

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state of the United States, and accordingly may not be offered, sold or delivered, directly or indirectly within the United States of America, its territories, its possessions and other areas subject to its jurisdiction (collectively, the "United States"), except pursuant to an exemption from the registration requirements of the 1933 Act and applicable state securities laws. This short form prospectus (this "prospectus") does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Dundee Industrial REIT at 30 Adelaide Street East, Suite 1600, Toronto, Ontario M5C 3H1 (telephone 416-365-3535), and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

February 25, 2013



## DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST

**\$100,100,000**  
**9,100,000 Units**

This prospectus qualifies the distribution of 9,100,000 units ("Units") of Dundee Industrial Real Estate Investment Trust ("Dundee Industrial REIT"), at a price of \$11.00 per Unit.

Dundee Industrial REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario. Our head office is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario M5C 3H1.

Our outstanding Units are listed on the Toronto Stock Exchange (the "TSX") under the symbol "DIR.UN". The closing price of the Units on the TSX on February 11, 2013, the date of the announcement of this offering, was \$11.31. The TSX has conditionally approved the listing of the Units on the TSX. Listing is subject to Dundee Industrial REIT fulfilling all of the requirements of the TSX on or before May 15, 2013.

**PRICE: \$11.00 per Unit**

	Price to the Public	Underwriters' Fee	Net Proceeds to Dundee Industrial REIT <sup>(1)</sup>
Per Unit.....	\$11.00	\$0.44	\$10.56
Total <sup>(2)</sup> .....	\$100,100,000	\$4,004,000	\$96,096,000

Notes:

(1) After deducting the Underwriters' fee but before deducting expenses of this offering, estimated to be \$500,000, which will be paid from the proceeds of this offering.

(2) We have granted the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part for a period of 30 days from the closing of this offering, to purchase up to 1,365,000 additional Units on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the total Price to the Public, Underwriters' Fee and Net Proceeds to Dundee Industrial REIT will be \$115,115,000, \$4,604,600 and \$110,510,400, respectively. This prospectus qualifies the grant of the Over-Allotment Option and the issuance of Units upon the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriters' over-allocation position acquires such Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The price of the Units offered under this prospectus was established by negotiation between us and TD Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc.,

Canaccord Genuity Corp., Dundee Securities Ltd., Brookfield Financial Corp., Desjardins Securities Inc., GMP Securities L.P. and National Bank Financial Inc. (collectively, the “Underwriters”).

In connection with this offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Units at levels other than those which otherwise might prevail on the open market. **The Underwriters may offer the Units at a price lower than that stated above. See “Plan of Distribution”.**

**There are certain risks inherent in an investment in our Units and in our activities. Prospective investors should carefully consider these risk factors before purchasing Units.** There are particular risk factors that may affect the real estate industry and therefore the stability of distributions that holders of Units receive. See “Risk Factors” and “Risks and our strategy to manage” in our 2012 MD&A. The disclosure referred to in those sections also describes our assessment of certain of those risk factors, as well as the potential consequences if a risk should occur.

In the opinion of Counsel (as defined herein), the Units will, on closing of this offering, be qualified investments under the Tax Act for Plans as set out under, and based upon the assumptions set out under, “Eligibility for Investment”.

A return on an investment in Units is not comparable to the return on an investment in a fixed income security. The recovery of your investment in Units is at risk, and the anticipated return on your investment in Units is based on many performance assumptions. Although we intend to make distributions of our available cash to holders of Units, these cash distributions may be reduced or suspended, depending on numerous factors disclosed in our continuous disclosure documents and in our IPO Prospectus. In addition, the market value of the Units may decline if we are unable to meet our cash distribution targets in the future, and that decline may be significant.

The after-tax return from an investment in Units to a Unitholder, as defined in the section “Certain Canadian Federal Income Tax Considerations”, will depend, in part, on the composition for income tax purposes of distributions paid by Dundee Industrial REIT on its Units, portions of which may be fully or partially taxable or may constitute tax deferred distributions. The composition may change over time, thus affecting a Unitholder’s after-tax return. Distributions of the taxable income of Dundee Industrial REIT are generally taxed as ordinary income in the hands of a Unitholder. Distributions in excess of the taxable income of Dundee Industrial REIT are generally tax-deferred (and reduce a Unitholder’s adjusted cost base in the Unit for tax purposes).

We are not a trust company and are not registered under applicable legislation governing trust companies as we do not carry on the business of a trust company. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued, sold and delivered by us and accepted by the Underwriters in accordance with the conditions of the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on our behalf by Osler, Hoskin & Harcourt LLP, with respect to securities and other matters, and Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP, with respect to certain tax matters, and on behalf of the Underwriters by Torys LLP.

Subscriptions will be received subject to rejection or allotment in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. It is anticipated that definitive certificates representing the Units will be available for delivery at closing, which is expected to occur on or about March 6, 2013, or such other date as we and the Underwriters may agree, but in any event no later than March 13, 2013.

Underwriters’ Position	Maximum number of securities held	Exercise period / acquisition date	Exercise price or average acquisition price
Over-Allotment Option .....	1,365,000	30 days from closing of this offering	\$11.00 per Unit
Compensation option .....	N/A	N/A	N/A
Any other option granted by issuer or insider of issuer .....	N/A	N/A	N/A
Total securities under option .....	1,365,000	30 days from closing of this offering	\$11.00 per Unit
Other compensation securities .....	N/A	N/A	N/A

Dundee Realty Corporation, our asset manager, is a related issuer to Dundee Securities Ltd., one of the Underwriters. **As a result, we are a connected issuer to Dundee Securities Ltd. under applicable Canadian securities legislation.** See “Plan of Distribution”.

All dollar amounts set forth in this prospectus are in Canadian dollars, except where otherwise indicated.

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## DOCUMENTS INCORPORATED BY REFERENCE

As of the date of this prospectus, we have not yet filed our first annual information form as a reporting issuer. Instead, we have incorporated by reference into this prospectus certain disclosure from the long form prospectus of Dundee Industrial REIT dated September 26, 2012 (our “**IPO Prospectus**”). The portions of our IPO Prospectus incorporated by reference into this prospectus are as set out below.

The following documents, filed with the various securities commissions or similar regulatory authorities in the provinces of Canada, are specifically incorporated by reference into and form an integral part of this prospectus:

- (a) The disclosure in the following sections of our IPO Prospectus:
  - (i) “Market and Industry Data” at page 1 of our IPO Prospectus;
  - (ii) “Non-IFRS Measures” at pages 1 and 2 of our IPO Prospectus;
  - (iii) “The REIT” at pages 21 to 25 of our IPO Prospectus;
  - (iv) “The Initial Properties” at pages 30 to 39 of our IPO Prospectus;
  - (v) the disclosure under the subheading “Environmental Site Assessments” at page 40 of our IPO Prospectus;
  - (vi) “Asset Management” at pages 41 to 43 of our IPO Prospectus;
  - (vii) “Key Investors” at pages 43 to 46 of our IPO Prospectus;
  - (viii) “Debt Strategy” at pages 46 to 47 of our IPO Prospectus;
  - (ix) “Management’s Discussion and Analysis of Financial Condition and Results of Operations” at pages 57 to 90 of our IPO Prospectus, excluding the disclosure under the subheadings “Dundee Initial Properties – Discussion of years ended December 31, 2010 and 2009 (GAAP)”, “Whiterock Initial Properties – Discussion of years ended December 31, 2010 and 2009 (GAAP)” and “ROI Co-Owned Properties – Discussion of years ended December 31, 2010 and 2009 (GAAP)”;
  - (x) “Our Structure and Formation” at page 90 of our IPO Prospectus;
  - (xi) “Acquisition of the Initial Properties” at pages 90 to 93 of our IPO Prospectus;
  - (xii) “Post-Closing Structure” at page 94 of our IPO Prospectus;
  - (xiii) “Real Estate Management and Advisory Services” at pages 95 to 98 of our IPO Prospectus;
  - (xiv) “Trustees and Executive Officers” at pages 98 to 106 of our IPO Prospectus;
  - (xv) “Executive Compensation” at pages 107 to 110 of our IPO Prospectus;
  - (xvi) “Remuneration of Trustees” at page 110 of our IPO Prospectus;
  - (xvii) “Investment Guidelines and Operating Policies” at pages 110 to 113 of our IPO Prospectus;
  - (xviii) “Distribution Policy” at pages 113 to 115 of our IPO Prospectus, other than the subsection thereof titled “Tax Deferral on Distributions”;

