

MOOSE Railway Plan Finds its Legs with LeMine-Consortia N.A.

- Joint Company Announcement on Canada's 150th Anniversary
- 400 km Inter-Provincial Metropolitan Passenger Rail System Would Knit Together Canada's Greater National Capital Region

TORONTO, CANADA. 1 JULY 2017 — LeMine Investment Group and Consortia N.A. Ltd. (LeMine-Consortia N.A.) and MOOSE Consortium Inc. exchanged letters of intent today, the 1st of July 2017, on Canada's 150th Anniversary, to create a fully private-sector 400 km metropolitan-scale passenger rail service for Canada's Greater National Capital Region.

This 5,000 km² urban and semi-rural area, home to 1.3 million people, lacks an integrated, region-wide transit network, largely due to the complexities of planning across 16 different municipalities in two provinces, under a layer of unique federal authorities, all situated upon lands to which the Algonquin-Anishinabeg and Métis peoples hold prior title.

MOOSE and LeMine-Consortia N.A. were brought together by Mir Ali (P.Eng), President of Consortia N.A. Ltd. who is an experienced investment syndicator for large transportation and PPP projects. In the lead-up to meetings in Toronto recently, Consortia N.A. was invited to join Moose Consortium. Mr. Ali will now serve as MOOSE's "Director of Capitalization and Strategic Business Alliances".

Ali explained to LeMine: "It was evident to us that MOOSE is inherently about building community throughout the Greater National Capital Region. We could see that they had come up with a novel way to resolve the primary mobility impediment to trade that has been holding this region far back from its world-class socio-economic development potential, and that has prevented the development of a full-scale, ecologically sound, transit network."

LeMine Investment Group specializes in bringing international capital to high-quality Canadian projects. Its particular strength is in managing complex developments involving multiple sub-projects and significant overall scale. To achieve effective orchestration, LeMine commits from start to finish, overseeing the feasibility study, project financial model, corporate financing, land acquisition, urban planning, government relations, project management, as well as engaging respectfully with diverse authorities and stakeholders to ensure projects are completed on time, on budget and in alignment with health, safety and quality standards.

MOOSE Consortium is Canada's first private-sector "created-from-scratch" start-up in a century to enter the metropolitan passenger rail market. Other new railway companies have resulted from the acquisition or break-up of existing railway companies. Its name is an acronym for "Mobility Ottawa-Outaouais: Systems and Enterprises". A year ago, on 29 June 2016, MOOSE published a white paper on how to commercially finance and manage a metropolitan railway system in today's market. The release of that paper was timed by MOOSE to mark the 125th Anniversary of the 1891 start-up of the fully private sector "Ottawa Electric Railway Company", which in its era brought the first motorized public transit system to Canada's Capital. After exploring various possibilities in capital markets, MOOSE received an invitation to meet on 29 June 2017 with Lemine-Consortia N.A. Coincidentally, this was exactly a year to-the-day after publishing its commercial financing model.

"All the money's in the property" explained Joseph Potvin, Director General of MOOSE. "Therefore, in essence, our 'Property-Powered Rail, Open Market Development Model' is all about real property value optimization. And in this context, a safe, affordable and beautiful train service is just a method for generating that value."

The specific business-design innovation in Property-Powered Rail involves separating the business of running stations from the business of running trains. It introduces an open competitive market for investors and owners to transform disparate localities into a network of 'linked localities'. Each autonomous station would operate under its own "joint use and management agreement" which resembles what's known as a "common element freehold commercial condominium". This is a very particular, but well-established business arrangement in real property markets.

MOOSE plans to offer train service to the limited number of stations that sign and abide by the terms of a corporate-level train service subscription agreement. The monthly fee will be dynamically benchmarked to just that part of actual property income and asset value-added that is directly attributable to the provision of train service. This realized value added will be split between participating freehold-property owners and MOOSE, by some commonly negotiated proportion across the entire network of stations.

"The property investors will naturally want to maximize their retained earnings, and they can do this by ensuring that every aspect of their value-boosting train service is excellent. They'll have profit-driven reasons to make sure the train is not underfunded", explained Potvin. MOOSE's planned fare model also ensures accessible transit for passengers at all income levels. Furthermore, the net revenue from fares will be earmarked to systems and services that enhance the passenger experience, because this will further drive demand for commercial and residential property near stations.

At the planned scale of 50 stations distributed throughout Canada's Greater National Capital Region, Lemine-Consortia N.A. quickly understood that MOOSE's plan is, in fact, a 100 km² property development project. "It has the required scale", said Mr. Ali of Consortia N.A.

The new 400-km railway service, equal to the distance covered by Toronto's current public-sector GO Train, will reduce congestion in Canada's Capital by more than 25,000 vehicles per day, and will free up a significant proportion of the Ottawa and Gatineau municipal bus fleets for improved service to urban neighbourhoods and semi-rural areas as determined by officials of their respective jurisdictions.

There are several challenges, of course. For example, after years of experience with other passenger rail services in Canada, MOOSE's railway operations specialist Scott Ivay emphasized the significance of climate adaptability. "It's not easy to obtain or to maintain railway equipment suited to the extremes of this climate" said Ivay. "Our equipment and infrastructure engineering study will need to intelligently address the harsh conditions that affect this region. We intend to ensure that trains and tracks that we operate can provide a superior passenger experience. From the outset, all the companies involved here understand that this is not easy."

