This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States. Accordingly, these securities may not be offered or sold within the United States or to, or for the account or benefit of any, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act), except pursuant to transactions exempt from registration under the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. ***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.*** *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Terra Firma Capital Corporation at 5000 Yonge Street, Suite 1502, Toronto, Ontario, M2N 7E9, Attention: Chief Financial Officer telephone: (416-792-4700), and are also available electronically at www.sedar.com ("**SEDAR**").*

SHORT FORM PROSPECTUS

New Issue October 6, 2014

TERRA FIRMA CAPITAL CORPORATION

$5,040,000
8,000,000 Common Shares

Price: $0.63 per Common Share

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 8,000,000 common shares (the "**Offered Shares**") of Terra Firma Capital Corporation (the "**Company**") at a price of $0.63 per Common Share (the "**Offering Price**"). The Offering is being made pursuant to an underwriting agreement dated September 29, 2014 (the "**Underwriting Agreement**") made by the Corporation with Beacon Securities Limited ("**Beacon**"), as lead agent and sole bookrunner, and Paradigm Capital Inc. (collectively, the "**Underwriters**"). The Offering Price was determined by negotiation between the Company and Beacon, on behalf of the Underwriters.

The Company is an Ontario corporation existing under the *Business Corporations Act* (Ontario) (the "**OBCA**"). The currently issued and outstanding common shares (the "**Common Shares**") are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "TII". The closing price of the Common Shares on the TSXV on September 22, 2014, the last trading day prior to the announcement of the Offering, was $0.67. The closing price of the Common Shares on the TSXV on October 3, 2014, the last trading day prior to the filing of this Prospectus, was $0.63. The TSXV has conditionally approved the listing of the Common Shares offered under this Prospectus (including the Common Shares issuable pursuant to the Over-Allotment Option (as defined herein) and the Broker Shares (as defined herein) issuable on exercise of the Broker Warrants (as defined herein)) on the TSXV. Listing is subject to the Company fulfilling all of the listing requirements of the TSXV.

Price: $0.63 per Common Share			
	Price to the Public(1)	**Underwriters' Fee**(2)	**Net Proceeds to the Company**(3)
Per Common Share	$0.63	$0.0441	$0.5859
Total (4)	$5,040,000	$352,800	$4,687,200

Notes:

(1) The Offering Price of the Offered Shares was determined by negotiation among the Company and Beacon, on behalf of the Underwriters.

(2) Pursuant to the terms of the Underwriting Agreement, and in consideration of the services rendered by the Underwriters in connection with the Offering, the Underwriters will receive an aggregate fee (the "**Underwriters' Fee**") that is equal to 7% of the gross proceeds from the Offering (including Common Shares issued upon exercise of the Over-Allotment Option (as defined herein)). The Company has also agreed to issue to the Underwriters broker warrants (the "**Broker Warrants**") entitling the Underwriters to subscribe for that number of Common Shares (the "**Broker Shares**") as is equal to 7% of the number of Offered Shares issued under the Offering (including Common Shares issued upon exercise of the Over-Allotment Option), subject to adjustment in certain circumstances. Each Broker Warrant is exercisable for one Broker Share at the Offering Price for a period of 12 months following the Closing (as defined herein). This Prospectus qualifies the distribution of the Broker Warrants. See "*Plan of Distribution*".

(3) Before deducting expenses of the Offering and the Concurrent Private Placement (as defined herein) estimated at $312,199, which will be paid from the proceeds of the Offering and the Concurrent Private Placement. The Underwriters' Fee will be paid from the proceeds of the Offering.

(4) The Company has granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part and at any time up to 30 days after the closing of the Offering (the "**Closing**"), to purchase up to an additional 1,200,000 Common Shares, representing 15% of the number of Offered Shares sold under the Offering at the Offering Price per Common Share on the same terms as set forth above solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' Fee and net proceeds to the Company (before deducting expenses of the Offering and the Concurrent Private Placement) will be $5,796,000, $405,720 and $5,390,280, respectively. This Prospectus qualifies the distribution of the Over-Allotment Option and the Common Shares issuable on the exercise thereof. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those Common Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

References to "Offered Shares" in this Prospectus shall include the Common Shares issuable upon exercise of the Over-Allotment Option, as applicable in the context used.

The following table sets forth the number of securities that may be issued by the Company to the Underwriters pursuant to the Over-Allotment Option and the Broker Warrants:

Underwriters' Position	**Maximum Size or Number of Securities Available**	**Exercise Period**	**Exercise Price**
Over-Allotment Option	Option to purchase up to 1,200,000 Common Shares	At any time up to 30 days after the Closing Date	$0.63 per Common Share
Broker Warrants	560,000 Broker Shares (644,000 Broker Shares if the Over-Allotment Option is exercised in full)	At any time up to 12 months after the Closing Date	$0.63 per Common Share

The Underwriters, as principals, conditionally offer the Offered Shares, subject to the prior sale, if, as and when issued, sold and delivered by the Company and accepted by the Underwriters in accordance with the conditions of the Underwriting Agreement referred to under "*Plan of Distribution*".

Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters propose to offer the Offered Shares initially at the Offering Price. **After the Underwriters have made reasonable effort to sell all of the Common Shares at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Common Shares remaining unsold. Any such reduction will not affect the proceeds received by the Company. See "*Plan of Distribution*".**

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Other than pursuant to certain exceptions, the Offering will be effected only through the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and the Offered Shares will be deposited with CDS on the Closing

Date. A purchaser of Offered Shares will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant through which the Offered Shares are purchased. Offered Shares must be purchased or transferred through a CDS participant and all rights of holders of Offered Shares must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS participant through which the holder of Offered Shares holds such Offered Shares. Beneficial owners of Common Shares will not, except in certain limited circumstances, be entitled to receive physical certificates evidencing their ownership of Common Shares. See "*Plan of Distribution*".

Concurrently with the closing of the Offering, certain insiders of the Company will subscribe for 1,587,300 Common Shares on a private placement basis at a price of $0.63 per Common Share (the "**Concurrent Private Placement**") for gross proceeds of $999,999. No commission or other fee will be paid to the Underwriters in connection with the sale of Common Shares pursuant to the Concurrent Private Placement. This Prospectus does not qualify the distribution of the Common Shares issued pursuant to the Concurrent Private Placement. The subscribers under the Concurrent Private Placement will be relying on the "accredited investor" prospectus exemption set forth in National Instrument 45-106 – Prospectus and Registration Exemptions. The Common Shares purchased pursuant to the Concurrent Private Placement will be subject to a statutory hold period.

The Closing of the Offering is expected to take place on October 15, 2014 or such other date as the Company and the Underwriters may agree, acting reasonably (such actual closing date hereinafter referred to as the "**Closing Date**") and, for greater certainty, the Offered Shares offered hereunder (other than any Common Shares issuable pursuant to the exercise of the Over-Allotment Option) are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for this Prospectus.

An investment in the Common Shares involves certain risks that are described in the "*Risk Factors*" section of, and elsewhere in, this Prospectus, including in the documents incorporated herein by reference and should be considered by any prospective purchaser of the Offered Shares.

Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or to which we have referred you. Neither the Company nor the Underwriters has authorized any other person to provide prospective investors with any different or additional information other than the documents filed as "Marketing Materials" under the Company's System for Electronic Document Analysis and Retrieval ("**SEDAR**") profile at www.sedar.com. To the extent of any discrepancy between the information contained in the Marketing Materials and this Prospectus, prospective investors are advised that Marketing Materials do not provide full disclosure of all material facts relating to the securities offered. Prospective investors should read the Prospectus and any amendment for disclosure of those facts, especially risk factors relating to the Common Shares, before making an investment decision. Neither the Company nor the Underwriters is making an offer to sell Offered Shares in any jurisdiction where such an offer or sale is prohibited. Unless otherwise stated, the information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of Offered Shares. The Company's business, financial condition, results of operations and the Prospectus may have changed since the date of this Prospectus. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by the applicable securities laws.

