

## PRESS RELEASE

### FOR IMMEDIATE RELEASE

January 29, 2013

### TAGGART CAPITAL CORP. ANNOUNCES COMPLETION OF QUALIFYING TRANSACTION

Toronto, Ontario – (TSXV: TAG.P) Taggart Capital Corp. (the “**Company**”), is pleased to announce today that it has closed its previously announced Qualifying Transaction. The Qualifying Transaction involved three components, as disclosed in the Company’s press release dated November 22, 2012 and in its filing statement dated January 18, 2013 (the “**Filing Statement**”): (i) the purchase of a 10,574 square-foot two-storey commercial retail property located at 135 Main Street in Moncton, New Brunswick (the “**Acquisition**”), (ii) the introduction of a new management team through the resignation of the current directors and officers of the Company and the replacement thereof by a new management team and board (the “**Change in Management**”), and (iii) the completion of two separate private placements for aggregate gross proceeds of approximately \$6,583,000 (the “**Private Placements**”). Shareholders of the Company are encouraged to go on SEDAR at [www.sedar.com](http://www.sedar.com) to review the Company’s Filing Statement.

The Company has submitted final documentation with respect to the Qualifying Transaction to the TSX Venture Exchange (the “**Exchange**”) and, subject to the Exchange’s final approval, anticipates that the Company will be listed on the Exchange as a Tier 1 issuer.

#### Completion of the Private Placements

The Private Placements were comprised of two separate transactions completed through (i) the issuance of 21,108,566 subscription receipts (the “**Subscription Receipts**”) at a price per Subscription Receipt of \$0.30 (the “**QT Private Placement**”), and (ii) the issuance of 1,587,302 common shares at a price per share of \$0.1575 (the “**New Management Private Placement**”).

As previously disclosed in the Company’s Filing Statement and its press release dated December 21, 2012, the net proceeds of the QT Private Placement were first held in escrow pending the completion of the Qualifying Transaction. The escrow release conditions set out in the subscription receipt agreement having been satisfied, the net proceeds were released from escrow by the escrow agent in order to, among other things, satisfy in part the purchase price of the Acquisition. Concurrently with the release of the escrowed funds, the Subscription Receipts were automatically converted into 21,108,566 common shares of the Company.

James W. Beckerleg and Gordon G. Lawlor subscribed for all of the shares issued under the New Management Private Placement for proceeds of \$250,000 (the “**New Management Shares**”). Concurrently with the completion of the Qualifying Transaction, Messrs. Beckerleg and Lawlor also purchased all of the 3,450,000 escrowed seed shares of the Company from its principals at a purchase price of \$0.13 per share for an aggregate consideration of \$448,500 (the “**Seed Shares**”). Pursuant to the terms of two escrow agreements dated September 14, 2011 and January 29, 2013, respectively, the New Management Shares and the Seed Shares are currently held in escrow and will be subject to escrow restrictions pursuant to the policies of the Exchange.

#### Change in Management and the Board

The new management team of the Company (the “**New Management Team**”) consists of: (i) James W. Beckerleg, who serves as President, Chief Executive Officer and Director, (ii) Gordon G. Lawlor who serves as Chief Financial Officer and Director, and (iii) Vitale A. Santoro who serves as Corporate

Secretary. In addition, two independent directors were appointed. John Levitt (Toronto), serves as Independent Director and Chairman of the Board, and Gérard A. Limoges (Montreal) serves as Independent Director and Chair of the Audit Committee.

Until recently, Messrs. Beckerleg and Lawlor were members of the executive team of CANMARC, a publicly-traded Canadian real estate investment trust that completed its initial public offering in May 2010 and was subsequently acquired in March 2012 by a larger REIT. Messrs. Beckerleg and Lawlor remained with the merged enterprise until the third quarter of 2012 as part of the transition team. Mr. Beckerleg served as President, Chief Executive Officer and Trustee and Mr. Lawlor held the position of Executive Vice-President, Chief Financial Officer and Secretary of CANMARC. During their tenure with CANMARC, Messrs. Beckerleg and Lawlor completed in excess of \$730 million of commercial real estate transactions, increasing CANMARC's asset base to \$1.9 billion, while generating a total return to unitholders in excess of 80%. The members of the New Management Team and the board of the Company have, in the aggregate, over 80 years of operating, acquisitions, and financing experience in the Canadian real estate sector. They also have access to a broad network of relationships within the industry that will aid the Company in identifying and closing accretive acquisitions.

#### ***James W. Beckerleg***

From May 2010 until recently, James W. Beckerleg was the President and Chief Executive Officer of CANMARC, a publicly-traded REIT with a nationally diversified portfolio of commercial properties. From 1995 to 2010, Mr. Beckerleg was President of Belwest Capital Management Corp., a private consulting firm which provided consulting and management services in the area of strategic advice and planning, corporate finance, mergers and acquisitions to various clients, including but not limited to, Homburg Canada Inc., a private international real estate management company. From 2005 to 2009, Mr. Beckerleg also served as Executive Vice-President, Quebec Region for Homburg Canada Inc.

