

For Immediate Release**TERRA FIRMA CAPITAL CORPORATION ANNOUNCES CLOSING OF TWO FIRST MORTGAGE TRANSACTIONS IN TWO PROJECTS TOTALLING US\$21.1 MILLION (CDN\$27.1 MILLION) AND STOCK OPTION GRANTS**

TORONTO, ONTARIO, December 21, 2017 – Terra Firma Capital Corporation (TSX-V: TII) ("Terra Firma" or the "Company"), is pleased to announce the closing of two first mortgage loans (the "Loan(s)") to separate and unrelated borrowers in the U.S. totaling US\$21.1 million (CDN\$27.1 million). The Loans comprise a US\$12.5 million (CDN\$16.1 million) first mortgage loan secured by development land located in Santa Barbara County, California and a US\$8.6 million (CDN\$11 million) first mortgage loan secured by development land located in Phoenix, Arizona.

Both Loans closed on December 20, 2017 through a combination of available cash balances and funds from syndicate investors. The Santa Barbara County loan was fully funded on closing and the Phoenix loan was partially funded with an initial advance of US\$2.9 million (CDN\$3.8 million) with the remainder expected to be funded over the next 8 months subject to meeting certain conditions. The full impact of the deployment of this capital is expected to be positively reflected in the earnings of the Company beginning in 2018. "We are very pleased with the record level of originations in 2017 in the U.S. with US\$102.7 million (CDN\$130.1 million) which will serve us well moving into 2018," said Glenn Watchorn, President and CEO. "We have now firmly established ourselves in the U.S. with over US\$152.5 million (CDN\$194.3 million) of loans originated since we expanded our operations in 2015, and with over US\$ 55.0 million (CDN\$70.7 million) having been repaid with zero loan losses we now have demonstrated a proven track record of success."

The Company also announces that pursuant to the terms of its share option plan, it has granted 340,000 options to its employees, including 200,000 options to its officers (other than the Chairman, CEO and Executive Vice Chairman), to purchase an aggregate of 340,000 common shares of the Corporation at a price of \$0.67 per share. Each of the option grants shall vest in equal instalments on a quarterly basis over a three-year period and shall expire in seven years from the date of grant.

In accordance with TSX Venture Exchange ("TSXV") rules, the aforementioned 340,000 share options are subject to applicable TSXV acceptance.

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

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