UrbanStar Update on Development Momentum in the Cochrane Lakes & Horse Creek Growth Corridor

About UrbanStar Group of Companies

Headquartered in Calgary, Alberta and with an international office in Tokyo, UrbanStar is a company that designs, builds, and operates real estate asset management solutions for investors. The portfolio strategy for real estate products is focused on investments in municipalities in the growing markets of Western Canada.

3,000+
Investors

1,100+
Acres

$108M+
Land Syndication

2400+
Potential Housing Units

250,000
Potential Sq.Ft. Commercial Space

$3B+
Potential Build Out Value

Key Company Accomplishments

UrbanStar uses its expertise to provide our 3,000+ investors with quality land investment opportunities and currently manages over 1,100+ acres of raw land and two master planned communities with a total land syndication amount of $108,000,000+ with a potential build out of over 2,400+ mixed use housing units, 250,000 sq ft of commercial space, and a build out value of up to $3 billion. We make this land available to qualified investors through land based, real estate investment products.

Homes & Developments

UrbanStar can offer an array of real estate services, and we have recently created our multi and single-family home divisions with a target of 300 units and 17,000 sq ft of commercial space with a build out value over $90,000,000.00 for 2021-2022.

MASTER PLANNED COMMUNITIES

INNER-CITY HOMES

MULTI-FAMILY HOMES

MESSAGE FROM CEO & PRESIDENT OF URBANSTAR

Dear Valued Investors,

UrbanStar is pleased to provide investors with an update on the significant development momentum occurring throughout the Cochrane Lakes and Horse Creek area and what these developments may mean for UrbanStar's strategic land holdings.

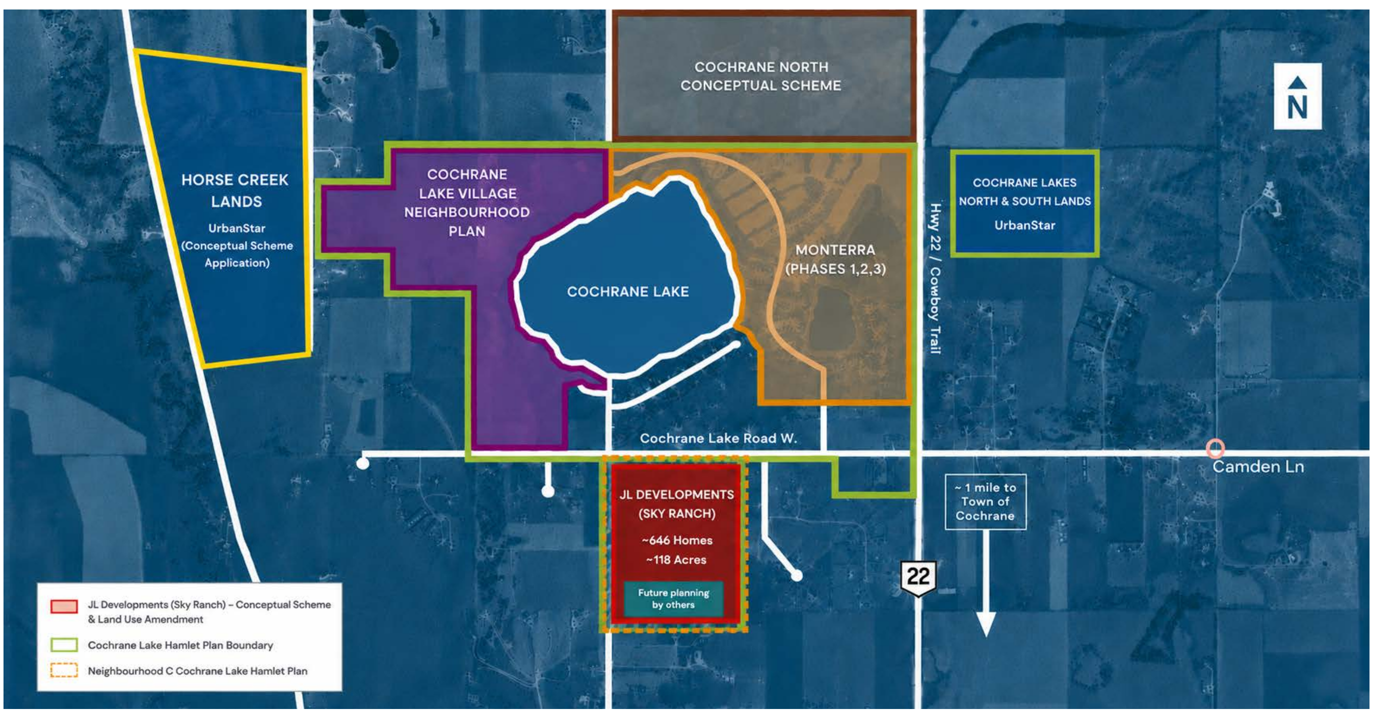
Recent planning approvals, active residential construction and continued municipal growth initiatives continue to reinforce the long-term development potential of the Cochrane Lakes and Horse Creek growth area. Collectively, UrbanStar's Cochrane Lakes North, Cochrane Lakes South and Horse Creek lands represent one of the largest strategic land positions within this emerging regional growth area.