On the other hand, the core infrastructure portion of the plan is not considered a "mega-project", because, for the most part, it involves revitalizing existing railways and bridges. Essential upgrades will be done at the beginning, but ongoing improvements will be spread over time to provide stable demand for crews and equipment. In addition to creating long-term well-paid new jobs in the railway industry, each of the 50 stations will bring opportunities to the participating urban and semi-rural localities throughout the region.

Potvin added: "We're addressing the entire region, and all sectors of the population. And while we're pursuing a highly ambitious schedule, we're taking the long view. The way we see it, for 6,000 years this has been a trading region. Even the original name Odaawaa means "to trade" in the Algonquin, Cree, Nipissing, Montagnais, Odawa and Ojibwe languages. We respect that. And on this particular day, which marks the 150th year since Canada's Confederation, we extend a special invitation to the region's Algonquin-Anishinabeg and Métis to take a fresh look at the existing 400 km of railway in their region as a single contiguous land corridor that reaches out in all directions from the central area near the confluence of the Ottawa, Gatineau and Rideau Rivers.

"Prior to formalizing our own business agreements, Lemine-Consortia N.A. and MOOSE Consortium Inc. are inviting Algonquin-Anishinabeg and Métis organizations to consider collaborating in any and all aspects of this initiative", said Potvin. "There are many things to discuss, including, for example, the companies' plans to finance rails-WITH-trails infrastructure along all the corridors. Not only is this a practical way to remove any inclination people may have to walk on the tracks in populated areas; it also introduces a highly symbolic way to restore the integrated long-distance trail system that previously existed throughout Algonquin and Métis territory."

MOOSE has consciously aligned its overall vision and its particular plans to the purposes and guidelines of federal, provincial and municipal development strategies and policies. Now together with Lemine-Consortia N.A., they seek the collaboration of all three levels of government. However they are not asking for any public sector funding or special treatment. The companies believe that federal or provincial financial assistance should go to the municipalities for complementary projects. MOOSE railway and property development and operation would be self-financing.

Canada's "National Transportation Policy" seeks "a competitive, economic and efficient national transportation system" through "competition and market forces", wherein "governments and the private sector work together". In particular, the 2016 Canada Transportation Act Review Report" states: "A private sector approach ... would result in greater efficiencies, potentially reducing the cost burden on taxpayers, and placing passenger rail services on a more sustainable trajectory."

In its "Plan for Canada's Capital: 2017-2067" published on 9 May 2017, the federal government's Nation Capital Commission (NCC) outlines a vision for this region that is "inclusive, meaningful, picturesque, natural, thriving and connected". To this end, its new 50-year plan expresses the NCC's desire to collaborate with transportation organizations, municipalities and diverse community organizations for multi-modal interprovincial transit integration. It commits the federal government to "prepare for the projected population increase to beyond 2 million by 2067, and the increasing pressure of development outside the Greenbelt and on the flanks of Gatineau Park". In particular, the 50-year plan references an "Interprovincial Transit Strategy" published jointly in 2013 by the NCC with the cities of Ottawa and Gatineau. That strategy lists the re-development of passenger rail service between Ottawa and Gatineau as "a priority by 2018." MOOSE is the only entity that has come forward with a documented plan to meet this target.

In his letter of interest to MOOSE, Thomas Liu, Chairman of Lemine-Consortia N.A. said "We are very impressed with the business concept and preliminary-systems design work undertaken so far by MOOSE Consortium." He expressed the group's "intention to syndicate the financial resources, and to assist MOOSE by convening ... the technical expertise and the diverse authorities and stakeholders as required to advance this undertaking in a timely manner."

Liu also said that Lemine-Consortia N.A. will employ Opus International Consultants Limited (Opus) and REMISZ Consulting Engineers Limited to undertake a due-diligence review of the MOOSE business and technical concept in the next 120 days. Opus has over 3,000 engineers, designers, planners, researchers and advisors working with more than 12,000 clients across Australia, Canada, New Zealand, the United States and the United Kingdom. Lemine-Consortia N.A. also recently signed an exclusive agreement with Sino Great Wall Engineering Limited, China (Sino), for jointly investing and participating in large transportation and residential development projects in Canada. Sino's current work load is over \$6 billion.

The principals of LeMine Investment Group have been actively involved in real-property development since 1998, and have developed over ten-million square feet of property internationally. Their services span land acquisition, zoning, construction, marketing, sales, and property management. One of their most recent projects, The Academy Condos, located just west of the University of Toronto campus, is a 339-unit, 26-storey highrise that sold out in 2-1/2 weeks. This project claimed the "2015 People's Choice Award" for the best residential construction project in the Greater Toronto Area — as voted by the public. It was also ranked number-one by the Toronto Star, as the most popular high rise project of 2014. More recently Consortia N.A. secured a \$1.4 B Term Sheet from investors of Hong Kong and Malaysia to invest in Lemine's Central Park Ajax Project, located in the eastern part of the Greater Toronto Area. Now Lemine and Consortia are equal partners in that project.

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