dream alternatives DRA.UN-TSX

DREAM ALTERNATIVES REPORTS Q3 RESULTS AND SUBSTANTIAL COMPLETION OF ITS NON-CORE ASSET DISPOSITION PROGRAM

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, November 10, 2017, DREAM HARD ASSET ALTERNATIVES TRUST (TSX: DRA.UN) ("Dream Alternatives", "we" or the "Trust") today reported its financial results for the three and nine months ended September 30, 2017.

“Since we took over management of the portfolio in July 2014, our first goal in managing the Trust was to exit illiquid assets that used cash rather than produced cash and to sell assets where we had limited ability to influence our returns”, said Michael Cooper, Portfolio Manager. “In the third quarter, after more than three years, we completed this process with the sale of substantially all of the Trust’s non-core, legacy assets. Our third quarter results mark the beginning of Dream Alternatives Trust, because we can now execute without the burden of certain assets and partnerships that we inherited. Over the next few quarters, we will work to get a favourable response to these changes in our public market valuation. We will continue to adapt our strategy to illustrate to our unitholders and potential holders the value in our current business and the value our developments will produce over time. We have been fortunate to have access to some preferred real estate opportunities through our relationships in the industry. We also have a few more landmark development opportunities that we hope to add to our portfolio soon.”

During the three months ended September 30, 2017, the Trust successfully closed on the sale of various non-core legacy assets in line with its disposition program announced earlier in the year resulting in a nominal net loss during the period which was in line with management's expectation. This result was a decline from a net income position of $2.8 million in the same quarter in the prior year. The variance to the prior year was explained by lower net operating income ("NOI") from the income properties portfolio as a result of the sale of $281.6 million of co-owned office properties to date which accordingly contributed more significantly to income in our third quarter 2016 results relative to our third quarter 2017 results. The successful completion of these sale transactions has however provided the Trust with a much stronger balance sheet, allowing the Trust to focus on its long term strategy of investing in development projects that will generate higher value and cash flows in the long run.

Net Asset Value ("NAV"[1])

NAV per unit of $8.72 as at September 30, 2017 was down slightly from $8.79 per unit as at June 30, 2017. The decrease in NAV was primarily due to the fair value adjustments recognized in income properties and the Villarboit Investment as a result of the dispositions, transaction related costs and depreciation of renewable power assets. Partially offsetting the decline of the aforementioned was an increase in NAV per unit within the remainder of the portfolio. The Trust's NAV per unit bottomed out two quarters ago. While it was down marginally quarter over quarter, the Trust expects that NAV will continue to increase in future quarters from the progress on current development investments and future re-development opportunities.

The NAV per unit for the renewable power portfolio of $1.01 increased compared to $0.94 as at June 30, 2017. The increase was primarily attributable to the Trust acquiring the remaining economic interest in the wind power projects located in the U.K. increasing the Trust's ownership to 100% (from a previous 91%) and also acquiring 13 additional wind turbines for a total price of $4.1 million. The lending portfolio NAV per unit of $2.37 at September 30, 2017 was up from $2.04 as at June 30, 2017. The increase was attributable to the Trust advancing total gross proceeds of $51.3 million towards two new loans with a weighted average effective interest rate of almost 10%. NAV per unit relating to cash and other Trust consolidated working capital increased to $1.68 from a negative NAV of $0.19 at June 30, 2017, primarily as a result of the closing of the sale transactions during the quarter relating to the non-core co-owned office properties and investments in the Villarboit retail income producing and development holding properties ("Villarboit Investment"). As well, impacting cash and other Trust consolidated working capital, was the investment in publicly traded units in Dream Office REIT through the acquisition of 2,324,447 units during the quarter totaling $48.4 million. These units generated a fair value adjustment of $0.4 million during the three months ended September 30, 2017. Subsequent to the quarter, another 195,700 units of Dream Office REIT were acquired by the Trust for total proceeds of $4.1 million, for a total investment of 2,520,147 units or 3.4% of total units outstanding. Together with Dream Asset

Management Corporation ("DAM"), the Trust's asset manager and the Trust's portfolio manager, the total joint ownership of Dream Office REIT was approximately 15.9% as of November 10, 2017.

Consistent with the second quarter, included in NAV as at September 30, 2017 was a market value adjustment of $25.8 million recognized on the Trust's equity accounted investments in its downtown Toronto developments, primarily related to the Trust's 37.5% investment in the 5.3 acre Lakeshore East development located on Toronto's waterfront which was acquired one year ago. Since acquiring the site, there have been a number of major announcements positively impacting the market value of the lands, as it pertains to $1.25 billion of infrastructure spend and planned investment by Sidewalk Labs, a sister company of Google to redevelop the lands adjacent to our site, thereby including Lakeshore East as part of one of the most exciting and unique development opportunities globally.

