

For Immediate Release

TERRA FIRMA CAPITAL CORPORATION ANNOUNCES CLOSING OF FIRST MORTGAGE TRANSACTION IN JACKSONVILLE, FLORIDA FOR US\$14.8 MILLION (CDN\$18.6 MILLION)

TORONTO, ONTARIO, October 18, 2017 -- Terra Firma Capital Corporation (TSX-V: TII) ("**Terra Firma**" or the "**Company**"), is pleased to announce the closing of a US\$14.8 million (CDN\$18.6 million) first mortgage loan (the "Loan") secured by 267 lots, part of a 642 lot master planned community located in one of the most desirable residential submarkets in the fast growing Metropolitan Statistical Area (MSA) of Jacksonville, Florida.

The Company partially funded the Loan with a US\$2.8 million (CDN\$3.6 million) advance on closing from available cash balances. The remainder of the Loan will be funded in the future through a combination of available cash balances and funds from syndicated investors and will be based on the borrower meeting certain conditions related primarily to the completion of required development works. The majority of the Loan is expected to be funded before the end of the year and to positively impact the earnings of the Company in the quarter ending December 31, 2017 and onwards.

"With the closing of this Loan, we have now originated CDN\$109 million this year on a cumulative basis, already surpassing the highest annual amount of loan originations in the company's history," noted Glenn Watchorn, President and CEO of Terra Firma Capital Corporation. "Furthermore, I am confident that Terra Firma will end the year strong given the continuing strength of our pipeline moving into the fourth quarter with signed letters of intent totaling over CDN\$26 million expected to close in the quarter."

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.

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