The Company's registered and principal office is located at 5000 Yonge Street, Suite 1502, Toronto, Ontario, M2N 7E9 and its telephone number is 416-792-4700.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference herein, contains "forward-looking information" as defined under Canadian securities laws (collectively, "**forward-looking statements**"). All statements other than statements of historical fact contained in this Prospectus or in the documents incorporated by reference herein are forward-looking statements, including, without limitation, the Company's statements regarding the intention of the Company to complete the Offering and the Concurrent Private Placement on the terms and conditions described herein, the expected Closing Date, the use of net proceeds of the Offering, the granting of the Over-Allotment Option in connection with the Offering, the listing of the common shares on the TSXV, the anticipated effect of the Offering on the performance of the Company, and the Company's dividend policy. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will", "occur" or "be achieved" and similar words or the negative thereof. Although management of the Company believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

By their nature, forward-looking statements are inherently uncertain, are subject to risk and are based on assumptions including those discussed herein and those discussed in the documents incorporated by reference herein. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned to not place undue reliance on such forward-looking statements because a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by the above cautionary statement.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including, but not limited to, the Company's discretion in the use of proceeds of the Offering and any future sales or issuances of securities of the Company, and the risk factors described under the heading "*Risk Factors*" in the Annual Information Form (as defined herein). The Company cautions that the foregoing list of factors is not exhaustive, and that, when relying on forward-looking statements to make decisions with respect to the Company or the Common Shares, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Such information is based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including expected revenues from certain contracts, client roll-out plans for specific products and ability to achieve goals. There can be no assurance 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. Forward-looking statements are provided as of the date of this Prospectus or such other date specified herein, and the Company assumes no obligation to update or revise such forward-looking statements to reflect new events or circumstances except as required under applicable securities laws.

FINANCIAL INFORMATION

The financial statements incorporated by reference in this Prospectus have been prepared in accordance with international financial reporting standards and are reported in Canadian dollars. All currency amounts in this Prospectus are expressed in Canadian dollars, unless otherwise indicated.

ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, counsel to the Company, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), the regulations thereunder and the proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Common Shares, if issued on the date hereof, would be qualified investments under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax free savings accounts ("**TFSA**") (all as defined by the Tax Act), provided that the Common Shares are listed on a "designated stock exchange" as defined by the Tax Act (which currently includes tier 1 and tier 2 of the TSXV).

Notwithstanding that the Common Shares may be a qualified investment for a TFSA, an RRSP or an RRIF, the holder of a TFSA or the annuitant of an RRSP or an RRIF will be subject to a penalty tax in respect of the Common Shares and other tax consequences may result if such Common Shares are a "prohibited investment" (as defined in the Tax Act) for such TFSA, RRSP or RRIF. The Common Shares will generally be a "prohibited investment" for a TFSA, RRSP or RRIF if the holder of the TFSA, or annuitant under the RRSP or RRIF, as the case may be, (i) does not deal at arm's length for purposes of the Tax Act with the Company or (ii) has a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Common Shares will not be a prohibited investment for a TFSA, an RRSP or an RRIF if the Common Shares are "excluded property" (as defined in the Tax Act) such TFSA, RRSP or RRIF. **Holders or annuitants should consult their own tax advisors with respect to whether the Common Shares would be prohibited investments, including whether the Common Shares would be excluded property.**

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in each of the provinces of Canada, excluding Quebec. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Company at 5000 Yonge Street, Suite 1502, Toronto, Ontario, M2N 7E9, Attention: Chief Financial Officer (telephone at 416-792-4700), and are also available electronically at www.sedar.com.

The following documents and information, filed by the Company with the appropriate securities commissions or similar regulatory authorities in each of the provinces of Canada, excluding Quebec, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

(a) the annual information form (the "**Annual Information Form**") of the Company dated August 6, 2014 for the financial year ended December 31, 2013;

(b) the audited consolidated financial statements of the Company for the financial years ended December 31, 2013 and 2012, together with the notes thereto and the auditors' report thereon, including the auditors' report of Deloitte LLP, Chartered Accountants, the former auditors of the Company, in respect of the financial year ended December 31, 2012, as refiled on September 29, 2014;

(c) management's discussion and analysis of the financial condition and results of operations for the financial year ended December 31, 2013;

(d) unaudited condensed consolidated interim financial statements for the three and six-month period ended June 30, 2014, except for the notice provided under subparagraph 4.3(3)(a) of National Instrument 51-102 *Continuous Disclosure Obligations*, together with notes thereto (the "**Interim Financial Statements**");

(e) management's discussion and analysis of financial condition and results of operations for the three and six-month period ended June 30, 2014;

(f) the material change report dated June 3, 2014 with respect to the announcement of the refinancing of up to 100% of its existing convertible unsecured subordinated debentures in the aggregate principal amount of $10.15 million and maturing on September 27, 2014 by issuing new convertible unsecured subordinated debentures;

(g) the material change report dated October 3, 2014 with respect to the announcement of the Offering;

(h) the material change report dated October 3, 2014 with respect to the announcement of the completion of the Debenture Refinancing (as defined herein);

(i) the management information circular of the Company dated May 21, 2014; and

(j) the term sheet dated September 23, 2014 in respect of the Offering (the "**Marketing Materials**").

Any documents of the type referred to in Item 11 of Form 44-101F1 - *Short Form Prospectus*, if filed by the Company after the date of this Prospectus and prior to the termination of this distribution, shall be deemed to be incorporated by reference in this Prospectus.

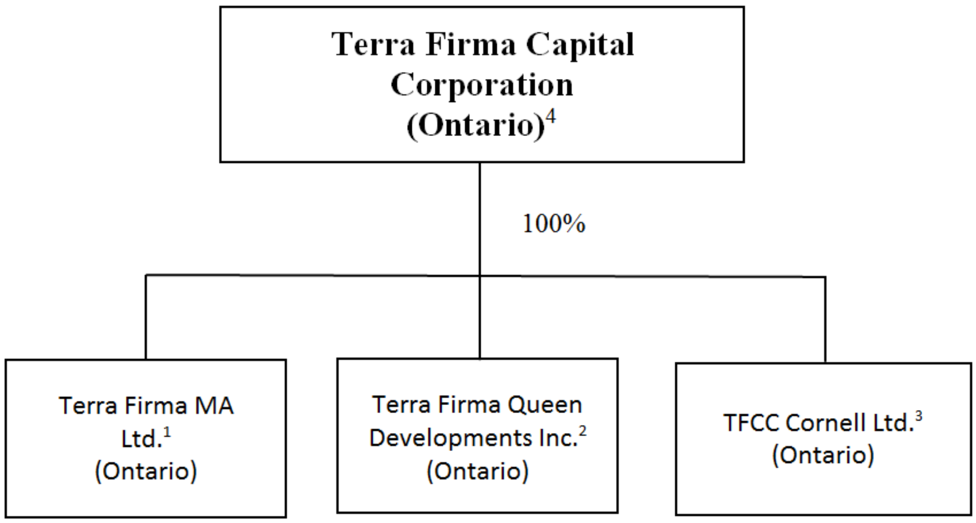
Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any template version of "marketing materials" (as defined in National Instrument 41-101 - *General Prospectus Requirements*) filed after the date of the Prospectus but before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference herein.

ORGANIZATIONAL STRUCTURE

The following chart sets out the organizational structure of the Company and its material subsidiaries as at the date hereof:



Notes:

(1) This entity provides mortgage brokerage and administration services to the Company.

(2) This entity holds a loan investment (previously a joint venture interest) in the property located at 952 Queen Street, Toronto, Ontario.

(3) This entity was incorporated to hold an approximate 40% interest in a development property located in Markham, Ontario.

(4) In addition, the Company also holds a 79% interest in Terra Firma Capital (Hill) Corporation, which holds a partnership interest in an entity that owns a development property on Eglinton Avenue in Toronto, Ontario.

THE BUSINESS OF THE COMPANY

The principal business of the Company is to provide real estate financings secured by investment properties and real estate developments throughout Canada and the United States. These financings are made 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, for such development or redevelopment, property repairs or the purchase of investment 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.

