



## Canadian Rocky Mountain Beef Inc.

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Canada

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Delivered by Email

April 13, 2015

Dear Beef Friend:

Re: CRMB Weekly International Offers

We are pleased to serve International clients wishing to purchase our products, based on either the Alberta or Nebraska Cash Markets for Live Grain-Fed Cattle.

### Alberta

We are pleased to serve clients wishing to purchase beef from our Supply Chain based on the Alberta Grain-Fed Cattle Market. We will purchase cattle in the Alberta market on your behalf and process them to your specifications.

As the Alberta cash market for grain-fed cattle is not currently functioning, our Supply Chain will price your cattle on the Chicago Mercantile Exchange, with a basis reflecting local market conditions for Alberta grain-fed cattle. The market currently indicates a -1 basis until August 2015. Based on Friday's Chicago Mercantile Exchange close, we offer the following contract and forward live cattle pricing:

<b>Canadian Rocky Mountain Beef Inc. Contracted and Forward Priced Live Grain-Fed Cattle</b>	
Purchase Month	Indicator Price US\$/lb
April	1.5801
May/June	1.4800
July/August	1.4576
September/October	1.4763
November/December	1.4865

Using the April Contract as a reference price, our approximate costs for beef produced from our Alberta Supply Chain cattle are:

<b>Canadian Rocky Mountain Beef Inc. Alberta Contract Cattle Market Full Set – C&amp;F International Port (Canada B, A, AA, AAA, Prime Grades Included)</b>			
Protocol	Est. Container Weight	Indicator Price	Estimated Container Cost
	Kilograms	US\$/Kg	US\$
Large Primal Specification	22,700	7.87	178,649
Bone-in Specification	22,700	8.44	191,588
Boneless Specification	22,700	9.47	214,969

Please ask if you would like to receive processed beef prices based on forward contracted cattle cost for up to six months.

Beef cuts will be boxed separately by grade (B, A/AA, AAA/Prime). Trimmings and fat will be combined for all grades. Experience with our cattle indicates that just under 60% will grade AAA and just under 40% will grade AA. On average, between 5-7% of cattle will grade B, A, or Prime. A full set with only A, AA, AAA, and Prime graded cuts costs 1% more. A full set with only AA and AAA graded cuts costs 2% more. Clients can select the combination of grades that most closely meet their needs. Details on the Canadian beef grading system can be found online at: [http://www.canadabeef.ca/ca/en/beef\\_export/quality/quality\\_grade.aspx](http://www.canadabeef.ca/ca/en/beef_export/quality/quality_grade.aspx).

### Nebraska

The current USDA Nebraska Weekly Direct Slaughter Cattle – Negotiated Purchases (Mixed Beef Steer/Heifer, 35%-65% Choice) report estimates the average Cash Grain-Fed Cattle price (at the feedlot) at US\$1.6282/lb. Using this as a reference price, our approximate costs for beef produced from our Nebraska Supply Chain cattle are:

<b>Canadian Rocky Mountain Beef Inc. Nebraska Cash Market Priced Full Set - C&amp;F International Port (Standard, Select, Choice, Prime Grades Included)</b>			
Protocol	Est. Container Weight	Indicator Price	Estimated Container Cost
	Kilograms	US\$/Kg	US\$
Large Primal Specification	18,200	8.16	148,572
Bone-in Specification	18,200	8.74	159,068
Boneless Specification	18,200	9.78	177,996

Beef cuts will be boxed separately by grade (NR, Select, Choice/Prime). Trimmings and fat will be combined for all grades. Experience with our cattle indicates that just under 60% will grade Choice and just under 40% will grade Select. On average, between 5-7% of cattle will grade Standard or Prime. A full set with only Select, Choice, and Prime graded cuts costs 1% more. A full set with only Select and Choice graded cuts costs 2% more. Clients can select the combination of grades that most closely meet their needs. Details on the American beef grading system can be found online at: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3002979>.

### Optional Specifications

CRMB is able to process certified Black Angus (certified by the Canadian Beef Grading Agency) cattle less than 30 months of age. All cattle are produced in closely managed feeding systems under the direction of our Supply Chain partners. We believe that this will provide maximum consistency of size, yield, and meat quality. While these are good starting guidelines, your own production and costs will be unique to the cattle that we will slaughter and process for you. Your costs will be reported to you exactly with no mark-ups or other hidden margins.

CRMB is able to offer Private Label packaging. Your product is packaged in boxes with your logo and name at our cooperating processing facility. This provides you with maximum exclusivity of supply and brand penetration. This approach is also very efficient, as you can

distribute locally without the need or cost of re-packaging. Full cost of set-up and a minimum of 2,500 boxes will be billed on the first Private Label shipment.

CRMB is able to offer Halal certified beef. All cattle are processed according to Islamic standards and certified at the time of slaughter. The additional cost of this service is approximately \$0.02/lb.

CRMB is able to offer Mainland China certified beef. All cattle are produced according to Chinese Ractopamine-free standards. The additional cost of this service is approximately \$0.03/lb (Alberta only).

CRMB is able to offer European Union certified beef. All cattle are produced according to European hormone-free standards and qualify for duty free (Annex R-14) access. The additional cost of this service is approximately \$0.35/lb.

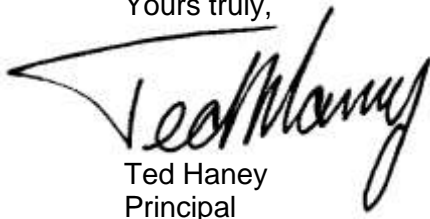
#### Financial Terms

50% Deposit on Receipt of Pro Forma Invoice  
50% Prior to Shipping

Receipt of your Purchase Order will start the purchase process. Once we receive your Purchase Order, we will book the slaughter date issue you a Pro Forma Invoice based on the most recent Live Grain-Fed Cattle pricing. Once the deposit has been received, we will confirm your slaughter and shipping dates. The actual production (including pounds and grading) and costs (current week carcass costs) will be reported to you with a Final Invoice 1-2 days after packaging has been completed. Once final payment has been received, we will ship the product. You will be fully informed as to all shipping matters by our logistics partners.

I look forward to hearing from you. I look forward to building an enduring trade relationship.

Yours truly,

A handwritten signature in black ink, appearing to read "Ted Haney", is written over a horizontal line. The signature is fluid and cursive.

Ted Haney  
Principal