dream alternatives **DRA.UN-TSX**

DREAM HARD ASSET ALTERNATIVES TRUST REPORTS SOLID Q1 2016 RESULTS

This press release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.

TORONTO, MAY 10, 2016, DREAM HARD ASSET ALTERNATIVES TRUST (TSX: DRA.UN) ("Dream Alternatives" or the "Trust") today reported its financial results for the three months ended March 31, 2016.

The Trust reported adjusted funds available for distributions ("AFAD") per unit of $0.10 for the three months ended March 31, 2016, an increase of $0.02 per unit, or approximately 27%, compared to the same quarter prior year. The year over year increase was primarily attributed to increased AFAD contribution from our renewable power portfolio of approximately $1.4 million ($0.02 per unit) as the assets transitioned from being under construction to operational over the past year. In addition, AFAD from development and investment holdings increased by approximately $0.4 million due to commencement of cash distributions relating to retail developments that were completed over the year, as well as increased interest earned on additional investments in residential development holdings. AFAD from our lending portfolio and income properties segments remained relatively stable year over year.

Net asset value ("NAV") per unit was $9.54 at March 31, 2016, a slight decrease from $9.64 per unit at December 31, 2015. The decline was primarily attributable to approximately $0.08 per unit of one-time transaction costs and unrealized losses related to interest rate and foreign exchange rate movements, which were both outside of the Trust's control. Were it not for these uncontrollable factors, the Trust's NAV per unit would have been relatively flat compared to the prior quarter, with positive impacts from net fair value increases in the Trust's residential development projects, Canadian renewable power assets and repurchases under the Trust's normal course issuer bid ("NCIB"), offsetting net losses in the lending portfolio and co-owned office income property segments of the portfolio. For additional details, please refer to page 3 of the MD&A.

"The performance of the portfolio in the first quarter of 2016 was in line with our expectations and we are pleased that the Trust achieved AFAD of $0.10 per unit, in line with our quarterly distribution," said Michael Cooper, Portfolio Manager. "We believe there is a lot of NAV appreciation potential in many of our development assets, including our residential development projects and renewable power projects under construction. Furthermore, we are currently working on generating future development and other value-add opportunities for the Trust that will also contribute positively to NAV per unit over the long term."

The repurchase of units through the Trust's NCIB program continued during and subsequent to the first quarter. Since inception of the NCIB program in December 2014, the Trust has purchased for cancellation 1.9 million units. The Trust intends to continue utilizing its NCIB from time to time in 2016, on an opportunistic basis, provided it is determined to be an appropriate use of corporate funds and is in the best interests of the Trust.

To date, the Trust's asset manager, Dream Asset Management Corporation ("DAM") has purchased an aggregate of 4.5 million units in the open market for its own respective account, representing 6.2% of total units outstanding.

Selected financial and operating metrics for the three months ended March 31, 2016, December 31, 2015 and March 31, 2015 are summarized below:

For the three months ended	**March 31, 2016**	December 31, 2015	March 31, 2015
Consolidated results of operations			
Net operating income ("NOI")(1)	**$ 12,617**	$ 13,954	$ 11,159
EBITDA(1)	**6,412**	10,578	7,848
AFAD(1)(2)	**7,005**	6,559	5,520
Annualized AFAD return on average Trust net assets(1)(2)	**4.1%**	3.8%	3.2%
Trust unit information			
Distributions declared and paid per unit	**0.10**	0.10	0.10
AFAD per unit (basic and fully diluted)(1)(2)	**0.10**	0.09	0.08
Units outstanding – end of period	**72,253,498**	72,562,487	73,545,104
Units outstanding – weighted average	**72,397,492**	72,991,548	73,658,345

As at		March 31, 2016	December 31, 2015
Consolidated financial position			
NAV per unit[(1)]	$	**9.54**	$ 9.64
Total assets		**998,112**	997,555
Cash, end of period		**13,348**	20,764
Debt-to-gross asset value[(1)]		**27.9%**	27.0%