The loans and/or mortgages advanced by the Company on and secured by real estate (the "**Loan and Mortgage Investments**" or "**Loan Portfolio**") are on properties principally located in major urban markets and their surrounding areas in Canada and the United States. The types of real estate assets for which the Company arranges financings include residential buildings, mixed-use properties, and land for residential and commercial development and construction projects.

The Loan and Mortgage Investments generally take the form of:

- Land loans registered in first or second position at the earlier stages of real estate development,
- Term mortgages for the purposes of acquiring or re-financing income-producing properties, or
- Mezzanine / subordinated debt financings on real estate developments that have either progressed to the construction phase or are in the process of approaching the construction phase.

These financings generally represent loan to cost ratios of 80% (on a selective basis the Company may increase to 90% loan to cost ratio) and loan-to-value ratios of 80%, including all prior encumbrances at the time of underwriting of each loan. In some cases the loan-to-value ratio could increase to 90%. The "**loan-to-value**" ratio means the ratio, expressed as a percentage, determined by A/B x 100, where: (A) is the principal amount of the mortgage, together with all other equal and prior ranking mortgages or tranches of mortgages on the real estate; and (B) is the appraised value of the real estate securing the mortgage at the time of funding the mortgage or in a more recent appraisal, if available.

In addition, the Company participates in the development of real estate in Canada and in the United States by providing equity-type financing to developers. These financings provide a minimum return and/or a share of remaining net cash flow from projects, and may be done as a strategic partnership established with established developers to pursue the development of real properties ("**Joint Arrangements**" or "**Joint Operations**") or an equity investment by the Company in an entity that carries on the business of real estate development ("**Portfolio Investments**"). The Company generally provides these financings in the form of preferred equity in the entity that holds the real estate asset. When making an equity investment, the Company prefers to invest in the form of preferred equity which ranks ahead of the developers' or owners' common equity in the project.

Investment in real estate comprises a variety of "tranches" with highly differentiated risk/return characteristics based on their position in the capital structure and subordination levels. The Company strives to achieve "equity like" returns on its Loan and Mortgage Investments while bearing lower risk than equity investments, by structuring its financings in a "debt like" structure.

Equity investments in real estate assets are effectively unhedged and therefore relatively volatile. Equity investors must accept downside risk in order to fully share in the upside potential.

Mortgages offered by conventional banks, credit unions, trust companies and pension funds are more conservative and traditionally represent lower loan-to-value, accordingly, offer lower rates of return. This is an institutionalized marketplace dominated by large, well-capitalized financial services firms looking for bond-like investments.

Mezzanine loans and Second Mortgages offered in the market place are typically at higher loan-to-value (typically 50%-75%, depending on the type of security) and as such, offer higher rates of return.

Customized financing solutions offered by the Company are secured by quality assets that involve customized features such as interest accrual, early repayment options and profit participation. This customization warrants higher yields than standard bank mortgages and senior mortgages, closer to equity returns without the risk and volatility associated with equity investments.

The Company's primary sources of revenue include interest income derived from its Loan and Mortgage Investments as well as income earned from (i) Commitment Fees (a one-time fee, paid by a borrower to the Company in return for obtaining a commitment for loan or mortgage financing, stated either as a fixed dollar amount or a percentage of the principal amount of the loan or mortgage, and generally is paid at the time of initial funding), (ii) Syndication Fees (the fee received by the Company from a third party investor in a senior loan syndication for arranging the loan, calculated as a difference between the Commitment Fee collected from the borrower on the third party investor's portion of the mortgage and what the third party investor charges as commitment fees for their portion of the mortgage), (iii) Syndication Spread (the difference between the interest collected from the borrower on the third party investor in a senior loan syndication's portion of the mortgage and what the third party investor charges as interest for their portion of the mortgage), and (iv) Profit Participation Fees (a one-time fee, paid by certain borrowers to the Company, and is stated as a fixed dollar amount, and generally is paid at the end of the term of the loan or from proceeds from the sale of the related development project).

Objectives of the Company

The objectives of the Company are to originate, create and maintain a diversified real estate Loan Portfolio, to preserve the Company's capital while earning attractive risk-adjusted returns and to create shareholder value over the long-term, through capital appreciation, and payment of dividends (from time to time as the Board considers appropriate).

Foreign Operations

The Company's primary activities are carried out in Canada, however; it also offers financings secured by real estate assets located in the United States. The Company is not dependent on foreign operations.

Specialized Skill and Knowledge

The Company believes that its success is dependent on the performance of its management and employees. Each member of the management has extensive knowledge and understanding of the mortgage and real estate industries that has enabled them to have a strong track record of identifying sound investment opportunities and making prudent investment decisions. The Company has adequate personnel with the specialized skills required to successfully carry out its operations.

Cycles

The Company does not experience significant seasonality, and originations of new mortgages tend to occur on a fairly consistent basis over the entire year. Loan origination volumes may be affected by the level of real estate development and the availability of capital from other real estate financing companies.

Investment Portfolio

The Company provides real estate financings based on disciplined underwriting criteria which would include an appraisal, market assessment, environmental and geotechnical report, background checks and net worth of its borrowers etc., which are all compiled into an underwriting report prepared internally by management of the Company for each mortgage. The Company's Loan and Mortgage Investments, Joint Arrangements (or interest in Joint Operations) and Portfolio Investments (the "**Investment Portfolio**") was sourced and underwritten internally by the Company. Based on the underwriting report, the Investment Committee determined that each investment in the Investment Portfolio met the objectives and investment policies of the Company. As at June 30, 2014 the Investment Portfolio included 20 Loans and Mortgage Investments, Joint Arrangements in one property and Portfolio Investments in two development properties.

The following is an overview of the Investment Portfolio held by the Company as at June 30, 2014:

	June 30, 2014	**%**
Mortgages	$56,266,320	86%
Unregistered Loans	$5,000,000	8%
Total Loan Portfolio	$61,266,320	94%
Interests in Joint Operations	$726,493	1%
Portfolio Investment	$3,148,234	5%
Total Investment Portfolio	$65,141,047	100%

The Greater Toronto Area and other Ontario urban centres contain a sizeable portion of Canada's population and a well-diversified industry base. The Company makes its Loan and Mortgage Investments on real estate located primarily in the Greater Toronto Area and other Ontario urban centres that are in close proximity to the Company's offices and with which the Company's management is familiar.

The Company's Investment Portfolio as at June 30, 2014 consists of: (a) loans relating to 16 residential housing developments, comprising 1,690 high rise units in Toronto, Ontario, 622 low rise single family condominium and freehold units in Toronto and Kitchener, Ontario, representing 71.3% of the Investment Portfolio, (b) a portfolio of ten student housing income properties consisting of 5,352 student beds in several states in the United States, representing 23.1% of the Investment Portfolio, (c) three residential income properties consisting of 472 rental units in Toronto and Ottawa, Ontario, representing 4.6% of the Investment Portfolio, and (d) a commercial retail development consisting of 5 units in Kitchener, Ontario, representing the remaining 1.0% of the Investment Portfolio. Further details are contained in the Company's management's discussion and analysis for the three and six months ended June 30, 2014, which is available at www.sedar.com or on the Company's website www.tfcc.ca.

The Investment Portfolio as at June 30, 2014 is representative of the types of Loan and Mortgage Investments, Joint Arrangements and Portfolio Investments in which the Company invests. While there can be no assurance that the weighted average of all annual interest on the Loan and Mortgage Investments, taking into account the effect of compound interest and fees, will be representative of interest yields to be obtained on the Company's future Loan and Mortgage Investments, management anticipates that the aggregate internal rate of return on the Company's Loan and Mortgage Investments will continue to be in excess of 15%, based on the performance of the Investment Portfolio and the historical performance of the Loan and Mortgage Investments originated and serviced by the Company in the last three years.

All properties are evaluated on the basis of location, quality, and prospects for capital appreciation and, in the case of mortgages on and secured by real properties used for commercial purposes, including retail, commercial service, industrial and/or office, on prospects for income. In addition, the credit of the borrower is also reviewed and, where appropriate, personal or corporate covenants are obtained.