As neighbouring developments continue to advance, UrbanStar believes these projects provide further evidence that the area is transitioning from long-term land banking toward an active, master-planned residential community.

I hope you find this update informative and thank you for your continued confidence and support.

Kind regards,

Dean F. Gorenc
President & CEO



Horse Creek and Cochrane Lakes North & South Land Exit Strategy Timeline

July 21, 2026 – January 2028

In light of the ongoing progress within the Cochrane Lakes North ASP, as summarized in this update, UrbanStar's strategy over the next 24 months is to focus on advancing servicing alignment, reclamation progress and planning integration, while leveraging nearby development momentum to strengthen valuation support.

This approach is intended to create a more defined and actionable exit window for investors over the next 24 months, or by early 2029, through a strategic sale, joint venture, recapitalization or phased monetization supporting investor redemption.

The remainder of this update provides supporting information regarding the regional development activity, servicing progress, planning initiatives and other factors underlying UrbanStar's strategy and potential investor exit pathways.

Overview

UrbanStar's strategy for Horse Creek and Cochrane Lakes North and South over the next 24 months is focused on value advancement through four defined drivers.

By late 2027, the projects should be presented to investors and counterparties with a clearer and more structured value framework, improving market understanding and preparing the groundwork for a potential investor exit or redemption.

UrbanStar will focus on and prioritize strategic positioning toward visible market readiness by:

- **Focusing on regional servicing relevance and planning integration;**
- **Advancing technical, environmental and land-readiness support materials;**
- **Refining transaction materials for strategic buyers, capital partners and joint venture groups;**
- **Beginning targeted external engagement with groups aligned with long-term corridor growth;**
- **Evaluating the strongest execution path through a strategic sale, joint venture, recapitalization or phased monetization; and**
- **Supporting pricing discussions through progress on servicing, reclamation and planning.**

By early 2028, the projects should have a defined potential exit pathway and a stronger basis for investor liquidity discussions.

By December 2028, UrbanStar's objective is to have completed, or be in the final stages of executing, a potential transaction structure that provides investors with liquidity, an exit or redemption on materially improved terms.

Investor Exit or Redemption

UrbanStar expects potential investor liquidity to be addressed through one of four principal paths:

- **Strategic sale;**
- **Joint venture with liquidity;**
- **Recapitalization; or**
- **Phased monetization.**

The next 24 months represent a defined execution period for UrbanStar's Horse Creek and Cochrane Lakes North and South projects.

Sky Ranch Demonstrates Continued Market Confidence

One of the most significant developments currently underway is Sky Ranch, a master-planned residential community being developed by JL Developments within the Cochrane Lakes area.

Sky Ranch encompasses approximately 118 acres and is planned to include approximately 646 homes, consisting of estate homes, single-family homes, duplexes and townhomes. Construction is currently underway.

Based on the current development plan, Sky Ranch is being developed at an overall density of approximately 5.5 units per acre (UPA), reflecting the market's continued shift toward more efficient and sustainable residential planning.

For UrbanStar investors, the importance of Sky Ranch extends well beyond the number of homes being constructed. It provides strong market validation that large-scale residential communities are actively moving forward within the immediate area surrounding UrbanStar's lands and demonstrates continued confidence by developers, builders and municipalities in the long-term future of the Cochrane Lakes and Horse Creek growth area.

Continued Growth Throughout the Cochrane Lakes & Horse Creek Area

Sky Ranch is only one component of the broader regional growth taking place. Rocky View County has identified numerous approved and proposed residential communities throughout the Cochrane Lakes and Horse Creek area, including:

1. **Approximately 903 proposed residential units within the Horse Creek Conceptual Scheme;**
2. **Approximately 800 residential units within the approved Cochrane Lake Village Neighbourhood Plan;**
3. **Approximately 425 residential units within the approved Cochrane North Conceptual Scheme;**
4. **Approximately 204 residential units within the Magna Vista Conceptual Scheme;**
5. **Approximately 720 residential units within the approved Neighbourhood C Conceptual Scheme;**
6. **Approximately 96 residential units within the approved Neighbourhood A Conceptual Scheme.**

Collectively, these communities represent thousands of future residential units planned within the immediate region and reinforce the long-term growth trajectory of this area.