- (xix) “Declaration of Trust and Description of REIT Units” at pages 116 to 122 of our IPO Prospectus;
  - (xx) “Industrial Partnership” at pages 122 to 125 of our IPO Prospectus;
  - (xxi) the disclosure under the subheading “Lock Up” at page 128 of our IPO Prospectus under the section, “Plan of Distribution”;
  - (xxii) “Risk Factors” at pages 136 to 147 of our IPO Prospectus;
  - (xxiii) “Material Contracts” at page 147 of our IPO Prospectus;
  - (xxiv) “Interests of Management and Others in Material Transactions” at page 148 of our IPO Prospectus;
  - (xxv) “Legal Proceedings” at page 148 of our IPO Prospectus; and
  - (xxvi) “Glossary of Terms” at pages 155 to 160 of our IPO Prospectus where such terms are used in those parts of our IPO Prospectus that are incorporated by reference in this prospectus;
- (b) the audited consolidated financial statements of Dundee Industrial REIT as at December 31, 2012 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the period from July 20, 2012 to December 31, 2012, together with the notes thereto and the independent auditor’s report thereon;
  - (c) management’s discussion and analysis of the financial condition and results of operations of Dundee Industrial REIT for the period from July 20, 2012 to December 31, 2012 (“**2012 MD&A**”);
  - (d) the material change report of Dundee Industrial REIT dated October 5, 2012;
  - (e) the business acquisition report of Dundee Industrial REIT dated November 13, 2012;
  - (f) the material change report of Dundee Industrial REIT dated November 30, 2012; and
  - (g) the business acquisition report of Dundee Industrial REIT dated February 1, 2013.

Any documents of the type referred to above (excluding confidential material change reports, if any), any interim financial statements and management’s discussion and analysis, any annual information form and any management information circular filed by Dundee Industrial REIT with the provincial securities commissions or similar authorities in Canada after the date of this prospectus and prior to the termination of this offering shall be deemed to be incorporated by reference into and form an integral part of this prospectus. **Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or omission to state a material fact that was required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall be deemed, except as so modified or superseded, not to constitute a part of this prospectus.**

## FORWARD-LOOKING INFORMATION

This prospectus contains or incorporates by reference forward-looking information. Statements other than statements of historical fact contained in this prospectus may be forward-looking information. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “forecast”, “outlook”, “objective”, “may”, “will”, “expect”, “intent”, “estimate”, “anticipate”, “believe”, “should”, “plans”, or “continue”, or similar expressions suggesting future outcomes or events. They include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and our objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to our plans and objectives of our Board of Trustees, or estimates or predictions of actions of customers, suppliers, competitors or regulatory authorities; and statements regarding our future economic performance. We have based these forward-looking statements on our current expectations about future events. Some of the specific forward-looking statements in this prospectus include, but are not limited to, statements with respect to: (i) our intention to provide growing cash flows and stable and sustainable returns through our investments in industrial real estate and our other stated objectives; (ii) our intention to make monthly cash distributions; (iii) our ability to execute our business and growth strategies, including by making additional acquisitions of properties in our target markets; and (iv) our access to available sources of debt and/or equity financing.

Forward-looking information is based upon a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond our control, that 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: (i) general and local economic and business conditions; (ii) the financial condition of tenants; (iii) our ability to refinance maturing debt; (iv) leasing risks, including those associated with the ability to lease vacant space; (v) our ability to source and complete accretive acquisitions; (vi) interest and currency rate fluctuations; and (vii) those that are described or referred to under the heading “Risk Factors” in this prospectus and under the heading “Risks and our strategy to manage” in our 2012 MD&A.

Forward-looking statements do not take into account the effect of transactions or other items announced or occurring after the statements are made. For example, they do not include the effect of dispositions, acquisitions, other business transactions, asset write downs or other charges announced or occurring after the forward-looking statements are made.

Although we believe that the expectations reflected in such forward-looking information are reasonable, we cannot give assurance that these expectations will prove to have been correct, and since forward-looking information inherently involves risks and uncertainties, undue reliance should not be placed on such information. The estimates and assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth in this prospectus as well as the following: (i) that we will receive financing on acceptable terms; (ii) that our future level of indebtedness and our future growth potential will remain consistent with our current expectations; (iii) that there will be no changes to tax laws adversely affecting our financing capability, operations, activities, structure or distributions; (iv) that the impact of the current economic climate and the current global financial conditions on our operations, including our financing capability and asset value, will remain consistent with our current expectations; (v) that there will be no material changes to government and environmental regulations adversely affecting our operations; (vi) that conditions in Canada and, in particular, the industrial real estate market, including competition for acquisitions, will be consistent with the current climate; and (vii) that capital markets will provide us with readily available access to equity and/or debt financing.

Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such forward-looking statements. The forward-looking statements are subject to inherent uncertainties and risks, including, but not limited to, the factors discussed or referred to above or under “Risk Factors”. Consequently, actual results and events may vary significantly from those included in, contemplated or implied by such statements.

The forward-looking information contained or incorporated by reference in this prospectus is expressly qualified in its entirety by these cautionary statements. All forward-looking information in this prospectus speaks as of the date of this prospectus. We do not undertake any obligation to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional

information about these assumptions and risks and uncertainties is contained in our filings with securities regulators, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## TERMS USED TO DESCRIBE DUNDEE INDUSTRIAL REIT AND ITS ACTIVITIES

Our investment and operating activities are limited, because our operating activities are carried out by our Subsidiaries. For simplicity, we use terms in this prospectus to refer to our investments and operations as a whole. Accordingly, in this prospectus, unless the context otherwise requires, when we use terms such as “we”, “us” and “our”, we are referring to Dundee Industrial REIT and its Subsidiaries. When we use expressions such as “our investments” or “our operations”, we are referring to the investments and operations of Dundee Industrial REIT and its Subsidiaries as a whole. When we use expressions such as “our properties”, “our portfolio”, “we own” or “we invest in” in relation to our properties, we are referring to our ownership of and investment in our properties indirectly through our Subsidiaries. When we use expressions such as “we operate”, we are referring to our operations through our Subsidiaries. When we refer to “Dundee Industrial REIT”, we are referring only to Dundee Industrial Real Estate Investment Trust.

## DUNDEE INDUSTRIAL REIT

We provide an opportunity for investors to gain direct exposure to the industrial real estate sector, while continuing to benefit from the proven track record of Dundee Realty Corporation, our asset manager. Our portfolio currently consists of 158 primarily light industrial properties comprising approximately 11.4 million square feet of gross leasable area in key industrial markets across Canada. We are among the largest real estate investment trusts in Canada to focus primarily on industrial real estate assets.

Dundee Industrial REIT is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario. Dundee Industrial REIT is a “mutual fund trust” as defined in the Tax Act and the Regulations, as applicable, but is not a “mutual fund” within the meaning of applicable Canadian securities legislation. Our head office is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario M5C 3H1. A copy of our Declaration of Trust is available from our Secretary during the period of distribution of the Units and is available at SEDAR at [www.sedar.com](http://www.sedar.com).

## RECENT DEVELOPMENTS

### Acquisition of KingSett Portfolio and Offerings of Units and Convertible Debentures

On December 19, 2012, we completed the acquisition of a portfolio of 79 industrial properties (the “**KingSett Portfolio**”) for approximately \$498.5 million (excluding acquisition costs). The KingSett Portfolio consists of 5.3 million square feet of gross leasable area in Calgary, Halifax, the Greater Toronto Area and the Greater Montreal Area. The acquisition significantly increased our position in four of Canada’s largest and most significant industrial markets, including an additional 1.2 million square feet of gross leasable area in Calgary and 1.7 million square feet of gross leasable area in Halifax. The vendors of the properties in the KingSett Portfolio were affiliates of KingSett Capital Inc. (“**KingSett**”).

