



**PRESS RELEASE**

**FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION**

TSX Symbol: FC

**FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION  
ANNOUNCES REDEMPTION OF 5.75% DEBENTURES THROUGH THE  
ISSUANCE OF SHARES AND INSTRUCTIONS ON HOW TO ELECT TO  
RECEIVE CASH INSTEAD OF SHARES**

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UNITED STATES/

August 14, 2017, TORONTO – Firm Capital Mortgage Investment Corporation (the “**Corporation**”) (TSX: FC) is pleased to announce that it intends to redeem early its outstanding \$31,443,000 aggregate principal amount of 5.75% convertible unsecured subordinated debentures of the Corporation (the “**Debentures**”) due October 31, 2017, effective September 20, 2017 (the “**Redemption Date**”). 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.

A redemption notice has been delivered to the Debenture trustee and provides for the redemption with freely tradeable common shares in the capital of the Corporation (the “**Shares**”) of the aggregate principal amount of \$31,443,000 and all accrued and unpaid interest to but excluding the Redemption Date.

**THE CORPORATION HAS DETERMINED TO PERMIT HOLDERS OF DEBENTURES TO ELECT TO RECEIVE CASH IN LIEU OF SHARES IN CONNECTION WITH SUCH REDEMPTION, PROVIDED THAT HOLDERS MAKE SUCH ELECTION THROUGH THEIR RESPECTIVE BROKERS ON OR PRIOR TO 5:00 P.M. (EDT) ON AUGUST 30, 2017.** If a holder of Debentures does not make such an election prior to the election deadline, the Corporation will, in accordance with the trust indenture governing the terms of the Debentures (the “**Indenture**”), satisfy the aggregate redemption price by issuing and delivering that number of freely tradeable Shares obtained by dividing the aggregate redemption price by 95% of the weighted average market price per Share for the preceding 20 trading days ending on the fifth trading day preceding the Redemption Date (being September 13, 2017) (the “**Current Market Price**”), as set out in the Indenture. Assuming a Current Market Price of \$13.15, being the closing price of the Shares on the date hereof, the annual yield on the Shares based on dividends made by the Corporation in 2016 would have been 7.35%. **Holders of Debentures should contact their broker in order to elect for cash payment in respect of the redemption.**

## **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 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 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 proposed 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](http://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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***Boutique Mortgage Lenders®***