

Dec 20, 2018

True North Commercial Announces Sale of Two Industrial Properties, Recycles Capital into a 107,000 sq.ft. Downtown Ottawa Office leased by the Federal Government of Canada to Reposition as a Pure Play Office REIT

Secures Additional \$20 Million Revolving Credit Facility

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TORONTO, December 20, 2018 – True North Commercial Real Estate Investment Trust (TSX: TNT.UN) (the "REIT") is pleased to announce it has completed the sale of two industrial properties located at 63 Innovation Drive, Hamilton, Ontario and 1035 Industrial Road, Waterloo, Ontario for the sale price of \$15.375 million. The REIT intends to redeploy the net proceeds into a 107,000 square foot office property located in Ottawa's central business district. The property is 100% occupied with 95% leased by the Federal Government of Canada (the "**Potential Acquisition**"). The REIT is currently conducting due diligence, but there can be no assurance that the Potential Acquisition will close.

The REIT is also pleased to announce it has entered into an agreement with a Canadian chartered bank for a new \$20 million unsecured revolving credit facility (the "**Credit Facility**") for a two-year term maturing on December 1, 2020. The Credit Facility will bear interest at 325 basis points per annum above the floating bankers' acceptance rate or 225 basis points per annum above the prime rate.

"We are excited to reposition the REIT as a pure play office REIT by divesting of our two existing industrial properties and redeploying the net proceeds into an office property in Ottawa that fits the REIT's core strategy", stated Daniel Drimmer, the REIT's President and Chief Executive Officer. "We are also extremely pleased to have arranged this unsecured credit facility which will provide the REIT with increased liquidity and flexibility to enable us to execute on our strategic initiatives."

About the REIT

The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The REIT currently owns and operates a portfolio of 45 commercial properties consisting of approximately 3.62 million square feet in urban and select strategic secondary markets across Canada. The REIT is focused on growing its portfolio principally through acquisitions across Canada and such other jurisdictions where opportunities exist.

Forward-looking Statements

Certain statements contained in this news release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purposes of assisting the reader in understanding the REIT's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future including the successful completion of the Potential

Acquisition, and the financial performance of the REIT resulting from the acquisition of the Potential Acquisition, and readers are cautioned such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, performance, achievements, events, prospects or opportunities for the REIT or the real estate industry, outlook and anticipated events or results, as well as the financial position, business strategy, budgets, projected costs, capital expenditures, financial results, financing rates and costs, taxes, plans and objectives of or involving the REIT. In some cases, forward-looking information can be identified by such terms as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “seek”, “aim”, “estimate”, “target”, “goal”, “project”, “predict”, “forecast”, “potential”, “continue”, “likely”, “schedule” or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements necessarily involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the REIT’s control, affect the operations, performance and results of the REIT and its business, and could cause actual results, including those relating to the acquisition of the Potential Acquisition, to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, risks related to the trust units and risks related to the REIT's AIF for the year ended December 31, 2017, annul and MD&A at "Risks and Uncertainties" and the risks discussed in the REIT’s materials filed with Canadian securities regulatory authorities from time to time on www.sedar.com. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management’s perceptions of historical trends, current conditions, and expected future developments and the financial performance of the REIT resulting from the acquisition of the Potential Acquisition, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the ability of the REIT to complete the acquisition of the Potential Acquisition and secure acceptable mortgage financing, the Canadian economy will remain stable over the next 12 months; inflation will remain relatively low; interest rates will remain stable; conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate; the Canadian capital markets will continue to provide the REIT with access to equity and/or debt at reasonable rates when required; a wholly-owned subsidiary of Starlight Group Property Holdings Inc. will continue its involvement as asset manager of the REIT in accordance with its current asset management agreement; and the risks identified or referenced above, collectively, will not have a material impact on the REIT. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking statements made in this news release are dated and relate only to events or information as of the date of news release. Except as specifically required by applicable law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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