For the three months ended		March 31, 2016	March 31, 2015
AFAD per unit[(1)]			
Income properties	$	**0.06**	$ 0.06
Lending portfolio		**0.04**	0.05
Development and investment holdings		**0.02**	0.02
Renewable power		**0.02**	—
Trust expenses and income taxes, net[(3)]		**(0.04)**	(0.05)
AFAD per unit[(1)]	$	**0.10**	$ 0.08

Key Operating and Transactions Highlights in the First Quarter of 2016:

Residential Development Holdings:

Empire Lakeshore - Update on significant milestones achieved

In April 2016, the two-tower Empire Lakeshore condominium development project in Toronto successfully achieved two major financing milestones which included the closing of a significant Construction Loan ("Construction Loan") with a syndicate of Canadian financial institutions ("Senior Lenders") and a mezzanine loan. On closing of these two financings, the project is expected to be fully financed.

During the quarter, the Trust contributed an additional $8.1 million to its existing participating loan to Empire Lakeshore, pursuant to the requirements of the Construction Loan. Together with an amendment to the terms of its existing participating loan investment, subsequent to the quarter, the Trust (through its subsidiary, Dream Alternatives Master LP) provided a financial guarantee for up to $45.0 million of the Construction Loan. The Trust expects to share in more of the underlying cash flow and profit of the project and receive its invested capital in priority sequence, as a result of having provided a financial guarantee. The guarantee will be in place for the term of the Construction Loan which is expected to be until the Spring of 2020, however, the amount of the Trust's guarantee will proportionately scale down as the Construction Loan is paid down as unit closings begin to occur, which is expected starting in 2018. Subsequent to the quarter, the Trust participated in a share of the mezzanine loan to the project, in the amount of $13.6 million, for a term of 56 months and an expected low double digit return commensurate with market terms, which will be included as part of the Trust's lending portfolio segment. There are no further expected funding or financial requirements from the Trust as related to Empire Lakeshore.

Empire Brampton - Progressing in line with expectations

The low-rise multi-phase residential development in Brampton continues to progress and actively sell residential homes. The first home closings occurred in the second quarter of 2015, with the final home closings projected to be in the third quarter of 2018. As at March 31, 2016, Empire had sold 96.8% or 663 units of the 685 projected available units compared to 91.2% as at December 31, 2015, and, to date, closings have occurred on approximately 37% of these units. We continue to make progress in achieving our share of profitability from this development.

As at March 31, 2016, approximately $116.9 million of the Trust's assets were advanced to Empire-related residential development projects or debt, representing approximately 11.7% of assets in percentage terms.

New residential development projects in Toronto

During the quarter, the Trust invested $7.2 million of equity in two separate residential development projects located in downtown Toronto. Both proposed development plans include multi-storey condominiums and are expected to produce on a combined basis, 693 residential units with gross floor area of 512,000 sq.ft.

Both projects are considered to be in prime locations within the downtown core, with close proximity to the financial district, University of Toronto, Ryerson University, George Brown College, St. Michael's Hospital, Yonge & Dundas Square and public transit. The Trust believes that the projects are situated in an area of Toronto that is poised for tremendous growth over the near to mid-term as evidenced by the number of approved developments and development applications in the surrounding area. Further details regarding the development projects are included in the MD&A.

The Trust expects all the above development projects will provide attractive profits to the Trust upon their respective completion dates, within approximately two to four years, and will contribute to growth in our NAV per unit. The Trust generally targets an internal rate of return ("IRR") of approximately 20% on equity investments in residential development projects.

Income Properties:

On April 1, 2016 the Trust sold its 60% interest in a co-owned office property in Oakville, Ontario, for gross proceeds of $11.8 million, in line with the IFRS value.

