

For Immediate Release

TERRA FIRMA CAPITAL CORPORATION REPORTS RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2013

All amounts are stated in Canadian dollars.

TORONTO, ONTARIO, November 28, 2013 (Marketwire) -- Terra Firma Capital Corporation (TSX-V: TII) ("**Terra Firma**" or the "**Company**"), a real estate finance company, today released its financial results for the three and nine months ended September 30, 2013.

THIRD QUARTER 2013 HIGHLIGHTS:

- Total revenue is \$2.2 million, an increase of \$892,000 or 70%, compared to the same period last year.
- Total assets increased by 49% to \$67.6 million from \$45.4 million at September 30, 2012.

"I am pleased to announce that our net income has increased by 46% for the quarter ending September 30, 2013 compared to the same period last year" commented Y. Dov Meyer, President and Chief Executive Officer. "Our growth in revenue and loan and Mortgage investments over the last year is reflective of our continued focus on establishing our brand in the marketplace and due to the recent changes in Terra Firma; our performance is expected to remain strong. We have successfully completed the internalization of management and our growth in revenue has more than offset the incremental cost of the internalization. I welcome Mr. John Kaplan as our new Chairman of the Board and am confident that together with him we will further enhance Terra Firma's profitability and presence in the market" he further said.

Results of operations – three months ended September 30, 2013

Net income in the third quarter ended September 30, 2013 was \$423,000 or \$0.01 per basic and diluted share, compared to \$290,000, or \$0.01 per basic and diluted share, in the third quarter ended September 30, 2012. General and administrative expenses for the third quarter ended September 30, 2013 increased to \$353,000, compared to \$143,000 for the third quarter ended September 30, 2012.

Interest and fee income for the third quarter ended September 30, 2013 aggregated \$2.1 million, an increase of 67% over the \$1.2 million in the same period in the previous year, and an increase of 12% over the \$1.8 million in the second quarter ended June 30, 2013.

Interest expense for the third quarter ended September 30, 2013 was \$1.1 million, compared to \$682,000 for the comparative period last year and in line with \$1.2 million for the second quarter ended June 30, 2013. This represents the growth of our business and the increase in syndication capital to fund the investment activities.

The company's loan and mortgage investments increased from \$32.0 million at December 31, 2012 to \$45 million at September 30, 2013, an increase of 41%. The weighted average effective interest rate in the mortgage investment portfolio at September 30, 2013 was 19.5% compared to 19.9% at December 31, 2012.

Subsequent Event

On October 9, 2013, Mr. John Kaplan, indirectly, through a wholly owned subsidiary acquired 6,158,376 Shares of the Company in block trade to bring his ownership in the Company to 19.99% of the issued and outstanding Shares of the Company. Concurrently, Mr. Allan Silber, the Company's chairman and Director Mr. Morris Perlis have resigned from the Company's Board of Directors and John Kaplan was appointed Director and Chairman.

The Company's Management's Discussion & Analysis and Financial Statements as at and for the three and nine months ended September 30, 2013 have been filed and are available on SEDAR (www.sedar.com).

About Terra Firma

Terra Firma is a full service, publicly traded real estate finance company that provides customized equity and debt solutions to the real estate industry. Our focus is to arrange and provide financing with flexible terms to property owners looking to improve or add to their existing real estate assets but who may be limited by conventional bank financing, as well as to invest in quality commercial and residential developments by proven real estate developers. 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.terrafirmacapital.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. These statements generally can be identified by use of forward looking word such as "may", "will", "expects", "estimates", "anticipates", "intends", "believe" or "could" or the negative thereof or similar variations. The future business, operations and performance of Terra Firma could differ materially from those expressed or implied by such statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Additional, important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, local real estate conditions, competition, changes in government regulation, dependence on tenants' financial conditions, interest rates, the availability of equity and debt financing, environmental and tax related matters, and reliance on key personnel. 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 has no obligation to update such statements except as required by law.

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Terra Firma Capital Corporation
Consolidated Statements of Income and Comprehensive Income
For the three and nine months ended September 30, 2013 and 2012
(Unaudited)

| | Three months ended | | Nine months ended | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Revenue | | | | |
| Interest and fees earned | \$ 2,063,541 | \$ 1,234,251 | \$ 5,489,936 | \$ 3,258,720 |
| Rental income | 113,262 | 49,607 | 335,916 | 148,845 |
| | 2,176,803 | 1,283,858 | 5,825,852 | 3,407,565 |
| Expenses | | | | |
| Property operating costs | 182,784 | 17,512 | 251,637 | 52,563 |
| General and administrative expenses | 353,130 | 143,385 | 1,093,216 | 404,348 |
| Share based compensation | 9,512 | 41,803 | 41,857 | 201,471 |
| Interest expense | 1,061,686 | 681,942 | 3,156,270 | 1,680,703 |
| | 1,607,112 | 884,642 | 4,542,980 | 2,339,085 |
| Income before income taxes | 569,691 | 399,216 | 1,282,872 | 1,068,480 |
| Income tax provision | 146,792 | 109,061 | 331,071 | 312,875 |
| Net income and comprehensive income | \$ 422,899 | \$ 290,155 | \$ 951,801 | \$ 755,605 |
| | | | | |
| Earnings per share - basic and diluted | \$ 0.01 | \$ 0.01 | \$ 0.03 | \$ 0.02 |

Terra Firma Capital Corporation
Consolidated Statements of Financial Position
As at September 30, 2013 and December 31, 2012
(Unaudited)

| | September 30, 2013 | December 31, 2012 |
|---|-------------------------------|------------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 2,315,933 | \$ 3,223,291 |
| Restricted cash | 10,396,708 | - |
| Amounts receivable and prepaid expenses | 1,221,359 | 2,396,180 |
| Loan and mortgage investments | 45,123,781 | 31,996,731 |
| Investment properties | 7,622,930 | 7,834,576 |
| Portfolio investment | 950,000 | 950,000 |
| Total assets | \$ 67,630,711 | \$ 46,400,778 |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 1,122,288 | \$ 1,192,616 |
| Advance deposits from investors | 9,790,593 | - |
| Provision for discontinued operations | 352,972 | 445,957 |
| Unearned income | 176,748 | 16,965 |
| Income taxes payable | - | 474,297 |
| Deferred income taxes | 16,496 | 15,602 |
| Loans and mortgages payable | 32,285,157 | 21,406,070 |
| Convertible debentures | 10,116,853 | 10,093,325 |
| Total liabilities | 53,861,107 | 33,644,832 |
| Shareholders' Equity | | |
| Share capital | \$ 10,782,995 | \$ 10,757,405 |
| Contributed surplus | 609,406 | 573,139 |
| Retained earnings | 2,377,203 | 1,425,402 |
| Total shareholders' equity | 13,769,604 | 12,755,946 |
| Total liabilities and Shareholders' Equity | \$ 67,630,711 | \$ 46,400,778 |