

For Immediate Release

TERRA FIRMA CAPITAL CORPORATION ANNOUNCES CLOSING OF THREE FIRST MORTGAGE TRANSACTIONS IN THE U.S. TOTALLING C\$39.8 MILLION

- *Company closes its largest U.S. transaction valued at C\$22.2 million*
- *Largest single syndication participation at C\$17.8 million*
- *Average expected return of 30% per annum after syndication*

TORONTO, ONTARIO, February 23, 2017 -- Terra Firma Capital Corporation (TSX-V: TFI) ("**Terra Firma**" or the "**Company**"), is pleased to announce that it has closed three loans to separate and unrelated borrowers in the U.S. totaling C\$39.8 million and syndicated a portion of the largest loan of C\$22.2 million to a single investor for C\$17.8 million. All of these loans are first mortgages secured by development lands located in Phoenix, Arizona, Washington, D.C. and Charlotte, North Carolina.

The Company funded C\$29.7 million on closing and the remainder will be funded in the future based on the borrowers meeting certain conditions. These loans are funded through a combination of available cash balances and funds from the syndicated investors. The deployment of this capital is expected to positively impact the growth and earnings of the Company at the end of first quarter 2017 and onwards.

"We have been working diligently to bring these transactions to a close with a focus on developer experience, project quality, and strong security positions. The average return on the Company's residual investment, once fully syndicated, is expected to be in the 30% per annum range", noted Glenn Watchorn, President and CEO of Terra Firma Capital Corporation. "We are extremely encouraged not only by the increasing size and quality of our pipeline of new transactions, but also by the level of interest we are experiencing from our syndication investor network to participate in these loans. These developments will enable us to further solidify Terra Firma's position as a sizeable capital provider in the real estate development community in the U.S. This has been our focus and we are executing on it", he further said.

About Terra Firma

Terra Firma is a full service, publicly traded real estate finance company that provides real estate financings secured by investment properties and real estate developments throughout Canada and the United States. The Company focuses on arranging and providing financing with flexible terms to real estate developers and owners who require shorter-term loans to bridge a transitional period of one to five years where they require capital at various stages of development or redevelopment of a property. These loans are typically repaid with lower cost, longer-term debt obtained from other Canadian financial institutions once the applicable transitional period is over or the redevelopment is complete, or from proceeds generated from the sale of the real estate assets. Terra Firma offers a full spectrum of real estate financing under the guidance of strict corporate governance, clarity and transparency. For further information please visit Terra Firma's website at www.tfcc.ca.

The TSXV has neither approved nor disapproved the contents of this press release. The TSXV does not accept responsibility for the adequacy or accuracy of this press release.

This Press Release contains forward-looking statements with respect matters concerning the business, operations, strategy and financial performance of Terra Firma. These statements generally can be identified by use of forward looking word such as "may", "will", "expects", "estimates", "anticipates", "intends", "believe"

or “could” or the negative thereof or similar variations and include statements concerning the following: the funding of the remaining loan amounts; the expected impact on the Company’s growth and earnings, and the timing thereof, as a result of the deployment of this capital; the expected average return on the Company’s residual investment; the Company’s expectation to further syndicate the loans; future loan opportunities and syndication participation; Terra Firma’s future position as a capital provider; and the repayment of loans with lower cost, longer-term debt obtained from other Canadian financial institutions. The future business, operations and performance of Terra Firma could differ materially from those expressed or implied by such statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Additional, important factors that could cause actual results to differ materially from expectations include, among other things, the risks discussed in the Company’s materials filed with Canadian securities regulatory authorities from time to time through SEDAR at www.sedar.com, including the risks discussed in the Company’s most recently-filed annual and interim management’s discussion and analysis at “Risks and Uncertainties” and in the Company’s annual information form at “Risk Factors”, as well as general economic and market factors, local real estate conditions, competition, changes in government regulation, dependence on tenants’ financial conditions, interest rates, currency risk, the availability of equity and debt financing, syndication of loans, extensions and defaults, environmental and tax related matters, and reliance on key personnel. There can be no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The cautionary statements qualify all forward-looking statements attributable to Terra Firma and persons acting on its behalf. Unless otherwise stated, all forward looking statements speak only as of the date of this Press Release and Terra Firma has no obligation to update such statements except as required by law.

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