*This prospectus supplement, together with the short form base shelf prospectus dated July 17, 2017 (the "**Prospectus**") to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference in the Prospectus constitutes a public offering of these securities only in those jurisdictions where they may lawfully be 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 U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and, except as described under "Plan of Distribution", may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act). This prospectus supplement, together with the Prospectus, does not constitute an offer to sell or a solicitation of an offer to buy any of the securities within the United States. See "Plan of Distribution".*

***Information has been incorporated by reference in this prospectus supplement 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 Secretary of Firm Capital Mortgage Investment Corporation at 163 Cartwright Avenue, Toronto, Ontario, M6A 1V5, telephone (416) 635-0221 and are also available electronically at www.sedar.com.*

PROSPECTUS SUPPLEMENT

To a Short Form Base Shelf Prospectus dated July 17, 2017

New Issue February 15, 2019

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

$20,064,000

1,520,000 Common Shares

Firm Capital Mortgage Investment Corporation (the "**Corporation**") is hereby qualifying the distribution (the "**Offering**") of 1,520,000 common shares (the "**Offered Shares**") at a price of $13.20 per Offered Share (the "**Offering Price**").

The Offering Price was determined by negotiation between the Corporation and CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., Industrial Alliance Securities Inc., Echelon Wealth Partners Inc. and GMP Securities L.P. (collectively, the "**Underwriters**"). See "Plan of Distribution". In connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the common shares of the Corporation (the "**Shares**") at levels other than those which may otherwise exist in the open market. In certain circumstances, the Underwriters may decrease and further change the price at which the Offered Shares are sold to purchasers. See "Plan of Distribution".

The issued and outstanding Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "FC". **Investing in the Shares is subject to certain risks. See "Forward-Looking Statements" and "Risk Factors".** On February 13, 2019, the last full trading day before the announcement of the Offering, the closing price of the Shares on the TSX was $13.71 per Share. The Corporation has applied to have the Offered Shares listed on the TSX. Listing will be subject to the Corporation fulfilling all of the requirements of the TSX.

Offering Price: $13.20 per Offered Share

	Price to the Public	Underwriters' Fee	Net Proceeds to the Corporation[(1)]
Per Offered Share	$13.20	$0.53 or 4.0%	$12.67
Total[(2)]	$20,064,000	$802,560	$19,261,440

Notes

(1) Before deducting the expenses of the Offering, estimated at $125,000, which, together with the Underwriters' fee, the Corporation will pay from the proceeds of the Offering.

(2) The Corporation has granted the Underwriters an over-allotment option exercisable in whole or in part by the Underwriters at any time up to 30 days after the Closing (as defined below) to purchase up to an additional 228,000 Offered Shares (the "**Over-Allotment Option**"), at the Offering Price. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Corporation" will be $23,073,600, $922,944 and $22,150,656, respectively. This prospectus supplement qualifies the grant of the Over-Allotment Option and the issuance of the Offered Shares on the exercise of the Over-Allotment Option. A purchaser who acquires Offered Shares forming part of the Underwriters' over-allocation position acquires those Offered Shares under this prospectus supplement, 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".

Underwriters' Position	Maximum Size or Number of Offered Shares Available	Exercise Period	Exercise Price
Over-Allotment Option	228,000	30 days after the Closing	$13.20 per Offered Share

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters relating to the qualification for distribution of the Offered Shares on behalf of the Corporation by Miller Thomson LLP and on behalf of the Underwriters by Gowling WLG (Canada) LLP.

TD Securities Inc. is, directly or indirectly, a subsidiary or affiliate of a Canadian chartered bank that is a lender to the Corporation. Consequently, the Corporation may be considered a connected issuer of TD Securities Inc. under applicable Canadian securities legislation. See "Relationship Between the Corporation and a Certain Underwriter" and "Plan of Distribution".

The Corporation is a corporation formed and existing under the laws of Canada. The Corporation is a non-bank lender providing and investing in predominantly short term residential and commercial real estate financing. See "Summary Description of the Business". The registered and head office of the Corporation is located at 163 Cartwright Avenue, Toronto, Ontario, M6A 1V5. Geoffrey Bledin, a director of the Corporation, resides outside of Canada and has appointed the Corporation located at 163 Cartwright Avenue, Toronto, Ontario, M6A 1V5, as his representative agent for service of process in Canada. It may not be possible for investors to enforce judgments obtained in Canada against directors and officers of the Corporation that reside outside of Canada.

Subscriptions for Offered Shares offered under this prospectus supplement 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. In connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Shares at levels other than those which may otherwise exist in the open market. Such transactions, if commenced, may be discontinued at any time. **In certain circumstances, the Underwriters may offer the Offered Shares at a price lower than the Offering Price specified in this prospectus supplement. See "Plan of Distribution"**. It is expected that the closing of the Offering will be held on or about March 1, 2019 or such other date as the Corporation and the Underwriters may agree upon (the "**Closing**"). A certificate representing the Offered Shares will be issued in registered form to CDS Clearing Depository Services Inc. ("**CDS**") and will be deposited with CDS on the date of Closing. No certificates evidencing the Offered Shares will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of the Offered Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares is purchased. See "Description of the Securities Being Distributed".

Offered Shares are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation. A return on an investment in Offered Shares is not comparable to the return on an investment in a fixed-income security. The recovery of your initial investment in the Offered Shares is at risk, and the anticipated return on your investment is based on certain performance assumptions. Although the Corporation intends to make distributions of its available cash to its shareholders (the "**Shareholders**"), these cash distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors disclosed in the Corporation's continuous disclosure documents, including the financial performance of the properties in its portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Offered Shares may decline if the Corporation is unable to meet its cash distribution targets in the future, and that decline may be significant. Please see "Certain Canadian Federal Income Tax Considerations" for a discussion of tax considerations. An investment in the Offered Shares is subject to certain risk factors. Please see "Risk Factors".

All monetary amounts used herein are in Canadian dollars, unless otherwise indicated.

TABLE OF CONTENTS

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document consists of two parts. The first part is this prospectus supplement, which describes certain terms of the securities the Corporation is offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference therein. The second part, the Prospectus, gives more general information, some of which may not apply to the Offered Shares offered hereunder. Defined terms or abbreviations used in this prospectus supplement that are not defined herein have the meanings ascribed thereto in the Prospectus.

Investors should rely only on the information contained in this prospectus supplement or incorporated by reference into the Prospectus. The Corporation has not, and the Underwriters have not, authorized anyone to provide investors with different or additional information. The Corporation is not, and the Underwriters are not, making an offer to sell the Offered Shares in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information appearing in this prospectus supplement, the Prospectus or any documents incorporated by reference into the Prospectus, is accurate as of any date other than the date on the front of those documents, as the Corporation's business, operating results, financial condition and prospects may have changed since that date.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of the Offering of the Offered Shares. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at 163 Cartwright Avenue, Toronto, Ontario, M6A 1V5, telephone (416) 635-0221 and are also available electronically at www.sedar.com.