As these developments continue to advance, they support future investment in roads, parks, schools, utilities, commercial amenities and regional infrastructure necessary to accommodate long-term population growth.

Collectively, these developments demonstrate increasing confidence in the future of the Cochrane Lakes and Horse Creek area and establish important benchmarks for future planning throughout the region.

What This Means for UrbanStar's Lands

Collectively, the continued residential development and public infrastructure investment occurring throughout the Cochrane Lakes and Horse Creek area provide positive indicators for UrbanStar's land holdings.

As neighbouring developments continue through planning, subdivision and construction, strategically located development lands often receive increased market recognition based upon their future development potential rather than solely their current raw land status.

The advancement of nearby communities provides several encouraging indicators, including:

- Continued confidence by major developers and homebuilders;
- Increasing residential demand throughout the Cochrane region;
- Ongoing municipal planning activity;
- Continued investment in regional infrastructure;
- Stronger comparable developments supporting future planning initiatives; and
- Increased recognition of the Cochrane Lakes and Horse Creek area as a major long-term growth destination.

While nearby development cannot guarantee future approvals, servicing, land values or investment returns, it provides meaningful market validation that the Cochrane Lakes and Horse Creek area is evolving into an increasingly attractive location for long-term residential growth. UrbanStar believes this continued momentum further strengthens the strategic positioning of its land holdings within one of Alberta's fastest-growing regions.

The planning evolution occurring throughout the Cochrane Lakes and Horse Creek area also provides UrbanStar with an opportunity to continually evaluate its own planning strategy to ensure UrbanStar developments remain aligned with emerging market trends and municipal planning objectives.

Evaluating Enhanced Planning Opportunities for Horse Creek

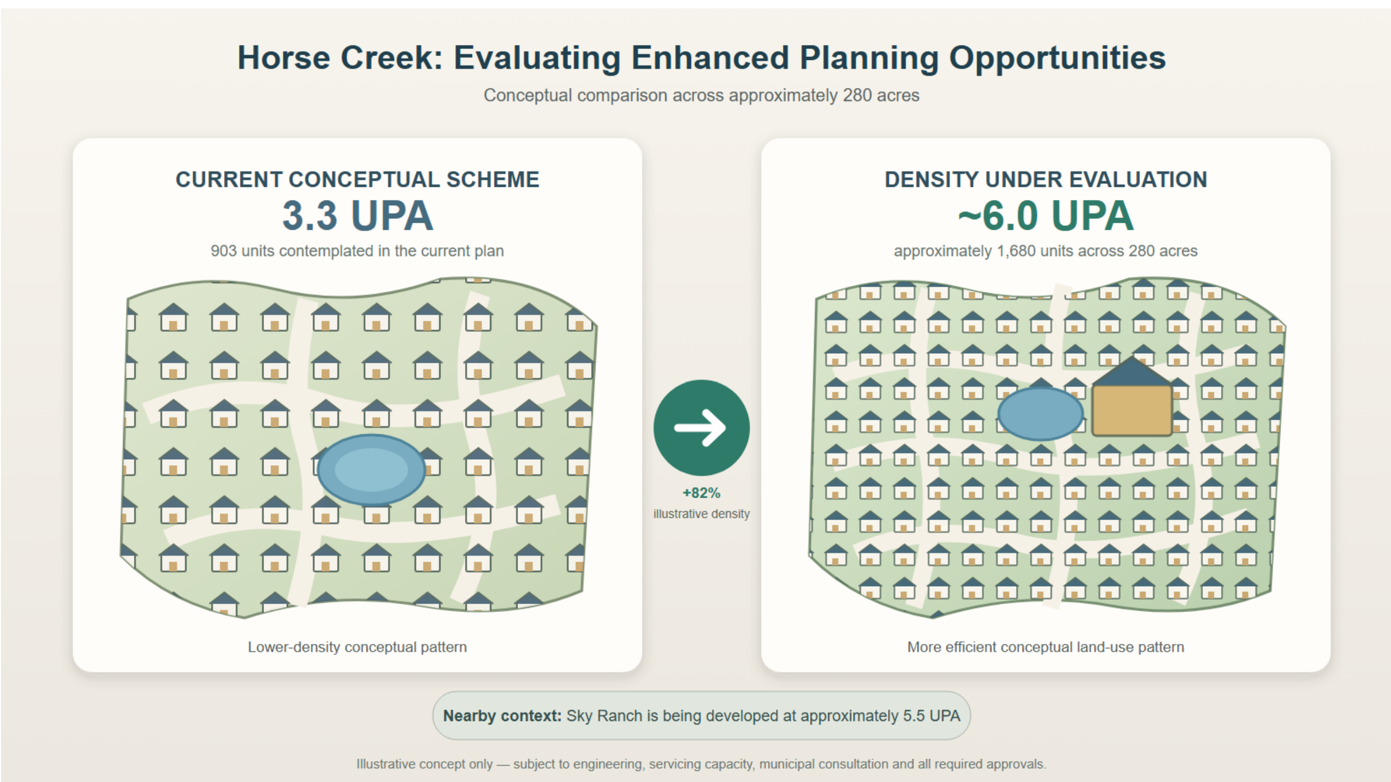
UrbanStar continues to evaluate opportunities to maximize the long-term development potential of its approximately 280-acre Horse Creek land holdings.

