

For Immediate Release

TERRA FIRMA CAPITAL CORPORATION ANNOUNCES CLOSING OF FIRST MORTGAGE TRANSACTION IN PHOENIX FOR US\$11.7 MILLION (CDN\$14.4 MILLION) MARKING THE FIRST TRANSACTION WITH GREAT GULF GROUP

TORONTO, ONTARIO, September 28, 2017 -- Terra Firma Capital Corporation (TSX-V: TII) ("**Terra Firma**" or the "**Company**"), is pleased to announce the closing of a US\$11.7 million (CDN\$14.4 million) first mortgage loan (the "Loan") secured by 245 lots, part of a 1,896 lot master planned community located in the Metropolitan Statistical Area (MSA) of Phoenix, Arizona.

The Company partially funded US\$5.2 million (CDN\$6.4 million) on closing from available cash balances and funds from syndicated investors. The remainder will be funded in the future based on the borrower meeting certain conditions through a combination of available cash balances and funds from syndicated investors. The financing was structured to accommodate a land acquisition for Ashton Woods Homes (an affiliated company of the Great Gulf Group) through a land banking structure in combination with Coronado West, a strong relationship borrower of Terra Firma. The deployment of this capital is expected to positively impact the earnings of the Company in the quarter ending September 30, 2017 and onwards.

"The closing of this loan marks our first transaction with the Great Gulf Group of companies, and I am very excited about the potential for many future deals in our new strategic alliance with Great Gulf," noted Glenn Watchorn, President and CEO of Terra Firma Capital Corporation. "With CDN\$52 million in transactions closed and announced during this quarter, combined with a robust pipeline of qualified transactions, Terra Firma is setting up for strong earnings growth for the remainder of 2017 and 2018."

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.

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. 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. 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, as well as

risks relating to market factors, competition, and dependence on tenants' financial conditions, environmental and tax related matters, and reliance on key personnel. Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including that the general economy, local real estate conditions and interest rates are stable, the absence of significant changes in government regulation, and the continued availability of equity and debt financing. 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 does not assume any obligation to update such statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws.

For further information, please contact:

Terra Firma Capital Corporation
Glenn Watchorn
Chief Executive Officer
Phone: 416.792.4702
gwatchorn@tfcc.ca

or
Terra Firma Capital Corporation
Y. Dov Meyer
Executive Vice Chairman
Phone: 416.792.4709
ydmeyer@tfcc.ca
or

Ali Mahdavi
Managing Director
Spinnaker Capital Markets Inc.
Phone: 416.962.3300
am@spinnakercmi.com