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**TERRA FIRMA CAPITAL CORPORATION REPORTS
FIRST QUARTER 2017 FINANCIAL RESULTS**

- *TOTAL ASSETS INCREASED BY 32% YEAR OVER YEAR AND BY 22% OVER LAST QUARTER*
- *LOAN AND MORTGAGE SYNDICATIONS INCREASED BY 55% YEAR OVER YEAR AND BY 44% OVER LAST QUARTER*

All amounts are stated in Canadian dollars

TORONTO, ONTARIO, May 11, 2017 -- Terra Firma Capital Corporation (TSX-V: TII) ("**Terra Firma**" or the "**Company**"), a real estate finance company, today announced its financial results for the three month period ended March 31, 2017.

FIRST QUARTER 2017 HIGHLIGHTS:

- Total assets increased by 32% to \$175.8 million at March 31, 2017 from \$133.5 million at March 31, 2016 and increased by 22% from \$146.7 million at December 31, 2016.
- Loan and mortgage syndications increased by 55% to \$80.9 million at March 31, 2017 from \$52.0 million at March 31, 2016 and increased by 44% from \$56.2 million at December 31, 2016.
- Total revenue in the first quarter 2017 amounted to \$4.0 million, a decrease of \$300,000 or 7.0%, from \$4.3 million for the same period last year.
- Net income for the first quarter 2017 of \$485,000 (\$0.01 on a basic diluted per share basis) compared to \$115,000 (\$0.00 on a basic and diluted per share basis), in the same period last year.

"We are very pleased that Terra Firma has demonstrated growth. In the past quarter we have originated \$39.3 million of new loans. Our earnings have started to grow as a direct impact of the initial funding of these loans totaling \$31.4 million. We expect the full impact of these investments, income from new investments and income from equity investments and non-performing loans to add to our bottom line in the quarters to come," commented Glenn Watchorn, President and Chief Executive Officer of Terra Firma Capital Corporation. "Loans and mortgage investments totaling \$9.1 million matured and were repaid in full in Q1 2017. This is reflective of the quality of our loan portfolio. In addition, our balance sheet reflects meaningful year-over year growth in assets, loan and mortgage investments and syndications. Based on the continued growth in our loan origination pipeline, we expect our origination volume to continue to grow. Such growth will be funded by cash on hand, our robust syndication platform and our revolving credit facility, which we are the process of increasing to allow for additional investment capacity," he further said.

Results of operations – three months ended March 31, 2017

Interest and fee income for the first quarter ended March 31, 2017 aggregated \$4.0 million, a decrease of 4.8% over the \$4.2 million in the same period in the previous year and an increase of 17.6% from the \$3.4 million in the fourth quarter ended December 31, 2016. The weighted average interest rate in the loan and mortgage investments at March 31, 2017 was 14.9%, compared to 15.3% at December 31, 2016. The Company's principal balance of loan and mortgage investments of \$117.4 million as at March 31, 2017 is comparable to the balance of \$118.2 million at March 31, 2016. The principal balance of loan and mortgage investments increased by 24% from 94.3 million at December 31, 2016.

Interest and financing expense for the first quarter ended March 31, 2017 was \$2.3 million, compared to \$1.8 million for the comparative period last year and \$1.9 million for the fourth quarter ended December 31, 2016. The weighted average interest rate in the loan and mortgage syndications at March 31, 2017 was 10.9%, compared to 10.8% at December 31, 2016.

Net income and comprehensive income for the three months ended March 31, 2017 was \$485,000 or \$0.01 per basic and diluted share, compared to \$115,000 or \$0.00 per basic and diluted share, in the same period last year. General and administrative expenses for the three months ended March 31, 2017 increased to \$897,000 from \$658,000 for the same period last year. The increase was primarily due to recording of expenses relating to due diligence work on loan and mortgage investments not funded. Had these loans been funded, the Company would have recovered these costs from the borrowers.