See "Documents Incorporated by Reference" in the Prospectus. As of the date hereof, the following documents filed with the securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of the Prospectus:

(a) the Corporation's audited financial statements and the notes thereto for the years ended December 31, 2017 and 2016, together with the auditors' report thereon;

(b) management's discussion and analysis of the Corporation's financial results of operations for the year ended December 31, 2017 (the "**Annual MD&A**");

(c) the Corporation's annual information form for the year ended December 31, 2017, dated March 20, 2018 (the "**AIF**");

(d) the Corporation's management information circular dated May 4, 2018 relating to the Corporation's annual meeting of Shareholders held on June 6, 2018;

(e) the Corporation's unaudited interim financial statements and the notes thereto for the three and nine months ended September 30, 2018 and September 30, 2017;

(f) management's discussion and analysis of the Corporation's financial results for the three and nine months ended September 30, 2018 and September 30, 2017;

(g) the Corporation's material change report dated June 14, 2018 relating to the Corporation's offering (the "**June 2018 Debenture Offering**") of $25,000,000 aggregate principal amount of 5.40% convertible unsecured subordinated debentures due June 30, 2025 (the "**2018 5.40% Debentures**");

(h) the Corporation's material change report dated November 16, 2018 relating to the Corporation's offering (the "**November 2018 Debenture Offering**") of $25,000,000 aggregate principal amount of 5.50% convertible unsecured subordinated debentures due January 31, 2026 (the "**2018 5.50% Debentures**");

(i) the Corporation's material change report dated December 28, 2018 relating to the completion of the Corporation's early redemption and cancellation (the "**Redemption**") of its outstanding 5.40% convertible unsecured subordinated debentures, which were scheduled to mature on February 28, 2019 (the "**2011 5.40% Debentures**"); and

(j) the term sheet dated February 13, 2019 filed on SEDAR in connection with the Offering (the "**Marketing Materials**").

Any documents of the type referred to above as well as all other documents disclosing additional or updated information filed by the Corporation with the securities regulatory authorities in Canada after the date of this prospectus supplement and prior to the termination of the Offering shall be deemed to be incorporated by reference into this prospectus supplement, as prescribed by applicable securities laws.

Any statement contained in the Prospectus, in this prospectus supplement or in any other document (or part thereof) incorporated or deemed to be incorporated by reference into the Prospectus shall be deemed

to be modified or superseded for the purposes of this prospectus supplement 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 in the Prospectus 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 is required to be stated or that is 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 supplement or the Prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this prospectus supplement to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this prospectus supplement. Any template version of ‘‘marketing materials’’ (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of this prospectus supplement and 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 into this prospectus supplement.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the Prospectus and certain documents incorporated by reference into the Prospectus, contain forward-looking statements within the meaning of applicable securities laws, including, among others, statements relating to the Corporation's objectives and strategies to achieve those objectives, the Corporation's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect the Corporation's beliefs at the time such statements are made and are based on information available to management at the time such statements are made. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and are based on the Corporation's estimates and assumptions that are subject to risks and uncertainties, including those described under "Risk Factors" below and those discussed in the Corporation's materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of the Corporation to differ materially from the forward-looking statements contained in this prospectus supplement, the Prospectus and the documents incorporated by reference into the Prospectus. These risks and uncertainties include, among other things, risks related to: mortgage lending; competition for mortgage lending; real estate values; interest rate fluctuations; environmental matters; shareholder liability; the price of the Shares; availability of cash for distributions; liquidity; credit risk; exchange rate and other debt related risks; decisions taken by regulators on monetary policy; the state of the Canadian and the U.S. economies and accompanying business climate; tax risk; ability to access capital markets; dilution; government regulation; potential conflicts of interest; redemption rights; statutory remedies; and the tax position and consequences unique to each security holder. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information include that there is not a significant decline in the value of the general real estate market, that interest rates remain relatively stable and the Corporation is able to invest in mortgages at rates consistent with rates historically achieved, that adequate mortgage investment opportunities are presented to the Corporation, that adequate bank indebtedness and bank loans are available to the Corporation, as well as the factors identified throughout this prospectus supplement and in particular, the "Risk Factors" section of this prospectus supplement. The Corporation cautions that this list of factors is not exhaustive. Although the forward-looking statements contained in this prospectus supplement, the Prospectus and the documents incorporated by reference into the Prospectus, are based upon what the Corporation believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements in this prospectus supplement, the Prospectus and the documents incorporated by reference into the Prospectus, are qualified by these cautionary statements. The forward-looking statements are made only as of the date that such statements are made and the Corporation, except as required by applicable law, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

ELIGIBILITY FOR INVESTMENT

In the opinion of Miller Thomson LLP, counsel to the Corporation, and Gowling WLG (Canada) LLP, counsel to the Underwriters, subject to the qualifications and assumptions discussed under "Certain Canadian Federal Income Tax Considerations", provided the Offered Shares are listed on a "designated stock exchange" for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") (which currently includes the TSX) on the date of Closing, the Offered Shares will, as at the Closing Date, 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 disability savings plans ("**RDSPs**"), registered education savings plans ("**RESPs**") and tax-free savings accounts ("**TFSAs**"), each as defined in the Tax Act (collectively, the "**Plans**"). The Offered Shares will also be qualified investments for such Plans if the Corporation qualifies as a "mortgage investment corporation" (within the meaning of subsection 130.1(6) of the Tax Act) (a "**MIC**") throughout a taxation year and further provided that at any time in the relevant calendar year, the Corporation does not hold any indebtedness, whether by way of mortgage or otherwise, of a person who is an annuitant, a beneficiary, an employer, or a subscriber under, or a holder of, the Plan, or of any other person who does not deal at arm's length with that person.