Joint Arrangements

Where the Company's interests in properties are subject to joint control, the company records its proportionate share of the related assets, liabilities, revenue and expenses of the properties following the proportionate consolidation method.

In July 2009, the Company entered into a co-tenancy agreement (the "**Montreal Street JV**") with a development partner and subsequently developed a retail property in Ottawa, Ontario. The land on which the store was developed is subject to a 20 year land lease, with five renewal options of five years each. The Company's ownership interest in the Montreal Street JV is 52.5%. The Montreal Street JV carries a loan of $2,120,002 at June 30, 2014, bearing interest at 4.2% per annum, is amortized over 25 years and matures June 1, 2016.

In April 2012, the Company entered into a co-owners' agreement ("**Queen Street West JV**") and acquired a land parcel with a development partner to develop a mid-rise residential condominium building in Toronto, Ontario, having a development potential of approximately 100,000 square feet of gross floor area. Under the terms of the co-owners agreement, the Company has agreed to contribute 75% of the capital required during the course of the development, for a 50% ownership interest in the Queen Street West JV.

On April 1, 2014, the Company and the co-owner of the joint operation entered into an agreement by which the Company converted its interest in the joint operation into a loan receivable of $2,818,000 (the Company's original investment in joint operations), secured by the property. The loan receivable is included in the Loan and Mortgage Investments.

Investment Process

In the view of the board of directors of the Company and management, the three keys to developing and maintaining a successful Loan Portfolio are: (i) knowledgeable mortgage underwriting; (ii) the ability to source a broad range of investment opportunities thereby allowing the Company to be selective and prudent in its choice of mortgage investments; and (iii) disciplined monitoring, servicing and collection enforcement methods. In these respects, the Company benefits from the experience of the board of directors and management.

The Company sources and funds mortgage investments which satisfy the Company's investment criteria based on: (i) the specialized lending structures offered to borrowers; (ii) the reputation, experience and marketing ability of management; (iii) the timely credit analysis and decision-making processes followed by management; and (iv) a lack of significant competitors in the market segments in which the Company invests.

The Company's funding process is summarized below:

Investment Stage	**Investment Approval Activity**
Deal Sourcing	Deal sourced through current network of industry participants Repeat borrowers and/or operators
Initial review by Management	Management reviews a discussion paper prepared by the loan originator which details the proposed loan terms and preliminary analysis based on the preliminary information received from the prospective borrower, together with some results of initial due diligence, terms of the loan, loan-to-value, borrower's quality, etc. The underwriter proceeds with completion of a term sheet which details the loan terms, underwriting and due diligence, and comprises a complete analysis of the loan.
Letter of Intent	A letter of intent is prepared, reviewed and approved by the underwriter, sent to the proposed borrower for signature and return, together with a required deposit cheque
Investment Committee approval and issuance of Commitment Letter	Upon acceptance of the letter of intent, the underwriter prepares a detailed report to the Investment Committee outlining the term of the deal. A commitment letter is issued to the borrower for acceptance of the terms and conditions, pre-funding conditions and covenants for financing.
Due Diligence	The underwriter conducts due diligence including a review of credit checks, financial statements and personal net worth statements of the prospective borrower(s) and any guarantor(s); internet searches; third party reports (such as valuation appraisals, environmental, building condition assessment and geotechnical appraisals); a development budget and schedules, zoning and permits; and prior and subsequent ranking mortgage balances.
Mortgage Funding	The Company's legal counsel prepares legal documents, obtains title insurance, and conducts the required enquiries and searches.
Final Due Diligence Meeting and Funding	The underwriter and the Company's Chief Financial Officer confirm that all due diligence and funding requirements have been completed. The Company's Accounting Department funds the borrower. The Company's legal counsel registers the security documents and ensures all conditions are satisfied before releasing funds to the borrower.
Monitoring	The Company monitors contractual payments and progress on the proposed development, and receives periodic reporting from borrowers.

RECENT DEVELOPMENTS

On September 29, 2014, the Company announced completion of the previously announced refinancing of its existing convertible unsecured subordinated debentures in the aggregate principal amount of $10.15 million with an original maturity date of September 27, 2014 and issuance of new convertible unsecured subordinated debentures (the "**Convertible Debentures**") in the aggregate principal amount of $10.85 million (the "**Debenture Refinancing**"). The Convertible Debentures bear interest at an annual rate of 7%, payable quarterly, and mature on September 27, 2017 (the "**Maturity date**"). At any time up to the Maturity Date, the Convertible Debentures are convertible, in whole or in part, at the option of the holder into Common Shares at a price of $0.72 per Common Share (the "**Conversion Price**"). The Company may, at any time prior to the Maturity Date and upon giving notice (the "**Redemption Notice**"), prepay the Convertible Debentures in full or in part, by paying the holders thereof the outstanding principal amount plus all accrued and unpaid interest, provided that the market price per Common Share on the date on which the Redemption Notice is provided is at least 125% of the Conversion Price. The TSXV accepted for filing documentation with respect to the Debenture Refinancing and issued its approval on October 1, 2014.

DIVIDENDS ON COMMON SHARES

The Company has not declared or paid any dividends on any of its Common Shares since incorporation. The board of directors of the Company (the "**Board**") will determine the actual timing, payment and amount of dividends, if any, that may be paid by the Company from time to time based upon, among other things, the cash flow, results of operations and financial condition of the Company, the needs for funds to finance ongoing operations and other business considerations as the Board considers relevant at such time.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at June 30, 2014 and the *pro forma* consolidated capitalization of the Company as at June 30, 2014 after giving effect to the Offering, the Concurrent Private Placement and the Debenture Refinancing, but without giving effect to the exercise of the Over-Allotment Option and exclusive of any Broker Shares issuable on the exercise of Broker Warrants described herein. The table should be read in conjunction with the Interim Financial Statements and notes thereto included or incorporated by reference in this Prospectus.

	As at June 30, 2014 (unaudited)	**As at June 30, 2014 (after giving effect to the Offering) (unaudited – *pro forma*)**	**As at June 30, 2014 (after giving effect to the Offering, Concurrent Private Placement and Debenture Refinancing) (unaudited – *pro forma*)**
Loans and mortgages payable.....	$44,907,558	$44,907,558	$44,907,558
Convertible Debentures.............	$10,141,697	$10,141,697	$10,789,000
Common Shares(1)	$10,834,175	$15,221,375	$16,209,175
Contributed Surplus....................	$720,477	$720,477	$720,477
Retained Earnings.......................	$4,529,221	$4,529,221	$4,529,221
Total Capitalization..................	**$71,133,128**	**$75,520,328**	**$77,155,431**

Notes:

(1) Authorized – unlimited; Issued (actual) –30,995,000; Issued (pro forma including Offering) – 38,995,000; Issued (pro forma including Offering and Concurrent Private Placement) – 40,582,300.

SELECTED ANNUAL AND QUARTERLY INFORMATION

The following selected financial information should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the years ended December 31, 2013 and 2012 and the unaudited condensed consolidated interim financial statements and accompanying notes for the three and six months ended June 30, 2014.

The following table shows information for revenues, profit, total assets, total liabilities, shareholders' equity and earnings per share amounts for the periods noted therein.

