

## Base Shelf Prospectus

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. A copy of this preliminary short form prospectus has been filed under legislation in each of the provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*This short form 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 any state securities laws, and accordingly will not be offered, sold or delivered, directly or indirectly within the United States of America, its possessions and other areas subject to its jurisdiction, except in limited circumstances. 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).*

## PRELIMINARY SHORT FORM PROSPECTUS

New Issue and Secondary Offering

November 19, 2012



## DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST

**\$1,000,000,000**

**Units**

**Debt Securities**

Dundee Industrial Real Estate Investment Trust ("**Dundee Industrial REIT**") may from time to time offer units of Dundee Industrial REIT ("**Units**") and debt securities ("**Debt Securities**"), which may include Debt Securities convertible into or exchangeable for units of Dundee Industrial REIT, or any combination thereof for an aggregate offering price of up to \$1,000,000,000 (or its equivalent, at the date of issue, in any other currency or currencies) during the 25-month period that this short form base shelf prospectus (this "**Prospectus**"), including any amendments hereto, remains valid. The Units and Debt Securities are referred to in this Prospectus as the "**Securities**". Dundee Properties Limited Partnership ("**DPLP**") and certain of its subsidiaries may also offer Units beneficially owned by or issuable to them on the exchange of LP Class B limited partnership units ("**LP B Units**") of Dundee Industrial Limited Partnership ("**Industrial Partnership**"), our operating subsidiary. This prospectus qualifies the distribution of Securities by Dundee Industrial REIT and by DPLP and the subsidiaries of DPLP who are selling unitholders.

The specific terms of any offering of Securities will be set forth in a shelf prospectus supplement (a "**Prospectus Supplement**") and may include, where applicable: (i) in the case of Units, the number of Units offered, the offering price, whether the Units are being offered for cash or other consideration, and any other specific terms; and (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, currency or currency unit for the Debt Securities, maturity, interest rate provisions, authorized denominations, covenants, events of default, any terms for redemption, any exchange or conversion provisions, the initial offering price (or the manner of determination

thereof if offered on a non-fixed price basis), any terms for subordination of the Debt Securities to other indebtedness, whether the Debt Securities will be secured by any assets or guaranteed by any other person and any other specific terms. You should read this Prospectus and any applicable Prospectus Supplement before you invest in any Securities.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items, other than as required to provide for an interest rate that is adjusted for inflation. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as CDOR (the Canadian Dollar Offered Rate) or LIBOR (the London Interbank Offered Rate), and/or that are convertible into or exchangeable for Units.

Dundee Industrial REIT is an unincorporated, open-ended real estate investment trust governed by the laws 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. Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities will not be listed on any securities exchange and there is no market through which the Debt Securities may be sold and purchasers may not be able to resell the Debt Securities purchased under this Prospectus. This may affect the pricing of the Debt Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Debt Securities, and the extent of issuer regulation. See the risk factors in the Prospectus Supplement relating to the particular Debt Securities.**

We may offer and sell Securities to or through underwriters or dealers purchasing as principals, and may also sell Securities directly to one or more purchasers or through dealers acting as agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged in connection with the offering and sale of Securities, and will set forth the terms of the offering of such Securities, including the method of distribution of such Securities, the proceeds to Dundee Industrial REIT and any fees, discounts or other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

Unless otherwise specified in the relevant Prospectus Supplement, in connection with any offering of Securities, the underwriters, dealers or agents may effect transactions that stabilize or maintain the market price of the Securities at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

**There are certain risks inherent in an investment in our Securities and in our activities. Prospective investors should carefully consider these risk factors before purchasing Units. See "Risk Factors" in our IPO Prospectus (as defined in "Documents Incorporated by Reference").**

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.

It is important for you to consider the particular risk factors that may affect the real estate industry and therefore the stability of distributions that holders of Units receive. See, for example, "Risk Factors" in our IPO Prospectus. That section also describes our assessment of certain of those risk factors, as well as the potential consequences if a risk should occur.

