

Terra Firma Capital Corporation Announces Closing of Two First Mortgage Transactions in Two Projects Totalling US\$21.7 Million (CDN\$28.2 Million) and Stock Options Grant

TORONTO, Aug. 23, 2018 -- Terra Firma Capital Corporation (TSX-V: TFI) ("Terra Firma" or the "Company"), is pleased to announce the closing of two first mortgage loans (the "Loan(s)") to separate and unrelated borrowers in the U.S. totaling US\$21.7 million (CDN\$28.2 million). The Loans are comprised of a US\$18 million (CDN\$23.6 million) loan (the "Atlanta loan") and a US\$3.7 million (CDN\$4.8 million) loan (the "Phoenix loan"), secured by a first mortgage on development lands located in Atlanta, Georgia and Phoenix, Arizona, respectively.

Both Loans closed on August 22, 2018 through a combination of available cash balances and funds from syndicate investors. The Phoenix loan was fully funded on closing and the Atlanta loan was partially funded with an initial advance of US\$10.7 million (CDN\$13.9 million) with the remainder expected to be funded over the next 36 months subject to the borrower meeting certain funding conditions. The full impact of the deployment of this capital is expected to be positively reflected in the earnings of the Company in the fourth quarter of 2018. "We are very pleased to continue to work in the Atlanta and Phoenix markets, two of the fastest growing markets in the US. Both of these transactions are repeat business with developers that we have been working with successfully over the last few years. In combination with new borrowers that we continue to add to our roster, such repeat business is contributing to what is shaping up to be strong year for originations," said Glenn Watchorn, President and CEO.

Terra Firma also announced today that subject to regulatory approval and pursuant to the terms of its share option plan, it has granted options on August 22, 2018, to Mr. John Kaplan in recognition for his services to the Company as Executive Chairman of the Board, to purchase an aggregate of 400,000 common shares of the Company at a price of \$0.64 per share. The options are pursuant to a previous board approval providing for the grant of up to 1,000,000 options (200,000 of which have already been granted). 200,000 options vested immediately and the remaining 200,000 options shall vest in equal instalments on a quarterly basis over a six-month period and shall expire in seven years from the date of grant.

About Terra Firma

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

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

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