Notwithstanding that the Offered Shares may be a qualified investment for a TFSA, RRSP, RRIF, RESP or RDSP, the holder, annuitant or subscriber thereof, as the case may be, which acquires Offered Shares will be subject to a penalty tax under the Tax Act if such Offered Shares are a "prohibited investment" (within the meaning of the Tax Act) for the particular TFSA, RRSP, RRIF, RESP or RDSP. Offered Shares will generally be a prohibited investment for a TFSA, RRSP, RRIF, RESP or RDSP if the holder, annuitant or subscriber thereof, as applicable, does not deal at arm's length with the Corporation for purposes of the Tax Act or has a "significant interest" (within the meaning of the Tax Act) in the Corporation. In addition, Offered Shares will not be prohibited investments if they are "excluded property" as defined in the Tax Act for RRSPs, RRIFs, TFSAs, RESPs or RDSPs. **Prospective purchasers who intend to hold Offered Shares in trusts governed by such Plans should consult their own tax advisors regarding the application of the "prohibited investment" rules having regard to their personal circumstances.**

SUMMARY DESCRIPTION OF THE BUSINESS

Overview

The Corporation is a non-bank lender providing and investing in predominantly short term residential and commercial real estate financing, and achieves its investment objectives by pursuing a strategy of investing in selected niche real estate finance markets that are under-serviced by larger financial institutions. The Corporation invests in mortgages secured by all types of residential and commercial real property, subject to compliance with the Corporation's investment policies. The types of properties that the Corporation finances includes residential houses, small multi-family residential properties comprised of six or fewer units, residential apartment buildings, mixed-use residential apartments and store-front properties, investment properties, land and development sites, as well as development and construction projects. The Corporation also invests in all forms of short-term bridge financing for residential and commercial real estate (including, primarily, construction loans for such properties). The Corporation invests in various Non-Conventional Mortgages (as defined below), either alone or in participation with other lenders, the principal types of which include equity and participating mortgage loans, joint venture financing for builders and developers, mezzanine and subordinated mortgage debt for investment properties, partnership capital, and distressed mortgage debt purchases. In this prospectus supplement, "Non-Conventional Mortgages" means, without limitation, mortgage investments that exceed, or may exceed, 75% of the appraised value of the real property underlying such mortgages as determined by a qualified appraiser, such as mezzanine and subordinated debt, participating mortgages, discounted debt and joint venture mortgages. Additionally, subject to compliance with the Corporation's investment policies, the Corporation invests in commercial mortgage backed securities and publicly-traded bonds issued by Canadian real estate investment trusts and real estate corporations as well as Related Investments. In this prospectus supplement, "Related Investments" means: (i) a direct investment in real property resulting from the Corporation's equity, mezzanine and other investment transactions; (ii) a bond, debenture, note or other evidence of indebtedness, or a share, unit or other evidence of ownership, in a person (other than an individual) engaged in real estate development, lending or the funding or holding of mortgages; and (iii) a mortgage that is not registered at the appropriate registry office.

The objectives of the Corporation are to: (i) preserve Shareholders' equity; and (ii) provide a return on Shareholders' equity in excess of 400 basis points above the yield to maturity on one year Government of Canada treasury bills. The Corporation aims to provide Shareholders with stable and secure cash distributions from investments in mortgage loans in market segments which are under-serviced by large financial institutions and seeks to maximize yields, dividends and Share value through the sourcing and efficient management of its mortgage investments in such market segments. To achieve these objectives, the Corporation benefits from Firm Capital Corporation's (the "**Mortgage Banker**") experience in originating, underwriting, syndicating and servicing mortgage investments. All mortgage investments are subject to specific investment policies and the operation of the Corporation is subject to specific operating policies.

The Corporation is qualified, and intends to continue to qualify, as a MIC under the Tax Act. As a MIC, the Corporation is entitled to deduct from its taxable income for a particular taxation year: (i) all taxable dividends, other than capital gains dividends, paid by the Corporation during the year or within 90 days after the end of the year to the extent that those dividends were not deductible by the Corporation in computing its income for the preceding year; and (ii) one-half of all capital gains dividends paid by the Corporation during the period commencing 91 days after the commencement of the year and ending 90 days after the end of the year. In order to maintain its status as a MIC, the Corporation must continually meet all of the criteria enumerated in the relevant section of the Tax Act throughout such taxation year. The Corporation intends to distribute enough of its annual operations profit to its Shareholders through the payment of monthly dividends of available cash so as to minimize or eliminate its own liability for tax under the Tax Act. See "Certain Canadian Federal Income Tax Considerations". Notwithstanding the foregoing, the decision to pay dividends is at the sole discretion of the board of directors of the Corporation (the "**Directors**"). The Corporation currently pays monthly dividends of $0.078 per Share. See "Risk Factors".

The Directors are responsible for the general control and direction of the Corporation, FC Treasury Management Inc. supervises the day-to-day management and operations of the Corporation and the Mortgage Banker originates and underwrites all mortgage investments on behalf of the Corporation and services the Corporation's gross mortgage portfolio.

The Mortgage Banker has a continuous portfolio of committed mortgage investments that are presented to the Corporation from time to time for investment, pursuant to the right of first refusal granted to the Corporation in accordance with the mortgage banking agreement between the Corporation and the Mortgage Banker (the "**Committed Mortgages**").

See "General Development of the Corporation" and "Narrative Description of the Activities of the Corporation" in the AIF incorporated by reference in this prospectus supplement for a detailed description of the business of the Corporation and its investment strategy.

Recent Developments

On June 21, 2018, the Corporation completed the June 2018 Debenture Offering, pursuant to which the Corporation issued $25,000,000 aggregate principal amount of 2018 5.40% Debentures. The 2018 5.40% Debentures trade on the TSX under the symbol "FC.DB.I".

On November 23, 2018, the Corporation completed the November 2018 Debenture Offering, pursuant to which the Corporation issued $25,000,000 aggregate principal amount of 2018 5.50% Debentures. The 2018 5.50% Debentures trade on the TSX under the symbol "FC.DB.J".

On December 27, 2018, the Corporation completed the Redemption of its outstanding 2011 5.40% Debentures. Pursuant to the Redemption, the 2011 5.40% Debentures were redeemed for cash and subsequently ceased trading on the TSX.

On January 9, 2019, the Corporation confirmed its previously-announced special year-end dividend of $0.05 per Share. Total dividends paid to Shareholders in 2018, including the December and special year-end dividends, amounted to $0.986 per Share.

USE OF PROCEEDS

The net proceeds to the Corporation from the Offering (after deducting the Underwriters' fee of $802,560 and before deducting the estimated expenses of this Offering of $125,000) will be approximately $19,261,440. If the Over-Allotment Option is exercised in full, the net proceeds to the Corporation (after deducting the Underwriters' fee of $922,944 and before deducting the estimated expenses of this Offering of $125,000) will be approximately $22,150,656.

The net proceeds of the Offering will be used: (i) for debt repayment and (ii) for general corporate purposes. The Corporation's indebtedness under the Operating Facility (as defined below) is used by the Corporation for the purpose of providing funding for general operating expenses of the Corporation and working capital for the Corporation, including for the purpose of making advances under Committed Mortgages and additional funding of existing mortgages. The Corporation used the net proceeds from the November 2018 Debenture Offering to repay a portion of the Corporation's indebtedness under the Operating Facility and complete the Redemption.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the equity or loan capital structure of the Corporation since September 30, 2018, except that between October 1, 2018 and the date of this prospectus supplement: (i) the Corporation had a net draw of $14.3 million on the bank indebtedness credit facility; (ii) on November 23, 2018, the Corporation issued $25,000,000 principal amount of 2018 5.50% Debentures pursuant to the November 2018 Debenture Offering; and (iii) on December 27, 2018, the Corporation redeemed and cancelled its outstanding 2011 5.40% Debentures for cash, pursuant to the Redemption. See "Use of Proceeds" and "Relationship Between the Corporation and a Certain Underwriter".

