

FRONSAC REAL ESTATE INVESTMENT TRUST

PRESS RELEASE

FOR IMMEDIATE RELEASE

July 14, 2016

FRONSAC REIT ANNOUNCES A FINANCING

Montreal (Québec) - (TSX-V: GAZ.UN) Fronsac Real Estate Investment Trust (“**Fronsac REIT**” or “**Fronsac**”) is pleased to announce the closing as of July 14, 2016 (the “**Closing Date**”) of a private placement of units (the “**Units**”) for a total proceed of \$4,999,999.68 (the “**Offering**”). The Units were issued to investors pursuant to exemptions under *Regulation 45-106 respecting prospectus exemptions*.

The Trust issued 12,820,512 Units at a price of \$0.39 each for total proceeds of \$4,999,999.68. The Units are subject to a four-month plus one-day hold period from the Closing Date, expiring on November 15, 2016, pursuant to securities legislation and the policies of the TSX Venture Exchange.

The proceeds of the Offering will be used for acquisitions and for working capital purposes.

Insiders of Fronsac participated in the Offering: Mr. Michael Zakuta through Z-Corp Financial 2007 Ltd. Subscribed for 970,000 Units, Mr. Guy Laframboise through Laframboise Holding Inc. subscribed for 1,089,744 Units, Mr. Richard Chicoine through Gestion Immobilière MSC Inc. subscribed for 128,206 Units and Mr. François-Olivier Laplante subscribed for 1,000,000 Units. The percentage of Units now held by Messrs Zakuta, Laframboise, Chicoine and Laplante has respectively change to 7,2%, 7%, 2,5% and 1,7%.

Commenting on the Offering, Mr. Lassonde, President of the Trust stated, “This Offering is the most important financing done by the Trust to date and is a solid vote of confidence by investors in our business model. These funds will allow us to support growth of the Trust by way of acquisitions.”

The Units have not been nor will they be registered under the *United States Securities Act of 1933*, as amended, or state securities laws, and may not be offered or sold in the United States or to an account for the benefit of US persons, absent such registration or an exemption from registration.

About Fronsac - Fronsac Real Estate Investment Trust is an open-ended trust that acquires and owns high quality commercial real estate properties situated along highways or frequently travelled routes, rented to exclusively to tenants operating fast food chains, convenience stores and gas stations.

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.

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