The current Horse Creek Conceptual Scheme contemplates an overall residential density of approximately 3.3 units per acre (UPA). As planning throughout the Cochrane Lakes and Horse Creek area continues to evolve—and with nearby developments such as Sky Ranch being developed at approximately 5.5 UPA—UrbanStar is evaluating the feasibility of increasing the planned density to approximately 6 units per acre, subject to engineering analysis, servicing capacity, municipal consultation and all required approvals.

If ultimately approved, a higher-density planning approach could better align Horse Creek with emerging development trends, improve land use efficiency and enhance the long-term development potential of the property.

Although this initiative relates specifically to the Horse Creek Conceptual Scheme, UrbanStar believes the continued planning momentum throughout the Cochrane Lakes and Horse Creek area also provides a positive foundation for the future advancement of its Cochrane Lakes North and Cochrane Lakes South land holdings.

This work remains in the evaluation stage and is subject to technical studies, infrastructure availability and all required regulatory approvals.



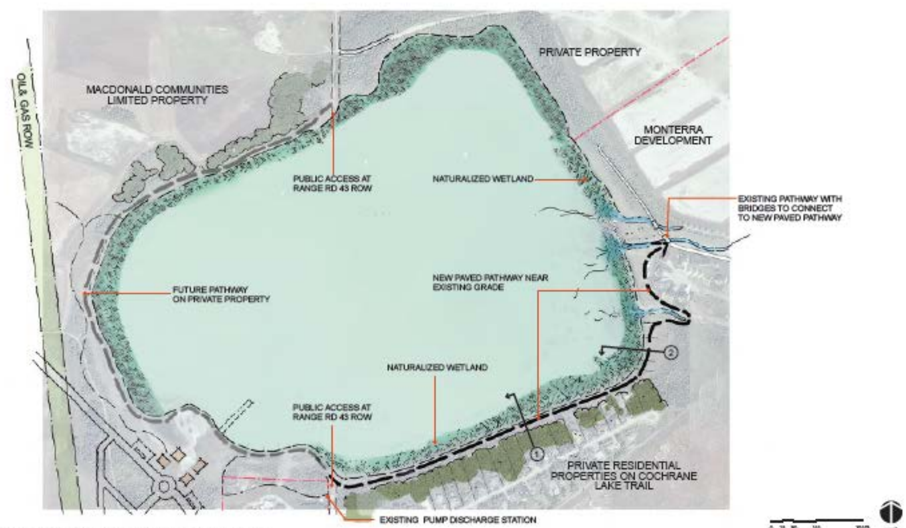
Cochrane Lake Improvement Plan Supports Long-Term Growth

In addition to the significant residential development occurring throughout the area, Rocky View County is advancing the Cochrane Lake Improvement Plan, a major infrastructure initiative aimed at improving the long-term health and sustainability of the Cochrane Lakes area.

The project includes introducing fresh Bow River water into Cochrane Lake to improve water quality and circulation, upgrading the discharge system to Horse Creek to enhance water flow and flood protection, and enhancing shoreline areas and public amenities.

UrbanStar believes these investments further demonstrate Rocky View County's commitment to the long-term growth and enhancement of the Cochrane Lakes area. The project is directly related in a positive regional manner to all UrbanStar projects in Cochrane Lakes North. This is a municipal approval and expenditure that will benefit all landowners with these new amenities.