The Company's Management's Discussion & Analysis and Financial Statements as at and for the three month period ended March 31, 2017 (the "MD&A") have been filed and are available under the Company's profile on SEDAR (www.sedar.com).

About Terra Firma

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

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

This Press Release contains forward-looking statements with respect matters concerning the business, operations, strategy and financial performance of Terra Firma, the expectation of future profits as a result of the recent funding of new loans, and the anticipated increase of Terra Firma's revolving credit facility and Terra Firma's expectation of continued growth in revenue and earnings. These statements generally can be identified by use of forward-looking word such as "may", "will", "expects", "estimates", "indicates" "anticipates", "intends", "believe" or "could" or the negative thereof or similar variations. The future business, operations and performance of Terra Firma could differ materially from those expressed or implied by such statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including the matters covered by any non-binding letters of intent that are not completed, as well as risks relating to market factors, competition, and dependence on tenants' financial conditions, environmental and tax related matters, and reliance on key personnel. Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including that the general economy, local real estate conditions and interest rates are stable, the absence of significant changes in government regulation, and the continued availability of equity and debt financing. There can be no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The cautionary statements qualify all forward-looking statements attributable to Terra Firma and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this Press Release and Terra Firma does not assume any obligation to update such statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws.

For further information, please contact:

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

or

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

or

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

Terra Firma Capital Corporation
Consolidated Statements of Income and Comprehensive Income
For the three months period ended March 31, 2017 and 2016
(Unaudited)

	Three months ended	
	March 31, 2017	March 31, 2016
Revenue		
Interest and fees	\$ 3,966,244	\$ 4,221,156
Rental	50,444	48,378
	4,016,688	4,269,534
Expenses		
Property operating costs	17,331	16,092
General and administrative	896,736	658,145
Share based compensation	280,721	210,386
Interest and financing costs	2,327,061	1,827,241
Provision for loan and investment loss	-	112,726
Realized and unrealized foreign exchange (gain) loss	(197,291)	1,229,962
	3,324,558	4,054,552
Income from operations before income taxes	692,130	214,982
Income taxes	207,318	100,158
Net income and comprehensive income	\$ 484,812	\$ 114,824
Earnings per share		
Basic	\$ 0.01	\$ 0.00
Diluted	\$ 0.01	\$ 0.00

Terra Firma Capital Corporation
Consolidated Statements of Financial Position
As at March 31, 2017 and December 31, 2016
(Unaudited)

	March 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	\$ 18,933,401	\$ 12,315,242
Funds held in trust	1,381,489	982,353
Deposits	-	3,256,074
Amounts receivable and prepaid expenses	6,096,168	4,865,280
Loan and mortgage investments	116,486,920	93,408,444
Investment property held in joint operations	2,208,694	2,208,694
Land under development held in joint operations	24,627,004	23,808,574
Portfolio investments	3,212,084	3,212,084
Investment in associates	2,315,414	2,315,414
Income taxes recoverable	188,304	-
Deferred income tax asset	329,760	328,324
Total assets	\$ 175,779,238	\$ 146,700,483
Liabilities		
Accounts payable and accrued liabilities	\$ 12,684,940	\$ 10,647,966
Unearned income	615,065	329,340
Income taxes payable	-	22,942
Revolving operating facility	9,993,325	7,467,586
Loan and mortgage syndications	80,868,290	56,180,448
Due to joint operations partner	5,293,891	11,163,640
Construction loan payable	5,065,000	-
Mortgages payable	1,499,100	1,509,503
Convertible debentures	10,786,306	10,754,259
Total liabilities	126,805,917	98,075,684
Equity		
Share capital	\$ 31,565,594	\$ 31,789,819
Equity component of convertible debentures	284,490	284,490
Contributed surplus	2,602,008	2,514,073
Retained earnings	14,266,588	13,781,776
Shareholders' equity	48,718,680	48,370,158
Non-controlling interest	254,641	254,641
Total equity	48,973,321	48,624,799
Total liabilities and equity	\$ 175,779,238	\$ 146,700,483