After giving effect to the November 2018 Debenture Offering and the Offering and the use of proceeds as discussed herein, the following table sets forth the Corporation's capitalization.

	As at September 30, 2018	
	Actual	***Pro Forma* As Adjusted**
Bank Indebtedness(1)(2)	$20,224,056	$43,278,345
Loans Payable	$40,666,562	$14,653,860
Debentures(3)(4)(5)	$188,223,000	$187,485,000
Shareholders' equity(2)(4)	$280,387,838	$299,524,278
Total capitalization	**$529,501,456**	**$544,941,483**

Notes

(1) The pro forma calculation of bank indebtedness is based on the principal amount outstanding under the Operating Facility as of February 13, 2019, being $60,511,785, less the use of proceeds of the Offering to repay a portion of such indebtedness. See "Use of Proceeds".

(2) Excludes the impact of issuance of common share subject to exercise of over-allotment options.

(3) Includes the issuance of the 2018 $25,000,000 5.50% Debentures on November 23, 2018 at face value without deducting the fair value of the conversion option (being the equity component of the convertible debentures of the Corporation) and unamortized issue costs. Under IFRS, the convertible debentures of the Corporation will be included as a liability, net of the fair value of the conversion feature, which will be included as equity, and net of issue costs of $1,165,000. The equity portion, calculated using the American binomial option pricing model, is estimated to be approximately $760,000 (net of issue costs). The portion of the convertible debentures of the Corporation classified as a liability will be accreted by a charge to interest expense over the term of the convertible debentures of the Corporation to increase the carrying value of the liability up to the principal balance of the outstanding convertible debentures of the Corporation on the applicable maturity date.

(4) Excludes: (i) the equity component of any issued and outstanding convertible debentures of the Corporation and the write off of unamortized issue costs; and (ii) fair value adjustment for convertible debentures of the Corporation as at September 30, 2018, as this consolidated capitalization table shows convertible debentures at face value.

(5) Includes the Redemption on December 27, 2018, of the 2011 5.40% Debentures, which were schedule to mature on February 28, 2019. The Redemption was a cash redemption in the aggregate principal amount of $25,738,000 and all accrued interest at the time of redemption.

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

General

The Corporation is authorized to issue an unlimited number of Shares, of which, as at February 14, 2019, 26,143,699 Shares were issued and outstanding.

Common Shares

Each Share entitles the holder thereof to one vote at all meetings of Shareholders, except where holders of another class are entitled to vote separately as a class as provided by law or the rules of any applicable stock exchange. Subject to the rights of the holders of preferred shares of the Corporation (the "**Preferred Shares**"), of which none are outstanding as of the date hereof, and of any other class of shares ranking senior to the Shares, the holders of Shares are entitled to such dividends as the Directors may declare from time to time, which dividends are payable in money or property or by issuing fully paid shares of the Corporation.

Subject to the prior rights of the holders of the Preferred Shares and of any other class of shares ranking senior to the Shares, in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its Shareholders for the purpose of winding-up its affairs, the holders of Shares are entitled to receive the remaining property and assets of the Corporation.

Limitation on Ownership

In order to maintain its status as a MIC, the articles of incorporation of the Corporation provide that no Shareholder of the Corporation is permitted to hold at any time, directly or indirectly, either alone or together with a person "related" to the Shareholder (within the meaning of the Tax Act, a "**Related Person**"), more than 25% of any class or series of the issued shares of the Corporation.

In the event that (i) the exercise by any holder of debentures of the Corporation, or (ii) as determined by the Directors in their sole discretion, any other transaction affecting the shares of the Corporation (each a "**Triggering Transaction**"), if completed, would cause any Shareholder(s) (each an "**Automatic Repurchase Shareholder**"), either alone or together with Related Persons, to hold more than 25% of any class of the issued shares of the Corporation, that portion of the shares held by each Automatic Repurchase Shareholder which constitutes in excess of 24.9% of the issued shares of any class or series of shares (the "**Repurchased Shares**") will, immediately prior to the completion of a Triggering Transaction, automatically be repurchased and cancelled by the Corporation (an "**Automatic Repurchase**") without any further action by the Corporation or the Automatic Repurchase Shareholder. The purchase price for any Repurchased Shares will be equal to the volume weighted average trading price of the particular class or series of shares for the five consecutive trading days ending immediately preceding the date of the Triggering Transaction. The proceeds of any Automatic Repurchase, net of any applicable withholding tax, will be remitted to each applicable Automatic Repurchase Shareholder at the time of the Automatic Repurchase.

PRIOR SALES

During the 12-month period prior to the date of this prospectus supplement, the Corporation issued the following:

(a) On June 21, 2018, $25,000,000 principal amount of 2018 5.40% Debentures at a price of $1,000 per 2018 5.40% Debenture, pursuant to the June 2018 Debenture Offering. Each 2018 5.40% Debenture is convertible into fully paid and non-assessable Shares at the option of the holder at any time prior to close of business on the earlier of June 30, 2025 and the business day immediately preceding the date specified by the Corporation for redemption of the 2018 5.40% Debentures, at a price of $15.00 per Share.

(b) On November 23, 2018, $25,000,000 principal amount of 2018 5.50% Debentures at a price of $1,000 per 2018 5.50% Debenture, pursuant to the November 2018 Debenture Offering. Each 2018 5.50% Debenture is convertible into fully paid and non-assessable Shares at the option of the holder at any time prior to close of business on the earlier of January 31, 2026 and the business day immediately preceding the date specified by the Corporation for redemption of the 2018 5.50% Debentures, at a price of $14.60 per Share.

On October 23, 2017, the Corporation entered into an at-the-market equity program (the "**ATM Program**"), which allows the Corporation to issue Shares from treasury having aggregate gross sales of up to $30,000,000 to the public from time to time, at the Corporation's discretion. The Corporation issued a total of 23,300 Shares at prices ranging between $13.30 and $13.49 under the ATM Program during the 12-month period prior to the date of this prospectus supplement for gross proceeds of approximately $310,527.

Other than in respect of the June 2018 Debenture Offering, the November 2018 Debenture Offering and the ATM Program, the Corporation has not sold or issued any Shares during the 12-month period prior to the date hereof, except 3,608 Shares on the reinvestment of distributions under the Dividend Reinvestment Plan of the Corporation.

