



FOR IMMEDIATE RELEASE

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

Element Lifestyle Retirement Announces Upcoming Closing of Sale to Aquara Limited Partnership

September 28, 2018, Vancouver, BC - Element Lifestyle Retirement Inc. (the "Company" or "Element") (TSX.V: ELM) announces that it has amended its transaction with Aquara Limited Partnership ("Aquara") in respect of the sale of the property located in Victoria, BC (the "Property") to Aquara from the Company's wholly-owned subsidiary, Element Lifestyle (Vic Harbour West) Inc. ("Vic Harbour") (the "Transaction"). As previously announced on April 24, 2018, the transaction will proceed pursuant to an offer to purchase agreement between Aquara and Vic Harbour, which was amended on May 1, 2018 and September 12, 2018 (the "Amended Purchase Agreement"). The purchase price under the Amended Purchase Agreement is based on the appraised value of the Property, being \$7,960,000 (the "Appraised Value"). The Property is intended to be developed into a real estate project providing a retirement community for seniors.

It was previously announced in the April 24 news release that, as consideration, the Company would receive 1,000 limited partnership units of Aquara (the "Aquara LP Units") at a value of \$1 million and approximately \$3.46 million in cash. Pursuant to the Amended Purchase Agreement, the 1,000 Aquara LP Units are no longer part of the purchase price. Element will now receive, as consideration, approximately \$3.75 million cash, along with a promissory note not to exceed \$710,000 (at prime plus 4%) secured against the Property. The other terms of consideration remain the same, including that Aquara will assume Vic Harbour's existing mortgage loan of \$3.5 million on the Property and Aquara will assume a site excavation contract of \$1.8 million. Aquara will continue to conduct its financing of Aquara LP Units (the "LP Financing") throughout the balance of the year.

This Transaction is considered a "related party transaction" as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as Vic Harbour, the vendor of the Property, is also the General Partner of Aquara, the purchaser. The directors of Vic Harbour are Don Ho and Michael Diao, who are also directors and officers of the Company. As a result, the Transaction is subject to approval by a majority of the votes cast by "minority" shareholders of Element (a "Majority of the Minority Vote"). Approval for the Transaction was obtained at the Special General Meeting of shareholders held on May 3, 2018 by a Majority of the Minority Vote. While Element relies on an exemption from the formal valuation requirements of MI 61-101, the Company obtained an independent appraisal of the Property by an accredited appraiser with the Appraisal Institute of Canada, which concluded that, as of January 5, 2018, the market value of the Property was estimated to be the Appraised Value.



Element considers that proceeding with the Transaction is in its best interests as it will no longer be subject to the interest payments of the mortgage that Aquara is assuming. Further, as Aquara proceeds with the development of the Property, Element will benefit from the Transaction by way of various fees that are payable to the Vic Harbour as general partner, including an annual \$200,000 fee for management and administrative services (the "Management Fee"). The Management Fee will become part of Element's consolidated operations. In addition, the Company, through Vic Harbour, is entitled to receive a development fee, a guarantee fee if Vic Harbour guarantees any indebtedness of Aquara, a strata lot sales and lease up fee, an operations management fee and a termination fee on termination of the operating management contract between Vic Harbour and Aquara.

Vic Harbour also retains the option to purchase the rental complex to be built on the Property at fair market value, such option exercisable commencing on the date the Aquara Project achieves 90% occupancy for a period of six months and expiring 120 days thereafter.

The Company anticipates the completion of the Transaction to occur on October 1, 2018.

About Element Lifestyle Retirement Inc.

Element was established in June 2013 in Vancouver, British Columbia. It is in the business of providing specialized development expertise and flexible, innovative management services for senior retirement communities. The core business of Element is the development and management of third party assets in the "senior retirement community" space. Element aspires to be one of the most respected senior living specialists in North America, and to revolutionize the perception and experience of retirement and aging. Its brand differentiator, setting Element apart from others in the retirement industry, is the integration of two unique models: the "Continuum-of-Lifestyles" and "intergenerational living", encompassing a smooth, seamless transition for seniors from independence to assisted living to complex care, and programming to actively facilitate connection of residents to their families. The management team of Element, collectively, has over 50 years 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

michaeldiao@elementliving.com

For further information, please visit www.elementlifestyleretirement.com or contact Investor Relations 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities 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 state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Forward Looking Statement Caution

Certain information contained in this news release constitutes "forward-looking information" or "forward-looking statements" (collectively, "forward-



looking information"). Without limiting the foregoing, such forward-looking information includes statements regarding the process and completion of the Transaction and any statements regarding the Company's business plans, expectations and objectives. 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. For additional information with respect to these and other factors and assumptions underlying the forward-looking information made in this news release, see the Company's most recent Management's Discussion and Analysis and financial statements and other documents filed by the Company with the Canadian securities commissions and the discussion of risk factors set out therein. Such documents are available at www.sedar.com under the Company's profile and on the Company's website, www.elementlifestyleretirement.com. The forward-looking information set forth herein reflects the Company's expectations as at the date of this news release and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.