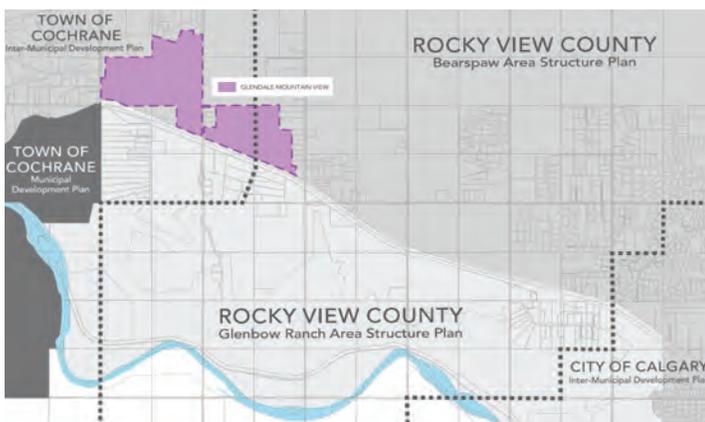
The team is working with their transportation engineer to make some revisions to the Transportation Impact Assessment to align with the feedback received from County Engineering. As well, the team has noted that it has an option for piped sanitary servicing and will have further discussions with the service provider as the Glendale Mountain View project progresses.

Under the CMRB's newly adopted Interim Growth Plan (IGP), it is UrbanStar's understanding that the Glendale Mountain View project could be classified as a "New Urban Settlement". This classification would contain more village-like characteristics for the project, and reflect components of complete communities, inclusive of transit and neighbourhood activity centres.

The Glendale Mountain View Conceptual Scheme submission process must consider the Alberta Governments mandate for both the Calgary and Edmonton regions to create "Growth Plans". In response to the Alberta Governments 2017 mandate, The City of Calgary and surrounding areas created the Calgary Metropolitan Region Board (CMRB) in late 2017, which is presently working on a Growth Plan to satisfy the Provinces' mandate. The UrbanStar project team has proceeded with the Glendale Mountain View Concept Plan submission and is currently waiting for an amendment to the Bearspaw Area Structure Plan, from Rocky View County.

Additionally, the County is waiting on the CMRB's finalized Growth Plan for direction prior to making any major land use decisions. In the interim, the project team is monitoring the implementation of the IGP to fully understand the process and future decisions.

Glendale Mountain View – Conceptual Plan Link



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 Area Structure Plan (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.

Concept Plan – possible density increase!

On July 9, the Horse Creek project team and Engineering partner met with Rocky View County's Planning department to introduce the Horse Creek development concept, and to discuss future project servicing. Presently, the project is on schedule as per CivicWorks' timeline, and the project team continues to analyze and discuss available options for servicing with Rocky View County, the Town of Cochrane and adjacent area developers. UrbanStar's project managers and the various regulatory agencies agree that no definitive action should be taken for servicing, and all public consultations will be rescheduled once the CMRB has a finalized Growth Plan. For the interim, a predevelopment geotechnical study will be taking place to test the chemical composition of the soil where future developments could occur.

There is an ongoing discussion with Rocky View County regarding increased density of the Horse Creek project. With the recent adoption of the Interim Growth Plan, there is a strong possibility of density bonusing allowances which will guide the refined site design. As mentioned in previous Corporate Updates, the Horse Creek project currently allows for one unit per acre, with the potential to be increased if 30% or more green space is allocated in the Conceptual Plan. With ongoing discussions, UrbanStar is hopeful that an increase in density – between 1 and 2 units per acre – plus the additional density bonusing by Rocky View County can be achieved within the refined site design and potentially add value to the project.