The after-tax return from an investment in Units to holders subject to Canadian income tax 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 which are not subject to tax at the time of receipt but reduce a holder's adjusted cost base in the Unit for tax purposes. The composition may change over time, thus affecting a holder's after-tax return. Distributions of the taxable income of Dundee Industrial REIT are generally taxed as ordinary income in the hands of a holder. Distributions in excess of the taxable income of Dundee Industrial REIT are generally tax-deferred (and reduce a holder'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.

All shelf information permitted under applicable securities legislation to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

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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 final long form prospectus of Dundee Industrial REIT dated September 26, 2012 (“**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 regulatory commissions or similar 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) “The REIT” at pages 21 to 25 of our IPO Prospectus;
  - (iii) “The Initial Properties” at pages 30 to 39 of our IPO Prospectus;
  - (iv) the disclosure under the subheading “Environmental Site Assessments” at page 40 of our IPO Prospectus;
  - (v) “Asset Management” at pages 41 to 43 of our IPO Prospectus
  - (vi) “Key Investors” at pages 43 to 46 of our IPO Prospectus;
  - (vii) “Debt Strategy” at pages 46 to 47 of our IPO Prospectus;
  - (viii) “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)”;

- (ix) “Our Structure and Formation” at page 90 of our IPO Prospectus;
  - (x) “Acquisition of the Initial Properties” at pages 90 to 93 of our IPO Prospectus;
  - (xi) “Post-Closing Structure” at page 94 of our IPO Prospectus;
  - (xii) “Real Estate Management and Advisory Services” at pages 95 to 98 of our IPO Prospectus;
  - (xiii) “Trustees and Executive Officers” at pages 98 to 106 of our IPO Prospectus;
  - (xiv) “Executive Compensation” at pages 107 to 110 of our IPO Prospectus;
  - (xv) “Remuneration of Trustees” at page 110 of our IPO Prospectus;
  - (xvi) “Investment Guidelines and Operating Policies” at pages 110 to 113 of our IPO Prospectus;
  - (xvii) “Distribution Policy” at pages 113 to 115 of our IPO Prospectus;
  - (xviii) “Declaration of Trust and Description of REIT Units” at pages 116 to 122 of our IPO Prospectus;
  - (xix) “Industrial Partnership” at pages 122 to 125 of our IPO Prospectus;
  - (xx) “Risk Factors” at pages 136 to 147 of our IPO Prospectus;
  - (xxi) “Material Contracts” at page 147 of our IPO Prospectus;
  - (xxii) “Interests of Management and Others in Material Transactions” at page 148 of our IPO Prospectus;
  - (xxiii) “Legal Proceedings” at page 148 of our IPO Prospectus; and
  - (xxiv) “Glossary of Terms” at pages 155 to 160 of our IPO Prospectus;
- (b) the unaudited interim financial statements of Dundee Industrial REIT as at September 30, 2012 and for the period from July 20, 2012 to September 30, 2012, together with the notes thereto;
  - (c) management’s discussion and analysis of the financial condition and results of operation of Dundee Industrial REIT for the interim period ended September 30, 2012;
  - (d) the material change report of Dundee Industrial REIT dated October 5, 2012; and
  - (e) the business acquisition report of Dundee Industrial REIT dated November 13, 2012.

Any documents of the type referred to above, any comparative interim financial statements, any business acquisition reports, any material change reports (excluding confidential material change reports, if any), any annual information forms and any information circulars filed by Dundee Industrial REIT with the provincial securities commissions or similar authorities in Canada during the term of this Prospectus 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.**

Upon new audited annual financial statements being filed by Dundee Industrial REIT with the applicable securities regulatory authorities during the term of this Prospectus, the previously filed audited annual financial statements (if any) and all unaudited interim financial statements, together with related management's discussion and analysis, relating to prior periods shall be deemed to no longer be incorporated into this Prospectus for the purposes of future offers and sales of securities under this Prospectus.

