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Element Lifestyle Retirement Amends Agreement and Removes Conditions to Purchase Property in the Victoria Harbour for Development

August 17th, 2017, Vancouver, BC - Element Lifestyle Retirement Inc. (the “Company, Element or the Purchaser) (TSX.V: ELM) is pleased to announce that it amended and has now removed conditions in the Offer to Purchase Agreement dated April 20th, 2017 to acquire a 1.96 acres commercial property located along the harbourside of Victoria at Bayview Place, British Columbia (the “Lands”) with a view to develop and subsequently operate an inter-generational aging-in-place community on the Lands as stated in our news release of April 28th, 2017. The final condition precedent to the closing of the acquisition of the Lands has been satisfied and the closing date for the acquisition of the Lands has been extended to August 29, 2017.

Element President Don Ho states “The purchase of the Bayview property in Victoria is major milestone in our vision to not only operate, but to own the properties in our portfolio of Element-branded communities. For the Opal project in the west side of Vancouver, we are on a consulting contract to act as developer and on a 20-year contract to act as operator. As 100% owner of the Bayview project, Element will bring the OPAL flagship’s model of intergenerational living and the highest standard of aging-in-place accommodations, support and care to the residents of the downtown Victoria area. We would also like to thank the vendor, Focus Equities for sharing this vision and welcoming us to the Bayview Community.”

Pursuant to the terms of the amended Offer to Purchase Agreement, the Company and the vendor (the “Vendor”) of the Lands have entered into an excavation agreement effective as of August 16, 2017, pursuant to which the Vendor has agreed to undertake certain excavation works on the Lands subsequent to the closing of the acquisition of the Lands at a fixed price of \$1.8 million plus GST (the “Contract Amount”). The Company entered into the excavation agreement (the “Excavation Agreement”) in order to de-risk the excavation portion of the future construction contract on the Bayview property. Pursuant to the terms of the Excavation Agreement:

- upon commencement of the excavation work on the Lands by the Vendor, the Company will deposit the Contract Amount in trust with the Company’s counsel, to be drawn down and paid to the Vendor on a monthly basis as work progresses.



- a take-off volume adjustment has been included in the agreement which provides that the Vendor will absorb up to a 5% increase over the take-off volume, with any additional volume over the 5% to be absorbed by the Company. The Company will not participate in any cost savings below the determined take-off volume.

The purchase price for the Lands remains unchanged at \$6.7 million and will be paid in cash and will be funded by a combination of equity and debt financings as announced in our previous news releases of July 4th, 2017 (an equity Private Placement of \$2,529,222), July 13th, 2017 (a debt Commitment Letter of \$3.5 million with Addenda Capital Inc.), and June 19th, 2017 (an unsecured Convertible Debenture Private Placement of \$2.51 million scheduled to close on or around August 29, 2017 to be contributed towards the balance of the purchase price). The purchase price for the Lands will be paid as follows:

- A \$50,000 deposit paid to the Vendor's solicitors (completed)
- A second deposit of \$250,000 due and payable to the Vendor's solicitor on or before the end of the second business day following notice of the Purchaser's satisfaction or waiver of the Purchaser's Conditions on the Excavation Agreement. (August 17th, 2017)
- \$4,700,000 payable to the Vendor on the closing date.
- \$1,000,000 to be held in trust by the Company's counsel and paid to the Vendor when the site levelling on the Lands is complete according to the terms set out in the Excavation Agreement.
- The balance of \$700,000 to be held in trust by the Company's counsel and paid to the Vendor once the below ground excavation works on the Lands is complete according to the terms set out in the Excavation Agreement.

The estimated \$74.5 million project, located in Victoria, British Columbia, Canada's retirement mecca, is specifically designed for seniors in mind, eloquently accommodated in a proposed five-storey building with 153,500 square feet buildable area and approximately 30,000 square feet of indoor and outdoor amenity areas for residents. The development project will provide a complete continuum of lifestyles - from active, independent living to assisted and complex care, comparable to Element's flagship model in the Cambie corridor, OPAL by element. The proposed community will contain approximately 155 units, with options to procure or rent, including approximately 50 condos, 70 rentals and 35 licensed care units. The Lands are currently zoned for retirement development and project completion is anticipated for the fourth quarter of 2020. It is anticipated that the construction costs will be financed through a combination of debt and equity, to be arranged at a later date.

Michael Diao, CEO, comments, "We are delighted to move towards completion of Element's first acquisition of property for 100% of ownership, to be developed and operated by our experienced management team. We are excited that we have now shifted into a space of full land and operation ownership. We will continue to evaluate additional potential acquisitions to create a strong portfolio of projects, consisting of a strategic combination of fully owned, partially owned or managed assets. We look forward to building on this transformative milestone to position ourselves as a leading retirement development and management services organization"



that revolutionizes the perception and experience of aging with its innovative intergenerational aging-in-place model."

About Element Lifestyle Retirement Inc.

Element was established in June 2013 in Vancouver, British Columbia and is in the business of providing specialized development expertise and flexible, innovative management services for intergenerational retirement communities. The core business of Element has been the development and management of third party assets in the "retirement community" space but has now moved into the acquisition arena. The organization aspires to be one of the most respected aging-in-place retirement living specialists in North America, emphasizing the intergenerational "Continuum-of-Lifestyles" model, which encompasses a smooth, seamless transition for seniors from independence to assisted living to complex care, in an environment that integrates accommodation and activities for all ages, all in the same residential community. The management team of Element has several decades of experience developing and operating retirement communities.

ON BEHALF OF THE BOARD OF DIRECTORS ELEMENT LIFESTYLE RETIREMENT INC.

"Michael Diao"

Chief Executive Officer and Director

For further information, please visit www.elementliving.com or contact Element at (604) 676-1418.

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Forward Looking Statement Caution

This news release contains "forward-looking information" within the meaning of applicable securities laws relating to development of Element's business, including statements regarding the proposed completion of the acquisition of the Lands, development of a project on the Lands, financing of the project proposed for the Lands, the costs for the development of the project on the Lands, including excavation works; future revenues, assessing opportunities and advancing the Company's plans. Although the Company believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks associated with Element's business as disclosed in the Company's most recently filed MD&A. The statements in this news release are made as of the date of this release. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.