

Momentum Builds For FrontFour and Sandpiper’s Case For Change With Strong Unitholder Support and Positive Recommendations from ISS and Glass Lewis in Favour of All Three Director Nominees

- *FrontFour and Sandpiper Thank Unitholders For Overwhelming Support Received To-Date*
- *ISS and Glass Lewis Note FrontFour & Sandpiper’s Compelling Case for Change*
- *ISS and Glass Lewis Recognize That Granite’s Board is in Need of New Leadership*
- *FrontFour and Sandpiper Express Willingness to Engage With The Board to Move Forward*

TORONTO, June 7, 2017 – FrontFour Capital Group LLC (“**FrontFour**”) and Sandpiper Group (“**Sandpiper**”), owners of approximately 6.2% of the outstanding stapled units of Granite Real Estate Investment Trust (“**Granite**”) (GRT.UN:TSX, GRP.U:NYSE), today thanked fellow Unitholders for their overwhelming support to-date for FrontFour and Sandpiper’s three highly qualified, independent nominees to Granite’s Board of Trustees and the Board of Directors of Granite REIT Inc. (together, the “**Board**”) at the upcoming Annual General Meeting (“**AGM**”) on June 15, 2017.

Following Institutional Shareholder Services Inc.’s (“**ISS**”) favorable announcement last Friday, leading independent proxy advisory firm, Glass Lewis & Co., LLC (“**Glass Lewis**”), has also recommended that Granite unitholders vote on the **BLUE proxy card FOR** the election of all of FrontFour and Sandpiper’s highly-qualified nominees, **Al Mawani**, **Peter Aghar** and **Samir Manji**, and **WITHHOLD** their vote from current Board members, **G. Wesley Voorheis**, **Peter Dey** and **Brydon Cruise**.

We are pleased that both ISS and Glass Lewis, two globally respected, independent advisory firms, have concluded that FrontFour and Sandpiper have made a compelling case for change that warrants immediate action. In the last few days, both firms have recommended that Granite unitholders vote **FOR** the election of all of FrontFour and Sandpiper’s highly-qualified nominees and that unitholders **WITHHOLD** their vote from current Board members, **G. Wesley Voorheis** (Chairman), **Peter Dey** (Vice Chairman) and **Brydon Cruise** (Compensation Committee Chair).

If elected, our nominees look forward to working productively with Granite’s management team and the rest of the elected Board to provide a cohesive environment and constructive leadership. Our three nominees - **Al Mawani**, **Peter Aghar** and **Samir Manji** - are all seasoned real estate veterans, highly respected in the real estate industry and have considerable board experience. We are confident that any board transition will be seamless, immediately restore governance best practices, and represent a meaningful first step to repairing investor confidence.

As stated at the start of our campaign for change, a number of institutional unitholders have privately tried to engage with the Board of Granite in person and in writing, on the issues of governance, compensation and strategy to no avail. Despite the fact that our own efforts to engage the Board have been similarly rejected, **FrontFour and Sandpiper remain willing to engage with the Board in order to avoid further unnecessary unitholder costs and distraction.**

With the AGM approaching, FrontFour and Sandpiper urge all unitholders to follow ISS and Glass Lewis’ recommendations and to vote “**FOR**” all of our highly-qualified Board nominees on the **BLUE proxy card**: **Al Mawani**, **Peter Aghar** and **Samir Manji**. As a reminder, ISS and Glass Lewis have recommended that unitholders **WITHHOLD** their vote from current Board members, **G. Wesley Voorheis** (Chairman), **Peter Dey** (Vice Chairman) and **Brydon Cruise** (Compensation Committee Chair).

YOUR SUPPORT IS EXTREMELY IMPORTANT – YOUR VOTE CAN ENSURE POSITIVE CHANGE IS ACCOMPLISHED AND VALUE IS UNLOCKED AT GRANITE

Concerned unitholders of Granite REIT along with ISS and Glass Lewis recommend that unitholders vote their BLUE form of proxy FOR FrontFour and Sandpiper's nominees prior to 12:00 p.m. ET on Monday, June 12, 2017.

If you require any assistance in completing your BLUE form of proxy, please contact our strategic unitholder advisor and proxy solicitor, Kingsdale Advisors (“**Kingsdale**”) by telephone at 1-855-682-4840 toll-free in North America or call collect at 416-867-2272 outside of North America or by e-mail at contactus@kingsdaleadvisors.com. Even if you have voted the White proxy, it is not too late. A later-dated BLUE proxy will replace any previously voted White proxy.

FRONTFOUR CAPITAL GROUP LLC

FrontFour Capital Group LLC, located in the United States at 35 Mason Street, Greenwich, CT 06830, was formed in December 2006. FrontFour Capital Group LLC is registered with the Securities & Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended.

SANDPIPER GROUP

Sandpiper is a Vancouver-based private equity firm focused on investing in real estate through direct property investments and securities. For more information about Sandpiper, visit www.sandpipergroup.ca.