Under IFRS and in the Trust's condensed consolidated financial statements these development investments are equity accounted. This market value adjustment was a result of the Trust identifying market trend progress and/or the achievement of development milestones in relation to these equity investments. The Trust has included this market value adjustment in its NAV calculation to better demonstrate the value of these assets since acquisition and/or to incorporate the achievement of development or sales milestones. The Trust has made substantial progress towards investing in assets with higher growth potential, including its development investments in downtown Toronto, and expects that these development investments will be a key driver of future growth for the Trust. For additional details on the Trust's equity accounted investments, please refer to page 22 of the MD&A.

The Trust relies on growth in the NAV per unit as a measure of value creation including the aforementioned market value adjustments on its equity accounted development projects. The closest IFRS measure to NAV per unit is unitholders' equity per unit. Please refer to page 44 of the MD&A for a reconciliation between NAV and unitholders' equity.

Unitholders Equity
As at September 30, 2017, total unitholders' equity per unit of $8.26 decreased from $8.36 per unit as at June 30, 2017. The variance to prior quarter was primarily related to fair value adjustments recognized in income properties and the Villarboit Investment as a result of the dispositions, transaction related costs and depreciation of renewable power assets, as previously discussed. While unitholders' equity per unit was down marginally, we expect it to increase in future quarters for similar reasons as discussed relating to NAV per unit.

Cash Generated from Operating Activities
Cash generated from operating activities for the three months ended September 30, 2017 was $13.2 million compared to $2.3 million for the same quarter in the prior year. The year over year increase in cash generated from operating activities was due to the cash distributions relating to the Empire Brampton project to the Trust as further discussed below. Also impacting the increase in cash generated from operating activities was $3.0 million of interest received upfront in relation to a new loan advance in the lending portfolio. The remainder of the variance was due to changes in non-cash working capital.

Adjusted Funds Available for Distribution ("AFAD"[1])
For the three months ended September 30, 2017, AFAD of $0.09 per unit was down $0.03 per unit when compared to the same quarter in the prior year. The year over year results are not comparable due to the disposal of certain non-core co-owned income properties in line with the Trust's previously announced asset repositioning program. During the nine months ended September 30, 2017, the Trust successfully closed on the sale of 14 non-core co-owned income properties, resulting in total gross proceeds of $281.6 million. Year to date the Trust has successfully repatriated capital from its legacy assets and redeployed the capital towards development assets with significant higher growth potential. As a result, the Trust anticipates that its 2017 AFAD per unit will be lower relative to the prior year but management believes that the execution of the long term strategy will result in improved AFAD per unit performance over the longer term. Furthermore, as the Trust invests a greater proportion of its assets into more development projects, growth in NAV per unit is considered by management to be a more useful metric to measure value creation and unitholders returns. For the three months ended September 30, 2017, the income properties portfolio contributed AFAD of $0.03 per unit, down $0.03 per unit when compared to the same period last year, driven by lower NOI primarily resulting from the sale of the aforementioned non-core office properties year to date. The decrease was slightly offset by the acquisition of both 10 Lower Spadina Avenue and 49 Ontario Street as the Trust increased its ownership of these two properties to 100% from 60% early in the first quarter of 2017.

Key Highlights:

Acquisition of a 25% Interest in the Frank Gehry-designed Mirvish development
Subsequent to the three months ended September 30, 2017, the Trust entered into a non-binding letter of intent to acquire a 25% interest in the Frank Gehry designed Mirvish development located on King Street West in downtown Toronto being developed by Great Gulf Corporation ("Great Gulf"). This landmark site is slated to be re-developed into two residential towers, each in

excess of 80 storeys. The Trust is expected to own an 18.75% interest in the development with DAM owning 6.25%. Great Gulf and DAM are also co-development partners in the Lakeshore East development site in downtown Toronto.

Completion on the Disposition Strategy of Non-Core Office Properties
During the three months ended September 30, 2017, the Trust sold its ownership interests in nine non-core co-owned income properties for total gross proceeds of $139.1 million. The net proceeds on the sale of these income properties were $69.4 million, after the repayment by the Trust or assumption by the purchaser of mortgages, closing adjustments and transaction costs.