	As at June 30, 2014	As at December 31, 2013	As at December 31, 2012
Total assets	$74,102,139	$73,669,821	$46,400,778
Total liabilities	$57,818,266	$58,944,840	$33,644,832
Shareholder's equity	$16,083,873	$14,524,981	$12,755,946
Loan and mortgage investments	$61,266,320	$55,278,303	$31,966,731
Loans and mortgages payable and Debentures	$55,049,255	$56,694,995	$31,499,395
Loans and mortgages payable and Debentures to loan and mortgage investments	89.9%	102.6%	98.4%

	Three months ended,		Years ended,		
	June 30, 2014	June 30, 2013	December 31, 2013	December 31, 2012	December 31, 2011
Total revenue	$2,889,135	$1,955,738	$8,905,498	$5,500,623	$1,526,319
Total expenses	$1,933,433	$1,583,678	$6,622,752	$3,454,010	$1,043,945
Income from operations before income taxes	$955,702	$372,060	$2,282,746	$2,046,613	$677,374
Net income and comprehensive income	$785,783	$263,557	$1,699,827	$1,251,980	$287,322
Diluted income and comprehensive income	$922,177	$399,516	$2,245,380	$1,799,173	$426,693
Weighted average number of shares outstanding					
Basic	30,864,780	30,695,000	30,737,486	30,585,860	19,120,808
Diluted	45,991,447	45,225,450	45,279,974	45,257,722	23,318,691
Earnings per share					
Basic	$0.03	$0.01	$0.06	$0.04	$0.02
Diluted	$0.02	$0.01	$0.05	$0.04	$0.02

USE OF PROCEEDS

The estimated net proceeds of the Offering and the Concurrent Private Placement, after deducting the Underwriters' Fee and the estimated expenses of the Offering and the Concurrent Private Placement, will be $5,375,000. If the Over-Allotment Option is exercised in full, the net proceeds to be received from the Offering by the Company, after deducting the Underwriters' Fee and the estimated expenses of the Offering and the Concurrent Private Placement, will be $6,131,000. The Company intends to use approximately $5,200,000 of the net proceeds it receives from the Offering and the Concurrent Private Placement to partially fund signed commitments for loan investments of $5,200,000 and to use $175,000 (approximately $705,000 assuming the Over-Allotment Option is exercised in full) for working capital, and nil (approximately $226,000 assuming the Over-Allotment Option is exercised in full) for general corporate purposes.

PLAN OF DISTRIBUTION

Pursuant to the terms and conditions of the Underwriting Agreement, the Company has agreed to issue and sell, and the Underwriters have agreed to purchase on the Closing Date, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, an aggregate of 8,000,000 Offered Shares at a purchase price of $0.63 per Offered Share, payable in cash to the Company against delivery of such Offered Shares, for gross proceeds to the Company of $5,040,000. The obligations of the Underwriters under the Underwriting Agreement are conditional and may be terminated at their discretion upon the occurrence of certain stated events, including in the event that (i) there shall have occurred any material change or change in any material fact, or there shall be discovered any previously undisclosed material change or material fact in relation to the Company, in each case which, in the reasonable opinion of the Underwriters, has or would reasonably be expected to have a material adverse effect on the market price or value of the Offered Shares; (ii) any order to cease or suspend trading in any securities of the Company or prohibiting or restricting the distribution of any securities of the Company and has not been rescinded, revoked or withdrawn; (iii) there is an inquiry, action, investigation or other proceeding commenced, announced or threatened or an order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality in relation to the Company or any one of its officers or directors, which in the opinion of the Underwriters, acting reasonably, operates to prevent or materially restrict the distribution or trading of the Offered Shares or, materially and adversely affects or would be reasonably expected to materially and adversely affect the market price or value of the Offered Shares; (iv) there should develop, occur or come into effect or existence any event, action, state, condition or major occurrence of national or international consequence or any law or regulation is enacted or changed, which, in the opinion of the Underwriters, seriously adversely affects, or involves, or will seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole; or (v) any Underwriter and the Company agree in writing to terminate this Agreement in relation to such Underwriter. The Underwriters, however, are obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. The terms of the Offering, including the Offering Price, were determined by negotiation between the Company and Beacon, on behalf of the Underwriters.

The Company has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part at any time, and from time to time, up to 30 days after the Closing of the Offering, to purchase up to 1,200,000 additional Common Shares, representing 15% of the number of Offered Shares sold under the Offering, on the same terms and conditions as set forth above solely to cover over-allocations, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public will be $5,796,000, the total Underwriters' Fee will be $405,720 and net proceeds to the Company (before deducting the expenses of the Offering and the Concurrent Private Placement) will be $5,390,280. This Prospectus qualifies the distribution of the Over-Allotment Option and Common Shares issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allotment position acquires those Common Shares under this Prospectus, regardless of whether the Underwriters' over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Pursuant to the Underwriting Agreement, the Company has agreed to pay to the Underwriters a fee equal to 7% of the gross proceeds from the issue and sale of the Offered Shares (including for certainty any Common Shares issued upon the exercise of the Over-Allotment Option), which fee will be payable in full on the Closing Date. The Company has also agreed to issue to the Underwriters the Broker Warrants entitling the Underwriters to subscribe for that number of Broker Shares as is equal to 7% of the number of Offered Shares issued under the Offering (including Common Shares issued upon exercise of the Over-Allotment Option), subject to adjustment in certain circumstances. Each Broker Warrant is exercisable for one Broker Share at the Offering Price for a period of 12 months following the closing of the Offering. This Prospectus qualifies the distribution of the Broker Warrants. The Company has also agreed in the Underwriting Agreement to reimburse the Underwriters for their legal fees and certain other expenses in connection with the Offering.

The Underwriters reserve the right to offer selling group participation, in the normal course of the brokerage business, to selling groups of other licensed broker-dealers, brokers or investment dealers, who may or may not be offered part of the Underwriters' Fee.

Subject to certain exceptions, the Company has agreed in the Underwriting Agreement that it will not, directly or indirectly, offer, sell, issue or grant or enter into any agreement or announce any intention to offer, sell, issue or grant any Common Shares or any securities convertible into or exchangeable for Common Shares for a period of 90 days from the date of Closing of the Offering without the prior written consent of Beacon, which consent may not be unreasonably withheld or delayed.

Subject to certain exceptions, each of the directors, officers and principal shareholders of the Company have agreed to enter into an agreement on the Closing Date pursuant to which they will agree not to, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, lend, swap, or otherwise dispose of, transfer, assign, or announce any intention to do so, any Common Shares or any securities convertible into or exchangeable for Common Shares, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, for a period of 90 days after Closing of the Offering.

Under the Underwriting Agreement, the Company has agreed to indemnify and hold harmless the Underwriters and their respective directors, officers, employees, shareholders, partners, advisors and agents against certain liabilities, including civil liabilities under Canadian securities legislation, and to contribute to payments the Underwriters may be required to make in respect thereof.

Concurrently with the Closing of the Offering, certain insiders of the Company will subscribe for 1,587,300 Common Shares on a private placement basis at a price of $0.63 per Common Share for total gross proceeds of $999,999. No commission or other fee will be paid to the Underwriters in connection with the sale of Common Shares pursuant to the Concurrent Private Placement. The Concurrent Private Placement constitutes a "related party transaction" under Multilateral Instrument 61-101 – Protection of Minority Security Holders ("**MI 61-101**"). MI 61-101 provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from both requirements is available when the fair market value of the transaction, insofar as it involves the interested parties, is not more than 25% of the market capitalization of the issuer. The total anticipated gross proceeds of the Concurrent Private Placement is less than 25% of the market capitalization of the Company. As a result, the Concurrent Private Placement will not be subject to the valuation and minority approval requirements of MI 61-101. This Prospectus does not qualify the distribution of the Common Shares issued pursuant to the Concurrent Private Placement. The subscribers under the Concurrent Private Placement will be relying on the "accredited investor" prospectus exemption set forth in National Instrument 45-106 – *Prospectus and Registration Exemptions.* The Common Shares issued pursuant to the Concurrent Private Placement will be subject to a minimum statutory hold period of four months from the closing of the Concurrent Private Placement.

The TSXV has conditionally approved the listing of the Common Shares offered under this Prospectus (including the Common Shares issuable pursuant to the Over-Allotment Option and the Broker Shares issuable on exercise of the Broker Warrants) and the Common Shares issuable under the Concurrent Private Placement on the TSXV. Listing is subject to the Company fulfilling all of the listing requirements of the TSXV.

