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## **Element Lifestyle Retirement Files Year-End Fiscal 2017 Financial Results and Provides Corporate Update**

**September 29, 2017, Vancouver, BC - Element Lifestyle Retirement Inc. (the “Company” or “Element”) (TSX.V: ELM)** announces that the Company’s audited consolidated financial results for the year-ended May 31, 2017 have been filed on SEDAR and provides corporate update. The full version of the Financial Statements and Management’s Discussion & Analysis can be viewed on the Company’s website at [www.elementliving.com](http://www.elementliving.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Financial and Corporate Highlights for the Quarter and Year-Ended May 31, 2017**

- Cash and cash equivalents were \$4.24 million at May 31, 2017 compared to \$3.74 million at May 31, 2016. The increase was primarily due to consulting fees and subscriptions received in advance, the latter regarding an equity private placement that closed subsequent to year-end, offset by the payment of regular operating expenses and one-time office expansion costs;
- During the quarter, revenues were \$0.09 million regarding development consulting fees, compared to \$nil for the same period last year;
- Year-to-date revenues were \$0.59 million at May 31, 2017, compared to \$1.14 million for the comparative period last year;
- For the quarter, net loss of \$0.44 million (\$0.01 per share) compared to a net loss of \$0.55 million (\$0.01 per share) for the same period last year;
- Year-to-date net loss was \$1.75 million (\$0.03 per share) compared to a net loss of \$2.27 million (\$0.06 per share) compared to the same period last year; and
- Working capital decreased to \$2.29 million at May 31, 2017, compared to \$3.14 million for the previous year.

*Michael Diao, CEO, states, “Fiscal year 2017 has been a year of steady progress for the Company. During the past year, we continued to invest in quality people to further augment the strong Element team as well as stream-line operational efficiencies. We have revamped our go-forward business model with the restructuring of management contracts to allow for fees to be billed and paid in monthly installments when services are rendered rather than receiving fees when certain milestones are achieved. This will stabilize revenue streams and the effect will be evident in the upcoming quarterly filing. Furthermore, we are ramping up development activities for the Bayview project in Victoria, which is 100% owned by Element. We completed fiscal 2017 with*



*a healthy treasury and cash burn well under control. Thank you to the incredible Element team, the supportive shareholders, contractors, suppliers and community stakeholders for your continued interest and support. 2018 promises to be an outstanding year for the Company.”*

### **Business Highlights**

- Amended Consulting Fee Agreements regarding Opal and Oasis projects - in the past, the Company received fees when certain milestones were achieved. Amended consultant agreements to provide for compensation terms more favourable to the Company and better reflective of industry standards were signed, effective May 1, 2017, for both the Opal and Oasis projects and on a go-forward basis, fees will be billed and paid in monthly installments when services are rendered.
- Strategic Planning Update - until recently, the Company’s revenue model was based on the development and management of third-party retirement community assets. Over the past few months the Company has augmented this business model and entered the acquisition arena. This strategic step towards building a portfolio of partially or wholly-owned assets will include: 1) acquiring and developing land under Element’s intergenerational aging-in-place model in amenity-rich locations, 2) the potential purchase of existing operations for immediate operating revenue, and ultimately, 3) the long-term management of the properties that the Company owns. To align and support this growth strategy, the leadership team has collaborated in a determined effort to increase revenues, reduce general and administrative expenses and ultimately, improve shareholder value.
- Cost Management - the Company continues to be focused on taking significant measures to reduce its monthly cash burn by eliminating non-essential expenditures and preserving its cash position.

### *Strengthening the Element Team*

During the year, the Company made a further significant investment in its human capital and has now assembled a vastly experienced, cohesive and professional group of retirement home experts that will continue to roll out Element’s development and management strategy.

### *Future Opportunities*

The Company’s growth plan includes property acquisitions, either directly owned or owned by third parties, and development and management of operations that will enable the organization to achieve greater economies of scale. The Company continues to evaluate potential acquisitions to create a strong portfolio of projects, either owned or managed.

### **OPAL Project Update**

- Excavation work commenced in February 2017;
- Excavation and shoring - 100% complete;

- Parkade level concrete and structural work - 85% complete;
- Construction cranes erected in June;
- Project is on schedule and on budget;
- Pre-sales of OPAL condominium units surpassed 73% sold;
  
- Rental units introduced to the market on May 20. Almost 2 years from building completion and more than 50% of units are already under reservation with deposits paid; and
  
- Construction of the Opal Project is expected to be completed in the 1<sup>st</sup> quarter of calendar year 2019.

### **OASIS Project Update**

- Township of Langley meticulously reviewed the Rezoning Application and has given approval to take the plan to the public, in accordance with Element's proposed scale and scope, a total buildable area of 747,000 square feet, and a range of land uses to animate Element's intergenerational aging-in-place model. The public information meeting was held on September 7<sup>th</sup> that was very well received with no negative feedback on any aspect of the plan;
- Expected that the Township will hold the 1st and 2nd Reading and present the Company's application to Council shortly; and
- Project is anticipated to receive 3<sup>rd</sup> Reading in the rezoning process from the Township within next year's calendar year.

### **Bayview Project (100% Owned) Update**

- With the completed acquisition of the property, Wensley Architecture Limited ("Wensley") has been engaged as project architect and will commence preparation of the Development Permit application with target submission to the City of Victoria before the end of the calendar year. With more than 40 years of experience in Western Canada, Wensley is widely recognized for expertise in the design and construction of high quality seniors' residences and care facilities;
- The Company along with the master plan developer, Focus Equities Inc. ("Focus Equities") have joined forces regarding ongoing, collaborative community engagement; and
- With the announcement of the completion of the property acquisition, the Company has been bombarded with calls from interested parties requesting to be placed on a waitlist for the condominiums and rental units.

### **Corporate/Stock Options Grant**

- On September 28, 2017, the Company granted 400,000 stock options to two employees that are officers with an exercise price of \$0.25 and expiry date of September 28, 2022.



## **Strategic Priorities**

The Company's key strategic priorities are:

- completing construction in the first quarter of calendar year 2019 regarding the OPAL Project, in the core of Vancouver's vibrant Cambie Village;
- taking the Company's award-winning 17-acre master-planned project, OASIS in Langley, through to third reading anticipated in calendar year 2018;
- commencing development activities, without delay, on the proposed \$74.5 million project located on 1.96 acres along the harbourside of Victoria at Bayview Place that will comprise approximately 155 elegantly accommodated units. Project completion is anticipated for the fourth quarter of calendar year 2020; and
- adding at least one significant property in British Columbia, that is owned by the Company, in the next eighteen months to the Company's portfolio to be developed and operated under its intergenerational aging-in-place model.

The Bayview acquisition represents a first step in the Company's positioning to expand its scope of business into the ownership arena through a highly selective acquisition process that comprises a combination of existing operating assets and property for new development.

The Company's directors and management believe that these priorities are formulating a solid foundation for Element Lifestyle Retirement Inc., and its shareholders, as it continues working towards building a prosperous, well-respected and long-term seniors' retirement development and management services organization. Management believes that the Company is well-positioned for both organic and external growth, supported by favourable demographics of a growing seniors' population and the strong demand for seniors' services.

## **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.

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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 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.

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