



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

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TSXV:FCA.U

Firm Capital American Realty Partners Corp. Announces \$10 Million Rights Offering and Proposed \$7.5 Million Joint Venture Investment in New York City

Toronto, ON - November 14, 2016: Firm Capital American Realty Partners Corp. (the "**Company**") (TSXV: FCA.U) is pleased to announce that it is launching a \$10 million rights offering to all existing shareholders of the Company (the "**Rights Offering**") and has agreed to invest up to \$7.5 million in a joint venture in New York City.

The Company will be offering rights (the "**Rights**") to holders of its common shares as at the close of business on the record date of November 18, 2016 (the "**Record Date**"), on the basis of one Right for each common share held. Each Right will entitle the holder to subscribe for one common share of the Company (the "**Rights Shares**") upon payment of the subscription price of US\$0.16 per Rights Share. The Company has applied to the TSX Venture Exchange (the "**TSXV**") for a waiver of the listing requirement under a Rights Offering, as it is not intended that the Rights be listed and posted for trading on the TSXV.

The Rights will expire at 5:00 p.m. (Toronto time) on December 14, 2016 (the "**Expiry Time**"), after which time unexercised Rights will be void and of no value. Shareholders who fully exercise their Rights will be entitled to subscribe for additional Rights Shares, if available as a result of unexercised Rights prior to the Expiry Time, subject to certain limitations as set out in the Company's rights offering circular (the "**Circular**").

Further details of the Rights Offering are set out in the rights offering notice (the "**Notice**") and Circular which will be available under the Company's profile on SEDAR at www.sedar.com. The Notice and an accompanying rights certificate will be mailed to each shareholder of the Company resident in Canada as at the Record Date. Registered shareholders who wish to exercise their Rights must forward the completed rights certificate, together with the applicable funds, to the rights agent, TSX Trust Company, on or before the Expiry Time. Shareholders who own their common shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary. Shareholders resident in a jurisdiction outside of Canada (the "**Ineligible Holders**") will receive a letter from the Company describing the procedures to be followed by such Ineligible Holders if they wish to participate in the Rights Offering.

There are currently 62,933,860 common shares of the Company outstanding. If all of the Rights issued under the Rights Offering are validly exercised (or if only a portion of the Rights are validly exercised and the Stand-by Commitment (as defined below) is fulfilled), the Rights Offering will raise gross proceeds of approximately US\$10,000,000. The Company intends to use the net proceeds of the Rights Offering, in part, to fund the joint venture investment as outlined below and for general working capital.

In connection with the Rights Offering, and as more particularly described in the Circular, the Company has entered into a stand-by commitment agreement (the "**Stand-by Agreement**") with stand-by purchasers, including certain insiders of the Company (collectively, the "**Stand-by Purchasers**"). The Stand-by Purchasers have agreed to exercise their basic and additional subscription right in full, as applicable, and to purchase all Rights Shares not otherwise acquired under the Rights Offering by holders of Rights pursuant to the basic subscription right and additional subscription privilege, up to a maximum stand-by commitment of approximately US\$3,050,000 (the "**Stand-by Commitment**"). As of the date hereof, the Stand-by Purchasers collectively own approximately 27% of the issued and outstanding common shares of the Company. If the Stand-by Commitment is fulfilled and certain insiders of the Company exercise their basic subscription privilege under the Rights Offering, the Stand-by Purchasers will collectively own up to approximately 42% of the issued and outstanding common shares of the Company following the Rights Offering. There is no fee payable by the Company to the Stand-by Purchasers in respect of the Stand-by Commitment.

In addition, the Company has agreed to invest in a joint venture that will consist of eight multi-family buildings (the “**Portfolio**”) comprised of 127 residential units and two commercial units located in New York City with a strong local partner. The Portfolio is currently 91% occupied and presents significant repositioning and value enhancement opportunities. The Company will be investing in a combination of equity and mezzanine debt that are expected to yield 8% per annum. The Company’s expected pro-rata share of the joint venture investment is approximately \$7.5 million and will be funded from the net proceeds received from the Rights Offering. Closing of the joint venture investment is expected to occur during the fourth quarter of 2016.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: Certain information in this news release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “intend” and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements regarding the Company’s intention to complete the Rights Offering; the Company’s intention to undertake a partially backstopped Rights Offering; the terms of the Rights Offering; the terms of the Stand-by Agreement and the Stand-by Commitment; the intended use of proceeds of the Rights Offering; and the Company’s intention to complete the joint venture investment.

Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse factors affecting the U.S. real estate market generally or those specific markets in which the Company holds properties; volatility of real estate prices; inability to complete the Company’s single family property disposition program or debt restructuring in a timely manner; uncertainties as to whether the Rights Offering will be completed; delays in obtaining the approval of various regulators and the TSXV; the ability of the Stand-by Purchasers to terminate the Stand-by Agreement in certain circumstances; the costs to completion of the Rights Offering; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; the ability of the Company to implement its business strategies; competition; currency and interest rate fluctuations and other risks, including those described in the Company’s public disclosure documents on SEDAR at www.sedar.com.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Neither the 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.

Additional information about the Company is available at www.firmcapital.com or www.sedar.com.

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