In order to provide partial funding for the acquisition of the KingSett Portfolio, on December 13, 2012, we completed a public offering of 13,570,000 Units at a price of \$10.60 per Unit and \$86.25 million aggregate principal amount of 5.25% convertible unsecured subordinated debentures due December 31, 2019 (“**5.25% Debentures**”) for aggregate gross proceeds of approximately \$230.10 million, including 1,770,000 Units and \$11.25 million aggregate principal amount of 5.25% Debentures issued pursuant to the over-allotment option granted to the underwriters in that offering, which was exercised in full.

The 5.25% Debentures bear interest at a rate of 5.25% per annum, payable semi-annually in arrears on the last day of June and December of each year commencing on June 30, 2013, and will mature on December 31, 2019 (the “**Maturity Date**”). The 5.25% Debentures are convertible at the holder’s option into Units at any time prior to 5:00 p.m. (Toronto time) on the earlier of the Maturity Date and the business day immediately preceding the date specified by us for redemption of the 5.25% Debentures at a conversion price of \$13.80 per Unit, subject to adjustment in certain circumstances.



The consideration for the acquisition of the KingSett Portfolio was also partially satisfied by the issuance on December 19, 2012 to an affiliate of KingSett of approximately \$25.0 million of Units (2,358,491 Units at a deemed price of \$10.60 per Unit) and \$25.0 million aggregate principal amount of 5.25% Debentures having the same terms as the 5.25% Debentures referred to above.

We satisfied the balance of the purchase price for the KingSett Portfolio by (i) assuming approximately \$148.5 million of existing mortgage debt, with a weighted average term to maturity of 3.1 years and a face interest rate of 3.0% after giving effect to KingSett's buy-down of their pre-existing rates, (ii) incurring \$35.0 million of new mortgage debt, with a term of 5 years and a face interest rate of 3.46%, (iii) a \$10.0 million draw on our revolving credit facility, and (iv) funds drawn under a non-revolving bridge credit facility established to close the transaction. On January 18, 2013, we placed \$50.0 million of new mortgage financing on certain properties in the KingSett Portfolio with a term of 7 years and a face interest rate of 3.68%. This mortgage financing was used to repay the funds drawn under our revolving credit facility and the bridge credit facility.

Under applicable Canadian securities laws, our acquisition of the KingSett Portfolio was a "significant acquisition". The business acquisition report of Dundee Industrial REIT dated February 1, 2013 relating to the acquisition of the KingSett Portfolio is incorporated by reference into this prospectus.

### **Other Acquisitions**

On November 30, 2012, we completed the acquisition of 2 Lone Oak Court and 441 Chrislea Road, both located in the Greater Toronto Area, for approximately \$17.2 million (including acquisition costs). The two single tenant buildings were built in 2001 and 1998, respectively, and together total approximately 173,000 square feet.

### **Increase in Distribution Rate**

On February 19, 2013, we announced that our Board of Trustees approved an increase in Dundee Industrial REIT's annualized distribution to \$0.70 per Unit, an increase of 3.7%, or 2.5 cents, from the previous distribution of \$0.675 per Unit on an annualized basis. The first monthly distribution reflecting this increase will be the April distribution that we anticipate will be in the amount of \$0.05833 per Unit and will be payable on May 15, 2013 to Unitholders of record as at April 30, 2013.

### **Appointment of Chief Operating Officer**

On February 19, 2013, we announced the appointment of Randy Cameron as Chief Operating Officer of Dundee Industrial REIT. Randy Cameron is currently the Senior Vice President, Western Canada for Dundee Realty Management Corporation. The position of Chief Operating Officer is a new position for Dundee Industrial REIT.

### **Current Discussions and Agreements Regarding Proposed Acquisitions and Dispositions**

Consistent with our past practices and in the normal course, we are engaged in discussions with respect to possible acquisitions of new properties and dispositions of existing properties in our portfolio. We are at various stages of due diligence and negotiation with respect to over \$400 million of potential acquisitions of industrial properties which are comparable to properties in our existing portfolio. We expect to continue negotiations in respect of these acquisitions and will actively pursue these and other acquisition, investment and disposition opportunities. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition or disposition would be.

## **CONSOLIDATED CAPITALIZATION**

The material changes in our consolidated capitalization from January 1, 2013 to February 21, 2013 are as follows:

- Indebtedness increased by \$12.1 million as a result of \$98.6 million of new mortgage financing. Offsetting this was: (i) \$2.1 million of principal repayments on the mortgage financing for our portfolio; (ii) \$10.0 million of repayments on our secured operating credit facility; (iii) a \$42.0 million repayment of the promissory note payable to Dundee REIT; and (iv) a \$32.4 million repayment on our

bridge loan credit facility. In addition, the number of subsidiary redeemable units increased due to the issuance of 83,349 LP B Units pursuant to the distribution reinvestment provisions of the limited partnership agreement of Industrial Partnership; and

- Unitholders' equity increased by \$0.2 million due to: (i) the issuance of 13,781 Units pursuant to our DRIP; and (ii) the issuance of 529 Units pursuant to the optional cash purchase portion of our DRIP.

As a result of the planned issuance of Units under this offering, Unitholders' equity would increase by approximately \$95.6 million (\$110.0 million if the Over-Allotment Option is exercised in full).

## PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement between the Underwriters and us, we have agreed to sell and the Underwriters have severally agreed to purchase, subject to the terms and conditions contained in the Underwriting Agreement, on March 6, 2013 or on such other date as may be agreed between Dundee Industrial REIT and the Underwriters but, in any event, not later than March 13, 2013, a total of 9,100,000 Units at a price of \$11.00 per Unit, payable in cash to Dundee Industrial REIT against delivery. In consideration for their services in connection with this offering, the Underwriting Agreement provides that we will pay to the Underwriters a fee of \$0.44 per Unit, being an aggregate of \$4,004,000.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated on the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of such Units are purchased under the Underwriting Agreement. We have agreed to indemnify the Underwriters and their directors, officers and employees against certain liabilities pursuant to the Underwriting Agreement, including liabilities under Canadian securities legislation.

The TSX has conditionally approved the listing of the Units on the TSX. Listing is subject to Dundee Industrial REIT fulfilling all of the requirements of the TSX on or before May 15, 2013.

This offering is being made in each of the provinces of Canada. The Units have not been and will not be registered under the 1933 Act or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States, except pursuant to an exemption from the registration requirements of the 1933 Act and applicable state securities laws. Accordingly, the Underwriters have agreed that they will not offer or sell the Units within the United States, except in accordance with the Underwriting Agreement pursuant to an exemption from the registration requirements of the 1933 Act provided by Rule 144A thereunder to "qualified institutional buyers" (as defined in Rule 144A under the 1933 Act) in transactions that are exempt from the registration requirements under the 1933 Act and in compliance with applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States. In addition, until 40 days after the commencement of the offering of the Units pursuant to this prospectus, an offer or sale of Units within the United States by any dealer (whether or not participating in this offering) may violate the registration requirements of the 1933 Act unless such offer is made pursuant to an exemption under the 1933 Act.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The Underwriters propose to offer the Units initially at the offering price specified on the cover page of this prospectus. After the Underwriters have made a reasonable effort to sell all of the Units at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the price paid by the Underwriters to Dundee Industrial REIT.

We have granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part for a period of 30 days from the closing of this offering, to purchase up to 1,365,000 additional Units on the same terms as set out above solely to cover over-allotments, if any. We have agreed to pay to the Underwriters a fee of \$0.44 per Unit with respect to Units issued under the Over-Allotment Option. This prospectus qualifies the grant of the Over-

Allotment Option and the issuance of Units upon the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriters over-allocation position acquires such Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

We have agreed that we will not, directly or indirectly, without the prior written consent of TD Securities Inc., on behalf of the Underwriters, issue, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any equity securities or any securities convertible into, or exchangeable or exercisable for equity securities, for a period ending on the date that is 90 days after the closing of this offering, except (i) pursuant to the exercise of convertible or exchangeable securities, options or warrants to purchase units which are outstanding on the date hereof or have been issued with the consent of TD Securities Inc.; (ii) units issued pursuant to our DRIP or Deferred Unit Incentive Plan; and (iii) units issued as full or partial consideration for direct or indirect arm's-length acquisitions of real estate assets. We had previously agreed to similar lock-up restrictions in favour of the underwriters in connection with our initial public offering and in connection with our public offering of Units and 5.25% Debentures completed on December 13, 2012. Those restrictions will end on April 4, 2013. Similar lock-up restrictions were agreed to by the Transferors from whom we acquired our initial properties on October 4, 2012 and each of Dundee Corporation and Michael J. Cooper. These are disclosed under the subheading "Lock Up" at page 128 of our IPO Prospectus under the section "Plan of Distribution", which is incorporated by reference into this prospectus.