Horse Creek – Conceptual Plan Link



URBANSTAR HOMES & DEVELOPMENTS MULTI-FAMILY PROJECTS

The Jessica by UrbanStar

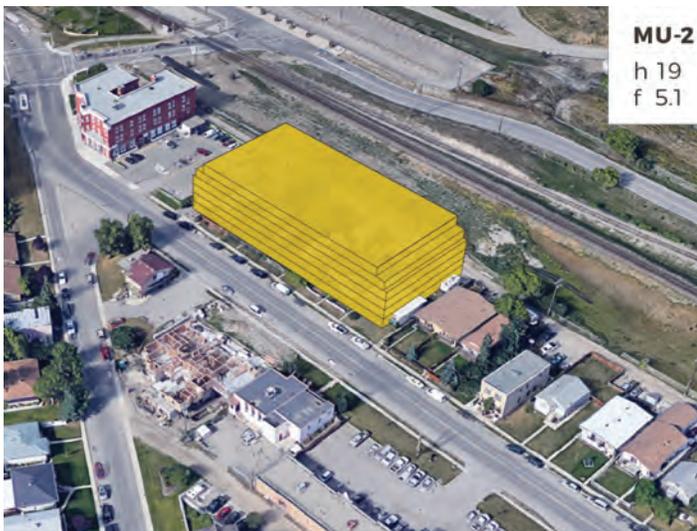
The Jessica is a unique multi-family condominium development project by UrbanStar and will be located in the redeveloping community of Ogden, in S.E. Calgary.

An Environmental Site Assessment (ESA1) was completed on the property in July and the findings required an ESA2 to be undertaken concurrently with a Geotechnical Investigation. The ESA2 was recently completed, and the final report concluded that all soil samples complied with applicable guidelines and that no further work to assess soil quality on the site is necessary. In the coming months the team will formally submit a land use re-designation application, and predevelopment studies (civil partner, transportation engineering, surveys) will begin once the projects design approaches a more detailed state.

With the Federal Governments recently confirmed commitment of \$1.53 Billion to the first stage of the Green Line LRT project, the City of Calgary has begun construction to modify roads and infrastructure in and around the Ogden area. Specifically, Ogden Road (location of The Jessica) is envisioned to become a neighborhood street that serves local residents and businesses, and the City will be reclassifying the road so large trucks will not be permitted to drive through the heart of the community. This will be a welcomed change for current and future Ogden residents due to the elimination of heavy industrial traffic, new overpasses and underpasses, and the widening of key access roads.

Green Line LRT Construction Projects

The Jessica – Conceptual Plan 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 and 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.

The Jake's project team submitted a Land Use Re-designation application package in mid-July 2018, and an application for a Development Permit at the end of August 2018. Both applications have been under review by City of Calgary Administration, and the project team has responded to the detailed review with the requested minor adjustments. The team's architectural partner has made minor revisions to the design of The Jake, and CivicWorks is in the process of incorporating the adjustments prior to meeting with the Calgary Planning Commission. At this time, the project team is waiting for the City of Calgary to complete its Local Plan update and provide a date to meet with the Planning Commission, or a Public Hearing of Council for the Land Use Re-designation and Development Permit.

The Jake – Conceptual Plan Link



INFRASTRUCTURE AND ECONOMIC UPDATES

Calgary's outer suburbs are densifying

Since 2009, the City of Calgary and surrounding areas have gradually been focussing on creating communities with greater density, especially outside the core at the edge of the city. These new communities follow new policies and guidelines that have created walkable communities, and communities where there's the ability to live, work and play. Going forward, new communities will be built according to the new Municipal Development Plan, which has more stringent density requirements with a minimum intensity of 60 people and jobs per developable hectare, and the ability to reach 70 people and jobs per hectare with future renewal and intensification. This year, City Council has approved 14 new communities which will all be built to new standards with increased density.

Calgary's increasing density



Japanese buyers in place for LNG Canada's gas

Tokyo Gas and Toho-Gas have announced they will be buying LNG from Mitsubishi Corp., which owns a 15% stake in the \$40 billion LNG Canada project. As previously mentioned, LNG Canada will mark the first major opportunity for natural gas producers in Canada to access export markets in Asia which promises higher prices for the country's gas. "By launching this project, Mitsubishi Corporation will diversify its LNG supply portfolio, which contributes to enabling more stable energy supply to Asian customers," said Hidenori Takaoka, Group CEO, Energy Business Group, Mitsubishi Corporation. Once completed, this project will contribute to expanding local employment and economic development opportunities in Alberta and British Columbia.

Japanese Buyers for LNG Canada's Gas



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