TARGET CAPITAL ANNOUNCES CASH PRESERVATION MEASURES
AND ASSET WRITE DOWN

Calgary, Alberta (December 31, 2015) – Target Capital Inc. ("Target", "Corporation", "Company", TCI on TSX Venture and CSE) today announced the following cash preservation measures and asset write down.

Cash Preservation Measures

The Corporation advises that it will not be making interest payments on its various classes of unsecured bonds in an effort to increase available cash for further development of its real estate assets for the benefit of all stakeholders. The Corporation also announces that it will not be processing any bond redemptions at this time for the same reason. On October 31, 2015; the Corporation had received early bond redemption notifications for $753,600 of 7% renewable bonds with maturity of January 31, 2025. The Corporation's failure to pay interest and complete bond redemptions is an event of default under the bonds and bond holders will have the option to commence legal action against the Corporation. Given the Corporation expects to have further clarity on its real estate development asset at the end of the first quarter, the Corporation will be asking bond holders not to commence enforcement proceedings until after March 31, 2016. There is no assurance that bond holders will not immediately commence enforcement proceedings. As a result of the default and consistent with the Corporations accounting policies, all bonds will be classified as current liability in the amount of $5,114,800 for the December 31, 2015 quarterly financial statements.

The Corporation has resolved to cease paying interest on the bonds or completing redemptions in an effort to preserve cash for the further development of "The Landing at Langley" condominium project. The Landing at Langley is a 78 unit five story, wood frame residential development property. For current fiscal year, Target's fiscal 2016 goals for the Landing at Langley are to commission the sales center, achieve 40% presales by early spring 2016, obtain construction financing, and break ground in late spring 2016. During the first half of the fiscal year, the project completed milestones for architectural drawings, development permit approval and building permit submission.

The Corporation believes these cash preservation measures to be in the best interest of all stakeholders. The Corporation needs to complete its real estate developments to maximize the return for both bond holders and shareholders. As at the date hereof, the Corporation has cash balance of $49,733 plus an additional $856,256 available line of credit, and anticipates that it will receive a dividend on certain of its shareholdings of $35,880 on January 31, 2016.

Asset Write Down

As a result of a review of capitalized redevelopment costs for Industrial Avenue Development Corporation ("IADC"), the Company anticipates a write down for unrecoverable costs exclusively associated with The Charleston development. The Charleston was a 15 story, mixed-use residential and commercial property redevelopment in Langley, BC. Between October 2011 and November 2014, Target Capital loaned IADC $4,409,000 for development of The Charleston. On October 14, 2014; Target Capital acquired controlling interest in IADC through a debt for equity swap and immediately discontinued development of the Charleston. The Landing at Langley was developed as a replacement project with a lower risk profile.

As of December 31, 2015; the company anticipates a $1,209,000 write down for development costs exclusively associated with Charleston project including: administration and project management, architectural drawings, legal, insurance, marketing, show suite, and interior design. The work product from above identified costs was not utilized or transferred to the Landing at Langley project and consequently will not be recovered. The write down will be finalized for Target's third quarter fiscal 2016 and is subject to board approval of the interim financial statements.

In addition to continued development of the Landing at Langley, Target Capital has made several unsolicited offers to potential parties who may be interested in either joint venture or outright purchase of IADC. Discussions are at a very early stage and readers are cautioned not place any reliance on the potential outcome of these negotiations.

For further information, contact Kristoffer Moen, Chief Financial Officer, at 403.261.7500, e-mail kris.moen@targetcapitalinc.com.

Forward-looking statements

This press release contains forward-looking statements and information within the meaning of applicable securities legislation. A statement we make is forward-looking when it uses what we know today to make a statement about the future. Forward-looking statements may include words such as *anticipate, believe, could, expect, intend, may, objective, plan and will*. The forward-looking statements contained or incorporated by reference in this press release are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Target cautions readers against placing reliance on forward-looking statements when making decisions, as the actual results could differ appreciably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements, due to various material factors. These factors include, among other things, capital market activity; changes in government monetary, fiscal and economic policies; changes in interest rates, inflation levels and general economic conditions; legislative and regulatory developments; competition; credit ratings; scarcity of human resources; and technological environment.

Forward-looking statements include, but are not limited to, statements with respect to (1) Capacity to deliver results (2) Risk framework (3) Liquidity (4) Trade receivables and (5) Income taxes. All statements, other than statements of historical fact, which address activities, events or developments that we expect or anticipate will or may occur in the future, are forward-looking statements. We include forward-looking statements because we believe it is important to communicate our expectations to our investors. However, all forward-looking statements are based on management's current expectations of future events and are subject to risk and uncertainty.

The Company does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations. The foregoing list of factors is not necessarily exhaustive.