TRADING PRICE AND VOLUME

The outstanding Shares are traded on the TSX under the trading symbol "FC". The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the Shares of the Corporation as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
February 2018	13.08	12.49	717,638
March 2018	13.24	12.89	595,474
April 2018	13.05	12.77	475,584
May 2018	13.32	12.91	477,649
June 2018	13.35	13.09	579,037
July 2018	13.49	13.12	547,927
August 2018	13.46	13.07	490,319
September 2018	13.20	13.04	327,427
October 2018	13.23	12.64	572,728
November 2018	13.51	12.96	514,762
December 2018	13.25	12.89	524,323
January 2019	13.53	13.13	551,880
February 2019(1)	13.71	13.23	368,745

Note:

(1) For February 1, 2019 to February 14, 2019.

At the close of business on February 14, 2019, the last trading day prior to the date of this prospectus supplement, the closing price of the Shares as quoted by the TSX was $13.23.

The outstanding 2011 5.40% Debentures traded on the TSX under the trading symbol "FC.DB.B". Subsequent to the Corporation's completion of the Redemption, the 2011 5.40% Debentures ceased trading on the TSX. The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the 2011 5.40% Debentures as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
February 2018	101.00	100.00	1,310
March 2018	100.75	100.24	960
April 2018	100.30	100.00	550
May 2018	100.70	100.01	1,080
June 2018	100.05	99.91	780
July 2018	101.00	100.00	880
August 2018	100.12	100.05	740
September 2018	100.20	100.00	440
October 2018	100.49	100.00	4,845
November 2018	100.25	99.28	5,820
December 2018(1)	100.00	99.95	6,780

Note:

(1) For December 1, 2018 to December 21, 2018.

At the close of business on December 21, 2018, the last day that a trade occurred with respect to the 2011 5.40% Debentures, the closing price of the 2011 5.40% Debentures as quoted by the TSX was $99.95.

The outstanding 5.25% convertible, unsecured, subordinated debentures issued on March 21, 2012 (the "**2012 5.25% Debentures**") are traded on the TSX under the trading symbol "FC.DB.C". The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the 2012 5.25% Debentures as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
February 2018	101.00	100.00	1,630
March 2018	100.25	99.51	2,530
April 2018	100.20	100.05	260
May 2018	100.31	100.05	1,450
June 2018	100.02	99.01	7,970
July 2018	100.25	100.00	1,290
August 2018	100.15	100.00	1,240
September 2018	100.00	100.00	100
October 2018	100.02	100.01	1,740
November 2018	100.25	99.06	3,660
December 2018	100.01	100.00	3,660
January 2019	100.35	100.00	2,580
February 2019(1)	100.12	100.12	90

Note:

(1) For February 1, 2019 to February 14, 2019.

At the close of business on February 11, 2019, the last day that a trade occurred with respect to the 2012 5.25% Debentures prior to the date of this prospectus supplement, the closing price of the 2012 5.25% Debentures as quoted by the TSX was $100.12.

The outstanding 4.75% convertible, unsecured, subordinated debentures issued on March 28, 2013 (the "**2013 4.75% Debentures**") are traded on the TSX under the trading symbol "FC.DB.D". The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the 2013 4.75% Debentures as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
February 2018	101.01	99.01	600
March 2018	100.00	99.01	350
April 2018	99.90	99.25	440
May 2018	101.00	99.56	480
June 2018	100.00	98.01	1,730
July 2018	100.50	99.00	880
August 2018	100.00	100.00	6,100
September 2018	100.13	99.50	390
October 2018	99.60	98.80	400
November 2018	102.00	99.50	1,330
December 2018	101.00	99.00	580
January 2019	102.00	98.01	3,850
February 2019[(1)]	100.01	100.00	550

Note:

(1) For February 1, 2019 to February 14, 2019.

At the close of business on February 14, 2019, the last trading day prior to the date of this prospectus supplement, the closing price of the 2013 4.75% Debentures as quoted by the TSX was $100.00.

The outstanding 5.30% convertible, unsecured, subordinated debentures issued on April 17, 2015 (the "**2015 5.30% Debentures**") are traded on the TSX under the trading symbol "FC.DB.E". The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the 2015 5.30% Debentures as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
February 2018	101.00	98.00	1,980
March 2018	101.00	100.01	2,130
April 2018	100.75	99.06	3,640
May 2018	101.25	99.30	1,120
June 2018	100.60	99.52	1,650
July 2018	100.00	99.75	1,120
August 2018	100.75	99.95	500
September 2018	101.45	100.75	3,583
October 2018	100.50	100.00	820
November 2018	100.75	99.06	4,070
December 2018	100.00	98.06	5,300
January 2019	101.00	99.01	1,450
February 2019(1)	100.60	100.01	1,280

Note:

(1) For February 1, 2019 to February 14, 2019.

At the close of business on February 14, 2019, the last trading day prior to the date of this prospectus supplement, the closing price of the 2015 5.30% Debentures as quoted by the TSX was $100.01.

The outstanding 5.50% convertible, unsecured, subordinated debentures issued on December 22, 2015 (the "**2015 5.50% Debentures**") are traded on the TSX under the trading symbol "FC.DB.F". The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the 2015 5.50% Debentures as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
February 2018	101.00	100.10	1,950
March 2018	101.25	100.50	1,180
April 2018	101.00	99.95	2,040
May 2018	101.00	100.01	640
June 2018	101.00	100.00	2,680
July 2018	101.00	100.00	1,370
August 2018	101.90	100.02	930
September 2018	103.00	100.75	150
October 2018	101.25	99.10	1,780
November 2018	100.25	99.00	1,790
December 2018	99.01	98.00	1,880
January 2019	100.70	98.15	4,820
February 2019(1)	101.00	100.50	350

Note:

(1) For February 1, 2019 to February 14, 2019.

At the close of business on February 13, 2019, the last day that a trade occurred with respect to the 2015 5.50% Debentures prior to the date of this prospectus supplement, the closing price of the 2015 5.50% Debentures as quoted by the TSX was $100.50.

The outstanding 5.20% convertible, unsecured, subordinated debentures issued on December 21, 2016 (the "**2016 5.20% Debentures**") are traded on the TSX under the trading symbol "FC.DB.G". The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the 2016 5.20% Debentures as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
February 2018	100.00	99.00	1,450
March 2018	100.00	97.00	4,170
April 2018	101.00	98.20	2,580
May 2018	100.75	99.00	1,380
June 2018	101.00	98.52	1,180
July 2018	100.80	99.00	1,220
August 2018	101.15	100.55	1,440
September 2018	101.50	100.55	1,740
October 2018	101.50	97.75	4,750
November 2018	98.50	97.10	7,520
December 2018	99.00	95.00	2,390
January 2019	100.00	98.00	2,420
February 2019[1]	100.00	100.00	330

Note:

(1) For February 1, 2019 to February 14, 2019.

At the close of business on February 6, 2019, the last day that a trade occurred with respect to the 2016 5.20% Debentures prior to the date of this prospectus supplement, the closing price of the 2016 5.20% Debentures as quoted by the TSX was $100.00.

