

## PRESS RELEASE

### FOR IMMEDIATE RELEASE

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### **TAGGART CAPITAL CORP. ANNOUNCES PROPOSED QUALIFYING TRANSACTION AND CHANGE OF CONTROL. NEW MANAGEMENT PLANS TO COMPLETE FOLLOW-ON ACQUISITIONS AND CONVERT ISSUER INTO A REAL ESTATE INVESTMENT TRUST TO BE NAMED PROREIT**

Toronto, Ontario – (TSXV: TAG.P) Taggart Capital Corp. (the “**Company**”), a capital pool company listed on the TSX Venture Exchange (the “**Exchange**”), is pleased to announce that it signed an agreement on November 19, 2012 (the “**Transaction Agreement**”) with James Beckerleg and Gordon Lawlor, former senior executives of CANMARC Real Estate Investment Trust (“**CANMARC**”) which contemplates a series of transactions (the “**Transactions**”), including the purchase by the Company of a recently constructed 10,574 square-foot two-storey commercial retail property located at 135 Main Street in Moncton, New Brunswick (the “**QT Property**”). The acquisition of the QT Property (the “**Acquisition**”) will be made pursuant to the terms of a purchase agreement entered into between Commercial Properties Limited, a real estate company governed by the laws of New Brunswick (the “**Vendor**”) and Labec Realty Advisors Inc., a company controlled by Messrs. Beckerleg and Lawlor (“**Labec**” or the “**Manager**”) on November 7, 2012 (the “**Acquisition Agreement**”), which will be subsequently assigned by Labec to the Company prior to closing of the Acquisition. The Transaction Agreement was negotiated on behalf of the board of directors of the Company by John FitzGerald, President of the Company. Upon completion of the Transactions, Messrs. Beckerleg and Lawlor will become, respectively, President, Chief Executive Officer and Director and Chief Financial Officer and Director of the resulting issuer (the “**Resulting Issuer**”). The Acquisition, the introduction of the new management team (the “**Change in Management**”), along with the completion of two separate private placements are intended to serve as the Company’s proposed Qualifying Transaction pursuant to the Exchange Policy 2.4 – *Capital Pool Companies* (the “**CPC Policy**”).

#### **The Qualifying Transaction**

The proposed Qualifying Transaction involves three primary components: (i) the Acquisition, (ii) the Change in Management through the resignation of the current directors and officers of the Company and the replacement thereof by a new management team comprised of Messrs. Beckerleg and Lawlor (the “**New Management Team**”) and a new board, and (iii) the completion of two separate private placements through the issuance by the Company of 1,587,302 common shares at a price per share of \$0.1575 (the “**Initial Private Placement**”), and up to 17,500,000 common shares at a price per share of \$0.30 (the “**QT Private Placement**” and together with the Initial Private Placement, the “**Private Placements**”), for aggregate gross proceeds to the Company of approximately \$5,500,000. The net proceeds from the Private Placements will mainly serve to satisfy the cash component of the purchase price of the QT Property. The shares issued pursuant to the Initial Private Placement will be subject to escrow restrictions pursuant to the policies of the Exchange.

Concurrently with the completion of the Qualifying Transaction, it is also the intention of Messrs. Beckerleg and Lawlor to, directly or indirectly, purchase all of the 3,450,000 seed shares currently held in escrow (the “**Seed Shares**”) at a purchase price of \$0.13 per share, for aggregate consideration of \$448,500 (the “**Seed Share Transaction**”). The completion of the Seed Share Transaction will further solidify and align the interests of the New Management Team with those of the Company.

The completion of the proposed Qualifying Transaction is subject to, among other things, prior satisfaction or waiver of a number of conditions, including the final Exchange acceptance of the

Qualifying Transaction, the completion of the Private Placements and the Seed Share Transaction. Subject to these conditions, the Company anticipates completing the Qualifying Transaction by early January 2013. Upon completion of the proposed Qualifying Transaction, the Resulting Issuer is expected to meet all of the minimum listing requirements for a Tier 2 Real Estate Issuer.

### ***The Description of the QT Property***

The QT Property was built in 2012 on approximately 82,000 square feet of land located on Main Street in Moncton in an expanding retail node. It is currently 100% leased on a long-term basis to a Canadian Schedule I Chartered Bank until April 2022 and generates annual net operating income of approximately \$360,000. The purchase price for the QT Property will be \$5,975,000, subject to closing costs and customary adjustments (the “**Purchase Price**”), representing a going-in capitalization rate of 6.0% on the purchase, including undeveloped land which may accommodate an additional retail development in the future. The QT Property is currently subject to a first mortgage in the principal amount of approximately \$2,850,000 bearing interest at a rate of 4.13% per annum, with a term expiring in June 2022 (the “**Existing Mortgage**”).

The Purchase Price will be payable to the Vendor by way of (i) \$3,125,000 in cash, and (ii) assumption of the Existing Mortgage secured by the QT Property. An initial deposit of \$100,000 was paid by the Manager to the Vendor on November 8, 2012 and an additional deposit of \$100,000 will be payable upon the Manager waiving or declaring itself satisfied of certain conditions set out in the Acquisition Agreement.

