



MARCH 15, 2017

DURUM INDUSTRIAL REIT ANNOUNCES FIRST STRATEGIC ACQUISITION

Durum Industrial Real Estate Investment Trust (the “REIT”) is pleased to report that a definitive agreement has been executed for the acquisition of two Alberta based industrial properties fully occupied by Black Diamond Group. The total purchase price is approximately \$11 million, subject to certain customary adjustments, representing a blended capitalization rate of 7.14%. The transaction is expected to close by March 30, 2017ⁱ.

The first property is an 8-acre parcel located at 21410 113 Ave, Edmonton, Alberta. Within the Winterburn Industrial Area East, the parcel has a 4% site coverage from an existing shop/warehouse and an office space—constructed in 2008 and 2011 respectively. Black Diamond Group has a 9-year lease on the property with a 5-year option to extend.

The second property is a 6-acre parcel located at 240115 Frontier Crescent, Rocky View County. Within the Frontier Industrial Park, the property has north-south access to the TransCanada Highway as well as surrounding communities and industrial areas. An 8,100-sq. ft. Quonset currently exists on the site along with a modular office pod. Black Diamond Group has an 11-year lease on the property with a 5-year option to extend.

Further details of the properties are as follows:

Location	Land (Acres)	Allocation of Purchase Price	Basic Annual Rent	Lease Term
Edmonton, AB	8.23	65%	\$524,538	9 Years
Calgary, AB	6.22	35%	\$285,462	11 Years
Total	14.45	100%	\$810,000	

Black Diamond Group (TSX:BDI) services a diverse customer base in Canada, the United States and Australia in sectors such as oil & gas, mining, power, construction, engineering, military, government, and education. They provide workforce accommodation, modular buildings, energy services, and full turnkey lodging as well as project solutions such as planning, management and logistics. The enterprise value of Black Diamond Group was \$289.37 million as of March 13, 2017ⁱⁱ.

On March 6, 2017, Black Diamond announced the strategic acquisition of the modular workspace rental fleet and related assets of Britco LP. This Britco acquisition increases future cash flow stability for Black Diamond and also has a significant impact on their targeted EBITDA.

“We are pleased to have properties rolling in within the first few months of launching the Durum Industrial REIT, and the announcement from Black Diamond not only looks like a great deal, but our new covenant just got a whole lot stronger,” commented Jay Simmons, Managing Director and Chief Executive Officer of the REIT.



About Durum Industrial REIT

Durum Industrial REIT has been formed with the objective of maximizing value for unit holders through the acquisition and operation of a diverse portfolio of industrial properties. Through refinancing efforts, strategic acquisitions, and quality teams relying on first class governance, Durum Industrial REIT intends to pay quarterly distributions while also creating potential for long term capital growth.

Caution Regarding Forward-Looking Information

Certain information set forth in this press release, including information and statements which may contain words such as “could”, “plans”, “intends” “should”, “anticipate”, “expects”, “will”, “propose”, “opportunity”, “future”, “continue”, and similar expressions and statements relating to matters that are not historical facts, contain forward-looking statements and forward-looking information (collectively, “forward-looking statements”), including but not limited to, statements regarding: the proposed acquisition of two Alberta-based industrial properties, the anticipated timing of closing and the benefits of the transaction for Durum Industrial REIT and the intention of Durum Industrial REIT to pay quarterly distributions and to create the potential for long term capital growth. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Durum Industrial REIT’s control. Completion of the transaction is subject to a number of conditions, including conditions which are typical for transactions of this nature. Failure to satisfy any of these conditions may result in the termination of the transaction. The foregoing list is not exhaustive. Readers are cautioned that the assumptions used in the preparation of such forward-looking statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Durum Industrial REIT could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Durum Industrial REIT will derive therefrom. Durum Industrial REIT disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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ⁱ Completion of the transaction is subject to the satisfactory of customary closing conditions, including representations and warranties given on signing of the definitive agreement continuing to be true on closing.

ⁱⁱ <https://ca.finance.yahoo.com/quote/BDI.TO/key-statistics?ltr=1>