Upon the successful completion of the dispositions, the Trust has repatriated cumulative equity of $257.5 million in 2017, before transaction costs and closing adjustments, of which $234.9 million relates to legacy investments. The Trust has committed to invest almost $183.0 million in reinvestment opportunities during and subsequent to the nine months ended September 30, 2017, including development investments in Toronto and Ottawa, Ontario, and investments within the renewable power and lending portfolios. As at November 10, 2017, the Trust had a cash balance of approximately $62 million. Also as of this date, the Trust has or expects to enter into letters of intent for $37.5 million of development and/or loan opportunities, which if executed would close in the fourth quarter of 2017. Further to this, the Trust has over $70 million of real estate development opportunities in its pipeline.

Growth and Progress in Development Investments
During the three months ended September 30, 2017, the Trust acquired a 40% ownership interest in a limited partnership for $5.5 million with an investment in two properties at 25 Imperial Street and 374 Dupont Street both located in downtown Toronto. These properties are currently income producing properties and are expected to have attractive redevelopment potential in future years. Subsequent to September 30, 2017, the Trust acquired a 40% ownership interest in the Windmill Dream Zibi Master Limited Partnership (the “Zibi” development) for $33.2 million, through a combination of acquisitions of existing units and new subscriptions from third parties. The residual partners are DAM for 40% and Windmill Green Properties LP ("Windmill") for 20%. DAM will act as lead developer for the project. The partnership intends to develop 37 acres of lands for the purpose of developing into a mixed-use master-planned community located in Ottawa and Gatineau, Quebec. The project concept plan is a multi-phase development which includes over 3 million square feet of density that consists of over 2,000 residential units and over one million square feet of commercial space. These investments are in line with the Trust's long term strategy to diversify its portfolio into exceptional development assets with higher growth opportunities.

Both the Empire Brampton and Empire Lakeshore development projects are legacy assets that are in line with the Trust's long term strategy. As at September 30, 2017, the Empire Brampton low-rise project was substantially completed with 98% of the units closed compared to 61% at December 31, 2016. During the quarter, the Trust received additional cash distributions of $13.6 million from the Empire Brampton project, of which $4.8 million represented profit to the Trust in excess of its investment contribution, and an additional $2.4 million of distribution and profit is anticipated in the fourth quarter. The expected timing of the remaining cash distributions remains unchanged with the majority of the remaining balance to be released over the next two years.

The Empire Lakeshore high-rise condominium development project continues to progress on schedule, with construction currently above grade and on the 12th floor. The project is expected to be completed and occupied in phases from the fourth quarter of 2019 to the second quarter of 2020. As at September 30, 2017, the Empire Lakeshore high-rise project had sold 99% of the 1,285 total projected condominium units, up from 98% at December 31, 2016. The Trust has recognized a further fair value increase of $2.0 million on the Empire Lakeshore project during the third quarter of 2017 as the project continues to advance steadily to completion and payout.

Since the Trust’s inception, $32.2 million of cumulative fair value gains have been recognized on the Empire projects. At September 30, 2017, the aforementioned Empire projects had an IFRS fair value of $76.3 million, net of the aforementioned cash distribution that was received during the period as return of capital.

Other Operating Highlights in Q3 2017:

Income Properties
As at September 30, 2017, the income properties portfolio was comprised of the Trust’s core office income property portfolio consisting of: a 50.1% interest in Sussex Centre in Mississauga, Ontario, co-owned with Dream Office REIT (TSX: D.un); a 100.0% interest in each of 10 Lower Spadina Avenue, 49 Ontario Street and 349 Carlaw Avenue in downtown Toronto; and a 50.0% interest in six industrial properties in Regina, Saskatchewan, co-owned with Dream Industrial REIT (TSX: DIR.un). At September 30, 2017, these properties had an IFRS value of $157.7 million and generated NOI of $2.4 million during the quarter. In addition,

the Trust will continue to own a 60.0% interest in London City Centre, in London, Ontario which is excluded from these statistics as it is not considered to be a core income property.

Development and Investment Holdings

For the three months ended September 30, 2017, development and investment holdings generated a net loss of $0.6 million, down from net income of $4.1 million in the same period in the prior year. The decrease was primarily resulting from $3.7 million of fair value increases recognized in the prior year related to the Empire residential development holdings as they completed significant milestones and progressed closer to completion, particularly the Empire Brampton project. During the three months ended September 30, 2017, the Trust included in net loss of the development and investment holdings segment $0.6 million of realized losses, initially recorded in Other Comprehensive Income, resulting from the sale of the Villarboit Investment.

