



BOW WATER & LAND

MAY 30, 2019

DEBT FINANCING DECREASES COST OF CAPITAL | WATER TRANSFER PENDING

DEBT FINANCING SECURED

Management is pleased to announce that it has successfully closed a \$5M debt financing facility to fund the remaining purchase of the water licence as well as additional land development project plan costs. This is a significant milestone for the project as the debt facility will reduce the overall cost of capital for the project and ultimately increase potential returns for investors. The facility was secured at a favourable rate of Prime plus 1.50%; 5.45% at this time.

This was a successful transaction with a credit union partner that understands the needs of the project as well as the development potential for the lands. “The ability to secure debt financing has reaffirmed the strong opportunity for the Bow Lands,” commented Jenna Truong, VP Finance. “It serves as a reflection of such opportunity given that the lending market on raw lands in Alberta remains, generally, unfavourable.”

WATER TRANSFER REMAINS PENDING

It was previously reported in March of 2019 that a decision regarding water transfer was expected “within the coming weeks.” While we continue to wait for the decision, Alberta Environment and Parks (AEP) postponed the deadline for feedback following the public meeting. Consequently, the timeline for a transfer decision was also postponed as AEP continues to review and discuss public feedback with the Manager. At the same time, a provincial election in Alberta appears to have caused delays in processing all transfers. We are confident that the election outcome will not compromise the transfer. AEP has revised its timeline and suggests that a transfer decision can be expected in the coming months. The Director will not bind himself to a specific timeline. Management remains confident that a positive decision will be rendered shortly, however, such decision is pending and will remain a risk of the project until notice of transfer has been granted.

“We continue to be very positive and encouraged by conversations with AEP following the public notice period,” commented Davin MacIntosh, Project Lead and Water Consultant. “While it is unfortunate that the timeline was postponed, it does not have a negative impact on the project.”

Should you have any questions regarding your investment in Bow Water & Land Trust, please contact your Authorized Dealing Representative.

ABOUT BOW WATER & LAND

Bow Water & Land is a 298.5-acre parcel of land located in Springbank, Alberta, along with a 1,200-acre foot water licence under contract. Funds are being raised to continue the implementation of the Land Development Project Plan which includes addressing the key areas of water & wastewater, road access and land use designation.



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DISCLAIMER

This information release is to be read in conjunction with the Offering Memorandum Dated September 28, 2018. This document constitutes “OM marketing materials” as defined in National Instrument 45-106 – Prospectus Exemptions and is deemed to be part of, and is incorporated by reference into, the OM. All business activities in this business update are set out in the OM or are contemplated in the OM. While the information contained herein is positive, the listed events/activities are not considered by the Manager of the Trust to constitute material changes or events. Prospective purchasers of this investment opportunity should review the OM and will need to be qualified for investment by their Exempt Market Dealer prior to making any investment. The risks outlined in the OM remain relevant. There is no guarantee that the proposed Springbank ASP will be drafted as currently contemplated, or ultimately approved. Capitalized terms have the meaning set out in the OM.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information set forth in this information release, including information and statements which may contain words such as “could”, “plans”, “intends” “should”, “anticipate”, “expects”, “will”, “propose”, “opportunity”, “future”, “continue”, and similar expressions and statements relating to matters that are not historical facts, contain forward-looking statements and forward-looking information (collectively, “forward-looking statements”). The forward-looking statements contained in this information release speak only as of the date thereof and are expressly qualified by this cautionary statement.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Trust’s control, including those risks set out in the OM under the heading “Item 8 – Risk Factors”). Readers are cautioned that the assumptions used in the preparation of such forward-looking statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of the Trust could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Trust will derive therefrom. The Trust disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.