COCHRANE LAKE IMPROVEMENT PLAN: PATHWAY



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COCHRANE LAKE IMPROVEMENT PLAN: WATER OUTLET

Alberta Continues to Attract Major Investment

More broadly, Alberta continues to attract significant domestic and international investment.

Most recently, Meta announced plans to construct its first Canadian artificial intelligence data centre in Sturgeon County, Alberta. The project represents an investment of more than $13 billion, representing one of the largest private-sector investments ever announced in Alberta. Once completed, the facility is expected to support more than 3,000 construction jobs at peak construction, create over 300 permanent operational positions, and generate approximately $250 million annually in economic benefits to Albertans through taxes, royalties, levies and other revenues.

As Alberta continues to attract major employers and large-scale investment, the province is expected to experience continued population growth, job creation and increased demand for housing, infrastructure and developable land. These broader economic trends contribute to a positive long-term outlook for strategically located land holdings throughout the province.

While the Meta project is not located near UrbanStar's Cochrane Lakes and Horse Creek land holdings, it represents another example of the growing confidence major global corporations have in Alberta as a destination for long-term investment. UrbanStar believes this broader provincial momentum further supports the long-term outlook for well-positioned land assets in growth areas such as Cochrane.

Chestermere Lake Demonstrates the Long-Term Value of Lake Communities

The continued evolution of Alberta's lake-oriented communities provides another example of the long-term potential that strategically located development lands can achieve over time. One of the province's strongest examples is Chestermere Lake, located immediately east of Calgary.

Originally developed as an irrigation reservoir in the early 1900s, Chestermere has transformed over several decades into one of Alberta's premier residential lake communities, featuring waterfront homes, parks, recreation, schools, commercial amenities and a vibrant year-round lifestyle. Today, the City of Chestermere is home to more than 22,000 residents and continues to experience significant residential and commercial growth.

While every development is unique and no comparison should be interpreted as a prediction of future outcomes, Chestermere demonstrates how lake-oriented communities can evolve into highly desirable residential destinations once the necessary planning approvals, municipal servicing and supporting infrastructure are established.

UrbanStar believes the Cochrane Lakes area possesses many comparable long-term attributes, including a natural lake setting, proximity to one of Alberta's fastest-growing municipalities, excellent regional transportation connections and increasing demand for thoughtfully planned residential communities offering access to recreation and open space. As neighbouring developments such as Sky Ranch continue to advance, UrbanStar believes these broader market trends further support the long-term outlook for the Cochrane Lakes and Horse Creek growth corridor.

A Strong Regional Growth Story

The continued advancement of Sky Ranch, the Cochrane Lake Improvement Plan and other surrounding developments demonstrates that the Cochrane Lakes and Horse Creek area is attracting meaningful residential investment and development activity.

UrbanStar believes the combination of increasing residential development, ongoing infrastructure investment, continued municipal planning activity and broader provincial economic growth provides a strong foundation for the future advancement of its Cochrane Lakes and Horse Creek land portfolio.

This momentum reinforces UrbanStar's long-term vision for its land holdings and provides additional confidence that the region is evolving into one of the most significant growth areas surrounding the Town of Cochrane.

UrbanStar remains committed to working collaboratively with municipal authorities, consultants and regional stakeholders to responsibly advance planning initiatives while pursuing opportunities that maximize the long-term value of its land portfolio for investors.

UrbanStar looks forward to continuing to update investors as planning initiatives progress and new milestones are achieved throughout the Cochrane Lakes and Horse Creek growth area.

We appreciate your continued confidence and support.

Investor Questions & Answers

The following questions have been compiled from inquiries received from investors regarding Sky Ranch, Horse Creek and the Cochrane Lakes area. We hope these responses provide additional context regarding the planning and development activity discussed in this update.

1. Has JL Developments received approval for the approximately 646 homes planned within Sky Ranch?

While the community will eventually feature 646 homes, the first phase of 254 serviced lots is substantially complete, and above-ground home construction is actively in progress.

2. Does this mean Sky Ranch has received all approvals required for the entire development?

Yes, JL Developments has received all necessary municipal approvals for the master plan of Sky Ranch.

3. The update states that development is underway. Does this refer to infrastructure work or home construction?

JL Developments is handling the foundational community infrastructure. Deep utility servicing for Stage 1's 254 residential lots is substantially complete, and civil work is progressing on the community's 15 acres of municipal reserves, walking trails, and new storm pond. Off-site infrastructure is also active, including the paving of Township Road 262 and intersection upgrades at Cochrane Lake West Road and Highway 22.

