



December 11, 2019

Dear Shareholder,

On behalf of SAGE Properties Corp. ("SAGE") and the Board of Directors ("Board") of SAGE, we are pleased to provide you with the following updates.

A. COMMUNICATION

SAGE would like to encourage Shareholders to provide their email address in an effort to reduce costs for mailing newsletters, to reach more shareholders and to provide more timely communication. Please refer to the attached form to provide consent for SAGE to send newsletters and other communication by electronic mail ("email"). Please return the completed form:

- 1) By email to info@sageproperties.ca;
- 2) Using the enclosed envelope addressed to Alliance Trust Company;
- 3) By fax to 403.457.4707 attention: Sage Properties Corp.

If there are any other changes to your contact information, please contact:

Alliance Trust Company
1010, 407 – 2nd St. SW
Calgary, AB T2P 2Y3
Tel: 403-237-6111

Please note SAGE's new mailing address:

115, 1925 – 18th Avenue NE
Calgary, AB T2E 7T8

B. FINANCIAL RESULTS FOR PERIOD ENDED SEPTEMBER 30, 2019

Please find attached SAGE's unaudited interim financial statements, including notes, for the six-month period ended September 30, 2019 for information purposes. Please be advised that these statements have not been audited nor reviewed by SAGE's auditors and are subject to change.

C. STRATEGIC PLAN UPDATES:

i. MARKETING PROCESS - PRINCE OF PEACE MANOR, HARBOUR & SCHOOL

Earlier this year the board revisited the strategic plan to determine if it would be in the best interests of shareholders to move forward with the sale of SAGE's assets, without the subdivision and emancipation of the utility operations being 100% complete. During this period, SAGE also experienced an increase in interest from qualified buyers. Seeing this increase in interest in the market, the board made the decision to move forward with hiring a broker and to start the process of disposing SAGE's assets. In June 2019, the board hired KPMG Corporate Finance, an experienced middle market broker, to commence a confidential sales process.

In August 2019, KPMG commenced a broad divestment process, and is currently reviewing offers that have been received and is assisting potential buyers with due diligence. The board remains optimistic that the process will complete with a successful transaction in 2020.

SAGE also commenced a marketing process for the school this year and are excited about the interest received. KPMG is currently reviewing offers received and assisting potential buyers with due diligence.

ii. SUBDIVISION & UTILITY

SAGE continues to work towards subdivision and is in discussions with Rocky View County ("RVC") regarding subdivision. Based on the feedback received from the county, SAGE is currently developing a revised proposal with its urban planner, IBI Group, to proceed with the next steps including discussions regarding options for the construction of a water supply pipeline to the Prince of Peace site. The Village and SAGE are working together with the RVC to move the process forward with respect to the construction of a water pipeline.

iii. VILLAGE NEGOTIATIONS

SAGE and the Prince of Peace Village condominium board ("the Village") have been in discussions regarding the emancipation of the utility operations and other easement issues since 2017. In March 2018, SAGE filed a court application to replace the easements on title to better reflect the ownership and operations of the water utility. Subsequent to the court application in 2018, SAGE and the Village met to try to discuss and resolve the utility ownership issues. Unfortunately, a resolution was not reached through the discussions held and in early 2019, SAGE requested a new court hearing asking for the court to make a ruling on the ownership and easement issues. At the court hearing held on September 12, 2019, Justice Romaine recommended that the parties use mediation to resolve the easement issues and both parties agreed to mediation.

A mediation session was held on November 19, 2019 between SAGE and the Village. The mediation was successful in finding a workable solution to the utility ownership and other easement issues. A written agreement is currently being drafted by legal counsel to resolve the outstanding issues.

iv. ENVIRONMENTAL RECLAMATION

SAGE has been working with our environmental consultants to develop reclamation plans to reclaim the areas known as the former sewage lagoon, the former brackish water lagoon and the water treatment plant. In the fall of 2019, Alberta Environment approved the reclamation plans and work was scheduled.

As of the end of November 2019, all reclamation work was completed and Alberta Environment has received the final reports for the sewage lagoon and brackish lagoon reclamation as well as the decommissioning of the water treatment plant. Management expects approval and sign-off of the reclamation work by Alberta Environment by the end of the year. Subsequent monitoring and a 3-year weed control plan will be implemented to ensure the reclaimed land returns to tame pasture as outlined in the reclamation plans approved by Alberta Environment.

If you have any questions regarding this newsletter, please contact the SAGE office at (403) 478-9661 or info@sageproperties.ca

Wishing you a very Merry Christmas and all the best in 2020.

Sincerely yours,

Signed "*Sandra Jory*"

Sandra Jory, CPA, CA
Board Chair
Sage Properties Corp.
