Walton

For Immediate Release

WALTON WESTPHALIA DEVELOPMENT CORPORATION REPORTS THIRD QUARTER 2016 FISCAL RESULTS

Calgary – November 28, 2016: Walton Westphalia Development Corporation (the **"Corporation"**) announced today its results for the third quarter of 2016. Launched in March 2012, the Corporation was formed to provide investors with the opportunity to participate in the acquisition and development of the 310-acre Westphalia Property (the "**Property**") located in Prince George's County, Maryland, United States of America.

Third Quarter Highlights

During the period ended September 30, 2016, the primary focus of the Corporation was to continue construction and financing activities, including:

Construction Activities

- received approval from PEPCO on the electrical design for the lower half of the Phase 1 townhomes section,
- continued the construction of the second stormwater management pond,
- completed the grading for the Westphalia Green (circle, Phase 1 park amenity); the overall plan for the Green has been submitted to the County and is under review,
- continued grading the northern section of the Phase 1 residential lots,
- continued installation of the dry utility conduit and crossings within the alleys and internal streets,

- continued with installation of the wet utilities in Phase 1, and
- continued the design of the Pennsylvania Ave / Woodyard Road interchange.

Financing Activities

- On November 1 2016, the Prince George's County Council voted unanimously to establish the "Westphalia Town Center Development District" and the "Westphalia Town Center Special Taxing District", crucial steps in the authorization for sale of tax increment financing (TIF) bonds.
- the project's I-526 was submitted to US Citizenship and Immigration Service for pre-approval as part of the EB-5 program.
- MCFI completed another Asian marketing trip for the EB-5 immigrant investor visa program capital raising effort; countries visited include Korea, China, Vietnam, Hong Kong, and Taiwan (see further discussion below), and,
- finalized the negotiations of the sale of the sewer and water charges resulting from the sale of the lots in the Property (front foot benefits).

The single family market continues to get stronger. To date, NVR has closed on 44 lots, Haverford has closed on 25 lots, and Mid-Atlantic has closed on 4 lots. As of October 31, 2016, NVR is reporting 43 home sales and Haverford is reporting 23 home sales. There have been 19 occupancies; 16 for NVR and 3 for Haverford.

Management continues to believe that by pursuing vertical development joint ventures and less expensive financing strategies as discussed herein, the Corporation can potentially achieve a higher Internal rate of return ("**IRR**"). These IRRs are based on, among other things, achieving certain revenue targets, maintaining construction schedules and costs, the timely receipt of recoveries, third-party sales and commitments for additional lots from the builders. Further material changes to IRR projections and the projected hold period could occur due to changes in a number of factors.

The financing strategies include pursuing programs such as the EB-5 Immigrant Investor Visa Program ("**EB-5 Program**") (which has to be done in conjunction with vertical development) that could allow for lower cost financing with better flexibility, and working to finalize the legislation of our recently approved TIF to issue bonds for transportation infrastructure. Due to lender intercreditor negotiations, we have revised our projection on EB-5 proceed availability from November 2016 to March 2017.

Earlier in 2016, we submitted an application to Prince George's County, Maryland officials for approximately $65 million in tax increment financing (TIF) bonds. On November 1, 2016, the Prince George's County Council voted unanimously in favor of the TIF and established the Westphalia Town Center Development District and Westphalia Town Center Special Taxing District. Over the next few months, County staff and the County's external consultants will undertake their review of, and due diligence on, the Westphalia development and the TIF financing proposal.

These two alternative financing mechanisms (EB-5 Program and TIF bonds), if successfully implemented, have the potential to decrease costs and increase the project's IRR from the current 5.26% to the low teens. This however, cannot be assured as a number of factors may impact the IRR on this project.

As previously announced, the maturity dates of the Corporation's senior loan and mezzanine loan had been extended to November 30, 2016 and December 5, 2016 respectively. In addition, the guarantor of the senior loan and mezzanine loan has not satisfied certain covenants to the lenders relating to minimum cash balances and minimum net worth. This could, at the option of the lenders, if not cured, constitute a potential event of default under the Senior Loan and Mezzanine Loan, which would then allow the lenders to demand immediate repayment of amounts owing by the Corporation thereunder. No notices of such non-satisfaction have been provided by the lenders.

The senior lender has advised that it has approved the extension of the senior loan to June 30, 2017 subject to certain terms and conditions.

Left: NVR new construction Right: Mid-Atlantic Builders' model home

Third Quarter Financial Results

During the three and nine months ended September 30, 2016, the Corporation recognized revenue of $2,168,140 (September 30, 2015 - $nil) and $3,955,616 (September 30, 2015 - $1,183,930), respectively, from the sale of 22 (September 30, 2015 – nil) and 18 (September 30, 2015 –13) lot sales, respectively, related to Phase 1 single family lots. The cost of sales relating to the lot sales was $1,993,673 (September 30, 2015 - $nil) and $3,613,607 (September 30, 2015 - $1,023,407), respectively, resulting in a gross margin of $174,467 (September 30, 2015 - $nil) and $342,009 (September 30, 2015 - $160,523).

