



**True North Commercial Real Estate Investment Trust
Continues Strategic Growth with Second Acquisition in the
Greater Toronto Area**

REIT Adds Quality Asset in a Primary Market with Long Term Covenant Tenant

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TORONTO, July 28, 2016 – True North Commercial Real Estate Investment Trust (the "REIT") (TSX: TNT.UN) is pleased to announce it has agreed to acquire a 40,000 square foot office property located at 5900 Explorer Drive, Mississauga, Ontario (the "**Explorer Property**").

The purchase price for the Explorer Property is \$10.5 million, subject to customary adjustments and closing costs, which represents an implied capitalization rate of 7.0%, and is expected to be satisfied with first mortgage financing of approximately \$7.350 million, with an estimated interest rate of 2.75% for a five year term. The balance of the purchase price for the Explorer Property will be satisfied by the previously announced private placement which closed on July 20, 2016. Upon completion of the acquisition, the REIT's aggregate portfolio gross revenue from government and credit-rated tenants is anticipated to remain stable at 89%, and occupancy is expected to increase to 97.8%.

"We are very pleased to add this property to our growing portfolio in the attractive Greater Toronto Area," said Daniel Drimmer, President and Chief Executive Officer of the REIT. "The property dovetails with our core strategy of acquiring properties which are predominately tenanted with government or credit-rated organizations".

The property is a two-storey office building situated on 2.05 acres located in Mississauga's prestigious Airport Corporate Centre with a total of approximately 40,000 rentable square feet and 140 surface parking stalls and is well situated with excellent access to Highways 401, 427, 409 and 403 as well as being in close proximity to Pearson International Airport. Built in 2000, this modern constructed office building is 100% occupied by a single tenant with a strong corporate covenant providing for long term stable cash flows.

The REIT intends to close the acquisition of the Explorer Property on or about August 23, 2016.

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 26 commercial properties consisting of approximately 1.5 million square feet in secondary markets across Canada.

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

FFO and AFFO are not measures defined under International Financial Reporting Standards (“IFRS”) as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be compared to or construed as alternatives to profit/loss, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. FFO and AFFO as computed by the REIT may not be comparable to similar measures presented by other issuers. The REIT uses these measures to better assess the REIT’s underlying performance and provides these additional measures 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 March 31, 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 Explorer Property, and the financial performance of the REIT resulting from the acquisition of the Explorer 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 Explorer Property, and the use of proceeds in the event that the acquisition of the Explorer 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 Explorer 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 Explorer 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 Explorer 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.

For further information please contact:

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