Lending Portfolio

For the three months ended September 30, 2017, net income of $3.3 million from the lending portfolio remained relatively stable when compared to the same period in the prior year. During the quarter, approximately $2.1 million of legacy loans were repaid, resulting in 90% of the total original loan portfolio being repatriated, compared to 80% at the beginning of the year.

Renewable Power

Net income of $1.4 million for the three months ended September 30, 2017 from the renewable power portfolio remained relatively stable to the same quarter in the prior year.

Trust Expenses, net

Trust expenses of $5.2 million for the three months ended September 30, 2017 decreased by $3.7 million compared to the same period in the prior year. The decrease resulted from lower income tax expense during the period primarily as a result of transaction related activities.

NCIB

Since the inception of the Trust's NCIB program in December 2014 to November 10, 2017, the Trust has purchased for cancellation 2.3 million units for a total cost of $13.9 million, which includes 0.4 million units purchased year to date in 2017 for a total cost of $2.3 million.

Selected financial and operating metrics for the three months ended September 30, 2017, year ended December 31, 2016 and three months ended September 30, 2016 are summarized below:

	September 30, 2017	December 31, 2016	September 30, 2016
Consolidated results of operations			
Total income	**$ 16,177**	$ 26,380	$ 24,836
Adjusted total income(1)	**16,721**	20,131	21,416
Net income (loss)	**(36)**	(15,379)	2,801
Net operating income ("NOI")(1)	**11,153**	11,809	13,005
Cash generated from (utilized in) operating activities	**13,206**	10,815	2,280
AFAD(1)	**6,049**	7,183	8,672
Annualized AFAD return on average unitholders' equity(1)	**4.0%**	4.4%	5.2%
Trust unit information			
Distributions declared and paid per unit	**0.10**	0.10	0.10
AFAD per unit (basic and fully diluted)(1)	**0.09**	0.10	0.12
Units outstanding – end of period	**72,612,262**	72,351,722	72,271,291
Units outstanding – weighted average	**72,454,130**	72,312,566	72,230,136

As at	**September 30, 2017**	June 30, 2017
Consolidated financial position		
Total unitholders' equity per unit	**$ 8.26**	$ 8.36
NAV per unit(1)	**8.72**	8.79
Total contractual debt payable(1)	**205,205**	188,516
Total assets	**833,924**	891,072
Cash	**96,966**	14,899
Debt-to-gross asset value(1)	**24.6%**	25.1%

	September 30, 2017	September 30, 2016
AFAD per unit		
Income properties	**$ 0.03**	$ 0.06
Lending portfolio	**0.05**	0.05
Development and investment holdings	**0.03**	0.03
Renewable power	**0.03**	0.03
Trust expenses, net(2)	**(0.05)**	(0.05)
AFAD per unit	**$ 0.09**	$ 0.12

About Dream Alternatives

Dream Alternatives provides an opportunity for unitholders to invest in hard asset alternative investments, including real estate, real estate lending, real estate development 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 grow and reposition the portfolio to increase both AFAD and NAV per unit over time. For more information, please visit: www.dreamalternatives.ca

For further information, please contact:

DREAM ALTERNATIVES

Michael J. Cooper	**Pauline Alimchandani**	**Kim Lefever**
Portfolio Manager	Chief Financial Officer	Investor Relations
416 365-5145	416 365-5992	416 365-6339
mcooper@dream.ca	palimchandani@dream.ca	klefever@dream.ca

Footnotes

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

(2) 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 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 adjusted total income, net operating income ("NOI"), adjusted funds available for distribution ("AFAD"), AFAD per unit, annualized AFAD return on average unitholders' equity, debt-to-gross asset value, net asset value ("NAV"), NAV per unit, total contractual debt payable, as well as other measures discussed elsewhere in this release. These non-IFRS measures 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 and Other Disclosures" in the Trust's Management's Discussion and Analysis for the periods ended September 30, 2017.

Forward Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements relating to our objectives, strategies to achieve those objectives, our beliefs, plans, estimates, projection and intentions, and similar statement concerning anticipated future events, future growth, results of operations, performance, business prospects and opportunities, as well as statements regarding our plans and proposals for future development projects, including projected sizes, density and uses; our expected ownership levels of proposed investments; the growth potential of our development investments; development timelines and anticipated returns on current and future development projects; our anticipated return on our development projects and expected growth in NAV of our development projects as a result of market value adjustments; our future AFAD, unitholders equity and NAV performance as well as targeted returns, future distributions and future returns on equity. 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 including foreign exchange rates, 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 November 10, 2017. 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