Total other expenses increased by $9,070 from $286,542 for the three months ended September 30, 2015 to $295,612 for the three months ended September 30, 2016. The increase is primarily due to an increase of $13,155 in marketing expenses, due to higher media consulting and placement costs partially offset by lower production expenses, an increase of $13,075 in director's fees due to increased compensation paid to each independent board member. In addition, during the second quarter of 2015, there was only one independent director compared to two in 2016. These were offset by a decrease in Professional fees of $10,218 due to lower audit fees and a decrease in office and other expenses of $6,998 due to lower news filing and communication costs.

Total other expenses increased by $104,770 from $792,759 for the nine months ended September 30, 2015 to $897,529 for the nine months ended September 30, 2016. The increase is primarily due to an increase of $60,678 in marketing expenses and an increase in professional fees of $18,088 relating to additional costs incurred in 2016 with the builders' lot takedowns. There was also an increase of $38,924 in director's fees due to increased compensation paid to each independent board member. In addition, during the second quarter of 2015, there was only one independent director compared to two in 2016. These were offset by a reduction in office and other expenses of $13,909 due to lower news filing and communication costs.

Total other items decreased by $1,104,210 from $1,296,527 for the three months ended September 30, 2015 to $192,317 for the three months ended September 30, 2016 relating primarily due to a higher unrealized foreign exchange gain on the debentures payable and related party balances in Q3, 2015 as compared to Q3,2016.

Total other items decreased by $4,245,446 from a gain of $2,957,067 for the nine months ended September 30, 2015 to a loss of $1,288,379 for the nine months ended September 30, 2016. The decrease is primarily due to decreases in unrealized foreign exchange gains of $3,000,016 to a foreign exchange loss of $1,141,345, which is a result of the translation of the Canadian dollar loan to the U.S. Subsidiary from the Corporation. The U.S. dollar strengthened against the Canadian dollar for the period ending September 30, 2016 compared to the U.S. Dollar weakening for the period ending September 30, 2015.

For the nine months ended September 30, 2016, comprehensive income has decreased due to a cumulative translation loss being recorded in 2016 of $1,041,774 from a cumulative translation gain of $2,125,875 in 2015. The U.S. dollar has strengthened against the Canadian dollar in the nine month period in 2016 compared to the U.S. dollar weakening against the Canadian dollar in the nine month period in 2015.

Additional Information

The Corporation is managed by Walton Asset Management L.P. and the development of the project is managed by Walton Development & Management (USA), Inc., both of which are members of the Walton Group of Companies.

The Walton Group of Companies ("**Walton**") is a multinational real estate investment, planning, and development group concentrating on the research, acquisition, administration, planning and development of strategically located land in major North American growth corridors.

Walton has been in business for over 30 years and takes a long-term approach to land planning and development. Walton's industry-leading expertise in real estate investment, land planning and development uniquely positions Walton to responsibly transition land into sustainable communities where people live, work and play.

Its communities are comprehensively designed in collaboration with local residents for the benefit of community stakeholders. Its goal is to build communities that will stand the test of time: hometowns for present and future generations.

For more information about Walton Westphalia Development Corporation, please visit www.sedar.com. For more information about Walton, visit www.Walton.com.

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This news release, required by Canadian laws, does not constitute an offer of securities, and is not for distribution or dissemination outside Canada. This news release contains forward looking information, and actual future results may differ from what is disclosed in this news release. Forward-looking information is based on the current expectations, estimates and projections of the Corporation at the time the statements are made. They involve a number of known and unknown risks and uncertainties which would cause actual results or events to differ materially from those presently anticipated. The risks, uncertainties and other factors that could cause the Corporation's actual results and performance in future periods to differ materially from the forward looking information contained in this news release include, among other things, the receipt of financing under the Loan including the amount and timing of the financing received, the amount of, timing and terms of any tax increment financing that may be received by the Corporation, the length of time it takes to develop and sell the Property, the ability of the Corporation to enter into joint ventures relating to, or to otherwise, vertically develop portions of the Property, the availability and terms of other construction financing required by the Corporation, the costs involved in the horizontal and/or vertical development of the Property, the prices at which the serviced lots and parcels from, or vertically developed structures on, the Property can be sold, the rate at which serviced lots and parcels from, or vertically developed structures on, the Property are purchased in the marketplace, general economic and market factors, including interest rates, a decline in the real estate market, changes in government policies and regulations or in tax laws, changes in municipal planning strategies and whether certain development approvals are obtained and changes in the Canadian/U.S. dollar exchange rate, in addition to those factors discussed or referenced in the prospectus and other documents filed with Canadian securities regulatory authorities and available online at www.sedar.com.

Except as otherwise noted, all amounts are in Canadian dollars, and are based on unaudited financial statements for the three and nine months ended September 30, 2016 and related notes, prepared in accordance with International Financial Reporting Standards.