



**FOR IMMEDIATE RELEASE**

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

## **Element Lifestyle Retirement Completes Property Acquisition in the Victoria Harbour Area along with Convertible Debenture Private Placement**

**August 29<sup>th</sup>, 2017, Vancouver, BC - Element Lifestyle Retirement Inc. (“Element” or the “Company”) (TSX.V: ELM)** is pleased to announce that Element completed the purchase of a 1.96 acres property along the harbourside of Victoria at Bayview Place, British Columbia (the “Lands”) pursuant to the terms of an amended offer to purchase agreement (the “Agreement”) with Focus Equities Inc. (the “Vendor”).

Under the terms of the Agreement, the Company agreed to pay to the Vendor \$6.7 million for the Lands. An aggregate of \$300,000 had been paid to the Vendor in deposits against the purchase price, \$4.7 million was paid to the Vendor on closing and the balance of \$1.7 million is held in trust by the Company’s counsel, which will be released and paid to the Vendor when the Vendor has completed certain excavation work on the Lands, including site levelling work and certain underground excavation work, pursuant to the terms of an excavation agreement entered into between the Company and the Vendor, as previously announced on August 17, 2017. Furthermore, upon commencement of the excavation work on the Lands by the Vendor, the Company will deposit \$1.8 million plus GST in trust with the Company’s counsel, to be drawn and paid to the Vendor on a monthly basis as work progresses.

*“We are thrilled with the closing of the purchase of the Bayview Place property, advises Don Ho, President. It is gratifying to have this acquisition behind us and is a major step forward for the Company as it has now formally moved into the property acquisition arena with the objective of building a first-class asset portfolio and operating the properties it develops. The Company has now entered a transformative phase in its history. Development activities will be commencing without delay and we are excited to be pulling the starting gun trigger on building one of the most exciting projects in the Victoria area. The extra efforts carried out by our staff along with our consultants are appreciated and we look forward to keeping our shareholders and host-communities in and around Victoria updated with our progress.”*

The Company is also pleased to announce the closing of its non-brokered private placement financing raising aggregate gross proceeds of \$2,510,000 (the “Private Placement”) through the issuance of unsecured convertible debentures (the “Debentures”). The proceeds from the Private Placement have been used as partial consideration for the acquisition of the Lands.



The terms of the Debentures remain substantially as announced on June 19, 2017. Each Debenture has an issue price of Cdn\$100; matures five years after the date of issuance on August 29, 2022 (the “Maturity Date”); bears interest at 7% per annum, payable on January 1 and July 1 of each year while outstanding, which interest, subject to regulatory approval, may at the option of the Company be settled in common shares. The Debentures, and any common shares issued upon conversion of the Debentures prior to December 30, 2017, will be subject to a four-month hold period expiring on December 30, 2017, in accordance with applicable Canadian securities laws. A finders’ fee of \$60,000 is payable in cash to Royal Westwood Holdings Ltd., a finder at arm’s length to the Company in connection with the Private Placement.

Each Debenture is convertible into common shares in the capital of the Company at the option of the holder at a price of Cdn\$0.30 per common share (the “Conversion Price”), which is equivalent to 3,333 common shares for each Cdn\$1,000 principal amount of Debentures, subject to adjustment in certain circumstances. Debentures must be converted in minimum amounts of Cdn\$1,000 and are convertible at any time before the close of business on the earlier of the last business day prior to (as applicable): (i) the business day immediately before the Maturity Date; and (ii) the fifth business day immediately preceding the redemption date if the Debentures are called for redemption.

The Company may redeem the Debentures in cash on or after July 1, 2019, in whole or in part from time to time, upon required prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest, if any, provided that the weighted average trading price of the Company’s common shares for the 20 consecutive trading days ending five trading days prior to the date of the redemption notice must be at least 125% of the Conversion Price.

Additionally, after July 1, 2019, the Company has the option, to repay the principal amount of the Debentures in common shares, provided certain circumstances are met, including, but not limited to, no event of default has occurred and is continuing at such time and the weighted average trading price of the Company’s common shares for the 20 consecutive trading days ending five trading days prior to the date of the redemption notice or maturity date (as the case may be) is at least 150% of the Conversion Price.

The proposed \$74.5 million project, located in Victoria, British Columbia, Canada’s retirement mecca, is specifically designed for seniors in mind, elegantly 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, equivalent to Element’s flagship model, OPAL by element, in the Cambie corridor. The community will contain about 155 units, with options to procure or rent, including approximately 50 condos, 70 rentals and 35 licensed care units. Project completion is anticipated for the fourth quarter of 2020.

*Michael Diao, CEO, comments, “The closing of the convertible debenture private placement provides another concrete endorsement to all of our stakeholders. This financing along with the recently announced equity*



*private placement and debt commitment brings the Company to the initiation of development planning for the Bayview property. Element, without question, has an exciting year ahead and we are pleased to be setting the building blocks in place to ensure all deliverables are promptly met. It is a fascinating time for the Company and its shareholders.”*

### **About Element Lifestyle Retirement Inc.**

Element was established in June 2013 in Vancouver, British Columbia and is in the business of providing comprehensive development consulting and operations management services. Collectively, the leadership team of Element has well over 100 years' experience in real estate and master planned community development, with specialization in hospitality management, and retirement community development and operations. Our development consulting services include property selection, assembly and acquisition; building and community design; municipal approval and land entitlement processes, and construction project management. Additionally, Element is vertically integrated and provides innovative operational management services for existing or new 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 ownership arena through the acquisition of a combination of existing operating assets and property for new development. The organization has positioned itself to be a leading development and retirement management services organization that is changing the perception and experience of aging with its innovative intergenerational aging-in-place model. The long-term mission is to remove the stigma and burden that come with aging and evolving health. New property developments will be under Element's branded model. It encompasses a seamless transition for older adults from independence to assisted living to complex care, while integrating accommodation and activities for all ages to create a vibrant environment. This enables older adults and their families to have complete peace of mind with the availability of adaptive services and care in a purpose-built customized community that will accommodate residents' changing needs.

### **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](http://www.elementliving.com) or contact Element at (604) 676-1418.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*The securities being offered have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any applicable securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent of such registration or an applicable exemption from such registration requirements. This press release does not constitute an offer for sale, or a solicitation of an offer to buy, the securities, nor will there be any sale of these securities in any state of other jurisdiction in which such offer, solicitation or sale is not permitted, including, but not limited to, the United States (“United States” and “U.S. person” are defined in Regulation S under the U.S. Securities Act).*

### **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 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. In this news release, words such as “may”, “would”, “could”, “will”, “likely”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate” and similar words and the negative form thereof are used to identify forward looking information. Forward looking information should not be read as



guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. Forward-looking information is based on information available at the time and/or the Company management's good faith belief with respect to future events and is subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond the Company's control. 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.

**2017 number 13**