

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES CONVERTIBLE DEBENTURE UNIT OFFERING

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Toronto, Ontario, July 22, 2019. Firm Capital American Realty Partners Corp. ("**FCA**" or the "**Company**"), (TSX-V: FCA.U/FCA) is pleased to announce that it has filed a preliminary prospectus supplement to its base shelf prospectus dated September 15, 2017 with the securities authorities in all provinces of Canada except Quebec, with respect to a fully marketed offering (the "**Offering**") of convertible debenture units ("**Convertible Debenture Units**"). The total size of the Offering will be determined in the context of the market prior to the filing of the (final) prospectus supplement in respect of the Offering. Notwithstanding the foregoing, it is currently anticipated that approximately C\$20 million of Convertible Debenture Units will be offered at a price of C\$1,000 per Convertible Debenture Unit. The preliminary prospectus supplement has not yet become final and remains subject to completion.

The Offering is being made through a syndicate of underwriters (the "**Underwriters**") led by Canaccord Genuity Corp. and including, Echelon Wealth Partners Inc., Raymond James Ltd., TD Securities Inc., Industrial Alliance Securities Inc., GMP Securities L.P., CIBC Capital Markets, and Laurentian Bank Securities Inc.

FCA will grant the Underwriters an option (the "**Over-Allotment Option**") to cover over-allotments and for market stabilization purposes, exercisable at any time up to 30 days subsequent to the closing of the Offering, to increase the size of the Offering by up to 15% in Convertible Debenture Units (and/or the components thereof) on the same terms and conditions of the Offering, exercisable in whole or in part and from time to time.

Each Convertible Debenture Unit shall consist of one unsecured subordinated convertible debenture of the Company (each, a "**Convertible Debenture**") in the principal amount of C\$1,000 and 79 common share purchase warrants of the Company (each, a "**Warrant**"). Each Warrant will be exercisable to acquire one common share of the Company for an

exercise price of C\$12.60 per share for a period of two years following the closing date of the Offering.

The Convertible Debentures will mature and be repayable on June 30, 2026 (the “**Maturity Date**”) and will accrue interest at the rate of 6.25% per annum, payable semi-annually on the last day of June and December of each year, commencing on December 31, 2019 (each an “**Interest Payment Date**”). The Convertible Debentures will be convertible at the holder’s option into common shares of the Company at any time prior to the close of business on the earlier of the business day immediately preceding the Maturity Date and the business day immediately preceding the date fixed for redemption of the Convertible Debentures, at a conversion price of C\$12.60 per common share subject to adjustment in certain events, being a ratio of 79.365079 shares per C\$1,000 principal amount of Convertible Debentures. Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon from and including the last Interest Payment Date to but excluding the date of conversion.

The Company intends to use the net proceeds of the Offering to fund prospective acquisitions of income producing multi-family residential properties in the United States primarily by way of joint venture partnerships, to fund prospective investments in mortgage debt on real estate properties in the United States, for the repayment of debt, for working capital and general corporate purposes.

The Offering is scheduled to close on or about August 8, 2019, subject to satisfaction of customary closing conditions, including the receipt of all necessary regulatory and stock exchange approvals.

ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

Firm Capital American Realty Partners Corp. is a U.S. focused real estate investment entity that pursues real estate and debt investments through the following platforms:

- **Income Producing Real Estate Investments:** Acquiring income producing real estate assets in major cities across the United States. Acquisitions are completed solely by the Company or in joint-venture partnership with local industry expert partners who retain property management responsibilities; and
- **Mortgage Debt Investments:** Real estate debt and equity lending platform in major cities across the United States, focused on providing all forms of bridge mortgage loans and joint venture capital.

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 with respect to the filing of the (final) prospectus supplement, the potential issuance of securities of the Company, the amount of securities that may be issued, the use of proceeds of the Offering and the timing of the closing of the Offering. 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 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 TSX Venture 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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