Labec will be the asset manager of the Company pursuant to an agreement to be entered into between the Company and Labec at closing of the Qualifying Transaction.

The Vendor, Labec and the New Management Team are at arm’s length to the Company and as such, the proposed Qualifying Transaction is not a “Non Arm’s Length Qualifying Transaction” (as defined in the CPC Policy).

### ***The Private Placements***

Pursuant to the Private Placements, the Company intends to raise aggregate gross proceeds of up to \$5,500,000 that will be used: (i) to satisfy, along with cash on hand, the cash component of the Purchase Price for the Acquisition, (ii) to pay the costs associated with the Acquisition and the Private Placements, (iii) to identify and pay deposits on future property acquisitions, and (iv) for general corporate and working capital purposes. In addition to the Seed Share Transaction, Messrs. Beckerleg and Lawlor will participate in the Private Placements for an aggregate amount of \$250,000 by subscribing for all of the shares issued under the Initial Private Placement.

Canaccord Genuity Corp. (the “**Agent**”) has been retained to act as agent for the Company, on a best efforts basis, in connection with the Private Placements. The Company will pay to the Agent a commission of 6% of the gross proceeds of the QT Private Placement.

### ***Change in Management and the Board***

As a result of the proposed Change in Management, it is anticipated that there will be a change to the insiders of the Company such that the current officers and directors of the Company will resign and be replaced by the New Management Team and a new board at closing of the Qualifying Transaction. The New Management Team of the Resulting Issuer will consist of: (i) James W. Beckerleg, who will serve as President, Chief Executive Officer and Director, (ii) Gordon G. Lawlor who will serve as Chief Financial Officer and Director, and (iii) Vitale A. Santoro who will serve as Corporate Secretary. In addition, two independent directors will be appointed. John Levitt (Toronto), will serve as Independent Director and

Chairman of the Board, and Gérard A. Limoges (Montreal) will serve 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 proposed board of the Resulting Issuer have, in the aggregate, over 50 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 Resulting Issuer in identifying and closing accretive acquisitions.

The background of each member of the New Management Team and proposed board of the Resulting Issuer is described below and will be contained in the Company's Filing Statement which will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Intention to Complete Follow-On Acquisitions and convert the Resulting Issuer into a Real Estate Investment Trust**

Upon completion of the Qualifying Transaction, the New Management Team intends on acquiring further real estate properties, raise additional funds in the marketplace and call a meeting of shareholders to convert the Resulting Issuer into a real estate investment trust (a "REIT") to be named PRO Real Estate Investment Trust ("PROREIT"), subject to receipt of all necessary approvals, including that of the Exchange. The composition of the board of trustees and executive officers of PROREIT will be determined and announced at a later date, with the intention being that the management team of PROREIT will include the members of the New Management Team.

It is the New Management Team's plan to assemble a diversified portfolio of commercial real estate properties in the Maritimes, Quebec and Ontario where the New Management Team has significant knowledge and experience. Their strategy will be focused on acquiring high quality properties with strong tenants under long term leases, 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 this strategy offers an excellent opportunity to build a substantial portfolio of commercial real estate, providing stable cash flows and distributions, with growth over time. However, there can be no assurances that the Resulting Issuer will convert into a REIT in the future and no representation is made to that effect.

### **Seed Share Transaction**

In connection with the Qualifying Transaction, it is the intention of Messrs. Beckerleg and Lawlor to, directly or indirectly, purchase the Seed Shares at a price of \$0.13 per share, for aggregate consideration of \$448,500, pursuant to the terms of a share purchase agreement to be entered into with the current holders of the Seed Shares. The completion of the Seed Share Transaction is subject to a number of conditions, including but not limited to: (i) obtaining the approval of the Exchange, (ii) the closing of the Qualifying Transaction, and (iii) Messrs. Beckerleg and Lawlor, as purchasers of the Seed Shares, being bound by and assuming the relevant seed share resale restrictions of the Exchange pursuant to the terms of the "CPC Escrow Agreement" (as defined in the CPC Policy). Pursuant to the Seed Share Transaction, certain existing insiders of the Company will receive the benefit of the proceeds from the sale of the Seed Shares. Additional details will be contained in the Company's Filing Statement which will be available on

SEDAR at [www.sedar.com](http://www.sedar.com).

## **New Management Team and Board of the Resulting Issuer**

### ***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.

### ***G rard A. Limoges, CM, FCPA, FCA***

From May 2010 until recently, G rard 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. G rard 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.

### **Taggart Capital Corp.**

The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than cash.

### ***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. Examples of such statements include, among other things, the intention to (i) complete the Qualifying Transaction, (ii) reorganize the Resulting Issuer into a REIT, and (iii) the intention to complete follow-on acquisitions. 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.

*Completion of the Qualifying Transaction and the Seed Share Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the Filing Statement to be prepared 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: John FitzGerald, President, Chief Executive Officer, Chief Financial Officer and Corporate Secretary of the Company at (416) 207-3307.