



**True North Commercial Real Estate Investment Trust
Continues Growth in Urban Cities with
Strategic Property Acquisitions of CDN\$66.9 Million**

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TORONTO, November 1, 2016 – True North Commercial Real Estate Investment Trust (TSX: TNT.UN) (the "REIT") is pleased to announce it has agreed to acquire: (i) a 154,300 square foot office property located at 3650 Victoria Park Avenue, Toronto, Ontario (the "**Toronto Property**"); (ii) a 156,300 square foot industrial property located at 1035 Industrial Road, Waterloo, Ontario (the "**Waterloo Property**"); (iii) and a 77,600 square foot office property located in Calgary, Alberta (the "**Government Property**"); and collectively with the Toronto Property and Waterloo Property, the "**Acquisitions**"). The REIT has waived its due diligence conditions on the acquisition of the Toronto Property and the Waterloo Property, but the acquisition of the Government Property remains conditional on the satisfactory completion of standard due diligence which is expected to be completed in the near term.

The Acquisitions represent a combined implied capitalization rate of approximately 7.8% and are expected to be immediately accretive to the REIT's adjusted funds from operations ("**AFFO**"). Upon completion of the Acquisitions, the REIT's aggregate portfolio gross revenue from government and credit-rated tenants is anticipated to be 87.4%, occupancy is expected to be 97.3% and average remaining lease term will increase to 4.1 years.

The aggregate purchase price for the Acquisitions is approximately \$66.9 million, exclusive of closing costs, and is expected to be satisfied in part with proceeds from the REIT's August public unit offering and mortgage financing on each of the properties in the aggregate amount of approximately \$43.96 million, with estimated annual interest rates of 2.72%, 2.71% and 3.19% for 5 year terms, in respect of the Toronto Property, the Waterloo Property and the Government Property, respectively.

"We are very pleased to continue to implement our core strategy of adding quality properties with credit-rated tenants on long-term leases to our growing portfolio, as well as executing on the deployment of the proceeds from our recent public unit offering, while increasing the REIT's presence in strategic targeted geographic areas in urban cities", said Daniel Drimmer, the REIT's President and Chief Executive Officer.

Toronto Property

The Toronto Property is a nine-storey office building situated on 4.36 acres of land with 154,300 rentable square feet and 551 parking stalls. The property is conveniently located close to Highways 401, 407 and 404 with convenient access to downtown Toronto. Originally constructed in 1986, the building underwent extensive renovations in 2012. With an average remaining lease term of 6.6 years, the building is 88.2% occupied with 84% by a major credit-rated tenant.

Waterloo Property

The Waterloo Property is an industrial building situated on 8.01 acres of land with approximately 156,300 rentable square feet, featuring direct exposure to Highway 401. The building was built in 1990 and has recently undergone improvements totaling approximately \$450,000. With an average lease term of 9.8 years remaining, the building is 100% occupied by a single tenant with a strong private covenant.

Government Property

The Government property is an office building with approximately 77,600 rentable square feet that enjoys convenient access to the Trans-Canada Highway. The property is 100% occupied with 91% by a provincial government agency, with an average remaining lease term of 7.7 years. The acquisition of the Government Property is conditional on the satisfactory completion of standard due diligence which is expected to be completed in the near term.

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 27 commercial properties consisting of approximately 1.54 million square feet in urban cities and secondary markets across Canada focusing on long term leases with government and credit-rated tenants.

The REIT is focused on growing its portfolio principally through acquisitions across Canada and such other jurisdictions where opportunities exist. Additional information concerning the REIT is available at www.sedar.com or the REIT's website at www.truenorthreit.com.

Non-IFRS measures

AFFO is not a measure defined under International Financial Reporting Standards (“IFRS”) as prescribed by the International Accounting Standards Board, does not have a standardized meaning prescribed by IFRS and should not be compared to or construed as an alternative to profit/loss, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. AFFO as computed by the REIT may not be comparable to similar measures presented by other issuers. The REIT uses this measure to better assess the REIT's underlying performance and provides this additional measure so that investors may do the same. Details on non-IFRS measures are set out in the REIT's Management's Discussion and Analysis (“MD&A”) for the period ended June 30, 2016 and Annual Information Form (“AIF”) for the year ended December 31, 2015 and available on the REIT's profile at www.sedar.com.

Forward-looking Statements

Certain statements contained in this press 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 Toronto Property, the Waterloo Property and the Government Property, and the financial performance of the REIT resulting from the acquisition of the Toronto Property, the Waterloo Property and the Government Property, 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 and may include statements regarding the acquisition of the Toronto Property, the Waterloo Property and the use of proceeds in the event that the acquisition of the Government Property is not completed, as well as the financial position, business strategy, budgets, projected costs, capital expenditures, financial results, 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”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “seek”, “aim”, “estimate”, “target”, “goal”, “project”, “predict”, “forecast”, “potential”, “continue”, “likely”, or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements 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 Toronto Property, the Waterloo Property and the Government Property, 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 Units and risks related to the REIT’s AIF and MD&A at "Risks and Uncertainties". 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, expected future developments and the financial performance of the REIT resulting from the acquisition of the Toronto Property, the Waterloo Property and the Government Property, as well as other considerations believed to be appropriate in the circumstances, including the following: the ability of the REIT to complete the acquisition of the Toronto Property, the Waterloo Property and the Government Property 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 provide the REIT with access to equity and/or debt at reasonable rates when required; Starlight Investments Ltd. will continue its involvement as asset manager of the REIT in accordance with its current asset management agreement; and the risks 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 relate only to events or information as of the date on which the statements are made in this press release. Except as specifically required by applicable Canadian 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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