



**True North Commercial Real Estate Investment Trust  
Announces \$25 Million Equity Offering and Key 272,700 sq. ft. Lease Renewal with its Largest  
Tenant - the Federal Government of Canada**

**/NOT FOR DISTRIBUTION IN THE U.S. OR OVER U.S. NEWSWIRES/**

TORONTO, November 1, 2016 – True North Commercial Real Estate Investment Trust (TSX: TNT.UN) (the "**REIT**") is pleased to announce that 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 3,940,000 trust units of the REIT at a price of \$6.35 per trust unit for gross proceeds to the REIT of approximately \$25,000,000 (the "**Offering**"). The Offering is being made under the REIT's short form base shelf prospectus dated April 27, 2016. 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 591,000 trust units of the REIT to cover over-allotments, if any. The Offering is expected to close on or about November 9, 2016 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 use the net proceeds of this Offering to fund potential future acquisitions, to repay indebtedness owing under the REIT's existing credit facilities and for general trust purposes.

The REIT is also pleased to announce it has executed a lease renewal with the Federal Government of Canada, the anchor tenant at 340 Laurier Avenue West, Ottawa, Ontario ("**340 Laurier**"). The renewal, totaling 272,706 square feet, extends the 17 year Federal Government of Canada's occupancy at 340 Laurier, and including the recently announced acquisitions, increases the REIT's weighted average remaining lease term to 4.6 years.

340 Laurier is 100% occupied, with the Federal Government of Canada leasing 98% of its rentable area. In conjunction with the lease renewal, the REIT has also extended its mortgage financing on the property at a rate of 3.065% to 2020 which represents a reduction from the previous rate of 3.38%. The weighted average interest rate on the REIT's mortgage portfolio will decrease to 3.17% and the weighted average term to maturity will increase to 3.7 years.

Under the terms of the extension, the lease term has been bifurcated for the two Federal Government of Canada departments occupying 340 Laurier, being: (i) 89,448 square feet expiring on February 28, 2020, with two additional 1-year options to extend, and (ii) 183,258 square feet expiring on February 28, 2021, with two additional 1-year options to extend.

"True North Commercial REIT strongly believes in the importance of fostering productive relationships with its tenants. We are pleased the Federal Government of Canada, the largest tenant in the REIT's portfolio, has chosen to renew its lease at 340 Laurier and we are proud to continue our relationship", said Daniel Drimmer, the REIT's President and Chief Executive Officer.

The REIT previously announced in January 2016 that 340 Laurier had been selected for a LEED®-EB Gold Certification Retro-Commissioning project as part of its commitment to sustainability and tenant

satisfaction with an environmental focus. As a result of the extensive 2016 capital upgrades, including new high-efficiency chillers and upgraded LED lighting systems, the REIT expects 340 Laurier to reduce energy consumption by over 10%, while delivering a more comfortable work environment to its tenants. Further planned upgrades aim to increase these savings over the next 18 months and are expected to culminate in LEED®-EB Gold Certification. The LEED®-EB Gold Certification has been conducted in consultation with the Federal Government of Canada which has expressed a positive response to the initiative.

340 Laurier, which is located within Ottawa's downtown central business district, five blocks from Parliament Hill, is a 13-story office building with approximately 279,100 rentable square feet with 125 underground parking stalls, 45 aboveground parking stalls and is well maintained with a high-quality common area and building systems.

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 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.

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](http://www.sedar.com) or the REIT's website at [www.truenorthreit.com](http://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, including the achievement of LEED®-EB Gold Certification at 340 Laurier during 2017, and may include statements regarding the closing date of the Offering, the use of proceeds from the Offering, 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, including the achievement of LEED®-EB Gold Certification at 340 Laurier during 2017, 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, 2015, 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](http://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's ability to achieve LEED®-EB Gold Certification at 340 Laurier during 2017; 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; Starlight Investments Ltd. 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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