Upon a new annual information form being filed by Dundee Industrial REIT with the applicable securities regulatory authorities during the term of this Prospectus, the disclosure referred to above in our IPO Prospectus, the previously filed annual information form (if any), any material change reports filed prior to the end of the financial year in respect of which the new annual information form is filed, any information circular filed since the start of such financial year (unless otherwise required by applicable Canadian securities legislation to be incorporated by reference into this Prospectus), and any business acquisition report for acquisitions completed since the beginning of such financial year (unless such report is incorporated by reference into the current annual information form or less than nine months of the acquired business' or related businesses' operations are incorporated into Dundee Industrial REIT's most recent audited annual financial statements), shall be deemed no longer to be incorporated by reference into this Prospectus for the purposes of future offers and sales of securities under this Prospectus. Upon a new information circular prepared in connection with an annual general meeting of Dundee Industrial REIT being filed with the applicable securities regulatory authorities during the term of this Prospectus, the previous information circular prepared in connection with an annual general meeting of Dundee Industrial REIT shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

Upon interim financial statements and related management's discussion and analysis being filed by Dundee Industrial REIT with the applicable securities regulatory authorities during the term of this Prospectus, all previously filed interim financial statements and related management's discussion and analysis shall be deemed no longer to be incorporated by reference into this Prospectus for the purposes of future offers and sales of securities under this Prospectus.

A Prospectus Supplement containing the specific terms of an offering of Securities and other information relating to the Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement, but only for the purpose of the distribution of the Securities to which the Prospectus Supplement pertains.

## **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 "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 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 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. For more information on the risk factors that could cause our actual results to differ from current expectations, see “Risk Factors”.

## **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**

### **Overview**

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 consists of 77 light industrial properties (the “**Initial Properties**”) located in seven provinces in Canada comprising approximately 6.02 million square feet of GLA. 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 means the *Income Tax Act* (Canada), as amended from time to time, and the *Income Tax Regulations* (Canada), as amended from time

to time, as applicable (the “**Tax Act**”), 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 Securities and is available at SEDAR at [www.sedar.com](http://www.sedar.com).

## **RECENT DEVELOPMENTS**

### **Completion of initial public offering and acquisition of the Initial Properties**

Dundee Industrial REIT was established on July 20, 2012 as a real estate investment trust to focus on owning and acquiring industrial properties.

On October 4, 2012, we completed our initial public offering of 15,500,000 Units at a price of \$10.00 per Unit for aggregate gross proceeds of \$155,000,000. Dundee Corporation and Michael J. Cooper purchased a total of 2,500,000 Units at a price of \$10.00 per Unit for aggregate gross proceeds of \$25,000,000. These proceeds, together with drawings of \$8.5 million on our credit facility, were used to indirectly acquire the Initial Properties from subsidiaries of Dundee Real Estate Investment Trust (“**Dundee REIT**”). Dundee Industrial REIT also acquired on October 4, 2012 the co-ownership interests in seven of the Initial Properties that were owned by a third party. As a result, Dundee Industrial REIT owns 100% of the 77 Initial Properties, other than 2240 Premier Way, Edmonton, Alberta, in which it has a 50% interest.

On October 17, 2012, we completed the issuance of an additional 2,325,000 Units at a price of \$10.00 per Unit for aggregate gross proceeds of \$23,250,000. We issued these securities pursuant to the exercise of the over-allotment option by the underwriters for our initial public offering. We used the net proceeds from this additional issuance for general trust purposes, including to repay the \$8.5 million of drawings on our credit facility referred to above.

Under applicable Canadian securities laws, the acquisition of the Initial Properties was considered a “significant acquisition”. The business acquisition report of Dundee Industrial REIT relating to the acquisition is incorporated by reference into this Prospectus.

### **Current discussions and agreements regarding proposed acquisitions and dispositions**

On November 9 2012, we entered into an agreement to acquire 2 Lone Oak Court and 441 Chrislea Road, both located in the Greater Toronto Area, Ontario. The two single tenant buildings were built in 2001 and 1998, respectively, and together total approximately 173,000 square feet. The transaction is expected to close on or about November 30, 2012.