The outstanding 5.30% convertible, unsecured, subordinated debentures issued on July 27, 2017 (the "**2017 5.30% Debentures**") are traded on the TSX under the trading symbol "FC.DB.H". The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the 2017 5.30% Debentures as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
February 2018	100.00	97.90	5,400
March 2018	100.99	98.00	2,310
April 2018	101.00	98.50	2,340
May 2018	100.25	98.79	3,620
June 2018	100.00	98.09	6,000
July 2018	100.99	99.02	2,030
August 2018	101.00	97.05	1,960
September 2018	100.57	99.25	800
October 2018	100.00	99.15	2,110
November 2018	100.00	96.00	2,120
December 2018	97.50	95.00	2,550
January 2019	98.50	96.50	2,770
February 2019(1)	97.00	96.01	840

Note:

(1) For February 1, 2019 to February 14, 2019.

At the close of business on February 14, 2019, the last trading day prior to the date of this prospectus supplement, the closing price of the 2017 5.30% Debentures as quoted by the TSX was $96.45.

The outstanding 2018 5.40% Debentures are traded on the TSX under the trading symbol "FC.DB.I". The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the 2018 5.40% Debentures as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
June 2018[(1)]	98.25	96.85	16,970
July 2018	98.00	96.90	15,360
August 2018	99.69	97.90	8,810
September 2018	99.62	98.75	5,810
October 2018	99.78	97.00	6,210
November 2018	98.01	96.01	4,430
December 2018	97.50	95.00	3,140
January 2019	97.00	95.60	1,750
February 2019[(2)]	95.50	95.50	460

Notes:

(1) For June 21, 2018, being the date that the 2018 5.40% Debentures commenced trading, to June 30, 2018.

(2) For February 1, 2019 to February 14, 2019.

At the close of business on February 4, 2019, the last day that a trade occurred with respect to the 2018 5.40% Debentures prior to the date of this prospectus supplement, the closing price of the 2018 5.40% Debentures as quoted by the TSX was $95.50.

The outstanding 2018 5.50% Debentures are traded on the TSX under the trading symbol "FC.DB.J". The following table sets forth the reported minimum and maximum closing prices and total monthly trading volumes of the 2018 5.50% Debentures as reported by the TSX for the periods indicated.

Month	High ($)	Low ($)	Volume
November 2018[(1)]	96.85	95.79	25,380
December 2018	96.00	94.00	9,190
January 2019	96.75	95.50	19,280
February 2019[(2)]	96.74	96.00	890

Notes:

(1) For November 23, 2018, being the date that the 2018 5.50% Debentures commenced trading, to November 30, 2018.

(2) For February 1, 2019 to February 14, 2019.

At the close of business on February 6, 2019, the last day that a trade occurred with respect to the 2018 5.50% Debentures prior to the date of this prospectus supplement, the closing price of the 2018 5.50% Debentures as quoted by the TSX was $96.01.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated February 15, 2019 between the Corporation and the Underwriters, the Corporation has agreed to sell and the Underwriters have agreed to purchase on Closing, all of the Offered Shares offered hereby at the Offering Price for total consideration of $20,064,000 payable in cash against delivery of a certificate representing the Offered Shares. The Underwriting Agreement provides for the Corporation to pay the Underwriters a fee of $0.53 per Offered Share (or 4.0% of the total gross proceeds of the Offering), being an aggregate commission of $802,560, for their services performed in connection with the Offering, upon completion of the Offering.

The obligations of the Underwriters under the Underwriting Agreement are several and each Underwriter may terminate its obligations at its discretion based upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement.

The Corporation has agreed to grant the Underwriters the Over-Allotment Option, exercisable in whole or in part at any time until 30 days after the Closing, to purchase up to an additional 228,000 Offered Shares on the same terms as set out above solely to cover over-allotments, if any. The Corporation has agreed to pay to the Underwriters a fee of $0.53 per Offered Share (or 4.0% of the total gross proceeds of the Offering), being an aggregate commission of $922,944 in the event the Over-Allotment Option is exercised in full. This prospectus supplement qualifies the grant of the Over-Allotment Option and the issuance of Offered Shares on the exercise of the Over-Allotment Option.

The Corporation has applied to have the Offered Shares listed on the TSX. Listing will be subject to the Corporation fulfilling all of the requirements of the TSX.

Subscriptions for 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. It is expected that Closing will be held on or about March 1, 2019, or such other date as the Corporation and the Underwriters may agree upon. The Offered Shares will be issued in "book-entry only" form and must be purchased or transferred through a participant in the depository service of CDS. See "Description of the Securities Being Distributed".

This prospectus supplement qualifies the distribution of the Offered Shares, the grant of the Over-Allotment Option and the issuance of Offered Shares on the exercise of the Over-Allotment Option.

Pursuant to policy statements of the relevant securities commissions, the Underwriters may not, throughout the period of distribution, bid for or purchase any Offered Shares. The policy statements allow certain exceptions to the foregoing prohibitions. The Underwriters may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Offered Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this Offering the Underwriters may undertake transactions which stabilize or maintain the market price of the Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

After the Underwriters have made a reasonable effort to sell all of the Offered Shares offered under this prospectus supplement and the Prospectus at the price fixed herein, the Underwriters may subsequently reduce the Offering Price to investors, which Offering Price may be changed from time to time, in order to sell any Offered Shares remaining unsold. Any such reduction shall not affect the proceeds received by the Corporation.

The Offered Shares have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "**1933 Act**"), and, subject to certain exceptions, may not be offered or sold in the United States. The Underwriters have agreed that they will not offer or sell these securities within the United States. Until 40 days after the commencement of the Offering of Offered Shares pursuant to this prospectus supplement and the Prospectus, an offer or sale of the Offered Shares within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the 1933 Act.

