



PRESS RELEASE

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

TSX Symbol: FC

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION ANNOUNCES THAT MAJORITY OF HOLDERS OF 5.75% DEBENTURES HAVE ELECTED TO RECEIVE SHARES IN CONNECTION WITH EARLY REDEMPTION

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August 31, 2017, TORONTO – Firm Capital Mortgage Investment Corporation (the “**Corporation**”) (TSX: FC) is pleased to announce that holders representing approximately 67% of the outstanding \$31,443,000 aggregate principal amount of 5.75% convertible unsecured subordinated debentures of the Corporation due October 31, 2017 (the “**Debentures**”), have elected to receive freely tradeable common shares in the capital of the Corporation (“**Shares**”) pursuant to the previously-announced early redemption of Debentures.

The Corporation would like to thank its Debentureholders for their support, recognizing that a majority of holders chose to receive Shares instead of cash. Such confidence is likely fostered by, among other matters, the fact that the Corporation has paid dividends every month since becoming a public entity in 1999, as well as the fact that the Corporation’s regular dividend of \$0.078 per Share has remained unchanged over the past 10 years.

As announced on August 14, 2017, the Corporation intends to redeem early its outstanding Debentures, effective September 20, 2017 (the “**Redemption Date**”). The Corporation pays a special year-end dividend in respect of its Shares.

The Debentures, which are listed and posted for trading on the Toronto Stock Exchange under the symbol FC.DB.A, will cease trading subsequent to the Redemption Date.

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 underserved 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 and six month periods ended June 30, 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. In addition, supplemental information is available on Firm Capital's website at 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 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, including the redemption of the Debentures or any dividends announced and paid by the Corporation in respect of Shares. Although the Corporation intends to make distributions of its available cash to shareholders in accordance with its dividend policy, these cash distributions are not assured. The actual amount distributed to shareholders will depend on numerous factors, including but not limited to the Corporation's financial performance, debt covenants and obligations, working capital requirements, composition of the Corporation's mortgage portfolio, availability of mortgage investments and fluctuations in interest rates that impact the aggregate yield on mortgage investments. The market value of the Shares may deteriorate if the Corporation is unable to meet its cash distribution targets in the future, and that deterioration may be material. 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 include the Corporation's proposed use of the net proceeds of the Offering, and 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 for the year ended December 31, 2016 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 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.

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 being offered have not been and will not be registered under the United States Securities Act of 1933 and accordingly will not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except in limited circumstances.

No securities regulatory authority has either approved or disapproved of the contents of this press release. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities referred to herein in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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