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. 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. We expect to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

## **CONSOLIDATED CAPITALIZATION**

The material changes in our consolidated capitalization from October 1, 2012 to November 16, 2012 are as follows:

- Indebtedness increased by \$321.3 million as a result of: (i) \$279.9 million in mortgages assumed on the acquisition of the Initial Properties; (ii) \$42.0 million of promissory notes payable to Dundee REIT issued in connection with the acquisition of the Initial Properties; and (iii) \$8.5 million drawn on our secured operating credit facility. Offsetting this was: (i) \$0.6 million of principal repayments on the assumed mortgages referred to above; and (ii) \$8.5 million of repayments on the secured operating credit facility referred to above. In addition, the number of subsidiary redeemable units increased due to the issuance of 16,034,631 LP B Units in connection



with the acquisition of the Initial Properties and the issuance of 77,200 LP B Units pursuant to the distribution reinvestment provisions of the limited partnership agreement of Industrial Partnership; and

- Unitholders' equity increased due to: (i) the issuance of 20,325,000 Units in connection with our initial public offering and the subscriptions by Dundee Corporation and Michael J. Cooper; and (ii) the issuance of 1,246 Units pursuant to our distribution reinvestment and unit purchase plan.

## **USE OF PROCEEDS**

Specific information about our use of the net proceeds from an offering of Securities will be set forth in the Prospectus Supplement for that offering.

## **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to the issuance of Debt Securities pursuant to this Prospectus.

## **DESCRIPTION OF UNITS**

### **Units**

Each Unit represents an undivided beneficial interest in Dundee Industrial REIT and in distributions made by Dundee Industrial REIT, whether of net income, net realized capital gains or other amounts and, in the event of the termination or winding-up of Dundee Industrial REIT, in its net assets remaining after the satisfaction of all its liabilities. The Units rank among themselves equally and rateably without discrimination, preference or priority. The distribution entitlement of the Units is derived from the securities held by Dundee Industrial REIT.

Each Unit entitles the holder thereof to one vote at all meetings of unitholders.

The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of such act or any other legislation. Furthermore, we are not a trust company and, accordingly, we are not registered under any trust and loan company legislation as we do not carry on nor intend to carry on the business of a trust company.

For more information regarding our Units, see “Declaration of Trust and Description of REIT Units” in our IPO Prospectus.

### **Limitation on Non-Resident Ownership**

In order for Dundee Industrial REIT to maintain its status as a mutual fund trust under the Tax Act, it must not be established or maintained primarily for the benefit of non-residents of Canada. Accordingly, there are certain restrictions on the number of non-residents that may own our voting securities. See “Declaration of Trust and Description of REIT Units—Limitation on Non-Resident Ownership” in our IPO Prospectus.

## **DESCRIPTION OF DEBT SECURITIES**

The Prospectus Supplement relating to any Debt Securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

- the designation of the series of the Debt Securities, which will distinguish the series of the Debt Securities from all other series of Debt Securities;
- any limit upon the aggregate principal amount of the series of the Debt Securities that may be certified and delivered under a trust indenture or supplement to a trust indenture;

- the date or dates on which the principal and any premium of the series of the Debt Securities is payable;
- the rate or rates at which the series of the Debt Securities shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which a record, if any, shall be taken for the determination of holders to whom such interest shall be payable and/or the method or methods by which such rate or rates or date or dates shall be determined;
- the place or places where the principal of and any interest on the series of the Debt Securities shall be payable or where any series of the Debt Securities may be surrendered for registration of transfer or exchange;
- the right, if any, of Dundee Industrial REIT to redeem the series of the Debt Securities, in whole or in part, at its option and the period or periods within which, the price or prices at which and any terms and conditions upon which, the series of the Debt Securities may be so redeemed, pursuant to any sinking fund or otherwise;
- the obligation, if any, of Dundee Industrial REIT to redeem, purchase or repay the series of the Debt Securities pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which, the period or periods within which, the date or dates on which, and any terms and conditions upon which, the series of the Debt Securities shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;
- if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which the series of the Debt Securities shall be issuable;
- any trustees, depositories, authenticating or paying agents, transfer agents or registrars or any other agent with respect to the series of the Debt Securities;
- any events of default or covenants with respect to the series of the Debt Securities;
- whether and under what circumstances the series of the Debt Securities will be convertible into or exchangeable for securities of Dundee Industrial REIT or any other person;
- the form and terms of the series of the Debt Securities, including, without limitation, if the series of the Debt Securities shall be in registered or unregistered form;
- if applicable, that the series of the Debt Securities shall be issuable in whole or in part as one or more global Debt Securities and, in such case, the depository or depositories for such global Debt Securities in whose name the global Debt Securities will be registered;
- if other than Canadian currency, the currency in which the series of the Debt Securities are issuable; and
- any other term of the series of the Debt Securities.