The Common Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States, or to, or for the account or benefit of, a U.S. person (as defined in Regulation S of the U.S. Securities Act). Accordingly, the Common Shares may not be offered, sold or delivered within the United States, and each Underwriter has agreed that it will not offer, sell or deliver the Common Shares within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. In addition, until 40 days after the closing of the Offering, any offer or sale of the Common Shares offered hereby within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act and applicable state securities laws.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Common Shares in the United States or to, or for the account or benefit of, U.S. persons.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution under the Offering, bid for or purchase Common Shares for their own accounts or for accounts over which they exercise control or direction . The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include bids or purchases permitted under Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and bids or purchases made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first mentioned exception, in connection with this Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be interrupted or discontinued at any time.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of preventing or mitigating a decline in the market price of the Common Shares, and may cause the price of the Offered Shares to be higher than would otherwise exist in the open market absent such stabilizing activities. As a result, the price of the Offered Shares may be higher than the price that might otherwise exist in the open market.

The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares offered under this Prospectus at such price, the initially stated Offering Price may be decreased, and further changed from time to time, by the Underwriters to an amount not greater than the initially stated Offering Price and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Other than pursuant to certain exceptions, the Offering will be effected only through the book-based system administered by CDS or its nominee and the Offered Shares will be deposited with CDS on the Closing Date. A purchaser of Offered Shares will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant through which the Offered Shares are purchased. Offered Shares must be purchased or transferred through a CDS participant and all rights of holders of Offered Shares must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS participant through which the holder of Offered Shares holds such Offered Shares. Beneficial owners of Common Shares will not, except in certain limited circumstances, be entitled to receive physical certificates evidencing their ownership of Common Shares.

The Closing Date is expected to take place on October 15, 2014, or such other date as the Company and the Underwriters may agree, acting reasonably.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Company consists of an unlimited number of Common Shares. Holders of Common Shares are entitled to receive notice of and to attend any meeting of shareholders of the Company and to one vote per share at any such meetings, to receive dividends if, as and when declared by the Board, and to receive on a pro rata basis the remaining property and assets of the Company upon its dissolution or winding up. As at the date of this Prospectus, 30,995,000 Common Shares are issued and outstanding.

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares for the 12-month period prior to the date of this Prospectus.

Date of Issuance	Security Issued	Reason for Issuance	Number of Securities Issued	Price per Security ($)
September 12, 2013	Common Shares	Exercise of common share options	100,000	$0.20
October 4, 2013	Common Shares	Exercise of common share options	50,000	$0.20
June 19, 2014	Common Shares	Exercise of common share options	150,000	$0.20
September 29, 2014	Convertible Debentures	Debenture Refinancing	10,850	$1,000

PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES

The Common Shares are listed and posted for trading on the TSXV under the symbol "TII". The following table shows the monthly range of high and low prices per Common Share and total monthly volumes traded on the TSXV for the 12-month period prior to the date of this Prospectus.

Month	Price per Common Share ($) Monthly High	Price per Common Share ($) Monthly Low	Total Monthly Volume
October 2013	0.360	0.300	600,685
November 2013	0.355	0.320	1,003,018
December 2013	0.450	0.350	287,819
January 2013	0.550	0.355	215,194
February 2014	0.500	0.410	351,256
March 2014	0.500	0.430	367,763
April 2014	0.490	0.440	323,743
May 2014	0.670	0.380	8,223,012
June 2014	0.640	0.540	1,849,054
July 2014	0.630	0.500	3,777,709
August 2014	0.690	0.550	757,999
September 2014	0.680	0.610	842,820
October 1, 2014 – October 3, 2014	0.670	0.630	75,574

On September 22, 2014, being the last day on which the Common Shares traded prior to the public announcement of the Offering, the closing price of the Common Shares on the TSXV was $0.67. The closing price of the Common Shares on the TSXV on October 3, 2014, the last trading day prior to the date of this Prospectus, was $0.63.

RISK FACTORS

An investment in the Common Shares is subject to a number of risks. Before deciding whether to invest in the Common Shares, prospective investors should consider carefully the risk factors set forth below and under the heading "*Risks and Uncertainties*" in management's discussion and analysis of financial condition and results of operations for the three and six-month period ended June 30, 2014 and all of the other information in this Prospectus (including, without limitation, the documents incorporated by reference).

The risks described herein and in the documents incorporated by reference in the Prospectus are not the only risk factors facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also potentially materially and adversely affect its business.

The risks discussed below also include forward-looking statements and the Company's actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements".

Risks Related to the Industry

Nature of the Investments

All real estate investments are subject to elements of risk. Investments in loans and mortgages are affected by many factors, including general economic conditions, local real estate market conditions (such as an oversupply of space or reduction in demand for real estate in the area), government regulations, changing demographics, prevailing interest rates and various other factors.

Land loans and mortgages pose a risk in the event of default by the borrower, in that the asset would have no capacity to generate cash flow. The Company may invest in real properties with a loan-to-value of more than 85%, including prior encumbrances, which exceeds the investment limit for conventional mortgage lending. Fluctuations in real estate values may increase the risk of borrower default and may also reduce the net realizable value of the collateral property to the Company.

Concentration and Composition of the Investment Portfolio

The Investment Portfolio is exclusively comprised of investments in real estate assets. Given the concentration of the Company's exposure to the real estate lending sector, the Company is more susceptible to adverse economic or regulatory occurrences affecting that sector than a Company that is not concentrated in a single sector. Loan and Mortgage Investments and equity-type financings on real estate assets are relatively illiquid. Such lack of liquidity tends to limit the Company's ability to vary its mortgage investments promptly in response to changing economic or investment conditions. If the Company were to be required to liquidate its investments, the proceeds might be significantly less than the aggregate carrying value of its investments which could have an adverse effect on the Company's financial condition and results of operations.

The investment objectives permit the assets of the Company to be invested in a broad spectrum of Loan and Mortgage Investments and equity-type financing. The composition of the Company's Investment Portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in it being less diversified than at other times. Currently, the Company's loan and mortgage investments are concentrated in Ontario, Canada. A lack of diversification may result in the Company being exposed to economic downturns or other events that have an adverse and disproportionate effect on particular types of security, industry or geography. In particular, given the current concentration, the Company may be more susceptible to adverse economic or other occurrences affecting real estate in Ontario, Canada than an issuer that holds an Investment Portfolio that is more diversified by geographic area.

Subordinated and Unregistered Loan Financing

Some of the Company's Loan and Mortgage Investments do not have a first-ranking charge on the underlying property. When a charge on real estate is in a position other than first-ranking, it is possible for a holder of a senior-ranking charge on the real estate, if the borrower is in default under the terms of its obligations to such holder, to take a number of actions against the borrower and ultimately against the real estate to realize on the security given for such loan. Such actions may include a foreclosure action, the exercise of a giving-in-payment clause or an action forcing the real estate to be sold. A foreclosure action or the exercise of a giving-in-payment clause may have the ultimate effect of depriving any person having other than a first-ranking charge on the real estate or the security of the real estate. If an action is taken to sell the real estate and sufficient proceeds are not realized from such sale to pay off creditors who have prior charges on the property, the holder of a subsequent charge may lose its investment or part thereof to the extent of such deficiency unless they can otherwise recover such deficiency from other property, if any, owned by the debtor.

The Company may make an investment in a mortgage where its loan-to-value exceeds 85% and invest up to 20% of the principal balance of the Investment Portfolio on the same real estate, and such concentration of investment would increase the risk of loss to the Company. Fluctuations in real estate values may increase the risk of borrower default and may also reduce the net realizable value of the collateral property to the Company.

Sensitivity to Interest Rates

The market price for the Common Shares and the value of the Loan and Mortgage Investments at any given time may be affected by the level of interest rates prevailing at such time. The Company's income consists primarily of interest receipts on the mortgages comprising the Loan and Mortgage Investments. If there is a decline in interest rates, the Company may find it difficult to make additional mortgage loans bearing rates sufficient to achieve the targeted capital appreciation on the Common Shares. There can be no assurance that an interest rate environment in which there is a significant decline or increase in interest rates would not adversely affect the value of the Company's Investment Portfolio.

