Canadian Rocky Mountain Beef Inc.
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Delivered by Email

October 26, 2015

Dear Beef Friend:

Re: CRMB Weekly International Offers

We are pleased to offer you beef from our Supply Chain based on the Alberta or Nebraska Grain-Fed Cattle Markets. We will purchase cattle from our supply chain on your behalf and process them to your specifications.

Cattle Pricing

Our Supply Chain prices all cattle on the local cash market. CANFAX reports last week's Alberta cash market average prices. The USDA 5 AREA WEEKLY WEIGHTED AVERAGE DIRECT SLAUGHTER CATTLE Report publishes last week's Nebraska cash market average prices. Cattle prices based on this week's reports are:

Canadian Rocky Mountain Beef Inc. Cash Market Live Grain-Fed Cattle	
Purchase Month	Indicator Price
Alberta	US$ 1.3155/lb
Nebraska	US$ 1.3647/lb

Upon request, we can offer you beef prices based on forward contracted CRMB cattle cost. Based on today's Chicago Mercantile Exchange close, we offer the following forward contract live cattle pricing:

Canadian Rocky Mountain Beef Inc. Forward Contract Priced Alberta Grain-Fed Cattle		
Purchase Month	Indicator Price	
	US$/lb	C$/lb
January/February	1.3560	1.7889
March/April	1.3433	1.7726
May/June	1.2480	1.6469
July/August	1.2233	1.6145

Alberta

Based on the current Alberta cash cattle market as a reference price, our approximate costs for beef produced from our Alberta Supply Chain cattle are:

Canadian Rocky Mountain Beef Inc. Alberta Cash Cattle Market Full Set – C&F International Port (Canada B, A, AA, AAA, Prime Grades Included)			
Protocol	Est. Container Weight	Indicator Price	Estimated Container Cost
	Kilograms	US$/Kg	US$
Bone-in Specification	22,700	6.93	157,311
Boneless Specification	22,700	8.15	185,005

Nebraska

Based on the current Nebraska cash cattle market as a reference price, our approximate costs for beef produced from our Nebraska Supply Chain cattle are:

Canadian Rocky Mountain Beef Inc. Nebraska Cash Market Priced Full Set - C&F International Port (Standard, Select, Choice, Prime Grades Included)			
Protocol	Est. Container Weight	Indicator Price	Estimated Container Cost
	Kilograms	US$/Kg	US$
Bone-in Specification	18,200	6.93	126,126
Boneless Specification	18,200	8.10	147,420

Specifications

Alberta 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 fewer than 60% will grade AAA and just less than 40% will grade AA. Approximately 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.

Nebraska 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 fewer than 60% will grade Choice and just less than 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.

CRMB is able to process certified 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 cost of this service is $0.05/kg in both Alberta and Nebraska.

CRMB is able to provide commercial samples of full sets from 40 cattle. The approximate weight of each large sample is 26,000 lbs (11,800 kg). The cost of large samples is approximately $0.50/kg higher than the cost of full container shipments.

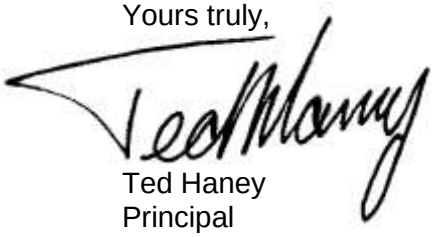
Financial Terms

Deposit: 50% of Estimated Costs on Receipt of Pro Forma Invoice
Final Payment: (Actual Costs minus Deposit) Prior to Shipping

We will book the slaughter date issue you a Pro Forma Invoice upon receipt of your Purchase Order. We will confirm your slaughter and shipping dates upon receipt of your deposit. 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. We will ship the product upon receipt of final payment.

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

Yours truly,



Ted Haney
Principal