

## PRESS RELEASE



### FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

TSX Symbol FC

### FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION ANNOUNCES RECORD FIRST QUARTER RESULTS

May 2, 2017, TORONTO, CANADA – Firm Capital Mortgage Investment Corporation (the “Corporation”) (TSX FC) today released its financial statements for the three months ended March 31, 2017.

#### HIGHLIGHTS

##### PROFIT

Income and profit (referred to herein as “Profit”) for the quarter ended March 31, 2017 increased by approximately 40% to \$7,026,716 as compared to \$5,014,757 reported for the same period in 2016. The increase is primarily derived from special income as described further below.

Basic weighted average profit per share for the three months ended March 31, 2017 was \$0.311 or 26% increase, compared to \$0.246 per share reported for the same period in 2016. The increase is primarily derived from special income as described further below.

##### SIGNIFICANT SPECIAL INCOME

Special income recorded in the quarter ended March 31, 2017 totaled \$2,835,385 as compared to \$126,336 for the same period last year. \$2,737,500 of special income was recognized in the quarter from one of the Corporations’ non-conventional mortgage investments. Collection of the special income component of this \$3,450,000 investment has been determined to be fully collectable, with receipt of the full principal investment amount, accrued interest and \$2,737,500 of special income expected before the end of the year.

##### PORTFOLIO GROWTH

The Corporation’s investment portfolio (the “Investment Portfolio”) as at March 31, 2017 increased by \$16.58 million to approximately \$465.33 million spread over 248 investments compared to \$448.75 million spread over 245 investments as at December 31, 2016 (before the impairment provision of \$5.09 million and \$4.46 million respectively).

##### RETURN ON EQUITY

The Corporation continues to exceed its yield objective of producing a return on shareholders’ equity in excess of 400 basis points over the average one year Government of Canada Treasury bill yield. Profit for the quarter ended March 31, 2017 represents an annualized return on shareholders’ equity (based on the month end average shareholders’ equity in the quarter) of 11.37%, representing return on shareholders’ equity of 1,074 basis points per annum over the average one year Government of Canada Treasury bill yield of 0.63%.

#### INVESTMENT PORTFOLIO DETAILS

Details on the Corporation’s investment portfolio as at March 31, 2017 are as follows:

- Total gross investment portfolio of \$465,325,609 which is a 4% increase over December 31, 2016.
- Conventional first mortgages, being those first mortgages with loan to values less than 75%, comprise 75.1% of our total portfolio, and total conventional mortgages with loan to values under 75% comprise 85.4% of our total portfolio.

- Approximately 67% of the portfolio matures by March 31, 2018.
- The average face interest rate on the portfolio is 7.85% per annum.
- Regionally, the mortgage portfolio is diversified approximately as follows: Ontario (82%), Alberta (8%), Quebec (5%), and Other (5%).
- 228 of the 248 investments, individually represent less than 1% of the total Investment Portfolio with 194 of the 248 investments being less than \$2.5 million:

<b>Amount</b>	<b>Number of Investments</b>	<b>%</b>	<b>Total Amount (before provision)</b>	<b>%</b>
\$0 - \$2,500,000	194	78%	\$ 161,866,557	36%
\$2,500,001 - \$5,000,000	38	15%	137,137,750	29%
\$5,000,001 - \$7,500,000	4	2%	25,415,031	5%
\$7,500,001 +	12	5%	140,906,271	30%
	<b>248</b>	<b>100%</b>	<b>\$ 465,325,609</b>	<b>100%</b>

#### **DIVIDEND AND SHARE PURCHASE PLAN**

The Corporation has in place a Dividend Reinvestment Plan (DRIP) and Share Purchase Plan that is available to its Shareholders. The DRIP allows participants to have their monthly cash dividends reinvested in additional shares. The Price paid per share is 97% (if the share price is higher than \$12.95) of the weighted average trading price calculated five trading days immediately preceding each dividend date with no commission cost. Once registered with the Share Purchase Plan, participants have the right to purchase additional shares, totaling no greater than \$12,000 per year and no less than \$250 per month. Shareholders participating pay no commission.

#### **ABOUT THE CORPORATION**

##### *Where Mortgage Deals Get Done®*

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. Full reports of the financial results of the Corporation for the three month period ended March 31, 2017 are outlined in the unaudited financial statements and the related management's discussion and analysis of Firm Capital, available on the SEDAR website at [www.sedar.com](http://www.sedar.com). In addition, supplemental information is available on Firm Capital's website at [www.firmcapital.com](http://www.firmcapital.com).

#### **FORWARD-LOOKING STATEMENTS**

This news 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 dividends, 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 our Annual Information Form under "Risk

Factors” (a copy of which can be obtained at [www.sedar.com](http://www.sedar.com)), which could cause our actual results and performance to differ materially from the forward-looking statements contained in this circular. Those risks and uncertainties include, among others, risks associated with mortgage lending, dependence on the Corporation’s mic 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, that the Corporation is able to invest in mortgages at rates consistent with rates historically achieved; adequate mortgage investment opportunities are presented to the Corporation; and adequate bank indebtedness and bank loans are available to the Corporation. Although the forward-looking information continued in this new 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 news 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.

For further information, please contact:  
Firm Capital Mortgage Investment Corporation  
Eli Dadouch  
President & Chief Executive Officer  
(416) 635-0221

*Boutique Mortgage Lenders®*