In addition, each of Dundee Corporation and Michael J. Cooper will agree that they will not, directly or indirectly without the prior written consent of TD Securities Inc., on behalf of the Underwriters, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any Units or securities convertible into or exchangeable for Units held by Dundee Corporation or Michael J. Cooper, respectively, for a period ending on the date that is 90 days after the closing of this offering.

In connection with the acquisition of the KingSett Portfolio referred to under "Recent Developments", certain affiliates of KingSett entered into a lock-up agreement with us ending on June 11, 2013 in respect of Units and 5.25% Debentures owned by those affiliates of KingSett.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Units other than pursuant to the Underwriting Agreement. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and applicable stock exchanges, including the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities.

In connection with this offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Units offered hereby at levels other than those which otherwise might prevail on the open market, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids; and
- syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of Units while this offering is in progress. These transactions may also include making short sales of Units, which involve the sale by the Underwriters of a greater number of Units than they are required to purchase in this offering. Short sales may be "covered short sales", which are short positions in an amount not

greater than the Over-Allotment Option, or may be “naked short sales”, which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Units in the open market. In making this determination, the Underwriters will consider, among other things, the price of Units available for purchase in the open market compared to the price at which they may purchase Units through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Units in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Units in the open market that could adversely affect investors who purchase in this offering. Any naked short position would form part of the Underwriters’ over-allocation position.

As a result of these activities, the price of the Units offered hereby may be higher than the prices that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSX, in the over-the-counter market or otherwise.

Dundee Realty Corporation, our asset manager, is a related issuer to Dundee Securities Ltd., one of the Underwriters. As a result, we are a connected issuer to Dundee Securities Ltd. under applicable Canadian securities legislation. Dundee Securities Ltd. will receive its proportionate share of the Underwriters’ fee payable to the Underwriters.

In order for Dundee Industrial REIT to maintain its status as a mutual fund trust as defined in the Tax Act, it must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. The Declaration of Trust and the trust indenture for the 5.25% Debentures provides constraints on the ownership of our units for this purpose. We monitor ownership of our Units and 5.25% Debentures which are held by non-residents by periodically obtaining and reviewing ownership reports from our transfer agent or other service providers.

## USE OF PROCEEDS

The net proceeds from the sale of Units under this prospectus are estimated to be \$96,096,000 (\$110,510,400 if the Over-Allotment Option is exercised in full) after deduction of the Underwriters’ fee, but before deducting the expenses of this offering, estimated to be \$500,000. We will use the net proceeds of this offering to fund potential future acquisitions and for general trust purposes.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP and special tax counsel to Dundee Industrial REIT, and Torys LLP, counsel to the Underwriters (together, the “**Counsel**”), the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of Units by a holder who acquires such Units pursuant to this offering. This summary is applicable to a holder who at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada, deals at arm’s length and is not Affiliated with Dundee Industrial REIT and its Affiliates and holds the Units as capital property (in this section, a “**Unitholder**”). Generally, the Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Units, and any other “Canadian security” (as defined in the Tax Act) owned in the taxation year in which the election is made and in subsequent taxation years, deemed to be capital property. Holders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Unitholder: (i) that is a “financial institution” for purposes of the mark-to-market rules; (ii) that is a “specified financial institution”; (iii) that has elected to determine its Canadian tax results in accordance with a “functional currency”; or (iv) an interest in which is a “tax shelter investment”, as each

term is defined in the Tax Act. Such holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units acquired pursuant to the offering. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Units under this offering.

This summary is based upon the provisions of the Tax Act and the regulations thereunder (the “**Regulations**”), a certificate as to certain factual matters from an officer of Dundee Industrial REIT, and Counsel’s understanding, based on publicly available published materials, of the administrative policies and assessing practices of the CRA, all in effect as of the date of this prospectus. This summary takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by or on behalf of the Minister prior to the date of this prospectus (the “**Tax Proposals**”). Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in CRA’s administrative policies and assessing practices, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. There can be no assurances that CRA will not change its administrative policies and assessing practices.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the Unitholder’s particular circumstances. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective investor of Units. Consequently, a prospective investor should consult the investor’s own tax advisor for advice with respect to the tax consequences of an investment in Units based on the prospective investor’s particular circumstances.**

#### **Status of Dundee Industrial REIT**

##### *Qualification as a “Mutual Fund Trust”*

This summary is based on the assumptions that Dundee Industrial REIT will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act and that Dundee Industrial REIT will validly elect under the Tax Act to be a mutual fund trust from the date it was established.

To qualify as a mutual fund trust, Dundee Industrial REIT, among other things, must be a “unit trust” as defined by the Tax Act, must not be established or maintained primarily for the benefit of non-residents, and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable), (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property or of any immovable or real right in immovables) that is capital property of Dundee Industrial REIT, or (iii) any combination of the activities described in (i) and (ii), and Dundee Industrial REIT must comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of its Units. An officer of Dundee Industrial REIT has advised Counsel that Dundee Industrial REIT will file an election under subsection 132(6.1) of the Tax Act to be deemed to have been a mutual fund trust from the time of its establishment and that Dundee Industrial REIT intends to continue to qualify as a “mutual fund trust” under the provisions of the Tax Act at all times thereafter.

If Dundee Industrial REIT were not to qualify as a mutual fund trust at any particular time, the income tax considerations described below would, in some respects, be materially different.

##### *Qualification as a “Real Estate Investment Trust”*

###### *SIFT Legislation*

The SIFT Legislation effectively taxes certain income of a publicly-traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. These rules apply only to “SIFT trusts”, “SIFT partnerships” (each as defined in the Tax Act) and their investors.

A trust resident in Canada will generally be a SIFT trust for a particular taxation year for purposes of the Tax Act if, at any time during the taxation year, investments in the trust are listed or traded on a stock exchange or other public market and the trust holds one or more “non-portfolio properties” (as defined in the Tax Act). Non-portfolio properties generally include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections to Canada. However, a trust will not be considered a SIFT trust for a taxation year if it qualifies as a “real estate investment trust” (as defined in the Tax Act) for that year (the “**REIT Exception**”) (discussed below).

Where the SIFT Legislation applies, distributions of a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s net income. Non-portfolio earnings are generally defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and taxable capital gains from the disposition of, non-portfolio properties. The SIFT trust is itself liable to pay income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust are generally deemed to be taxable dividends received by such holder from a taxable Canadian corporation. Such deemed dividends will qualify as “eligible dividends” for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada. Distributions that are paid as returns of capital will generally not attract the tax under the SIFT Legislation.

#### *REIT Exception*

A trust that satisfies the REIT Exception is excluded from the definition of a SIFT trust in the Tax Act and is therefore not subject to the SIFT Legislation. Certain proposals released by the Minister on October 24, 2012 and currently contained in Bill C-48, which received its first reading on November 21, 2012, modify the rules to qualify for the REIT Exception. If enacted as proposed, these Tax Proposals, which are generally relieving in nature, will be effective for the 2011 and subsequent taxation years and also on an elective basis for earlier taxation years.

