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True North Commercial Real Estate Investment Trust Announces Potential Acquisition of Seven Properties and \$50 Million Equity Offering

486,000 Square Feet with 70% Government and Credit-Rated Tenants

in Strategic Urban Markets Across Canada

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TORONTO, July 11, 2018 – True North Commercial Real Estate Investment Trust (the "**REIT**") (TSX: TNT.UN) is pleased to announce it has entered into an agreement with a syndicate of underwriters led by CIBC Capital Markets and Raymond James Ltd. (collectively, the "**Underwriters**") to sell on a bought deal basis, 7,837,000 trust units of the REIT ("**Units**") at a price \$6.38 per Unit for gross proceeds to the REIT of approximately \$50 million (the "**Offering**"). The Offering is being made under the REIT's short form base shelf prospectus dated June 1, 2018. The terms of the Offering will be described in a prospectus supplement to be filed with Canadian securities regulatory authorities.

The REIT has also granted the Underwriters an option (the "**Over-Allotment Option**"), exercisable for a period of 30 days following the closing of the Offering, to purchase up to an additional 1,175,550 Units to cover over-allotments, if any. The Offering is expected to close on or about July 20, 2018 and is subject to certain conditions including, but not limited to, the approval of the Toronto Stock Exchange and other regulatory approvals.

The REIT intends to deploy the entire net proceeds from the Offering to fund the potential acquisition of seven high-quality office properties (the "**Potential Acquisition Properties**") located in strategic urban markets across Canada featuring strong tenant profiles. The Potential Acquisition Properties, all from arm's length vendors, are comprised of 486,000 leasable square feet with a combined occupancy of 100%, a weighted average remaining lease term of 8.3 years, 70% of revenue generated from government and credit rated tenants and an implied combined capitalization rate of 6.7%. Upon the successful closing of the acquisition of the Potential Acquisition Properties, the REIT expects that its portfolio will have 3.8 million leasable square feet, be 95.2% occupied, have a weighted average lease term of 4.6 years and 78% of its revenue will be generated by government or credit rated tenants.

Key metrics of the Potential Acquisition Properties are as follows:

Location	Square Feet	Weighted Average Lease Term (Years)	Occupancy	% Government/Credit Rated
GTA, ON	122,000	15.0	100%	100% Multi-National Corporation
GTA, ON	61,000	11.0	100%	100% Credit Rated
Victoria, BC	27,000	2.5	100%	100% Government
Abbotsford, BC	52,000	6.4	100%	100% Credit Rated

Ottawa, ON	40,000	5.5	100%	100% Government
Ottawa, ON	36,000	2.5	100%	100% Government
Calgary, AB	148,000	5.5	100%	100% Credit Rated
	486,000	8.3	100%	70%

The REIT is currently conducting due diligence in respect of the Potential Acquisition Properties but there can be no assurance any or all of the acquisitions will close. The Offering is not conditional on the closing of the acquisition of any of the Potential Acquisition Properties, and in the event any acquisition does not close, the net proceeds are expected to be used to fund other potential future acquisitions. Until deployed for these purposes, the REIT intends to repay existing outstanding indebtedness on its credit facility.

“We are extremely pleased to announce the expansion of our asset base in existing strategic urban markets and the equity raise on a bought deal basis.” said Daniel Drimmer, the REIT’s President and Chief Executive Officer. “These fully occupied potential acquisitions could add approximately 15% to the REIT’s gross leasable area and demonstrates our continued focus on government and credit-rated tenants and our ability to capitalize on opportunistic transactions as they arise.”

This news release shall not constitute an offer to sell or a solicitation of any offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and such securities may not be offered or sold within the United States absent registration under the U.S. Securities Act or an applicable exemption from the registration requirements thereunder.

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 41 commercial properties consisting of approximately 3.3 million square feet in urban and select secondary markets across Canada. The REIT is focused on growing its portfolio principally through acquisitions across Canada and such other jurisdictions where opportunities exist.

For complete financial statements and management's discussion and analysis for the period, and any other information relating to the REIT, please visit www.sedar.com or the REIT's website at www.truenorthreit.com.

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 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, and may include statements regarding the closing date of the Offering, the use of proceeds from the Offering including the acquisition of the Potential Acquisition Properties, the

repayment and re-borrowing of indebtedness by the REIT, the completion of future acquisitions or investments by the REIT, 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 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 Annual Information Form for the year ended December 31, 2017, annual 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, as well as other considerations that are believed to be appropriate in the circumstances, including the following: all regulatory approvals in connection with the Offering are received on a timely basis; the REIT will acquire all of the Potential Acquisition Properties; 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 this 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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