



**True North Commercial Real Estate Investment Trust
Continues Urban Growth with \$53.6 Million of Strategic Property Acquisitions
In GTA, Ottawa and Victoria**

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TORONTO, June 5, 2017 – True North Commercial Real Estate Investment Trust (TSX: TNT.UN) (the "REIT") is pleased to announce it has agreed to acquire: (i) a 31,410 square foot office property located at 5160 Orbitor Drive, Mississauga, Ontario (the "**GTA Property**"); (ii) a 148,120 square foot office property located at 61 Bill Leathem Drive, Ottawa, Ontario (the "**Ottawa Property**"); and (iii) a 47,650 square foot office property located at 727 Fisgard Street, Victoria, British Columbia (the "**Victoria Property**"); and collectively with the GTA Property and the Ottawa Property, the "**Acquisition Properties**".

The Acquisition Properties represent a combined implied capitalization rate of approximately 7.9% and are expected to be immediately accretive to the REIT's adjusted funds from operations ("**AFFO**"). Upon completion of the acquisitions, occupancy is expected to be 97.7%, the REIT's aggregate portfolio gross revenue from government and credit-rated tenants is anticipated to be 88.6%, and average remaining lease term will remain at 4.3 years.

The aggregate purchase price for the Acquisition Properties is approximately \$53.6 million, exclusive of closing costs, and is expected to be satisfied by a combination of the following sources: (i) proceeds from the REIT's November public unit offering; and (ii) first mortgage financing on each of the properties in the aggregate amount of approximately \$34.4 million, with estimated annual interest rates of 2.86%, 2.86% and 2.87% for 5 year terms, in respect of the GTA Property, the Ottawa Property and the Victoria Property, respectively.

"With the acquisition of these properties, the proceeds from the November 2016 public unit offering have been deployed and, along with the capital raised during 2016, is working to maximize long-term unit value for our unitholders," said Daniel Drimmer, the REIT's President and Chief Executive Officer. "The acquisitions represent a significant accomplishment for our team, as we capitalized on these off-market opportunities and exercised patience to ensure we acquired properties consistent with our core strategies and at favourable cap rates. These acquisitions are in-line with the REIT's stated objectives of growing its portfolio by adding properties with long-term leases and government and credit-rated tenants in strategic urban markets. These acquisitions will allow us to enter the Victoria market as well as increase our presence in the GTA and Ottawa areas while adding high quality office buildings to our portfolio."

GTA Property

The GTA Property is a two-storey office building situated on 3.03 acres of land with 31,410 rentable square feet and 178 parking stalls. The property is easily accessible to the 400 series highway network, minutes from Toronto Pearson International Airport and is in close proximity to public transit including rapid transit. With an average remaining lease term of 2.9 years, the building is 100% occupied by a single credit-rated tenant.

Ottawa Property

The Ottawa Property is a Class “A” single-tenant office building with approximately 148,120 rentable square feet and 510 parking stalls. The property is minutes from the Ottawa International Airport and Highway 416, which connects Ottawa to the Trans-Canada Highway (Highway 401). With an average remaining lease term of 5.6 years, the building is 100% occupied by a single credit-rated tenant.

Victoria Property

The Victoria Property is a nine-storey office building with approximately 47,650 rentable square feet and 45 parking stalls. The property is well situated in downtown Victoria with great accessibility to major arterial highways and routes including the Trans-Canada Highway and the Patricia Bay Highway. With an average remaining lease term of 2.9 years, the building is 100% occupied with 94% by a provincial government agency.

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 30 commercial properties consisting of approximately 1.94 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 for the period ended March 31, 2017 and Annual Information Form for the year ended December 31, 2016 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 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 and may include statements regarding the acquisition of the Acquisitions Properties, 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 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 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 Acquisition Properties, 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 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 provide the REIT with access to equity and/or debt at reasonable rates when required; 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 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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