Assuming that the Tax Proposals are enacted as proposed, the following five criteria must be met in order for a trust to qualify for the REIT Exception in a year subsequent to 2010:

- (a) at each time in the taxation year, the total fair market value at that time of all “non-portfolio properties” that are “qualified REIT properties” held by the trust must be at least 90% of the total fair market value at that time of all non-portfolio properties held by the trust;
- (b) not less than 90% of the trust’s “gross REIT revenue” for the taxation year must be from one or more of the following: “rent from real or immovable properties”, interest, dispositions of “real or immovable properties” that are capital properties, dividends, royalties and dispositions of “eligible resale properties”;
- (c) not less than 75% of the trust’s gross REIT revenue for the taxation year must be from one or more of the following: rent from real or immovable properties, interest from mortgages, or hypothecs, on real or immovable properties, and dispositions of real or immovable properties that are capital properties;
- (d) at each time in the taxation year an amount that is equal to 75% or more of the equity value of the trust at that time, is the amount that is the total fair market value of all properties held by the trust each of which is a real or immovable property that is a capital property, an eligible resale property, cash, a deposit (within the meaning of the *Canada Deposit Insurance Corporation Act* or with a branch in Canada of a bank or a credit union), indebtedness of a Canadian corporation represented by a banker’s acceptance, and debt issued or guaranteed by the Canadian government or issued by a province, municipal government or certain other qualifying public institutions; and
- (e) investments in the trust must be, at any time in the taxation year, listed or traded on a stock exchange or other public market.

The SIFT Legislation contains specific rules under which a trust could qualify for the REIT Exception where it holds its real properties indirectly through intermediate entities, provided that, other than with respect to the listing or trading requirement, each such entity, assuming it were a trust, would satisfy the REIT Exception.

The REIT Exception in the SIFT Legislation contains a number of technical tests and the determination as to whether Dundee Industrial REIT qualifies for the REIT Exception in any particular taxation year can only be made at the end of that taxation year. Based on representations as to certain factual matters from an officer of Dundee Industrial REIT, Dundee Industrial REIT has, at all times throughout 2012, qualified, and expects to continue to qualify throughout 2013 and all subsequent taxation years, for the REIT Exception and each direct or indirect Subsidiary of Dundee Industrial REIT has, at all times throughout 2012, qualified, and expects to continue to qualify throughout 2013 and all subsequent taxation years, as an “excluded subsidiary entity” as defined in the Tax Act, as proposed to be amended. The balance of this summary assumes this to be the case. If Dundee Industrial REIT or each direct or indirect Subsidiary of Dundee Industrial REIT does not so qualify, the income tax considerations described below would, in some respects, be materially different.

### **Taxation of the Dundee Industrial REIT**

The taxation year of Dundee Industrial REIT is the calendar year. In each taxation year, Dundee Industrial REIT will generally be subject to tax under Part I of the Tax Act on its income for the year, including net taxable capital gains for that year and its allocated share of the income from Industrial Partnership for the fiscal period of Industrial Partnership ending in, or coinciding with the year-end of Dundee Industrial REIT, less the portion thereof that it deducts in respect of the amounts paid or payable, or deemed to be paid or payable, to Unitholders in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by Dundee Industrial REIT or if the Unitholder is entitled in that year to enforce payment of the amount.

Dundee Industrial REIT will, generally, also not be subject to tax on any amounts received as distributions from Industrial Partnership. Generally, distributions to Dundee Industrial REIT in excess of its allocated share of the income of Industrial Partnership for a fiscal period will result in a reduction of the adjusted cost base of Dundee Industrial REIT’s units in Industrial Partnership, by the amount of such excess. If Dundee Industrial REIT’s adjusted cost base at the end of a taxation year of its units in Industrial Partnership is a negative amount, Dundee Industrial REIT will be deemed to realize a capital gain in such amount for that year, and Dundee Industrial REIT’s adjusted cost base at the beginning of the next taxation year of its units in Industrial Partnership will then be nil.

In computing its income for purposes of the Tax Act, Dundee Industrial REIT may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income. Dundee Industrial REIT may also deduct from its income for the year a portion of any reasonable expenses incurred by Dundee Industrial REIT to issue Units. The portion of such issue expenses deductible by Dundee Industrial REIT in a taxation year is 20% of such issue expenses, pro-rated where Dundee Industrial REIT’s taxation year is less than 365 days.

Having regard to the present intention of Dundee Industrial REIT’s trustees, Dundee Industrial REIT will make distributions in each year to Unitholders in an amount sufficient to ensure that Dundee Industrial REIT will generally not be liable for tax under Part I of the Tax Act in any year (after taking into account any applicable tax refunds to Dundee Industrial REIT). Where income of Dundee Industrial REIT in a taxation year exceeds the total cash distributions for that year, such excess income may be distributed to Unitholders in the form of additional Units. Income of Dundee Industrial REIT payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by Dundee Industrial REIT in computing its taxable income.

An *in specie* redemption of any Subsidiary Securities and the transfer by Dundee Industrial REIT of Subsidiary Securities to redeeming Unitholders will each be treated as a disposition by Dundee Industrial REIT of such Subsidiary Securities for proceeds of disposition equal to the fair market value thereof. Dundee Industrial REIT will realize a capital gain (or a capital loss) to the extent that the proceeds from these dispositions exceed (or are less than) the adjusted cost base of the Subsidiary Securities, as the case may be, and any reasonable costs of disposition.

Losses incurred by Dundee Industrial REIT cannot be allocated to Unitholders, but can be deducted by Dundee Industrial REIT in future years in computing its taxable income, in accordance with the Tax Act. In the event Dundee Industrial REIT would otherwise be liable for tax on its net taxable capital gains realized by Dundee

Industrial REIT for a taxation year, it will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for such tax by an amount determined under the Tax Act based on the redemption of units of Dundee Industrial REIT during the year (the “**capital gains refund**”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset Dundee Industrial REIT’s tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units and the related *in specie* redemption by Dundee Industrial REIT of any Subsidiary Securities. The Declaration of Trust provides that all or a portion of any capital gain or income realized by Dundee Industrial REIT in connection with such redemptions may, at the discretion of the Board of Trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming Unitholder. Such income or the taxable portion of any capital gain so designated must be included in the income of the redeeming Unitholders (as income or taxable capital gains) and will be deductible by Dundee Industrial REIT in computing its income.

### **Taxation of Industrial Partnership**

The fiscal period of Industrial Partnership is the calendar year. Industrial Partnership is expected to qualify as an “excluded subsidiary entity” at all relevant times and, as a result, will not be subject to tax under the Tax Act. Generally, each partner of Industrial Partnership, including Dundee Industrial REIT, is required to include in computing the partner’s income the partner’s share of the income (or loss) of Industrial Partnership, for Industrial Partnership’s fiscal year ending in, or coinciding with, the partner’s taxation year end, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income (or loss) of Industrial Partnership will be computed for each fiscal period as if it were a separate person resident in Canada.

In computing the income or loss of Industrial Partnership, deductions may generally be claimed in respect of its administrative costs and other reasonable expenses incurred by it for the purpose of earning income, including available capital cost allowances. Certain properties have been acquired by Industrial Partnership on a tax deferred basis, whereby the tax cost of these properties is less than their fair market value. For the purposes of claiming capital cost allowances, the undepreciated capital cost (“UCC”) of such property acquired by Industrial Partnership from the Transferors, will be equal to the UCC of the property to the Transferors immediately before the acquisition and not the fair market value of the property. In addition, if one or more of such properties are disposed of, the gain recognized by Industrial Partnership for tax purposes will be in excess of that which it would have realized if it had acquired the properties at a tax cost equal to their fair market values.

The income or loss of Industrial Partnership for a fiscal period will be allocated to its partners on the basis of their respective share of such income or loss as provided in the limited partnership agreement of Industrial Partnership, subject to the detailed rules in the Tax Act. Generally, distributions to partners in excess of the income of Industrial Partnership for a fiscal period will result in a reduction of the adjusted cost base of the partner’s units in Industrial Partnership by the amount of such excess, as described above.

### **Taxation of Unitholders**

#### *Trust Distributions*

A Unitholder is generally required to include in computing income for a particular taxation year the portion of the net income of Dundee Industrial REIT for the taxation year of Dundee Industrial REIT ending on or before the particular taxation year end of the Unitholder, including net taxable capital gains (determined for the purposes of the Tax Act), that is paid or payable, or deemed to be paid or payable, to the Unitholder in the particular taxation year, whether or not those amounts are received in cash, additional Units or otherwise.

