

**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

April 24, 2018

ITEM 3 NEWS RELEASE

Issued April 24, 2018 at Vancouver, BC through Stockwatch and filed on SEDAR.

ITEM 4 SUMMARY OF MATERIAL CHANGE

Element's 100% wholly owned subsidiary, Element Lifestyle (Vic Harbour West) Inc. ("Vic Harbour") as General Partner, entered into an Offer to Purchase Agreement with Aquara Limited Partnership ("Aquara").

The Company's subsidiary, Element Lifestyle Management Inc., entered into Management and Development Contracts with Aquara to oversee all aspects of the development and management of the Aquara project.

ITEM 5 FULL DESCRIPTION OF MATERIAL CHANGE

ITEM 5.1 Full Description of Material Change

The material change is fully described in the Company's press release which is attached as Schedule A 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

April 24, 2018



FOR IMMEDIATE RELEASE

Element Announces First Limited Partnership to Finance Developments

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April 24th, 2018 – VANCOUVER, BC. Element Lifestyle Retirement Inc. ("Element or the Company") (TSXV- ELM) is pleased to announce that its 100% wholly owned subsidiary Element Lifestyle (Vic Harbour West) Inc. ('Vic Harbour') as General Partner, has entered into an Offer to Purchase Agreement with Aquara Limited Partnership ('Aquara') . The purchase price to the Limited Partnership is based on the current appraised value, \$7,960,000. As consideration, Element will receive 1,000 limited partnership units at a value of \$1,000,000, approximately \$3.46 million in cash, and transfer an existing mortgage loan of \$3,500,000. In addition, Aquara Limited Partnership will also assume the site Excavation Contract of \$1,800,000. Through this strategy, Element will retain an ownership interest and participate in the growth in value of this project, while maintaining its development and management contracts, and minimizing risk and shareholder dilution.

The Company announces that its subsidiary company, Element Lifestyle Management Inc., has entered into Management and Development Contracts with Aquara to oversee all aspects of the development and management of the Aquara project, from project design and city permitting process, through ground breaking to opening for occupancy, and the ongoing management of the operating residence for an initial term ending December 31, 2040. Upon stabilization of the community, Element will have an irrevocable option to purchase the project from the Limited Partnership at fair market value. No finder's fees will be paid in this transaction.

Mr. Don Ho, President states "This is a tremendous opportunity for Element to minimize the development and funding risk of such a large project while maintaining the income from the development and management of Aquara. By using a Limited Partnership along with bank financing, we are able to minimize any dilution to our Element shareholders along with having the option to purchase the project at operations stabilization."

CEO Michael Diao continues, "Element's ability, as part of the Sales Agreement, to participate as one of the Limited Partners gives us the upside and financial benefits of equity in the project, once again at minimal or no dilution to our shareholders. We get to do what we do best- to develop and manage senior retirement communities using our 'Continuum of Lifestyles and Intergenerational Living' model."

The purchase will be subject to the Limited Partnership successfully raising \$30 million. It is anticipated that shareholders owning greater than 10% of Element may purchase Limited Partnership units. No Directors or Officers of Element Lifestyle Retirement will purchase Limited Partnership units. Approval by the TSX Venture Exchange is subject to the result of an upcoming shareholders' Special General Meeting on May 3, 2018.

'AQUARA by element'

The estimated \$84.8 million project located in 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 159 units, with options to procure or rent, including approximately 50 condos, 74 rentals and 35 licensed care units. The Lands are currently zoned



for retirement development and project completion is anticipated for of the first quarter of 2021. It is anticipated that the construction costs will be financed through a combination of debt and a limited partnership funding.

CONTACT INFORMATION

Element Lifestyle Retirement Inc.
Michael Diao
Chief Executive Officer and Director
(604) 676-1418
www.ElementLiving.com

About Element Lifestyle Retirement

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

ELEMENT LIFESTYLE RETIREMENT INC.

Michael Diao, Chief Executive Officer and Director

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 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.

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.