Changes in Real Estate Values

The Company's Loan Portfolio, secured by real estate, the value of which can fluctuate. The value of real estate is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants or buyers where applicable, competition from other available properties, fluctuations in occupancy rates, operating expenses and other factors. The value of income-producing real estate may also depend on the credit worthiness and financial stability of the borrowers and/or the tenants. It is very likely that adverse changes in market conditions may decrease the value of the secured property and reduce the cash flow from the property, thereby impacting the ability of the borrower to service the debt and/or repay the loan based on the property income. A substantial decline in the value of real estate provided as security for a mortgage loan made by the Company may cause the value of the property to be less than the outstanding principal amount of the mortgage loan and, where applicable, amounts owed to other creditors with security ranking ahead of the Company's security. Foreclosure by the Company or any creditor holding security in priority to the Company, on any such mortgage loan might not provide the Company or the other creditors with proceeds sufficient to satisfy the outstanding principal amount of the mortgage loan.

While independent appraisals are required before the Company may make any loan or mortgage investments, the appraised values provided therein, even where reported on an "as is" basis, are not necessarily reflective of the market value of the underlying real estate at the time when the Company may seek to enforce its security on such property. The market value of real estate may fluctuate substantially within a short period at times of economic instability and turmoil. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion of construction, rehabilitation, remediation or leasehold improvements on the real estate providing security for the loan. There can be no assurance that these conditions will be satisfied and, to the extent they are not satisfied, the appraised value may not be achieved. Even if such conditions are satisfied, the appraised value may not necessarily reflect the market value of the real estate at the time the conditions are satisfied.

Extensions and Defaults

As part of the Company's active management of the Investment Portfolio, among other strategies, the Company may deem it appropriate to extend or renew the term of a mortgage or a loan past its maturity, in order to provide the borrower with increased repayment flexibility or accrue interest on the mortgage loan. The Company generally will do so if it believes that there is a very low risk to the Company of not being repaid the full principal and interest owing on the loan. These strategies may be used in circumstances where the value of the security underlying the mortgage loan is high relative to the outstanding principal and/or accrued interest thereof. In these circumstances, however, the Company is subject to the risk that the principal and/or accrued interest of such loan may not be repaid in a timely manner or at all, which could impact the cash flows of the Company during the period in which it is granting this accommodation. Further, in the event that the valuation of the asset has fluctuated substantially due to market conditions, there is a risk that the Company may not recover all or substantially all of the principal and interest owed to the Company in respect of such loan.

When a mortgage loan is extended past its maturity, the loan can either be held over on a month to month basis or renewed for an additional term at the time of maturity. Notwithstanding any such extension or renewal, if the borrower subsequently defaults under any terms of the loan, the Company has the ability to exercise its mortgage enforcement remedies in respect of the extended or renewed loan. Exercising enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact the cash flows of the Company during the period of enforcement. In addition, as a result of potential declines in real estate values, there is no assurance that the Company will be able to recover all or substantially all of the outstanding principal and interest owed to the Company in respect of such loans by exercising its enforcement remedies. Should the Company be unable to recover all or substantially all of the principal and interest owed to the Company in respect of such loans, the returns, financial condition and results of operations of the Company could be adversely impacted. See "Risk Factors - Risks Related to the Industry -Subordinated and Unregistered Loan Financing".

Foreclosure and Related Costs

One or more borrowers could fail to make payments according to the terms of their mortgage loan, and the Company could therefore be forced to exercise its rights as mortgagee. The recovery of a portion of the Company's assets may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of the Company's rights as mortgagee. Legal fees and expenses and other costs incurred by the Company in enforcing its rights as mortgagee against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the mortgaged property by power of sale or otherwise, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable, they will be borne by the Company.

Furthermore, certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made through the period of ownership of real estate regardless of whether the property is producing income or whether mortgage payments are being made. The Company may therefore be required to incur such expenditures to protect its investment, even if the borrower is not honouring its contractual obligations.

Environmental Matters

The Company may from time to time take possession, through enforcement proceedings, of properties that secured defaulted mortgage loans to recover its investment in such mortgage loans. Prior to taking possession of a property which secures a mortgage investment, the Company assesses the potential environmental liability associated with it and determines whether it is significant, having regards to the value of the property. If the Company subsequently determines to take possession of the property, the Company could be subject to environmental liabilities in connection with the property, which could exceed the value of the property. As part of the due diligence performed in respect of the Company's mortgage investments, the Company obtains a Phase I environmental audit on the underlying real estate provided as security for a mortgage, unless the Company determines that a Phase I environmental audit is not necessary. However, there can be no assurance that such Phase I environmental audits will reveal any or all existing or potential environmental liabilities. If hazardous substances are discovered on a property of which the Company has taken possession, it may be required to remove such substances and clean up the property. The Company may also be liable to third parties and may find it difficult to resell the property prior to or following such clean-up.

Competition

The performance of the Company depends, in large part, on its ability to invest in or acquire Loan and Mortgage Investments at favourable yields. The Company competes with individuals, corporations and institutions for investment opportunities in the financing of real estate. Certain of these competitors may have greater resources than the Company and may therefore operate with greater flexibility. As a result, the Company may not be able to acquire sufficient Loan and Mortgage Investments at favourable yields or at all.

General Economic Conditions

General adverse economic conditions in Canada and globally, including economic slowdown, disruptions to the credit and financial markets in Canada and worldwide and local economic turmoil in areas where the borrowers of the mortgage loans are located may adversely affect the value of real estate on which the mortgage loans are secured and the ability of the borrowers to repay the mortgage loans and thereby negatively impact the Company's business and the value of its securities.

Change in Legislation

There can be no assurance that certain laws applicable to the Company, including Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation thereof, will not change in a manner that will adversely affect the Company or fundamentally alter the tax consequences to shareholders acquiring, holding or disposing of the Company's Common Shares.

Risks Related to the Company and its Business

Availability of Capital and Investment

The Company may require additional capital to implement its business plan and objectives. The ability of the Company to make investments in accordance with its investment objectives and strategies depends upon the availability of suitable investments and the amount of funds available to make such investments. There can be no assurance that the Company will have access to sufficient capital or access to capital on terms favourable to the Company for future investments. There can be no assurance that the yields on the mortgages in the Company's current Loan and Mortgage investments will be representative of yields to be obtained on the Company's Loan and Mortgage investments in the future. The Company may not be able to source suitable mortgages in which to reinvest its funds as mortgages are repaid, in which case the funds will be invested in interim investments. The rates of return on interim investments will be lower than the rates of return on the mortgages.

Unable to Fund Investments

The Company may commit to making future Loan and Mortgage investments in anticipation of repayment of principal outstanding under existing Loan and Mortgage investments. In the event that such repayments of principal are not made, the Company may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments and may be required to obtain interim financing and to fund such commitments or face liability in connection with its failure to make such advances.

Limited Sources of Borrowing

The Canadian financial marketplace is characterized as having a limited number of financial institutions that provide credit to the Company and like entities. The limited availability of sources of credit may limit the Company's ability to take advantage of leveraging opportunities to enhance the yield on its Investment Portfolio.

The Company continues to seek opportunities for capital for loan originations through a syndicate of sophisticated accredited investors. Although the mortgages and unregistered loans in the Loan Portfolio are generally secured by specific collateral, there can be no assurance the liquidation of such collateral would satisfy a borrower's obligation in the event of borrower default or that such collateral could be readily liquidated under such circumstances. In the event of bankruptcy of a borrower, delays or limitations could be experienced with respect to the ability to realize the benefits of any collateral securing a senior loan.

Syndication of loans

The Company has, from time to time, entered into strategic relationships to syndicate certain loans as part of its strategy to diversify and manage risks associated with its loan portfolio, its liquidity position and to enhance its revenue/yield. This also affords the Company the opportunity to participate in transactions in which it otherwise would not be able to participate. No assurance can be given that such existing strategic relationships will continue or that the terms and conditions of such relationships will not be modified in a way that renders them uneconomic. Furthermore, there can be no assurance that the Company will be able to enter into such relationships in the future. The inability to do so may adversely affect the Company's ability to continue to service existing and prospective clients and manage its liquidity position.