The non-taxable portion of any net capital gains of Dundee Industrial REIT that is paid or payable, or deemed to be paid or payable, to a Unitholder in a taxation year will not be included in computing the Unitholder’s income for the year. Any other amount in excess of the net income and net taxable capital gains of Dundee Industrial REIT that is paid or payable, or deemed to be paid or payable, by Dundee Industrial REIT to a Unitholder in a taxation year, including the further bonus distribution reinvested in Units under the DRIP, will not generally be included in the Unitholder’s income for the year. A Unitholder will be required to reduce the adjusted cost base of its Units by the portion of any amount (other than proceeds of disposition in respect of the redemption of Units and the non-taxable portion of net capital gains) paid or payable to such Unitholder that was not included in computing



the Unitholder's income and will realize a capital gain to the extent that the adjusted cost base of the Unitholder's Units would otherwise be a negative amount.

Provided that appropriate designations are made by Dundee Industrial REIT, such portions of the net taxable capital gains, taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations and foreign source income as are paid or payable, or deemed to be paid or payable, by Dundee Industrial REIT to the Unitholders will effectively retain their character and be treated and taxed as such in the hands of the Unitholders for purposes of the Tax Act, and Unitholders may be entitled to claim a foreign tax credit for foreign taxes paid by Dundee Industrial REIT. To the extent that amounts are designated as having been paid to Unitholders out of the net taxable capital gains of Dundee Industrial REIT, such designated amounts will be deemed for tax purposes to be received by Unitholders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains described below. To the extent that amounts are designated as having been paid to Unitholders out of taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations, they will be subject to the normal gross-up and dividend tax credit provisions in respect of Unitholders who are individuals, to the refundable tax under Part IV of the Tax Act in respect of Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), and to the deduction in computing taxable income in respect of Unitholders that are corporations. A Unitholder that is a Canadian-controlled private corporation (as defined in the Tax Act) throughout its taxation year may also be liable to pay an additional refundable tax on certain investment income, including taxable capital gains. Unitholders should consult their own tax advisors for advice with respect to the potential application of these provisions.

Certain taxable dividends received by individuals from a corporation resident in Canada will be eligible for the enhanced dividend tax credit to the extent certain conditions are met and designations are made, such as the dividend being sourced out of income that is subject to tax at the general corporate tax rate. This may apply to distributions made by Dundee Industrial REIT to the Unitholders that have as their sources eligible dividends received from a corporation resident in Canada, to the extent Dundee Industrial REIT makes the appropriate designation to have such eligible dividends deemed received by the Unitholder and provided that the corporate dividend payer makes the required designation to treat such taxable dividends as eligible dividends.

#### *Dispositions of Units*

On the disposition or deemed disposition of a Unit by a Unitholder, whether on redemption or otherwise, the Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Unitholder's adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by Dundee Industrial REIT that is otherwise required to be included in the Unitholder's income (such as an amount designated as payable by Dundee Industrial REIT to a redeeming Unitholder out of capital gains or income of Dundee Industrial REIT as described above).

For the purpose of determining the adjusted cost base to a Unitholder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that acquisition. The adjusted cost base of a Unit to a Unitholder will include all amounts paid by the Unitholder for the Unit, with certain adjustments. The cost to a Unitholder of Units received in lieu of a cash distribution of income of Dundee Industrial REIT will be equal to the amount of such distribution that is satisfied by the issuance of such Units. The cost of Units acquired on the reinvestment of distributions under the DRIP will be the amount of such investment. There will be no net increase or decrease in the aggregate adjusted cost base of all of a Unitholder's Units as a result of the receipt of the further bonus distribution reinvested in Units under the DRIP; however, the adjusted cost base per Unit will be reduced.

Where the redemption price for Units is paid and satisfied by way of a distribution *in specie* to the Unitholders of Subsidiary Securities, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the property so distributed less any income or capital gain realized by Dundee Industrial REIT as a result of the redemption of those Units to the extent such income or capital gain is designated by Dundee Industrial REIT to the redeeming Unitholder. Where income or capital gain realized by Dundee Industrial REIT as a result of the redemption of Units has been so designated by Dundee Industrial REIT, the Unitholder will be required to include in computing the Unitholder's income for tax purposes, the income and the taxable portion of the capital

gain so designated. The cost of any Subsidiary Security distributed by Dundee Industrial REIT to a Unitholder upon a redemption of Units will generally be equal to the fair market value of such Subsidiary Security at the time of distribution.

### **Taxation of Capital Gains and Losses**

One-half of any capital gains realized by a Unitholder of a Unit and the amount of any net taxable capital gains designated by Dundee Industrial REIT in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One-half of any capital loss realized by a Unitholder on a disposition, or deemed disposition of a Unit, may generally be deducted only from taxable capital gains of the Unitholder in the year of disposition, in the three preceding taxation years or in any subsequent taxation years, to the extent and under the circumstances described in the Tax Act.

Where a Unitholder that is a corporation or a trust (other than a mutual fund trust) disposes of a Unit, the Unitholder's capital loss from the disposition will generally be reduced by the amount of any dividends received by Dundee Industrial REIT previously designated by Dundee Industrial REIT to the Unitholder, to the extent and under the circumstances prescribed in the Tax Act. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units.

### **Alternative Minimum Tax**

In general terms, net income of Dundee Industrial REIT, paid or payable, or deemed to be paid or payable, to a Unitholder who is an individual or trust (other than certain specified trusts), and that is designated as taxable dividends or as net taxable capital gains, and capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of Counsel, based on representations of Dundee Industrial REIT as to certain factual matters and subject to the qualifications and assumptions given under the heading "Certain Canadian Federal Income Tax Considerations" and below, provided that (i) Dundee Industrial REIT qualifies as a "mutual fund trust" for purposes of the Tax Act and the Regulations or (ii) the Units are listed on a designated stock exchange, the Units will, on the date the Units are issued, be qualified investments for trusts governed by Plans. Subsidiary Securities received as a result of a redemption *in specie* of Units may not be qualified investments for Plans, and this could give rise to adverse consequences to such Plan or the holder of or the annuitant or beneficiary under that Plan. Accordingly, Plans that own Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

Notwithstanding the foregoing, a holder of a TFSA or an annuitant under an RRSP or RRIF, as the case may be, will be subject to a penalty tax if the Units held in the TFSA, RRSP or RRIF are a "prohibited investment" as defined in the Tax Act for the TFSA, RRSP or RRIF. The Units will generally be a "prohibited investment" for trusts governed by a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, (i) does not deal at arm's length with Dundee Industrial REIT for the purposes of the Tax Act, (ii) has a "significant interest", as defined in the Tax Act, in Dundee Industrial REIT or (iii) has a "significant interest", as defined in the Tax Act, in a person, partnership or trust with which Dundee Industrial REIT does not deal at arm's length for purposes of the Tax Act. Tax Proposals released on December 21, 2012 propose to delete the condition in (iii) above. In addition, pursuant to such Tax Proposals the Units will generally not be a "prohibited investment" if the Units are "excluded property" (as defined in the Tax Proposals). Holders of a TFSA and annuitants under a RRSP or RRIF should consult their own tax advisors as to whether the Units will be a "prohibited investment" in their particular circumstances.

### **PRIOR SALES**

All information in this section is provided as of February 21, 2013.

Since the date of formation of Dundee Industrial REIT, Dundee Industrial REIT has completed the following distributions of Units and securities convertible into Units:

On December 19, 2012, Dundee Industrial REIT issued 2,358,491 Units and \$25.0 million principal amount of 5.25% Debentures to an affiliate of KingSett in order to satisfy a portion of the purchase price payable for our acquisition of the KingSett Portfolio.

On December 13, 2012, Dundee Industrial REIT completed a bought deal public offering of 13,570,000 Units at a price of \$10.60 per Unit and \$86,250,000 aggregate principal amount of 5.25% Debentures for total gross proceeds of \$230,092,000. The 13,570,000 Units included Units issued on closing pursuant to the exercise by the underwriters of the over-allotment option granted with respect to that offering.

On October 4, 2012, Dundee Industrial REIT completed its initial public offering and issued 15,500,000 Units at a price of \$10.00 per Unit for gross proceeds \$155,000,000. Concurrently with the completion of its initial public offering on October 4, 2012, Dundee Industrial REIT also issued 1,750,000 Units to Dundee Corporation at a price of \$10.00 per Unit and 750,000 Units to Michael J. Cooper at price of \$10.00 per Unit for aggregate gross proceeds of \$25,000,000. Industrial Partnership also issued on that date 16,034,631 LP B Units (together with the same number of Special Trust Units) to DPLP and certain of its subsidiaries as partial consideration for the indirect acquisition of the Initial Properties. The LP B Units are economically equivalent to and exchangeable for Units.

