



FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

Press Release – For Immediate Release

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION CLOSSES \$22,500,000 BOUGHT DEAL FINANCING

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TORONTO, ONTARIO – (CNW – December 21, 2016) – Firm Capital Mortgage Investment Corporation (the “**Corporation**”) (TSX: FC) is pleased to announce that it has closed its previously announced bought deal prospectus offering of \$22,500,000 aggregate principal amount of 5.20% convertible unsecured subordinated debentures of the Corporation (the “**Debentures**”) due December 31, 2023 at a price of \$1,000 per Debenture. Each Debenture is convertible into common shares of the Corporation at the option of the holder at a conversion price of \$15.25 per common share (or approximately 65.5738 common shares per \$1,000 principal amount of Debentures). The Debentures are listed and posted for trading on the TSX under the symbol FC.DB.G.

The offering was underwritten by a syndicate of underwriters co-led by CIBC Capital Markets and TD Securities Inc. and which included Scotia Capital Inc., Canaccord Genuity Corp., Echelon Wealth Partners Inc., GMP Securities L.P., Desjardins Securities Inc. and Dundee Securities Ltd. (collectively, the “**Underwriters**”). The Corporation has also granted the Underwriters an over-allotment option, exercisable in whole or in part, at any time up to 30 days after the closing of the offering to purchase up to an additional \$3,375,000 aggregate principal amount of Debentures.

The net proceeds of the offering are intended to be used to repay bank and other debt, including the redemption of certain of the Corporation’s outstanding debentures maturing in 2017, to fund new investments and for general corporate purposes.

This press release shall not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities will not be and have not been registered under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.

About the Corporation

The Corporation, through its mortgage banker, Firm Capital Corporation, is a non-bank lender providing residential and commercial short-term bridge and conventional real estate financing, including construction, mezzanine and equity investments. The Corporation’s investment objective is the preservation of shareholders’ equity, while providing shareholders with a stable stream of monthly dividends from investments. The Corporation achieves its investment

objectives through investments in selected niche markets that are under-served by large lending institutions. Lending activities to date continue to develop a diversified mortgage portfolio, producing a stable return to shareholders. The Corporation is a Mortgage Investment Corporation (MIC) as defined in the *Income Tax Act* (Canada). Accordingly, the Corporation is not taxed on income provided that its taxable income is paid to its shareholders in the form of dividends within 90 days after December 31 each year. Such dividends are generally treated by shareholders as interest income, so that each shareholder is in the same position as if the mortgage investments made by the Corporation had been made directly by the shareholder. Full reports of the financial results of the Corporation for the year are outlined in the audited financial statements and the related management discussion and analysis of the Corporation, available on SEDAR at www.sedar.com. In addition, supplemental information is available on the Corporation's website at www.firmcapital.com.

For further information, please contact:

Firm Capital Mortgage Investment Corporation
Eli Dadouch
President & Chief Executive Officer
(416) 635-0221

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Cautionary Note Regarding Forward Looking Statements

This press release contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning our objectives, our strategies to achieve those objectives, our performance, our mortgage portfolio and our distributions, as well as statements with respect to management's beliefs, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "should", "plans" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

These statements are not guarantees of future performance and are based on our estimates and assumptions that are subject to risks and uncertainties, including those described in the Corporation's Annual Information Form under "Risk Factors" (a copy of which can be obtained at www.sedar.com). Those risks and uncertainties include, among others, risks associated with mortgage lending, dependence on the Corporation's manager and mortgage banker, competition for mortgage lending, real estate values, interest rate fluctuations, environmental matters, shareholder liability and the introduction of new tax rules. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information include, among others, adequate mortgage investment opportunities being presented to the Corporation and adequate bank indebtedness and bank loans being available to the Corporation. Although the forward-looking information contained in this press release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results and performance will be consistent with these forward-looking statements.

All forward-looking statements in this press release are qualified by these cautionary statements. Except as required by applicable law, the Corporation undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.