Management of the Trust has previously communicated that the co-owned office properties with Dream Office REIT (TSX: D.UN) may not be strategic to the Trust in the long-term, but that we expected the portfolio would provide reliable and predictable income for the Trust on a tax efficient basis until the Trust could repatriate its capital and profits from its development holdings in future years. While we have no office exposure in Alberta, the cash flow and value of the co-owned office properties are not immune to the ripple effects caused by weakness in oil prices, slower job growth and new supply. In February, Dream Office REIT announced a strategic plan which involved a target to sell $1.2 billion of non-core assets out of a pool of $2.6 billion that they believe will realize attractive pricing in the private markets relative to IFRS values. A portion of the disposition pool identified by Dream Office REIT includes some of the Trust's co-owned office assets, namely in the suburban GTA. We intend to work closely with Dream Office REIT to maximize value from the portfolio and will consider all opportunities that benefit the Trust and align with our long term strategy.

Renewable Power:

The renewable power segment contributed $1.9 million of EBITDA in the three months ended March 31, 2016. The assets were mainly under construction in Q1 2015, and therefore, contributed nominal income to the Trust. We expect the remaining renewable power projects to transition from being under construction to becoming fully operational, income-producing assets throughout the second and third quarters of 2016. Once operational and long-term financing is arranged, we expect renewable power projects to contribute approximately $0.10 per unit of AFAD on an annualized basis.

During the quarter, a construction loan facility against the Nova Scotia Wind power project was converted to 19.5-year term debt at a rate of 4.7% and the Trust received $13.7 million of cash proceeds related to this financing.

About Dream Alternatives

Dream Alternatives provides an opportunity for unitholders to invest in diversified hard asset alternative investments, including real estate, real estate loans and infrastructure, including renewable power, managed by an experienced team with a successful track record in these areas. The objectives of the Trust are to provide predictable and sustainable cash distributions to unitholders on a tax efficient basis, and reposition and grow its assets to increase the value of its business and its distributions to unitholders over time. For more information, please visit: www.dreamalternatives.ca

For further information, please contact:

DREAM ALTERNATIVES

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Footnotes

(1) Non-IFRS measures - Please refer to cautionary statements under the heading "Non-IFRS Measures" in this press release

(2) AFAD per unit measures were impacted by wind and solar power assets under construction and average cash held by the Trust. The Asset Manager does not believe that these measures represent the cash flow generating ability of our assets once all renewable power assets become operational

(3) Trust expenses represent costs not allocated to the other operating segments, such as general and administrative costs and income taxes, and are net of interest income earned on our cash balances

Non-IFRS Measures

The Trust's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-IFRS financial measures including Internal rate of return ("IRR"), net operating income ("NOI"), EBITDA, adjusted funds available for distribution ("AFAD"), AFAD per Unit, annualized AFAD return on average Trust net assets, debt-to-gross asset value and net asset value ("NAV")per unit, as well as other measures discussed elsewhere in this release. These non-IFRS measure are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, total comprehensive income or cash flows generated from operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow and profitability. For a full description of these measures and where applicable a reconciliation to the most directly comparable measure calculated in accordance with IFRS please refer to the "Non-IFRS Measures" in the Trust's Management's Discussion and Analysis for the periods ended March 31, 2016.

Forward Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements regarding the timing of completion and financing of our renewable power projects; expected share of income, profit and cash flows from the Trust's underlying investment(s); the expected return of our investment(s); expected further financing toward our residential development and investment holdings; expected development plan toward the newly acquired development projects; expected yield and AFAD contribution from renewable power projects; the impact on AFAD and NAV of our renewable power projects becoming operational. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to: general and local economic and business conditions, employment levels, mortgage and interest rates and regulations, regulatory risks, environmental risks, consumer confidence, the financial condition of tenants and borrowers, local real estate conditions, adverse weather conditions and variability in wind conditions and solar irradiation, reliance on key clients, partners and personnel, the uncertainties of acquisitions and new projects, inflation and competition. All forward looking information in this press release speaks as of May 10, 2016. The Trust does not undertake to update any such forward looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR (www.sedar.com). These filings are also available at the Trust's website at www.dreamalternatives.ca.