For Immediate Release

WALTON WESTPHALIA DEVELOPMENT CORPORATION REPORTS FISCAL YEAR-END AND FOURTH QUARTER 2016 FISCAL RESULTS

Calgary – May 1, 2017: Walton Westphalia Development Corporation (the **"Corporation"**) announced today its results for the fiscal year ended December 31, 2016 and fourth 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.

2016 Highlights

During the year ended December 31, 2016, the Corporation continued to take steps toward its construction and financing activities. The key activities undertaken by the Corporation were as follows:

Construction Activities

- Entered into construction agreements with contractors to begin construction activities on the northern lots by removing over 150,000 cubic yards of material, completing the infrastructure for the remaining Phase 1 lots, and completing the second storm water management pond on the Property;
- Sent the Westphalia Green (Phase 1 park amenity) plans to contractors to bid on the construction of the park for 2017;
- Continued installation of the dry utility conduit and crossings within the alleys and internal streets in Phase 1;
- Received approval from the County to replace the street lighting on Woodyard Road to a more aesthetically appealing fixture;
- Continued installation of the wet utilities in Phase 1 (estimated to be complete by Q3 2017); and

- Proceeded with the design of the Pennsylvania Avenue/Woodyard Road interchange (estimated to be complete by Q3 2017).

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 Corporation continues to wait for the approval of the legislation for the TIF;
- The Project's I-526 was submitted to US citizenship and Immigration Service for pre-approval as part of the EB-5 Program (defined below);
- MCFI Global Fund Westphalia, LLC ("**MCFI**"). completed an additional Asian marketing trip for the EB-5 Program capital raising effort; countries visited include Korea, China, Vietnam, Hong Kong, and Taiwan (see further discussion below);
- The Corporation has engaged a US mortgage broker, to refinance the Senor Loan and Mezzanine Loan as funding raised by EB-5 will not be sufficient to repay the Senior Loan and Mezzanine Loan lenders by the maturity dates of June 30, 2017 and July 6, 2017, respectively; and
- Management finalized the negotiations and closed on the sewer and water charges for 11 lots in Phase 1 totaling USD $60,245 (front foot benefits).

Subsequent to year-end, the loan agreements were amended to waive certain financial covenants, including minimum cash balances and minimum net worth of the guarantor, Walton Global Investments Ltd. ("**WGI**") on both the Senior Loan and the Mezzanine Loan, effective December 1, 2016. In connection with the extension of the maturity date of the Senior Loan to June 30, 2017, a loan-to-value covenant was added to the Senior Loan documents. The loan-to-value ratio as of such date did not satisfy the covenant under the Senior Loan documents. In addition, the Senior Loan documents required delivery of audited financial statements of WGI by April 30, 2017, which audited financial statements were not delivered as of such date. As a result of the foregoing, the Senior Loan is currently in technical default, and if the Senior Lender delivers notice of such defaults, the Borrowers will have 30 days to cure the defaults. If the defaults are not cured in such 30 day period, the Senior Lender may exercise its remedies under the Loan Documents, which could include acceleration of the maturity date and foreclosure proceedings.

The single family market in the Washington, D.C. metropolitan statistical area (MSA) continues to get stronger. The Project selling lots to three homebuilders, NVR, Inc., Mid-Atlantic Builders and Haverford Homes. As of December 31, 2016, NVR, Inc. had closed on 44 lots, Haverford Homes had closed on 25 lots, and Mid-Atlantic Builders had closed on 4 lots. As of December 31, 2016, NVR reported 49 home sales and Haverford reported 31 home sales. Mid-Atlantic's show home opened in February 2017 and reported 3 presales before their model opening. There have been 35 occupancies; 28 for NVR and 7 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 any of the aforementioned 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. Discussions have occurred between the Corporation, MCFI and the Lenders, the full amount of the Senior Loan will need to be raised to repay the Senior Loan as part of the financing conditions. Due to these conditions, and the economic conditions impacting capital being raised in some Asian countries, the Corporation has revised its projection on the timing for the availability of proceeds under the EB-5 Program from March 2017 to December 2017. As the funds will not be raised in time to repay the Senior Loan and Mezzanine Loans maturing June 30, 2017 and July 6, 2017, respectively, management has engaged a mortgage broker, to assist in identifying a lender to refinance the Senior Loan and Mezzanine Loan. As noted above, the mortgage broker has been unable to obtain the financing at this time.

Earlier in 2016, the Corporation 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 Project development and the TIF financing proposal with the goal of passing the bond issuance ordinance by the end of Q2, 2017.

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. However, there is no guarantee that these initiatives will be successful. In addition, if the initiatives are successful, the improved IRR cannot be assured as a number of additional factors may impact the IRR.

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

Year-End and Fourth Quarter Financial Results

The Corporation recognized revenue of $1,999,154 on Phase 1 single family lot sales in the fourth quarter of 2016, and $2,142,439 cost of sales on those lots. There were no revenues recorded in the fourth quarter of 2015. Cost of sales for the fourth quarter of 2016 includes additional costs due to a change in estimates which are recognized on a prospective basis. The additional costs result in a negative gross margin for the quarter, however, the overall gross margin for the Project remains positive.