All Debt Securities of any one series shall be substantially identical, except as may otherwise be established pursuant to a resolution of the Trustees, in an officers' certificate, or in the trust indenture or supplement to the trust indenture for the Debt Securities. All Debt Securities of any one series need not be issued at the same time and may be issued from time to time.

If we sell any of the Debt Securities for any foreign currency or currency unit or if payments on the Debt Securities are payable in any currency or currency unit other than the Canadian dollar, we will describe in the

Prospectus Supplement the restrictions, elections, tax consequences, specific terms and other information relating to those Debt Securities and the non-Canadian dollar currency or currency unit.

## **SELLING UNITHOLDERS**

This Prospectus may also, from time to time, relate to the offering of Units by way of a secondary offering by certain selling unitholders. The terms under which the Units will be offered by selling unitholders will be described in the Prospectus Supplement. The Prospectus Supplement for or including any offering of the Units by selling unitholders will include, without limitation, where applicable: (i) the names of the selling unitholders; (ii) the number of Units owned, controlled or directed by each of the selling unitholders; (iii) the number of Units being distributed for the account of each selling unitholder; (iv) the number of Units to be owned, controlled or directed by the selling unitholders after the distribution and the percentage that number or amount represents out of the total number of outstanding Units; (v) whether the Units are owned by the selling unitholders both of record and beneficially, of record only or beneficially only; (vi) if the selling unitholder purchased any of the Units held by it in the 24 months preceding the date of the Prospectus Supplement, the date or dates the selling unitholders acquired the Units; and (vii) if the selling unitholder acquired the Units held by it in the 12 months preceding the date of the Prospectus Supplement, the cost thereof to the selling unitholder in the aggregate and on a per security basis.

## **PLAN OF DISTRIBUTION**

We may sell Securities: (a) through underwriters, dealers or agents purchasing as principal or acting as agent; (b) directly to one or more purchasers, including sales upon the exercise of conversion or exchange rights attaching to convertible or exchangeable securities held by the purchaser; or (c) through a combination of any of these methods of sale. Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market price or at prices to be negotiated with purchasers, either for cash or for other consideration.

The Prospectus Supplement relating to each offering of Securities will identify each underwriter, dealer or agent, as the case may be, and will also set forth the terms of that offering, including the purchase price of such Securities, the proceeds to Dundee Industrial REIT and any underwriters', dealers' or agents' fees, commissions or other items constituting underwriters' or agents' compensation. Only underwriters, dealers or agents so named in the applicable Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby.

In connection with the sale of Securities, underwriters, dealers or agents may receive compensation from Dundee Industrial REIT in the form of commissions, concessions or discounts. Any such commissions may be paid out of the general funds of Dundee Industrial REIT or the proceeds of the sale of the Securities.

Under agreements which may be entered into by Dundee Industrial REIT, underwriters, dealers and agents who participate in the distribution of Securities may be entitled to indemnification by Dundee Industrial REIT against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters or agents may be required to make in respect thereof.

In connection with any offering of Securities, the underwriters, dealers or agents who participate in the distribution of Securities may over-allot or effect transactions which stabilize or maintain the price of the Securities at a higher level than that which might exist in the open market. Such transactions may be commenced, interrupted or discontinued at any time.

