

**Form 51-102F3  
MATERIAL CHANGE REPORT**

**ITEM 1      NAME AND ADDRESS OF COMPANY**

**Element Lifestyle Retirement Inc.**  
(the "Company" or "Element")  
1147 Homer Street  
Vancouver, BC V6B 2Y1

**ITEM 2      DATE OF MATERIAL CHANGE**

July 4, 2017

**ITEM 3      NEWS RELEASE**

Issued July 4, 2017 at Vancouver, BC through Marketwired.

**ITEM 4      SUMMARY OF MATERIAL CHANGE**

The Company closed its non-brokered private placement announced on May 25, 2017 for total gross proceeds of Cdn\$2,529,222 at a price of \$0.20 for a total of 12,646,111 units. Each Unit consists of one common share in the capital of the Company and one half of one transferable common share purchase warrant. Each whole Warrant is exercisable to acquire one Share at an exercise price of Cdn\$0.30 per Share until June 30, 2019.

**ITEM 5      FULL DESCRIPTION OF MATERIAL CHANGE**

**ITEM 5.1      Full Description of Material Change**

The material change fully described in Item 4 is announced in the Company's News Release of July 4, 2017 attached hereto and as filed on SEDAR.

**ITEM 5.2      Disclosure For Restructuring Transactions**

Not applicable.

**ITEM 6      RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

**ITEM 7      OMITTED INFORMATION**

There are no significant facts required to be disclosed herein which has been omitted.

**ITEM 8      EXECUTIVE OFFICER**

Contact:    *Michael Diao*, Chief Executive Officer at (604) 676-1418

**ITEM 9      DATE OF REPORT**

July 4, 2017



**FOR IMMEDIATE RELEASE**

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

**Element Lifestyle Retirement Closes  
Oversubscribed Equity Private Placement**

**July 4, 2017 - Vancouver, British Columbia.** Element Lifestyle Retirement Inc. ("Element" or the "Company") (TSX Venture Exchange: ELM) is pleased to announce that it has closed the non-brokered private placement (the "Offering") described in its news release of May 25, 2017 and was oversubscribed.

In connection with the closing of the Offering, the Company issued an aggregate of 12,646,111 units (the "Units") at a price of Cdn\$0.20 per Unit for gross proceeds of Cdn\$2,529,222. Each Unit consists of one common share in the capital of the Company (a "Share") and one half of one transferable common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each whole Warrant is exercisable to acquire one Share at an exercise price of Cdn\$0.30 per Share until June 30, 2019 which is 24 months from the date of issuance, subject to the following acceleration right. If, at any time after the date that is 4 months and one day after the date of issuance of the Warrants, the closing price of the Company's common shares on the TSX Venture Exchange (or such other stock exchange on which the common shares may be traded from time to time) is at or above Cdn\$0.50 per share for a period of 21 consecutive trading days (the "Triggering Event"), in which event the Company may, within 10 days of the Triggering Event, accelerate the expiry date of the Warrants by giving notice thereof to the holders of the Warrants, by way of news release, and in such case the Warrants will expire on the first Business Day after the day that is 30 days after the date on which such notice is given by the Company announcing the Triggering Event.

Related parties of the Company and their associated entities acquired an aggregate of 1,688,611 Units in the Offering, which participation constituted a "related party transaction" as defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Such participation is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the Units acquired by subscribers, nor the consideration for the Units paid by such subscribers, exceed 25% of the Company's market capitalization. As required by MI 61-101, the Company advises that it expects to file a material change report relating to the Offering less than 21 days before completion of the Offering, which is necessary to complete the Offering in an expeditious manner and is reasonable in the circumstances.

Element expects that the net proceeds of the Offering will be used to fund a portion of the Cdn\$6.7 million purchase price for the 1.96 acre property located along the harbourside of Victoria at Bayview Place, British Columbia, that it plans to acquire.

*Don Ho, President, states, "This is a noteworthy step forward in our funding plans for the acquisition and development of the Bayview Place property. We are continuing to implement our financing arrangements with a view to being able to initiate development and construction planning in the near term."*

The Company will pay aggregate finder's fees to Haywood Securities Inc., an arm's length party, of Cdn\$350, payable in cash, in connection with subscriptions from subscribers introduced to the Offering.

The securities issued under the Offering, and any Shares that may be issuable on exercise of any such securities, will be subject to a statutory hold period expiring four months and one day from the date of issuance of such securities.



## **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. Since Element's inception, the Company's revenue model has been based on the development and management of third party assets in the "retirement community" space. The Company has now moved into the acquisition arena with the purpose of building a high-quality asset portfolio that is directly owned including real estate, purchasing potential existing operations and ultimately, operating the properties that the Company develops. 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  
[michaeldiao@elementliving.com](mailto:michaeldiao@elementliving.com)

For further information, please visit [www.elementlifestyleretirement.com](http://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 Offering, the use of proceeds of the Offering 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](http://www.sedar.com) under the Company's profile and on the Company's website, [www.elementlifestyleretirement.com](http://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.