Mr. Beckerleg has many years of experience in corporate finance, mergers and acquisitions and has served as an executive and director of several public companies, including CANMARC and several other companies in the real estate sector. He has a B.Sc (Mathematics) from McGill University (Montreal, Quebec) and an MBA from Concordia University (Montreal, Quebec).

#### ***Gordon G. Lawlor, CA***

From May 2010 until recently, Gordon G. Lawlor was the Executive Vice President, Chief Financial Officer and Secretary of CANMARC. From 2005 to 2010, Mr. Lawlor held senior management positions, including that of Chief Financial Officer, with Homburg Canada Inc., a private international real estate management company. After graduating from Saint Mary's University (Halifax, Nova Scotia) in 1988 with a Bachelor of Science (Mathematics), he began working with a chartered accounting firm, receiving his Chartered Accountant designation in 1994. Prior to CANMARC and the Homburg group, Mr. Lawlor spent seven years at Emera Inc., a publicly traded utility company where he served in a number of senior management positions, including Director of Finance.

#### ***Vitale A. Santoro***

Vitale A. Santoro is a partner in the corporate department of the Montreal office of Osler, Hoskin & Harcourt LLP. Mr. Santoro practices corporate law, with an emphasis on corporate finance and mergers & acquisitions. Mr. Santoro obtained an LL.B. from Université de Montréal (Montreal, Quebec) and a B.A. (Economics) from Concordia University (Montreal, Quebec).

#### ***John Levitt***

From May 2010 until recently, John Levitt was an Independent Trustee of CANMARC and served on

several committees during his time with CANMARC, including the Audit Committee, the Governance and Nominating Committee, and the Investment Committee. Mr. Levitt is currently a partner at EDEV Real Estate Advisors, which he joined as a partner in 2005, and has over 25 years of experience in the real estate sector. EDEV Real Estate Advisors is a multi-faceted real estate consulting company offering development management, strategic planning and transaction services to clients. From 1997 to 2005, he was a member of the senior management of O&Y Properties Corporation with specific responsibility for O&Y's acquisition and development programs, which over eight years grew from an asset base of \$250 million to over \$2 billion.

***Gérard A. Limoges, CM, FCPA, FCA***

From May 2010 until recently, Gérard A. Limoges was an Independent Trustee of CANMARC and served on several committees during his time with CANMARC, including the Audit Committee (as Chair), the Governance and Nominating Committee, and the Compensation Committee. Gérard A. Limoges is currently a corporate director and sits on the board of directors of several public companies. He is also a member of the board of directors of private companies and not-for-profit organizations, including the Orchestre Symphonique de Montréal. He was formerly deputy Chairman of Ernst & Young Canada until retirement in September 1999, after a career of 37 years with this firm. He has vast experience in the areas of accounting, audit, mergers and acquisitions and has worked for clients in a wide range of industries including service companies, retail, communications, transportation, real estate, financial institutions, insurance, manufacturing and pulp and paper. He is a member of the Institute of Corporate Directors, of the Québec Order of CPA and of the Canadian Institute of Chartered Accountants. Mr. Limoges received the Order of Canada in 2002.

**Intention to Complete Follow-On Acquisitions and Convert the Company into a Real Estate Investment Trust**

The New Management Team has called a meeting of shareholders for February 28, 2013 to, amongst other things, approve the conversion of the Company into a real estate investment trust (a “**REIT**”) to be named PRO Real Estate Investment Trust (“**PROREIT**”). These steps will also be subject to receipt of all necessary approvals, including that of the Exchange. It is expected that the New Management Team of the Company will be appointed to title positions in PROREIT and that the board will be expanded.

It is the New Management Team's plan to raise additional funds in the marketplace, acquire further real estate properties and assemble a diversified portfolio of commercial real estate properties in the Maritimes, Quebec and Ontario where they have significant knowledge and experience. Their strategy will be focused on acquiring quality properties with strong tenants, in primary and well understood secondary markets. The New Management Team intends to operate with a conservative capital structure featuring staggered and longer term mortgage maturities, and a conservative payout ratio. The New Management Team believes these strategies offer an excellent opportunity to build a substantial portfolio of commercial real estate, providing stable cash flows and distributions, with growth over time. There can be no assurances that the Company will convert into a REIT in the future and no representation is made to that effect.

***Forward-Looking Statements***

This press release contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or

implied by the forward-looking statements. Accordingly, readers should not place undue reliance on forward looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company.

*Investors are cautioned that, except as disclosed in the Filing Statement filed in connection with the Qualifying Transaction, any information released or received with respect to such transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The Exchange has in no way passed upon the merits of the proposed Qualifying Transaction and has neither approved nor disapproved the contents of this press release.*

*Neither the Exchange nor its Regulation Services Provider (as that term is defined in policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.*

For additional information, please contact: James W. Beckerleg, President and Chief Executive Officer, of the Company at (514) 933-9552.