Unless stated to the contrary in any Prospectus Supplement, the Securities have not been and will not be registered under the 1933 Act or any state securities laws and may not be offered or sold within the United States or to U.S. persons within the meaning of Regulation S under the 1933 Act, except in certain transactions exempt from the registration requirements of the 1933 Act. In addition, until 40 days after the commencement of an offering of Securities, an offer or sale of the Securities within the United States or to U.S. persons by any dealer, whether or not participating in the offering, may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the 1933 Act.

## PRIOR SALES

Since the date of formation of Dundee Industrial REIT to the date of this Prospectus, Dundee Industrial REIT has completed the following distributions of Units and securities that are convertible into Units:

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 per Unit of \$10.00 and 750,000 Units to Michael J. Cooper at price of \$10.00 per Unit for 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 of Dundee International REIT) 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 distribution reinvestment and unit purchase plan of Dundee Industrial REIT (the "DRIP"). In addition, holders of LB 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 78,446 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.

## 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, to November 16, 2012:

<b>Period</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume</b>
October 4, 2012 to October 31, 2012 .....	11.49	10.75	7,316,918
November 1, 2012 to November 16, 2012.....	11.38	10.66	958,621

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors described therein of purchasing, holding and disposing of applicable Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax considerations.

## RISK FACTORS

An investment in Securities is subject to a number of risks, including those set forth in our IPO Prospectus and those to be set out in our annual information form. Prospective investors should carefully consider these risks, in addition to information contained in the Prospectus Supplement relating to an offering and the information incorporated by reference therein, before purchasing Securities. See "Risk Factors" in our IPO Prospectus.

## **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 the formation of Dundee Industrial REIT, DPLP contributed \$10.00 in cash to Dundee Industrial REIT. DPLP and certain of its subsidiaries hold an approximate 44.1% effective interest in Dundee Industrial REIT through ownership of all of the LP B Units and corresponding special trust units of Dundee Industrial REIT. 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.

## **LEGAL MATTERS AND INTERESTS OF EXPERTS**

Unless otherwise specified in the Prospectus Supplement relating to an offer of Securities, certain legal matters relating to the issue and sale of the Units will be passed upon on our behalf by Osler, Hoskin & Harcourt LLP and Wilson & Partners LLP.

As of the date of this Prospectus, the partners and associates of Osler, Hoskin & Harcourt LLP, as a group, the partners and associates of Wilson & Partners LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of any class or series of Dundee Industrial REIT.

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

The auditors of Dundee Industrial REIT are PricewaterhouseCoopers LLP, Chartered Accountants, located in Toronto, Ontario, who were appointed as Dundee Industrial REIT's auditors on July 20, 2012 and are independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants in Ontario.

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

## **PURCHASERS' STATUTORY RIGHTS**

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 base shelf prospectus of Dundee Industrial Real Estate Investment Trust (“**Dundee Industrial REIT**”) dated November ●, 2012 relating to the unallocated offering of up to an aggregate of \$1,000,000,000 of units and debt securities 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 short form 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. Our report is dated September 26, 2012.

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**Chartered Accountants, Licensed Public Accountants**

Toronto, Canada

●, 2012

## AUDITOR'S CONSENT

We have read the short form base shelf prospectus of Dundee Industrial Real Estate Investment Trust (“**Dundee Industrial REIT**”) dated November ●, 2012 relating to the unallocated offering of up to an aggregate of \$1,000,000,000 of units and debt securities 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 short form base shelf 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.

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### **Chartered Accountants**

Winnipeg, Canada

●, 2012

## AUDITOR'S CONSENT

We have read the short form base shelf prospectus of Dundee Industrial Real Estate Investment Trust (“**Dundee Industrial REIT**”) dated November ●, 2012 relating to the unallocated offering of up to an aggregate of \$1,000,000,000 of units and debt securities 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 short form base shelf 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.

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### **Chartered Accountants**

Winnipeg, Canada

●, 2012



## **CERTIFICATE OF THE REIT**

Dated: November 19, 2012

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) 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 GOODALL  
Trustee