RELATIONSHIP BETWEEN THE CORPORATION AND A CERTAIN UNDERWRITER

TD Securities Inc. ("**TD Securities**"), one of the Underwriters, is directly or indirectly, a subsidiary or affiliate of a Canadian chartered bank (the "**Bank**") that is a lender to the Corporation and to which the Corporation is currently indebted under the terms of its revolving credit facility (the "**Operating Facility**"), which is used to fund the operations of the Corporation. See "Use of Proceeds". The Operating Facility is composed of a term loan and a demand portion for a total aggregate principal amount of $60.5 million (as of February 13, 2019). On September 30, 2016, the Corporation and the Bank entered into an amending agreement that amended the maturity date of the Operating Facility from September 30, 2016 to September 30, 2017. On September 1, 2017, the Corporation and the Bank entered into a second amended and restated loan agreement that extended the maturity date of the Operating Facility to September 30, 2018. On September 30, 2018, the Corporation and the Bank entered into a second amending agreement that amended the maturity date of the Operating Facility from September 30, 2018 to September 30, 2019. The indebtedness of the Corporation to the Bank is secured by substantially all of the assets of the Corporation. Consequently, in connection with the Offering, the Corporation may be considered to be a connected issuer of TD Securities for purposes of the securities regulations of certain Canadian provinces and territories. As at the date of this prospectus supplement, the Corporation is in compliance with the terms of its indebtedness and no breach of the Operating Facility has been waived by the Bank. The decision of TD Securities to act as an Underwriter was made independently of the Bank and the Bank has had no influence as to the determination of the terms of the distribution. TD Securities will not receive any benefit in connection with the Offering other than a portion of the Underwriters' fee payable by the Corporation.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Miller Thomson LLP, counsel to the Corporation, and Gowling WLG (Canada) LLP, counsel to the Underwriters (together, the "**Counsel**"), the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a holder that acquires Shares under this Offering. This summary is only applicable to such a holder who, for purposes of the Tax Act and at all relevant times, is resident, or is deemed to be resident, in Canada, holds the Shares as capital property and deals at arm's length and is not affiliated with the Corporation and the Underwriters (a "**Holder**"). Generally, Shares will be considered to be capital property to a Holder provided that the Holder does not hold the Shares in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

Certain Holders whose Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to have such Shares and any other "Canadian securities" (as defined in the Tax Act) owned by such Holder in the taxation year of the election and all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Holders should consult their own tax advisors as to whether such election is available and advisable, having regard to their own particular circumstances.

This summary is not applicable to a Holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules); (ii) that is a "specified financial institution" (as defined in the Tax Act); (iii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iv) that enters into a "derivative forward agreement" or a "synthetic disposition arrangement" (both as defined in the Tax Act) in respect of the Shares; or (v) that has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars. Any such Holders should consult their own tax advisors with respect to an investment in the Shares.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), taking into account all proposed amendments to the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the "**Tax Proposals**"), and Counsel's understanding of the current administrative practices and assessing policies published in writing by the Canada Revenue Agency prior to the date hereof. The summary is not exhaustive of all possible income tax considerations and, except for the Tax Proposals, does not otherwise take into account or anticipate any changes in the law, whether by way of legislative, governmental or judicial action, or in the administrative practices or assessing policies of the Canada Revenue Agency, nor does it take into account tax laws of countries other than Canada or any relevant provincial tax legislation or considerations. **The income and other tax consequences of acquiring, holding or disposing of Shares will vary depending on the particular circumstances of the Holder thereof, including any province or territory in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular purchaser or prospective purchaser. Consequently, purchasers and prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of an investment in Shares based on their particular circumstances.**

Qualification as a Mortgage Investment Corporation

This summary is based on the assumption that the Corporation will qualify as a MIC throughout its current taxation year and all future taxation years. Counsel has been advised that the Corporation qualifies as a MIC and intends to continue to qualify as a MIC throughout its current taxation year and for all of its future taxation years. **The tax considerations that would apply if the Corporation does not qualify as a MIC would be materially different from those set out herein.** Counsel expresses no opinion as to the status of the Corporation as a MIC.

The Tax Act imposes certain requirements in order for a corporation to qualify as a MIC in a taxation year. These requirements generally will be satisfied by the Corporation if, throughout the taxation year: the Corporation was a Canadian corporation for the purposes of the Tax Act; the Corporation's only undertaking is the investing of its funds and it did not manage or develop real or immovable property; none of the Corporation's property consisted of specified types of foreign property; the Corporation had at all times at least 20 Shareholders; no Shareholder was a "specified shareholder" (within the meaning of subsection 248(1) of the Tax Act, as modified by paragraph

130.1(6)(d) of the Tax Act); certain dividend rights attach to preferred shares of the Corporation; the cost amount to the Corporation of certain residential mortgages, deposits and money was at least 50% of the cost amount to it of all of its property; not more than 25% of the cost amount to the Corporation of its property was attributable to real or immovable property or leasehold interests therein; and, in circumstances where at any time in the year the cost amount to the Corporation of its money and certain of its residential mortgages and deposits (such residential mortgages and deposits referred to herein as "**Required Property**") represented less than two-thirds of the aggregate cost amount to the Corporation of all of its property, the Corporation's liabilities may not exceed 75% of its assets (at cost amount). Where, however, throughout the year the cost amount to the Corporation of its money and Required Property represented two-thirds or more of the aggregate cost amount to the Corporation of all of its property, the Corporation's liabilities may not exceed 83.33% of its assets (at cost amount).

Taxation of the Corporation

The Corporation is a "public corporation" for purposes of the Tax Act and as such is subject to tax at the full corporate rate on its taxable income. However, as long as the Corporation is a MIC, generally the Corporation is able to deduct in computing its income for a taxation year the amount of its income for that year that is distributed to its Shareholders, as dividends. As long as the Corporation is a MIC, the Corporation is entitled to deduct in computing its income for a taxation year: (i) all taxable dividends, other than capital gains dividends, paid by the Corporation to its Shareholders during the year or within 90 days after the end of the year, to the extent that those dividends were not deductible by the Corporation in computing its income for the preceding year; and (ii) one-half of all capital gains dividends paid by the Corporation to its Shareholders during the period commencing 91 days after the commencement of the year and ending 90 days after the end of the year. The Corporation must elect to have the full amount of a dividend qualify as a capital gains dividend. The payment of capital gains dividends will allow the Corporation to flow capital gains it realizes through to its Shareholders.

The Corporation has advised Counsel that it intends to pay dividends to the extent necessary to reduce its taxable income each year to nil so that it has no tax payable under Part I of the Tax Act and to elect to have dividends be capital gains dividends to the maximum extent allowable. Counsel can provide no assurance in this regard.

Taxation of Shareholders

Corporate Dividends

The Corporation may pay a capital gains dividend on Shares. The receipt by a Holder of such a capital gains dividend (whether paid in cash or reinvested in Shares) will be treated as a capital gain of the Holder from a disposition in the year of capital property for the year in which the dividend is received. See below under the subheading "Dispositions of Shares" for a description of the tax treatment of capital gains.

The Corporation may also pay taxable dividends (i.e., dividends other than capital gains dividends) on the Shares. Taxable dividends received by a Holder on Shares (whether paid in cash or reinvested in Shares) will be deemed by the Tax Act to have been received by the Holder as interest payable on a bond issued by the Corporation. Shareholders will therefore be required to include in their income as interest all amounts received as, or on account of, any taxable dividends. The provisions of the Tax Act providing for interest accrual, the gross-up and dividend tax credit in respect of taxable dividends received by individuals from taxable Canadian corporations, and for the deduction generally available to corporations for inter-corporate dividends received, will not apply in respect of taxable dividends. Similarly, the provisions of Part IV of the Tax Act will not be applicable to the receipt of taxable dividends by a corporate Holder. The amount of a dividend reinvested in additional Shares will be the cost amount of such Shares.

