Alberta-Pacific Forest Industries, Inc.

Hokuetsu Kishu Paper Co.,Ltd.(HKP) and the Government of Alberta Announce enhanced Collaboration to Develop Cellulose Nanocrystals for commercial applications.

Hokuetsu Kishu Paper Co.,Ltd.(HKP) is preparing to increase its collaboration with InnoTech Alberta and Alberta Innovates to further the development of cellulose nanocrystals (CNC), a novel, green nanomaterial produced through the pulping process of its subsidiary Alberta-Pacific Forest Industries, Inc. (Al-Pac)

Al-Pac, which is wholly owned by HKP, has been working cooperatively with Alberta Innovates since 2010 and is the industrial partner in the development of this technology in Alberta and western Canada. The 100 kg/week CNC Pilot Plant located at InnoTech Alberta in Edmonton, was commissioned in 2013 and since that time significant progress has been made to refine technical processes, economic efficiencies and approaches to develop new markets.

"We are very pleased with the efforts of InnoTech Alberta and the support we have received from the Government of Alberta to date." Said Mr. Kishimoto, President and CEO of HKP, who met Minister of Economic Development & Trade Deron Bilous who visited Japan on his mission. "We believe in the development of sustainable green products to meet growing consumer demand and believe CNC has the potential to create new and enhanced markets for HKP." Honorable Deron Bilous stated "Alberta recognizes the importance of our forest industry and in helping that sector make transformative investments into new and non-traditional markets and products. We are very happy to be partnered with HKP and Al-Pac in the development of CNC, and the strong leadership they are showing in diversifying the forest sector".

CNC is a novel material made by treating cellulose pulp fibres to isolate the crystalline portion of the fibre. CNC has demonstrated promise for a variety of applications, including modifying rheology in industrial fluids such as chemicals and coatings, increasing abrasion resistance, improving patient care through a variety of medical and health applications, in electronics and energy storage devices, and as a composite material to improve the performance of packaging materials.

Al-Pac and InnoTech Alberta will expand their development efforts to scale up the technology and work with other partners to develop new markets for CNC.

Hokuetsu Kishu Paper Co.,Ltd. is a Tokyo based company that is the second largest printing and communication paper manufacturing company in Japan. It is the parent corporation of Alberta-Pacific Forest Industries, Inc.

Alberta-Pacific Forest Industries, Inc. operates Canada's newest and North America's largest, single-line bleached kraft pulp mill. It produces nearly 650,000 air dried metric tonnes of elemental-chlorine free pulp annually. Al Pac has a reputation for its high quality hardwood pulp, environmental leadership and highly skilled and dedicated workforce.

Government of Alberta, Ministry of Economic Development and Trade is the provincial ministry that oversees and provides leadership on the government's economic development efforts and access to information and support for businesses and investors.

Alberta Innovates is Alberta's newly consolidated innovation support system. It is a provincial not for profit agency that provides the mechanism for innovators, businesses and researchers to tap into cross sectoral technical and business expertise, funding, networks and research infrastructure.

InnoTech is the applied research subsidiary corporation of Alberta Innovates. With locations throughout Alberta, InnoTech operates 1,000,000 square feet of laboratory, pilot scale and demonstration facilities that are accessible to clients and partners for research, development and scale up activities to benefit Alberta companies.