



MAY 23, 2017

CONTINUED GROWTH FOR DURUM INDUSTRIAL REIT

We are pleased to announce that Durum Industrial Real Estate Investment Trust (the “REIT”) has acquired a second property in Clairmont, Alberta. Located within the Westmount North Industrial Park, and adjacent to the Clairmont property outlined in the Offering Memorandum, the fully serviced parcel is 9.74 acres with a modest 7.78% site coverage. The property is secured with a new five-year lease due to expire in 2022. The basic annual rent starts at \$453,600 and escalates over five years to \$567,000, providing the REIT with an average yield of 8.9%¹.

The parcel is located approximately five kilometers north of Grand Prairie with site visibility from Highway 2, where demand for industrial properties remains relatively high. The 37,800-square foot warehouse is configured as a single storey shop with a two-storey office component. Property details are as follows:

Properties	Land (Acres)	Building (Square Feet)	Annual Rental Income	Average Appraised Value
Clairmont Property (2)	9.74	37,800	\$453,600	\$5,835,000

Similar to the properties outlined in the Offering Memorandum of the REIT, this Clairmont parcel was purchased from Durum Properties for a total consideration of \$5,835,000. To fund the acquisition, the REIT issued \$1.6 million worth of Durum Industrial Real Estate LP units, issued a \$1.65 million 6% Convertible Note and assumed third party mortgage debt of \$2.585 million.

This Clairmont property was not initially included with the properties outlined in the Offering Memorandum of the REIT dated January 31, 2017 due to a pending lease expiry. Since the inception of the REIT on January 30, 2017, Management was able to stabilize the property with a new lease agreement.

As a result of the acquisition, the REIT now has six properties under management with total asset value of \$41,526,250 and annual rental income of \$3,172,840; this represents a total portfolio cap rate of 7.64%. With the issuance of the additional \$1.6 million of LP units, the total equity investment in the REIT now exceeds \$12 million.

“We feel very strongly about our stated objective of growing and diversifying the portfolio of assets. Our commitment to this objective has, and will continue to be demonstrated,” commented Judy Rattanavong, Vice President of the Manager.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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¹: Based on average annual rent of \$521,065.50 over five-year term

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.

Important information regarding Durum Industrial REIT is set out in its Offering Memorandum dated January 31, 2017, which should be reviewed prior to making any investment decision. Please contact us for a copy of the Offering Memorandum.

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”). 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. 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.

The amount of future cash distributions paid by us, if any, will be subject to the discretion of the trustees of Durum Industrial REIT and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in capital expenditure requirements, debt service requirements, operating costs, and the satisfaction of the requirements imposed by our trust indenture for the declaration and payment of distributions. Depending on these and various other factors, many of which will be beyond our control, our distribution policy may vary from time to time and, as a result, future cash distributions could be reduced or suspended entirely. To the extent that external sources of capital, including the issuance of additional securities, become limited or unavailable, our ability to make the necessary capital investments to maintain or expand our asset base, as the case may be, will be impaired. To the extent that we are required to use funds from operations to finance capital expenditures or property acquisitions, the cash available for distributions may be reduced.