

Oct 24, 2019

True North Commercial Real Estate Investment Trust Commences Deployment of September 2019 Unit Offering with Acquisition of Class “A” Office Properties in the GTA and Calgary

524,800 square feet, 100% occupied by Government and Credit-Rated Tenants

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TORONTO, October 24, 2019 – True North Commercial Real Estate Investment Trust (TSX: TNT.UN) (the “REIT”) is pleased to announce it has agreed to acquire: (i) a 315,400 square foot Class “A” office property located at 101 McNabb Street, Markham, Ontario (the “GTA Property”); and (ii) a 209,400 square foot Class “A” office property located at 3699 63rd Avenue NE, Calgary, Alberta (the “Calgary Property”), collectively with the GTA Property, the “Acquisition Properties”.

The Acquisition Properties which are 100% occupied represent a combined implied capitalization rate of approximately 6.7% and are expected to be immediately accretive to the REIT’s adjusted funds from operations (“AFFO”). After the closing of the Acquisition Properties, the REIT’s gross revenue from government and credit-rated tenants is expected to increase from 79% to 82% and the weighted average remaining lease term will increase from 4.0 years to 4.6 years.

The aggregate purchase price of the Acquisition Properties is approximately \$190.5 million, exclusive of closing costs, and is expected to be satisfied by a combination of: (i) proceeds from the REIT’s September public unit offering; (ii) first mortgage financing on each of the properties in the aggregate amount of approximately \$128.3 million; and (iii) the issuance of the REIT’s trust units to the vendor of the GTA Property in the aggregate amount of \$15 million at a price per Unit equal to the five (5) day volume weighted average price as of 5 business days prior to Closing.

Closing is expected to be on or about November 15, 2019 and November 4, 2019, in respect of the GTA Property and the Calgary Property.

GTA Property

The GTA Property is a state-of-the art office campus comprised of two connected 3-storey Class “A” office buildings. The GTA property has achieved LEED Gold and BOMA Best Platinum certifications and is the recipient of the 2019 TOBY Award for The Outstanding Building of the Year in the Renovated Building category. The GTA Property has approximately 315,400 rentable square feet and has a market-leading parking ratio of 5.1 parking stalls per 1,000 square feet with 1,609 parking stalls. Situated on 29.1 acres, the GTA Property is ideally located between Highway 407 and Steeles Avenue and offers excellent access via Highways 7, 404 and 407 as well as direct bus access to the GO train and subway systems. The GTA Property is surrounded by numerous retail amenities, including restaurants, grocery stores, and shopping malls. The GTA Property offers additional distinct amenities including a full service kitchen, fitness centre

and an outdoor lounge area. With a weighted average remaining lease term of 7.0 years, the building is 100% occupied by The Toronto-Dominion Bank and General Motors of Canada Company.

Calgary Property

The Calgary Property, commonly known as ATB Westwinds Campus, is a three-storey Class “A” office building with a central atrium and wide array of tenant amenities. The Calgary Property has approximately 209,400 rentable square feet with 329 underground parking stalls and 314 surface parking stalls. Situated on 11.13 acres, the Calgary Property is strategically located at the southwest corner of the intersection of Metis Trail NE and 64th Avenue NE, and is also in close proximity to the Calgary International Airport. The Calgary Property also benefits from a pedestrian walkway and footbridge spanning Metis Trail NE, providing direct access to the McKnight-Westwinds LRT Station. With a remaining lease term of 9.2 years, the building is 100% occupied by ATB Financial, a financial institution and crown corporation owned by the Province of Alberta.

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 properties consisting of approximately 3.7 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.

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 including the successful completion of the acquisition of the Acquisition Properties, and the financial performance of the REIT resulting from the acquisition of the Acquisition Properties, 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 acquisition of the Acquisition Properties, 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 Acquisition Properties, 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, 2018, 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 and the financial performance of the REIT resulting from the acquisition of the Acquisition Properties, 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 Acquisition Properties 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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