Dispositions of Shares

On the disposition or deemed disposition of a Share by a Holder (other than acquisition by the Corporation), the Holder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition in respect of such Share, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Share to the Holder. A Holder's proceeds of disposition will not include an amount payable by the Corporation on the Share that is otherwise required to be included in the Holder's income.

For the purpose of determining the adjusted cost base to a Holder of Shares, when a Share is acquired, the cost of the newly-acquired Share will be averaged with the adjusted cost base of all of the Shares owned by the Holder as capital property immediately before that acquisition. The adjusted cost base of a Share to a Holder will be the cost to the Holder of the Share, with certain adjustments.

One-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year must be included in computing such Holder's income for that year, and one-half of any capital loss (an "**allowable capital loss**") realized by a holder in a taxation year must be deducted from any taxable capital gains realized by the holder in the year, subject to and in accordance with the provisions of the Tax Act. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such years, subject to and in accordance with the provisions of the Tax Act.

On an acquisition of Shares by the Corporation, the Holder generally will be deemed to have received, and the Corporation will be deemed to have paid, a dividend in an amount equal to the amount by which the price paid by the Corporation exceeds the "paid-up capital" (as defined in the Tax Act) of the purchased Shares. This deemed dividend will be treated in the same manner as other dividends received by the Holder from the Corporation, and will depend on whether the Corporation elects that the entire dividend be a capital gains dividend (to the extent the Corporation has realized sufficient capital gains in the year). The balance of the purchase price, if any, will constitute proceeds of disposition of the Shares for the purposes of the capital gains rules, as described above.

Refundable Tax on Certain Corporations

A "Canadian-controlled private corporation" (as defined in the Tax Act) that disposes of Shares or receives dividends may be liable to pay an additional tax, a portion of which is refundable.

Alternative Minimum Tax

In general terms, capital gains dividends, paid or payable, or deemed to be paid or payable, to a Holder who is an individual or trust (other than certain specified trusts), and capital gains realized on the disposition of Shares by such Holder, may increase the Holder's liability for alternative minimum tax.

RISK FACTORS

An investment in the Offered Shares involves a number of risks. Before investing in the Offered Shares, prospective purchasers should carefully read and consider the risks described below, in addition to those risk factors beginning on page 39 of the AIF and page 18 of the Annual MD&A, the risk factor set forth in the Prospectus and the risks disclosed in other documents incorporated by reference herein. The business, financial condition and results of operations of the Corporation could be materially adversely affected by any of these risks.

The market price for the Shares cannot be assured

The market price of the Shares may be adversely affected by a variety of factors relating to the Corporation's business, including fluctuations in the Corporation's operating and financial results, the results of any public announcements made by the Corporation and the Corporation's failure to meet analysts' expectations. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Shares for reasons unrelated to the Corporation's performance. There can be no assurance that the market price of the Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Corporation's performance.

Potential Dilution

The Corporation's articles of incorporation and by-laws allow it to issue an unlimited number of Shares for such consideration and on such terms and conditions as shall be established by the Directors, in many cases, without the approval of the Corporation's Shareholders. Except as described under the heading "Plan of Distribution", the Corporation may issue additional Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Shares) and on the exercise of stock options or other securities exercisable for Shares. The Corporation cannot predict the size of future issuances of Shares or the effect that future issuances and sales of Shares will have on the market price of the Shares. Issuances of a substantial number of additional Shares, or the perception that such issuances could occur, may adversely affect the prevailing market price for the Shares. With any additional issuance of Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per Share.

Distributions

Although the Corporation intends to make distributions of its available cash to Shareholders in accordance with its dividend policy, which is more fully described in the AIF, these cash distributions are not assured. The actual amount distributed to Shareholders will depend on numerous factors, including but not limited to the Corporation's financial performance, debt covenants and obligations, working capital requirements, composition of the Corporation's mortgage portfolio, availability of mortgage investments and fluctuations in interest rates that impact the aggregate yield on mortgage investments. The market value of the Shares may deteriorate if the Corporation is unable to meet its cash distribution targets in the future, and that deterioration may be material.

Qualification as a MIC

Although the Corporation qualifies and intends to qualify at all times as a MIC, no assurance can be provided in this regard. If for any reason the Corporation does not maintain its qualification as a MIC under the Tax Act, dividends paid by the Corporation on the Shares will cease to be deductible by the Corporation in computing its income and will no longer be deemed by the rules in the Tax Act that apply to MICs to have been received by Shareholders as bond interest or a capital gain, as the case may be. In consequence, the rules in the Tax Act regarding the taxation of public corporations and their shareholders should apply, with the result that the combined corporate and shareholder tax may be significantly greater.

INTEREST OF EXPERTS

Certain legal matters relating to the sale of the Offered Shares offered by this prospectus supplement will be passed upon on the Corporation's behalf by Miller Thomson LLP and on behalf of the Underwriters by Gowling WLG (Canada) LLP. As at the date hereof, the partners and associates of Miller Thomson LLP and Gowling WLG (Canada) LLP, each as a group, beneficially own, directly or indirectly, in the aggregate less than one per cent or no securities or other property of the Corporation.

AUDITORS

The auditors of the Corporation are KPMG LLP, Chartered Professional Accountants, Toronto, Ontario. Such firm is independent of the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Shares is Computershare Trust Company of Canada, Toronto, Ontario.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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, revisions of the price or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser 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.

ENFORCEABILITY OF JUDGMENTS

Mr. Geoffrey Bledin, a director of the Corporation, resides outside of Canada. Although Mr. Bledin has appointed the Corporation as his agent for service of process, purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against Mr. Bledin, even if they have appointed an agent for services of process.

CERTIFICATE OF THE UNDERWRITERS

Dated: February 15, 2019

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

CIBC WORLD MARKETS INC.	NATIONAL BANK FINANCIAL INC.	SCOTIA CAPITAL INC.
By: (Signed) "Mark Johnson" Managing Director	By: (Signed) "Joe Kulic" Managing Director, Investment Banking	By: (Signed) "Justin Bosa" Managing Director

RBC DOMINION SECURITIES INC.	TD SECURITIES INC.
By: (Signed) "David Switzer" Director	By: (Signed) "Adam Luchini" Director

CANACCORD GENUITY CORP.

By: (Signed) "Dan Sheremeto"
Managing Director, Investment Banking

DESJARDINS SECURITIES INC.	INDUSTRIAL ALLIANCE SECURITIES INC.
By: (Signed) "Mark Edwards" Managing Director, Head of Real Estate Investment Banking	By: (Signed) "John Rak" Managing Director, Investment Banking

ECHELON WEALTH PARTNERS INC.	GMP SECURITIES L.P.
By: (Signed) "Rob Sutherland" Managing Director	By: (Signed) "Paul Bissett" Director, Investment Banking