

DURUM

INDUSTRIAL REIT

ACQUISITION ANNOUNCEMENT

JULY 16, 2018

PROPERTY PORTFOLIO HIGHLIGHTS

AT APRIL 30, 2018

7	Properties Acquired
82.04	Total Acres of Land
173,638	SF Leasable Building Space
\$49.5	Million Total Asset Value ¹
\$3.68	Million NOI

TODAY

8	Properties Acquired
82.3	Total Acres of Land
179,918	SF Leasable Building Space
\$50.2	Million Total Asset Value ¹
\$3.77	Million NOI
57%	Loan to Value

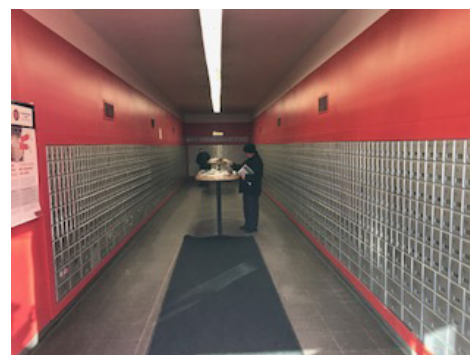
For more information, please contact your Authorized Dealing Representative or Eric Hansen at eric@durum.ca

This is not a formal offering document. Prospective purchasers of this investment opportunity will be provided with a formal Offering Memorandum and will need to be qualified for investment prior to making any investment. No person has been authorized to give any information or to make any representation not contained in the formal Offering Memorandum. No securities regulatory authority or regulator has assessed the merits of the proposed offering or reviewed the formal Offering Memorandum. This investment opportunity is speculative and involves a high degree of risk. There is a risk that any investment made will be lost entirely or in part. Only prospective investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider this investment. This document also contains reference to certain non-GAAP measures which are not defined under IFRS nor should any of these measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance of the REIT calculated in accordance with IFRS. Please refer to the Offering Memorandum of the REIT for further information.

DURUM INDUSTRIAL ACQUIRES A CANADA POST DISTRIBUTION CENTER

Durum Industrial Real Estate Investment Trust (the "REIT") is pleased to announce the acquisition of 96 Railway Avenue East in Drumheller, Alberta. The location of the property is a highly visible corner site on the periphery of the downtown core of Drumheller. The immediate area around this property includes a mix of commercial use buildings.

LAND (ACRES)	BUILDING (SF)	ANNUAL RENTAL INCOME	PURCHASE PRICE
0.267	6,280	\$81,641	\$755,000



Canada Post Corporation is the current tenant on the property with a lease extending to January 31, 2020; the lease includes an option to extend for 5 years. Canada Post has occupied the property since the 1960s and the building was purposely built to satisfy the distribution center needs which services the postal service in the region.

An appraisal obtained in March of 2018 from Altus Group valued the property at \$760,000. Durum Industrial closed on the acquisition, effective June 30, 2018, for a purchase price of \$755,000. This acquisition was made at a capitalization rate of 10.8%, as the 6,280 square foot building generates annual rental income of \$81,641.

Financing: This acquisition has been capitalized

with 75% leverage through conventional debt from a Saskatchewan based credit union at a rate of 3.79% over a 5 year fixed term

Due Diligence: As part of the due diligence process, Management obtained a Phase I Environmental Report (ESA), a Baseline Property Condition Assessment, and a Replacement Value Appraisal. Due to historical land use as a bus depot (prior to 1960), management chose to pursue a Phase II ESA. The report findings were negligible and the property was deemed to not pose environmental risk or hazard. The assessment reports noted that the building is structurally sound and that its replacement value would be approximately \$1 million.

¹ The acquisition of the Properties has been financed through a combination of debt and equity. Please refer to the Offering Memorandum of the REIT, and the marketing materials incorporated by reference, for further information.

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PROPERTY INFORMATION

Property	Land (Acres)	Building (SF)	Annual Rental Income (Current)	Purchase Price
96 Railway Avenue	0.267	6,280	\$81,641	\$755,000

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Portfolio Review

The REIT portfolio has now increased to eight properties located in Alberta and Saskatchewan with total asset value of \$50.2 million. Annual rental income is \$3.77 million, representing a portfolio cap rate of 7.5%.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Durum Industrial REIT
Phone: 1.780.965.3497
Email: eric@durum.ca

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About Durum Industrial REIT

Durum Industrial REIT was 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 has paid, and intends to continue payment of 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 April 30, 2018 (the “Offering Memorandum”), which should be reviewed prior to making any investment decision. Please contact us for a copy of the Offering Memorandum. This document constitutes “OM marketing materials” as defined in National Instrument 45-106 - Prospectus Exemptions and is deemed to be part of, and is incorporated by reference into, the Offering Memorandum.

Related Party Transaction

Under applicable securities laws, the transaction may be considered to be a related party transaction as the Vendor is owned indirectly by the children of a Director of Durum Properties Inc.—who is a related party to Durum Industrial Real Estate GP. As such, the Independent Review Committee of the REIT reviewed and approved the transaction.

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.