

TITANSTAR™

TitanStar Properties Inc. Announces Loan Agreement

August 31, 2016. TitanStar Properties Inc. (TSX Venture: TSP-V) ("**TitanStar**" or the "**Company**") announces that, further to its news releases dated May 3, 2016 and August 30, 2016, it will now proceed with and has entered into a loan agreement (the "**Agreement**") with TitanStar Finance Inc. ("**TSFI**"), a private company of which T. Richard Turner, President, CEO and a director of the Company, is a principal (the "**Lender**"), to borrow an aggregate total of CAD \$1,000,000 from the Lender (the "**Loan**") for the purposes of funding the Company's costs in relation to the acquisition of a retail real estate asset (the "**Acquisition**") known as the "116th Street Center" located in Carmel, Indiana.

The Loan bears interest (the "**Interest Amount**", together with the principal amount of the Loan, the "**Indebtedness**") at a fixed rate of: (i) 8.0% per annum for the first three month period commencing on the date (the "**Advance Date**") that the Lender advance any portion of the principal amount to or on behalf of the Company and ending on (but not including) that date (the "**Interest Adjustment Date**") which is three months from the completion of the Acquisition; and (ii) 10.0% per annum from and including the Interest Adjustment Date until all Indebtedness owing hereunder is repaid.

The Indebtedness is repayable on demand subject to the respective terms and conditions of the Agreement.

As security for its obligations under the Agreement, the Corporation will grant to the Lender a general security interest against its assets, excepting any interest in TitanStar US, Inc., TSP Metro Gateway LLC and TSP 116 Street, LLC, subject to the priority of any rights owing to Starwood Mortgage Capital LLC.

The Agreement and the transactions contemplated therein are subject to all requisite approvals from the TSX Venture Exchange.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About TitanStar

TitanStar is a real estate issuer whose investment strategy focuses on building a portfolio of well-positioned, undervalued or underperforming stabilized assets, focusing on geographic areas. TitanStar currently holds the following assets:

- a 50% beneficial interest in the Deer Springs Crossing Shopping Center, a 22.8 acre retail development project also located in Las Vegas;
- a 50% beneficial interest in the Swanway Plaza, a 55,790 square foot retail shopping centre in Tucson, Arizona (currently subject to a "buy/sell" notice, as described above);
- a 50% beneficial interest in the Kohl's San Tan Plaza, a 29,945 square foot retail shopping centre in Chandler, Arizona (currently subject to a "buy/sell" notice, as described above);

- a 38.4% beneficial interest in Adam's Dairy Landing, a 254,036 square foot retail shopping centre, located in Blue Springs, Missouri;
- a 49% beneficial interest in Martin Downs Town Center, a 36,252 square foot retail shopping centre, located in Palm City, Florida.
- A 100% beneficial interest in Metro Gateway Shopping Center, a 64,793 square foot retail shopping centre, located in Phoenix, Arizona.

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