On October 17, 2012, Dundee Industrial REIT completed the issuance of an additional 2,325,000 Units at a price of \$10.00 per Unit for gross proceeds of \$23,250,000 pursuant to the exercise by the underwriters of the over-allotment option granted with respect to Dundee Industrial REIT’s initial public offering.

Dundee Industrial REIT distributes Units on a monthly basis to existing Unitholders who elect to reinvest their monthly distributions in Units pursuant to the DRIP of Dundee Industrial REIT. In addition, holders of LP B Units may elect to reinvest the monthly distributions on their LP B Units in Units pursuant to DRIP-like arrangements provided for in the limited partnership agreement of Industrial Partnership. Since its date of formation, Dundee Industrial REIT has issued 265,293 Units pursuant to the DRIP and the DRIP-like arrangements under the limited partnership agreement referred to above. Units distributed pursuant to the DRIP and the DRIP-like arrangements are issued at a price equal to the weighted average closing price of the Units on the TSX for the five trading days immediately preceding the relevant distribution payment date. Unitholders who participate in the DRIP or the DRIP-like arrangements receive a “bonus” distribution with each reinvestment equal to 3.0% of the amount of the distribution reinvested in the form of additional Units.

## MARKET FOR UNITS

### Trading Price and Volume

Our Units are listed on the TSX under the symbol “DIR.UN”. The following table sets forth the high and low reported trading prices and the trading volume of the Units on the TSX for each month before the date of this prospectus, starting with the partial month from October 4, 2012, being the date of closing of our initial public offering:

Period	High (\$)	Low (\$)	Volume
October 4 to 31, 2012 .....	11.49	10.75	7,316,918
November 2012 .....	11.38	10.58	2,473,673
December 2012 .....	11.20	10.62	2,981,565
January 2013 .....	11.75	11.05	1,846,832
Up to February 21, 2013 .....	11.70	10.99	2,122,078

Our 5.25% Debentures are listed on the TSX under the symbol “DIR.DB”. The following table sets forth the high and low reported trading prices and the trading volume of the 5.25% Debentures on the TSX for each month before the date of this prospectus, starting with the partial month from December 13, 2012, being the date of first issuance of the 5.25% Debentures:

Period	High (\$)	Low (\$)	Volume
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December 13 to 31, 2012 .....	102.75	101.26	140,090
January 2013 .....	105.25	102.60	23,940
Up to February 21, 2013 .....	104.50	103.51	15,930

## RISK FACTORS

An investment in Units is subject to a number of risks, including those set forth in our IPO Prospectus and our 2012 MD&A and those set out below. Prospective investors should carefully consider these risks, in addition to information contained in this prospectus and the information incorporated by reference herein, before purchasing Units.

### Dilution

We will use the net proceeds of this offering to fund potential future acquisitions and for general trust purposes. To the extent that any of the net proceeds of this offering remain uninvested pending their use, or are used to pay down indebtedness with a low interest rate, this offering may result in substantial dilution, on a per Unit basis, to our net income and other measures used by us.

### Historical carve-out financial information and *pro forma* financial information may not be indicative of actual or future results

The historical carve-out financial information relating to both our existing properties and the properties in the KingSett Portfolio incorporated by reference in this prospectus has been derived on a carve-out basis from the historical accounting records of Dundee REIT, Whiterock Real Estate Investment Trust, the ROI Co-Owners and affiliates of KingSett. We believe that management of each such entity has made reasonable assumptions underlying the carve-out financial statements. However, the carve-out financial statements may not reflect what our financial position, results of operations or cash flows would have been had we owned our existing properties or the properties in the KingSett Portfolio during the historical periods presented or what our financial position, results of operations or cash flows will be in the future. The carve-out financial statements do not contain any adjustments to reflect changes that may occur in our cost structure, financing and operations as a result of our acquisition of our existing properties or the properties in the KingSett Portfolio. The estimates used in the *pro forma* financial information incorporated by reference in this prospectus may not be similar to our actual experience.

## LEGAL MATTERS

Certain legal matters in connection with the Units offered hereby will be passed upon for us by Osler, Hoskin & Harcourt LLP, with respect to securities and other matters, and Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP, with respect to certain tax matters, and for the Underwriters by Torys LLP.

The partners and associates of Osler, Hoskin & Harcourt LLP, as a group, Wilson & Partners LLP, as a group, and Torys LLP, as a group, each beneficially own, directly and indirectly, less than 1% of the outstanding securities of Dundee Industrial REIT and its affiliates and associates.

## PROMOTER

DPLP took the initiative in founding and organizing Dundee Industrial REIT and was a promoter of Dundee Industrial REIT for the purposes of applicable securities legislation in connection with our initial public offering, which was completed on October 4, 2012. DPLP is no longer acting as a promoter of Dundee Industrial REIT. In connection with the formation of Dundee Industrial REIT, DPLP contributed \$10.00 in cash to Dundee Industrial REIT as of February 13, 2013. DPLP and certain of its subsidiaries hold an approximate 30.8% effective interest in Dundee Industrial REIT through ownership of all of the LP B Units and corresponding Special Trust Units. We indirectly acquired the Initial Properties from DPLP and those subsidiaries. The Initial Properties had been acquired by DPLP and those subsidiaries through various acquisitions.

We reimbursed DPLP for all reasonable expenses incurred by it in connection with the founding and organizing of Dundee Industrial REIT, including financial, legal, accounting, tax, travel, filing and printing fees. DPLP has not received any acquisition or other fee in connection with the founding and organization of Dundee Industrial REIT or the completion of the acquisition of the Initial Properties and related financings.

#### **AUDITORS, REGISTRAR AND TRANSFER AGENT**

Our auditors are PricewaterhouseCoopers LLP, Chartered Accountants, Licensed Public Accountants located in Toronto, Ontario, who are independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants in Ontario.

The transfer agent and registrar of the Units is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

#### **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

## AUDITOR'S CONSENT

We have read the short form prospectus of Dundee Industrial Real Estate Investment Trust ("**Dundee Industrial REIT**") dated February 25, 2013 relating to the issue and sale of units of Dundee Industrial REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above mentioned prospectus of our report to the unitholders of Dundee Industrial REIT on the consolidated balance sheet of Dundee Industrial REIT as at December 31, 2012 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the period from July 20, 2012 to December 31, 2012 and the related notes which include a summary of significant accounting policies and other explanatory information. Our report is dated February 19, 2013.

We consent to the incorporation by reference in the above mentioned prospectus of our report to the board of trustees of Dundee Real Estate Investment Trust on the carve-out balance sheets of Dundee Initial Properties as at December 31, 2011, December 31, 2010 and January 1, 2010, and the carve-out statements of net income and comprehensive income, divisional surplus and cash flows for the years ended December 31, 2011 and December 31, 2010 and the related notes which include a summary of significant accounting policies and other explanatory information. Our report is dated September 26, 2012.

(Signed) PricewaterhouseCoopers LLP  
**Chartered Accountants, Licensed Public Accountants**

Toronto, Canada  
February 25, 2013

## AUDITOR'S CONSENT

We have read the short form prospectus of Dundee Industrial Real Estate Investment Trust ("**Dundee Industrial REIT**") dated February 25, 2013 relating to the issue and sale of units of Dundee Industrial REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above mentioned prospectus of our report to the directors of Niagara Industrial Fund GP Inc. on the combined statement of financial position of the Calgary, Toronto, Montreal and Halifax Portfolio as at December 31, 2011 and the combined statements of net income and comprehensive income, cash flows and equity in net assets for the year ended December 31, 2011 and the related notes which include a summary of significant accounting policies and other explanatory information. Our report is dated November 29, 2012.