Interests in Joint Operations

In any Joint Operations in which the Company invests, the Company may not be in a position to exercise sole decision-making authority. Investments in Joint Operations may, under certain circumstances, involve risks not present when a third party is not involved, including the possibility that Joint Operations partners might become bankrupt or fail to fund their share of required capital contributions. Joint Operations partners may have business interests or goals that are inconsistent with the Company's business interests or goals and may be in a position to take actions contrary to the Company's policies or objectives. Any disputes that may arise between the Company and its joint operations partners could result in litigation or arbitration that could increase the Company's expenses and distract its officers and/or directors from focusing their time and effort on the Company's business. In addition, the Company might in certain circumstances be liable for the actions of its Joint Operations partners.

Potential Conflicts of Interest With Directors

The directors will, from time to time, in their individual capacities, deal with parties with whom the Company may be dealing, or may be seeking investments similar to those desired by the Company. The interests of these directors could conflict with those of the Company. The Company's Code of Business Conduct and Ethics contains conflict of interest provisions requiring the directors to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. In addition, certain decisions regarding matters that may give rise to a conflict of interest must be made by a majority of independent directors only (excluding, for greater clarity, any director that may have a conflict of interest with respect to the matter).

No Guarantees or Insurance

There can be no assurance that Loan and Mortgage Investments made by the Company will result in a guaranteed rate of return or any return to shareholders, or that losses will not be suffered on one or more loans and mortgages. Moreover, at any time, the interest rates being charged for loans and mortgages are reflective of the general level of interest rates and, as interest rates fluctuate, it may be expected that the aggregate yield on Loan and Mortgage investments will also change.

The obligations of a borrower under any Loan or Mortgage Investments made by the Company are not guaranteed by the Government of Canada, the government of any province or any agency thereof nor are they insured under the *National Housing Act* (Canada). In the event that additional security is given by the borrower or a third party or that a private guarantor guarantees the mortgage borrower's obligations, there is no assurance that such additional security or guarantee will be sufficient to make the Company whole. The Company's Common Shares are not "deposits" within the meaning of the *Canadian Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation.

Litigation Risks

In the normal course of the Company's operations, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to land rights, the environment and contract disputes. The outcome with respect to future proceedings cannot be predicted with certainty and may be determined adversely to the Company and, as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations. Even if the Company prevails in any such legal proceeding, the proceedings could be costly and time-consuming and would divert the attention of management and key personnel from the Company's business operations, and there is no assurance that such costs will be recovered in whole or at all, which could adversely affect the Company's financial condition.

Operating History

The Company has a limited history of earnings or operations, it has not paid any dividends and it is unlikely to pay any dividends in the immediate or foreseeable future. The success of the Company depends largely on the expertise, ability, judgment, discretion, and good faith of its management and board of directors.

Ability to Manage Growth

The Company intends to grow its Investment Portfolio. In order to effectively deploy its capital and monitor its Loan Portfolio in the future, the Company will need to retain additional personnel and may be required to augment, improve or replace existing systems and controls, each of which can divert the attention of management from their other responsibilities and present numerous challenges. As a result, there can be no assurance that the Company would be able to effectively manage its growth and, if unable to do so, the Company's Loan Portfolio and the market price of its shares may be materially adversely affected.

Dependence on Key Personnel

The success of the Company depends upon the personal efforts of a small group of senior management. Although the Company believes it will be able to replace key employees within a reasonable time should the need arise, the loss of key personnel could have a material adverse effect on the Company's business, financial condition, liquidity and results of operations. The Company does not carry any "key man" insurance.

Competition

The performance of the Company depends, in large part, on its ability to invest in or acquire mortgage loans at favourable yields. The Company competes with individuals, corporations and institutions for investment opportunities in the financing of real estate. Certain of these competitors may have greater resources than the Company and may therefore operate with greater flexibility. As a result, the Company may not be able to acquire sufficient Loan and Mortgage Investments at favourable yields or at all.

Risks Related to the Common Shares

The Company May Use the Proceeds of the Offering for Purposes Other Than Those Set Out in this Prospectus

The Company currently intends to allocate the net proceeds received from the Offering as described under the heading "Use of Proceeds" in this Prospectus. However, management will have discretion concerning the use of proceeds of the Offering as well as the timing of their expenditures. As a result, investors will be relying on the judgment of management as to the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations may suffer.

Ownership of Common Shares

There is no certainty as to any future dividend payments by the Company. The Company is not obligated to pay dividends on the Common Shares. The funds available for the payment of dividends (if any) will be dependent upon, among other things, income and cash flow generated by the Company and financial requirements for the Company's operations and the execution of its growth strategy. Further, the Company's ability to pay dividends to holders of Common Shares will be subject to applicable laws and to any prior right to dividend, interest or other payments in favour of any other security holders.

Volatile Market Price for Common Shares

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) the addition or departure of the Company's executive officers and other key personnel; (vi) sales or perceived sales of additional Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have, in recent years, experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of issuers and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such issuers. Accordingly, the market price of the Company's Common Shares may decline even if the Company's operating results, underlying asset values, or prospects have not changed. As well, certain institutional investors may base their decision to invest in the Company on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Company's Common Shares by those institutions, which could adversely affect the trading price of the Company's Common Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil exist for a protracted period of time, the Company's operations could be adversely impacted and the trading price of the Company's Common Shares may be adversely affected.

Dilution

The Company is authorized to issue an unlimited number of Common Shares. The Company may, in its sole discretion, issue additional Common Shares (including through the issuance of securities convertible into or exchangeable for Common Shares and on the vesting of share options) from time to time, subject to the rules of any applicable stock exchange on which the Common Shares are listed. The Company cannot predict the size of future issuances of Common Shares or the effect that future issuances of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With additional issuances of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. In particular, Mr. John Kaplan, indirectly, through a wholly owned subsidiary, holds 19.99% of the issued and outstanding Common Shares. If either Mr. Kaplan or any other significant shareholder decides to liquidate all or a significant portion of the Common Shares held, it could adversely affect the price of the Common Shares.

MATERIAL CONTRACTS

Other than (i) the Underwriting Agreement, and (ii) those contracts entered into in the ordinary course of business or that would not be considered material to the Company or its businesses, there are no material contracts entered into by the Company which are still in effect.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP. KPMG LLP was first appointed as auditor of the Company on November 27, 2013 replacing Deloitte LLP. KPMG LLP has advised that it is independent with respect to the Company within the meaning of Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. Deloitte LLP has advised that it was independent with respect to the Company at the time of its audit report within the meaning of Rules of Professional Conduct of the Charted Professional Accountants of Ontario. The transfer agent and registrar for the common shares is Computershare Trust Company of Canada at its principal offices located in Toronto, Ontario, Canada.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the Concurrent Private Placement, there are no material interests, direct or indirect, of the directors or officers of the Company, any shareholder that beneficially owns more than 10% of the Common Shares of the Company or any associate or affiliate of any of the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would materially affect the Company or any of its Subsidiaries.

LEGAL PROCEEDINGS

There are no outstanding legal proceedings material to the Company to which the Company is a party or in respect of which any of its properties are subject, nor are there any such proceedings known to the Company to be contemplated.

EXPERTS

Certain legal matters in connection with the Offering are being reviewed on behalf of the Company by Goodmans LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. As of the date hereof, the respective partners and associates of each firm beneficially owned, directly or indirectly, less than one percent of the securities or other property of the Company and its associates and affiliates.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: October 6, 2014

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, excluding Quebec.

TERRA FIRMA CAPITAL CORPORATION

(signed) Y. Dov Meyer
President and Chief Executive Officer

(signed) Mano Thiyagarajah
Chief Financial Officer

On behalf of the Board of Directors

(signed) John Kaplan
Director

(signed) Seymour Temkin
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: October 6, 2014

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, excluding Quebec.

BEACON SECURITIES LIMITED

By: (signed) Peter Greenwood
Managing Director, Investment Banking

PARADIGM CAPITAL INC.

By: (signed) Chris Seto
Partner