The Corporation's other expenses decreased by $28,613 from $321,185 for the three month period ended December 31, 2015 to $292,572 for the three month period ended December 31, 2016. The nature and amount of expenses incurred during the fourth quarter of 2016 was comparable to the total expenses incurred during the fourth quarter of 2015 except for professional fees which was lower by $26,739. Professional fees have decreased due to the audit fee being charged in Canadian dollars instead of U.S. Dollars in 2016.

During the years ended December 31, 2016 and December 31, 2015, the Corporation recognized revenue on contracts of $5,954,770 and $1,183,930 respectively, from single family lot sales in Phase 1. The cost of sales relating to the lot sales was $5,756,046 and $1,023,407, respectively. The revenue and cost of sales recognized in 2016 and 2015 was in respect to the sale of 60 and 13 Phase 1 single family lots to home builders, respectively.

Total expenses increased by $76,156 from $1,113,945 for the year ended December 31, 2015 to $1,190,101 for the year ended December 31, 2016. The increase in expenses was primarily due to an increase in marketing expenses of $56,967 and an increase of $31,400 in director's fees. The increase in marketing costs was due to 2016 being the first full year of active marketing resulting in higher media consulting, renderings and placement costs offset by lower production costs. Director's fees increased as a result of incurring a full year of fees at the compensation rates approved part way through 2015 and due to having two independent directors throughout the entire year.

Total other items consists primarily of foreign exchange gains and losses and has decreased by $4,501,077 from total other item income of $3,742,079 for the year ended December 31, 2015 to total other item loss of $759,000 for the year ended December 31, 2016. The Canadian dollar has strengthened in 2016 compared to 2015, resulting in the underlying Canadian

Dollar intercompany debentures and the intercompany debt contracts in the US Subsidiary reflecting a foreign exchange loss that is not eliminated upon consolidation. In addition, the Corporation recorded a loss of $187,495 due to the reduction of the Senior Loan(defined below), which resulted in deferred transaction costs being expensed for the portion the facility was reduced by during the year ended December 31, 2016.

Deferred tax expense has decreased by $1,695,785 primarily due to the movement in the unrealized foreign exchange gains which results in a deferred tax expense.

Comprehensive income decreased by $6,226,822 from $4,173,972 for the year ended December 31, 2015 to a loss of $2,052,850 for the year ended December 31, 2016. The decrease is due to the items discussed above as well as a $3,383,576 decrease in other comprehensive income due to cumulative translation losses recorded on the translation of the U.S. Subsidiary accounts from a functional currency of U.S. dollars to Canadian dollars for reporting purposes.

Manager of the Project files for creditor protection under Companies' Creditors Arrangement Act ("**CCAA**")

On April 28, 2017, Walton International Group Inc. ("**WIGI**") and certain affiliates, (the "**CCAA Entities**") including the general partner of Walton Asset and Management L.P. ("**WAM**"), voluntarily filed and obtained creditor protection under the CCAA pursuant to an order (the "**Initial Order**") granted by the Court of Queen's Bench of Alberta. The Initial Order authorizes the CCAA Entities to begin a court-supervised restructuring and provides for a broad stay of proceedings against the CCAA Entities in order to provide the opportunity to finalize and present a CCAA plan to creditors for approval. Ernst & Young Inc. will serve as the Court-appointed monitor. As WAM is the manager of the Corporation, it is uncertain what impact, if any, the CCAA proceedings will have on the Corporation. As WAM is the manager of the Corporation, it is uncertain as to what impact, if any, the CCAA proceedings will have on the Corporation. WAM will continue to provide management services; however there is no guarantee that WAM will be able to continue to provide management services with the deferral of the payment of the management fees or that WAM will have the ability to accept the deferral of those management fees under the CCAA proceedings. In addition, there is no guarantee that the Partnership will continue to have WAM provide management services.

Announcement of Interim Director

The Board has appointed Michelle Cameron as an interim director of the Corporation and a member of the Audit Committee effective May 1, 2017. Ms. Cameron is currently the Chief Financial Officer of the Corporation and Vice President Corporate Reporting of WIGI. Prior to joining Walton, Ms. Cameron was with PricewaterhouseCoopers for over 13 years in the Audit & Assurance Practice. Ms. Cameron is a member of the Chartered Professional Accountants of Alberta. She holds a Bachelor of Commerce degree from the University of Saskatchewan.

Additional Information

The Corporation is managed by WAM 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.

For media inquiries, please contact: Bill Doherty
Office: 1.866.925.8668
Email: Info@walton.com

Except as otherwise noted, all amounts are in Canadian dollars, and are based on unaudited financial statements for the year ended December 31, 2016 and related notes, prepared in accordance with International Financial Reporting Standards.