(Signed) PricewaterhouseCoopers LLP  
**Chartered Accountants, Licensed Public Accountants**

Toronto, Canada  
February 25, 2013

## AUDITOR'S CONSENT

We have read the short form prospectus of Dundee Industrial Real Estate Investment Trust ("**Dundee Industrial REIT**") dated February 25, 2013 relating to the issue and sale of units of Dundee Industrial REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above mentioned prospectus of our report to the Trustees of Dundee Industrial REIT on the carve-out balance sheets of Whiterock Initial Properties as at December 31, 2011 and 2010, and January 1, 2010, and the carve-out statements of net income and comprehensive income, divisional surplus and cash flows for the years ended December 31, 2011 and 2010. Our report is dated September 26, 2012.

(Signed) Scarrow & Donald LLP  
**Chartered Accountants**

Winnipeg, Canada  
February 25, 2013



## AUDITOR'S CONSENT

We have read the short form prospectus of Dundee Industrial Real Estate Investment Trust ("**Dundee Industrial REIT**") dated February 25, 2013 relating to the issue and sale of units of Dundee Industrial REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above mentioned prospectus of our report to the Trustees of Dundee Industrial REIT on the carve-out balance sheets of ROI Co-Owned Properties as at December 31, 2011 and 2010, and January 1, 2010, and the carve-out statements of net income and comprehensive income, divisional surplus and cash flows for the years ended December 31, 2011 and 2010. Our report is dated September 26, 2012.

(Signed) Scarrow & Donald LLP  
**Chartered Accountants**

Winnipeg, Canada  
February 25, 2013

## GLOSSARY OF TERMS

When used in this prospectus, the following terms have the meanings set forth below unless expressly indicated otherwise.

“**1933 Act**” means the United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder;

“**2012 MD&A**” has the meaning ascribed to that term in the section “Documents Incorporated by Reference”;

“**5.25% Debentures**” means the 5.25% convertible unsecured subordinated debentures of Dundee Industrial REIT due December 31, 2019, as described in the section “Recent Developments”;

“**Affiliate**” has the meaning ascribed to that term in National Instrument 45-106 — *Prospectus and Registration Exemptions*;

“**Board of Trustees**” means the board of trustees of Dundee Industrial REIT;

“**Counsel**” has the meaning ascribed to that term in the section “Certain Canadian Federal Income Tax Considerations” of this prospectus;

“**CRA**” means the Canada Revenue Agency;

“**Declaration of Trust**” means the amended and restated declaration of trust of Dundee Industrial REIT dated as of October 4, 2012, as amended or amended and restated from time to time;

“**DPLP**” means Dundee Properties Limited Partnership, a limited partnership formed under the laws of the Province of Ontario, and a Subsidiary of Dundee REIT;

“**DRIP**” means the distribution reinvestment and unit purchase plan adopted by Dundee Industrial REIT;

“**Dundee Industrial REIT**” means Dundee Industrial Real Estate Investment Trust, an open-ended real estate investment trust formed under the laws of the Province of Ontario;

“**Dundee Initial Properties**” has the meaning ascribed to that term in the IPO Prospectus;

“**Dundee REIT**” means Dundee Real Estate Investment Trust, an open-ended real estate investment trust formed under the laws of the Province of Ontario;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Canadian Institute of Chartered Accountants in Part I of The Canadian Institute of Chartered Accountants Handbook – Accounting, as amended from time to time;

“**Industrial Partnership**” means Dundee Industrial Limited Partnership, a limited partnership established under the laws of the Province of Ontario which has Dundee Industrial REIT and the applicable Transferors as its sole limited partners;

“**Initial Properties**” means the income-producing properties that Industrial Partnership directly or indirectly acquired, as described under “Initial Properties” in the IPO Prospectus;

“**IPO Prospectus**” has the meaning ascribed to that term in the section “Documents Incorporated by Reference”;

“**KingSett**” has the meaning ascribed to that term in the section “Recent Developments”;

“**KingSett Portfolio**” has the meaning ascribed to that term in the section “Recent Developments”;

“**LP B Units**” means the Class B limited partnership units of Industrial Partnership, and “**LP B Unit**” means any one of them;

“**Maturity Date**” has the meaning ascribed to that term in the section “Recent Developments”;

“**Minister**” means the Minister of Finance (Canada);

“**Notes**” means the promissory notes, bonds, debentures, debt securities or similar evidences of indebtedness issued by an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law;

“**Over-Allotment Option**” has the meaning ascribed to that term on the cover page of this prospectus;

“**Plans**” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, tax-free savings accounts and registered education savings plans under the Tax Act;

“**Regulations**” has the meaning ascribed to that term in the section “Certain Canadian Federal Income Tax Considerations”;

“**REIT**” means a real estate investment trust;

“**REIT Exception**” means the exception under the SIFT Legislation applicable to certain real estate investment trusts that satisfy certain specified conditions relating to the nature of their income and investments;

“**REIT Units**” means, collectively, our Units and Special Trust Units;

“**RRIF**” means a registered retirement income fund;

“**RRSP**” means a registered retirement savings plan;

“**ROI Co-Owned Properties**” has the meaning ascribed to that term in the IPO Prospectus;

“**ROI Co-Owners**” has the meaning ascribed to that term in the IPO Prospectus;

“**SIFT**” means a specified investment flow-through trust or partnership for purposes of the Tax Act;

“**SIFT Legislation**” means the provisions of the Tax Act that apply to a SIFT, taking into account all Tax Proposals with respect to such provisions, including the proposals released on October 24, 2012 and contained in Bill C-48, which received its first reading on November 21, 2012;

“**Special Trust Units**” means units in Dundee Industrial REIT (other than Units) authorized and issued under the Declaration of Trust to a holder of securities which are exchangeable for Units, including the LP B Units;

“**Subsidiary**” has the meaning ascribed to that term in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“**Subsidiary Securities**” means the Notes or other securities of Industrial Partnership or the Notes or other securities of a Subsidiary of Industrial Partnership as the Board of Trustees may determine from time to time;

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1, as amended;

“**Tax Proposals**” has the meaning ascribed to that term in the section “Certain Canadian Federal Income Tax Considerations”;

“**TFSA**” means a tax-free savings account;

“**Transferors**” means, collectively, DPLP, Dundal Canada Limited Partnership, LCH Properties, LAC General Partner Limited, Dundal Holdings Limited Partnership, Dundee Realex Holdings Limited Partnership, WR Trust, WR Master Limited Partnership and their respective permitted assigns, transferors of the Initial Properties to us as described in the IPO Prospectus;

“**TSX**” means the Toronto Stock Exchange;

“**Underwriters**” means TD Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Dundee Securities Ltd., Brookfield Financial Corp., Desjardins Securities Inc., GMP Securities L.P. and National Bank Financial Inc.;

“**Underwriting Agreement**” means the underwriting agreement dated February 15, 2013 between Dundee Industrial REIT and the Underwriters;

“**Unitholders**” means holders of Units;

“**Units**” means units of Dundee Industrial REIT (other than Special Trust Units); and

“**U.S.**” or “**United States**” means United States of America.

**CERTIFICATE OF DUNDEE INDUSTRIAL REIT**

Dated: February 25, 2013

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(Signed) SCOTT HAYES  
President and Chief Executive Officer

(Signed) MARIO BARRAFATO  
Chief Financial Officer

On Behalf of the Board of Trustees

(Signed) JOANNE FERSTMAN  
Trustee

(Signed) ROBERT G. GOODALL  
Trustee

**CERTIFICATE OF THE UNDERWRITERS**

Dated: February 25, 2013

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

TD SECURITIES INC.

By: (Signed) ARMEN FARIAN

SCOTIA CAPITAL INC.

By: (Signed) STEPHEN SENDER

CIBC WORLD MARKETS INC.

By: (Signed) MARK G. JOHNSON

RBC DOMINION SECURITIES INC.

By: (Signed) WILLIAM WONG

BMO NESBITT BURNS INC.

By: (Signed) ONORIO LUCCHESI

CANACCORD GENUITY CORP.

By: (Signed) JUSTIN BOSA

DUNDEE SECURITIES LTD.

By: (Signed) BRAD CUTSEY

BROOKFIELD  
FINANCIAL CORP.

DESJARDINS SECURITIES  
INC.

GMP SECURITIES L.P.

NATIONAL BANK  
FINANCIAL INC.

By: (Signed) MARK MURSKI    By: (Signed) MARK EDWARDS    By: (Signed) ANDREW KIGUEL    By: (Signed) ANDREW WALLACE

