

# FRONSAC REAL ESTATE INVESTMENT TRUST

## PRESS RELEASE

### FOR IMMEDIATE RELEASE

June 29, 2018

## FRONSAC REIT ANNOUNCES ANOTHER ACQUISITION

**Montreal (Québec) - (TSX-V: GAZ.UN)** Fronsac Real Estate Investment Trust (“**Fronsac**”) is pleased to announce the acquisition of a 2 newly built properties located in Mercier, Qc, along Boulevard St-Jean Baptiste near Highway 30. The properties are composed of a newly built Petro-Canada service station with a Beau-Soir convenience store, an A&W restaurant, a catering company as well as a freestanding Benny & Co restaurant. Total consideration paid was \$926,551 for a 50% interest in Odacité Mercier LP, which holds the interests of the properties. The purchase price was settled in cash, while taking into consideration already in place financing as well as customary closing adjustments. Fronsac assumed a 50% share of the debts related to the properties of \$4,658,177 (Fronsac share \$2,329,089). In addition, Fronsac assumed 50% of accruals related to closing adjustments, which amounted to \$499,912 (Fronsac share \$249,956). Fronsac assumed 50% of other assets related to closing adjustments, which amounted to \$565,220 (Fronsac share \$282,610).

A 25% interest was purchased from a company (Investissements BSG Inc.), which is controlled by Martin Grimard, a Trustee of Fronsac.

For more information regarding this acquisition, which is, in part, a related party transaction, please refer to Policy 61-101 of the Ontario Securities Commission. In connection with the acquisition that is a related party transaction as indicated above, Fronsac is relying on applicable exemptions from the minority approval and valuation requirements of Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions for related party transactions on the basis that the transaction has a value of less than 25% of Fronsac’s market capitalization. The transaction was unanimously approved by the independent trustees of Fronsac and the purchase price of \$6,445,970 for the properties is supported by an independent estimate of the fair market value of the properties prepared by an independent valuation firm retained by the independent trustees of Fronsac.

**About Fronsac** - Fronsac Real Estate Investment Trust is an open-ended trust that acquires and owns high quality triple net and management-free commercial real estate properties.

**Forward-Looking Statements** - This press release contains forward-looking statements and information as defined by applicable securities laws. Fronsac warns the reader that actual events may differ materially from current expectations due to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such statements. Among these include the risks related to economic conditions, the risks associated with the local real estate market, the dependence to the financial condition of tenants, the uncertainties related to real estate activities, the changes in interest rates, the availability of financing in the form of debt or equity, the effects related to the adoption of new standards, as well as other risks and factors described from time to time in the documents filed by Fronsac with securities regulators, including the management report. Fronsac does not intend or undertake to update or modify its forward-looking statements even if future events occur or for any other reason, unless required by law or any regulatory authority.

Neither the TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the Policy of the TSX Venture Exchange) accepts any responsibility for the adequacy or accuracy of this release. This transaction is subject to the approval of the applicable regulatory authorities.

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