

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES TERMS OF \$17.0 MILLION CONVERTIBLE DEBENTURE UNIT OFFERING AND FILING OF FINAL PROSPECTUS SUPPLEMENT

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.

Toronto, Ontario, August 2, 2019. Firm Capital American Realty Partners Corp. (“**FCA**” or the “**Company**”), (TSXV: FCA.U), (TSXV: FCA) is pleased to announce that its previously announced fully marketed offering (the “**Offering**”) will consist of 17,000 convertible debenture units (“**Convertible Debenture Units**”) at a price of \$1,000 per Convertible Debenture Unit (the “**Offering Price**”), for aggregate gross proceeds of \$17,000,000 (or 19,550 Convertible Debenture Units for aggregate gross proceeds of \$19,550,000 if the over-allotment option is exercised in full). Closing of the Offering is expected to occur on or about August 8, 2019 (the “**Closing Date**”), subject to the satisfaction of customary closing conditions, including the receipt of all necessary regulatory and stock exchange approvals.

Each Convertible Debenture Unit shall consist of \$1,000 principal amount of unsecured subordinated convertible debentures of the Company (each, a “**Convertible Debenture**”), 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 \$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 \$12.60 per common share subject to adjustment in certain events, being a ratio of 79.365079 shares per \$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.

FCA has filed a final prospectus supplement dated August 2, 2019 in connection with the Offering (the “**Prospectus Supplement**”) with the securities regulatory authorities in all provinces of Canada, except Quebec. A copy of the Prospectus Supplement is available under the Company’s profile on SEDAR at www.sedar.com.

MARKETED OFFERING AND UNDERWRITING AGREEMENT

In connection with the Offering, FCA has entered into an underwriting agreement (the “**Underwriting Agreement**”) with a syndicate of underwriters led by Canaccord Genuity Corp. and including, Echelon Wealth Partners Inc., Industrial Alliance Securities Inc., Raymond James Ltd., TD Securities Inc., GMP Securities L.P., CIBC World Markets Inc., and Laurentian Bank Securities Inc. (collectively, the “**Underwriters**”) pursuant to which the Underwriters have agreed to purchase 17,000 Convertible Debenture Units at the Offering Price.

In connection with the Offering, the Company has also granted the Underwriters an over-allotment option (the “**Over-Allotment Option**”) exercisable in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days from the Closing Date, to purchase up to an additional 2,550 Convertible Debenture Units at the Offering Price, or up to 2,550 additional Convertible Debentures (the “**Additional Debentures**”) at a price of \$942.33 per Additional Debenture, or up to 201,450 additional Warrants (the “**Additional Warrants**”) at a price of \$0.73 per Additional Warrant, or any combination of the foregoing, so long as the aggregate number of Additional Debentures and Additional Warrants issued under the Over-Allotment Option does not exceed 2,550 Additional Debentures and 201,450 Additional Warrants.

If the Over-Allotment Option is exercised in full, an additional \$2,550,000 in gross proceeds will be raised pursuant to the Offering and the aggregate gross proceeds of the Offering to the Company will be \$19,550,000.

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 for general corporate purposes.

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.

FORWARD LOOKING INFORMATION

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 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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