

Dear Stakeholder,

Industry City Alberta Corp. (“ICA”) is an investment and development company which in conjunction with Absolute Energy Resources Inc. (“Absolute”), have assembled land holdings within the Heavy Industrial Zoned area of Lamont County.

The land was assembled as a platform to facilitate the development of a new Alberta Heavy Industrial Park with fully integrated dual rail providing access to Eastern, Western, and Southern ports, thereby providing accessible and efficient logistic solutions for intermodal networking to direct and indirect import and export markets, as well as an attractive destination for investment into mixed-use industrial activities and infrastructure development.

Despite the difficult Alberta economic climate, which was frequently marked with multifaceted challenges across several industries, we are pleased to report 2018 will be an important year for ICA as we are now progressing towards making this vision a reality. We are currently seeing increased momentum and renewed market interest in land development opportunities. Much progress has been made regarding negotiations with the international investment community on development projects which indicates a healthy long-term economic outlook.

The key vision for the ICA project is industrial diversification and infrastructure development of the Lamont County Industrial Heartland area and ongoing growth for local small to medium enterprises, which will strengthen the local economy for the next 30 years and provide a solid foundation for the next generation of Alberta’s growth cycle. ICA’s vision for the area is the clustering of industries creating mutually beneficial development opportunities which will strengthen existing markets as well as provide generational opportunities for new businesses and markets to emerge. Through the attraction of alternative industries to the region, ICA aims to provide renewed interest and development in the county thereby resulting in increased investment and opportunity in its service industry.

Project Status Updates:

To-date, ICA has spent considerable capital investment to successfully facilitate market research for mixed use developments in Lamont County, which has resulted in numerous positive high-level meetings and negotiations on land developments with prospective investors, industrial land developers, energy producers, autonomous vertical agribusiness, manufacturing facilities, solar farm developers, oilfield owners/operators, mineral processing companies and others.

During 2017, ICA underwent a conceptual land development and strategic market outreach program identifying key stakeholders and facilitating diversified growth opportunities for the area. Representatives from ICA held positive discussions with a range of international investment groups from China, India, the Middle East and Europe, as well as numerous North American industry representatives. ICA has met with key government departments and had material discussions with government department heads from the energy, industry, environment, infrastructure and transportation sectors to spur growth in the local import and export sectors. Since these discussions, by nature, are complex and have long term development applications for the wider community, they take time to bear fruit and as such discussions and negotiations are ongoing and developing in accordance with required timelines and visions.

ICA also broadened its marketing approach with its industry partners to conduct research in conceptual development designs and preliminary feasibility studies regarding multiple industrial and scientific usages on county lands. In addition, ICA collaborated with its partners to apply for infrastructure development matched funding to re-develop the Lamont lands. These efforts resulted a letter from the Deputy Minister for Innovation Canada, as part of the Federal Supercluster Initiative, supporting ICA's vision for the project concepts and community benefits. In addition, an invitation to participate in the Western Diversification Funding Programs was extended to ICA and its partners.

In 2018, ICA will be aggressively promoting the Lamont lands with its industry partnerships thereby leveraging various governmental initiatives to participate as well as other market alignment opportunities for the Lamont area. Furthermore, ICA will be looking to negotiate land development opportunities for local land owners as well as exploring short term grain storage development opportunities to alleviate the current storage demand shortages for local farmers. Invitations for public discussion and producer input will be sent out through separate communication.

While we negotiate land development opportunities and start to see these discussions mature, please understand that development discussions require significant technical review, negotiation, due diligence and costs. We expect to see some of these investment discussions start to mature in 2018 and beyond as they enter mid-late stage development negotiations which is aligned with project timelines.

As you can appreciate, discussions and progress reporting are not normally made public largely due to the commercially sensitive nature of the discussions and confidentiality agreements signed by parties entering negotiations. Once investment and development agreements are finalized, they can be made public.. We greatly appreciate your patience while we work on behalf of all stakeholders and pursue these exciting land development opportunities.

ICA respectfully requests and appreciates your continuous support in our efforts to generate local opportunities for land development and investment.

We do understand the lines of communication have not been readily accessible to most land owners in the past. However, in 2018, we have mandated that regular reports will be made available and Ms. Sylvia Holowach, our Stakeholder Engagement Officer, has been appointed for land owners to call with any inquiries they may have at any time. Please contact:

Sylvia Holowach, Stakeholder Engagement Officer
sholowach@industrycity.ca or syldh@albertacom.com
Phone: (780) 446-3088 or 780-796-2435

We since have updated our website and will continue to do so throughout 2018, so please feel free to visit us at <https://industrycity.ca> for the latest project status.

Sincerely,

Mohammed Farooq, BE, MS
Vice President