4. Does the advancement of Sky Ranch mean that the wastewater and sewer servicing issues affecting the area have been resolved?

The advancement of Sky Ranch does not mean that regional wastewater servicing issues have been entirely resolved. Rather, JL Developments acquired the land at a substantially higher price—approximately $200,000 per acre—which included pre-existing utility rights secured through the planning approval process.

Under Rocky View County's existing capacity allocation framework, utility capacity was explicitly locked in and legally reserved years ago for this specific parcel. Because JL Developments acquired land with these grandfathered rights, they were granted the permits to extend a dual 250mm watermain to tie directly into the operational municipal network at Montenaro Bay and build an on-site water pressure booster station.

UrbanStar and other developers are working toward a broader municipal servicing solution, meaning Sky Ranch's progress is an encouraging sign for other developers in the area.

Investor Questions & Answers Cont.

5. Have Rocky View County or the Town of Cochrane agreed to construct the required water and sewer infrastructure?

No, the municipalities are not paying to build Sky Ranch's specific water and sewer lines.

The infrastructure costs are split based on standard development rules:

- The Developer (JL Developments): Pays 100% of the costs to build all internal neighborhood pipes, watermain extensions, a water pressure booster station, and storm ponds.

- The Municipalities (Rocky View County & Town of Cochrane): Are responsible only for maintaining the overarching regional treatment plants, supply lines, and major system upgrades (like the Calling Horse Creek syphon replacement) that the developer's pipes tie into.

UrbanStar, together with other developers, would seek to pursue a similar approach to extending water and utility services through the broader ASP servicing solution currently being discussed and contemplated for Cochrane Lakes North and the surrounding developer-owned lands.

6. Why has Sky Ranch advanced while UrbanStar's Horse Creek lands have not yet received Conceptual Scheme approval?

As discussed above, Sky Ranch paid substantially more for its land and was able to advance because it could proceed under a grandfathered municipal layout with pre-existing utility rights. Conversely, Horse Creek's timeline is primarily dependent on the final resolution of the regional water and sewer infrastructure for the entire Cochrane Lakes North ASP. We continue to work actively with Rocky View County to secure the necessary utility capacity while exploring the most effective long-term servicing framework for the project.

Additionally, as we navigate this municipal utility process, we are aggressively looking to maximize the project's long-term value. Based on shifting regional densities, we are actively evaluating an increase in density from the previous 3.3 UPA layout (949 units) up to 6 UPA. This strategic update aligns Horse Creek with modern area densities, unlocks highly profitable multi-family product lines, and drastically reduces our per-unit infrastructure costs. While these updates require thorough municipal alignment and extend our approval timeline, they significantly multiply the long-term return on your investment.

7. What additional work remains before UrbanStar's Horse Creek lands can proceed?

To advance Horse Creek to the development phase, our primary remaining step is awaiting the final resolution of the regional water and sewer infrastructure.

Additionally, based on allowed densities in the surrounding area, UrbanStar is evaluating opportunities to enhance the long-term development potential of Horse Creek by increasing the planned residential density from approximately 3.3 units per acre to approximately 6 units per acre. This is being progressed in parallel with the utility framework and remains subject to final engineering analysis, servicing capacity, municipal consultation, and all required statutory approvals.

8. When does UrbanStar expect Horse Creek to receive approval?

UrbanStar's precise approval timeline remains flexible, as the final exit date depends entirely on the resolution of the regional water and sewer solution.

Current Investment Offering

Urbanstar Cochrane Lakes South Ltd.

53.5 Acres of Bare Land Real Estate to Purchase and Develop, with $7,500,000 Private Placement available. Located within the Cochrane North area structure plan and adjacent to the Monterra on Cochrane Lakes development. The land is 1-2 miles north of the Town of Cochrane along the Cowboy Trail, Highway #22, Rocky View County.

🔗 Click to view Cochrane Lake South Termsheet PDF

Urbanstar Cochrane Lakes North Ltd.

104 Acres of Bare Land Real Estate to Purchase and Develop, with $15,000,000 Private Placement available. Located within the Cochrane North area structure plan and adjacent to the Monterra on Cochrane Lakes development. The land is 1-2 miles north of the Town of Cochrane along the Cowboy Trail, Highway #22, Rocky View County.

🔗 Click to view Cochrane Lake North Termsheet PDF

Let's connect:

For more information please contct:

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