NOTICE OF SPECIAL MEETING

&

MANAGEMENT INFORMATION CIRCULAR

OCTOBER 29, 2025

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FRONTENAC
MORTGAGE INVESTMENT CORPORATION

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Special Meeting (the "**Meeting**") of the shareholders of Frontenac Mortgage Investment Corporation (the "**Company**" or "**FMIC**" or "**Frontenac**") will be held on **December 8, 2025, at 2:00 p.m.** EDT at DoubleTree Hotel, 1550 Princess Street, Kingston and online via live webcast at //meetnow.global/MNPW4P9. The accompanying information circular (the "**Circular**") explains how shareholders may participate in the Meeting virtually via the Internet, or in person.

The Meeting is being held for the following purposes, which are explained more fully in the accompanying Circular:

1) To elect the Directors of the Company.

2) To consider, and, if deemed advisable, to pass, with or without variation, a special resolution, the full text of which is outlined in the section titled "*Particulars of Matters to be Acted Upon - Approval of Stated Capital Reduction*" of the accompanying Circular to reduce the Company's stated capital attributable to the issued and outstanding common shares of the Company in accordance with section 38 of the *Canada Business Corporations Act*, all as more particularly described in the Circular.

3) To transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by a majority of the votes cast in respect of the resolution at the Meeting, with the exception of the special resolution to reduce stated capital which requires approval by a majority of not less than 2/3 of the votes cast in respect of the resolution at the Meeting.

The Directors of the Company have fixed October 29, 2025 (the "**Record Date**") as the record date for determining the shareholders entitled to receive notice of and vote at the Meeting. Only shareholders of the Company as of the close of business on the Record Date will be entitled to receive notice of and to vote, in person or by Proxy, at the Meeting.

The Company is using the Notice-And-Access provisions ("**Notice-and-Access Provisions**") under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allows issuers to post electronic versions of the shareholder meeting materials online on the System for Electronic Document Analysis and Retrieval Plus ("**SEDAR+**"), as well as an additional website, instead of mailing paper copies of shareholder meeting materials to shareholders.

Electronic copies of this notice, the Circular, and other Meeting materials (together the "**Materials**") may be found on the Company's SEDAR+ profile at www.sedarplus.ca, as well as at Computershare's website

at www.envisionreports.com/Frontenac2025. The Company reminds shareholders to review the Circular prior to voting.

Shareholders will receive copies of a Notice Package (the "**Notice Package**") via pre-paid mail. The Notice Package contains a notice with prescribed information under NI 54-101, a Voter Instruction/Proxy Form (a "**Proxy**") and return envelope.

The Company will not send paper copies of the Materials to any shareholders unless specifically requested to do so. Shareholders wishing to receive paper copies of the Materials should contact the Company at 1-877-279-2116 or by email at amberkehoe@advancedgroup.ca, and the Company will arrange for paper copies to be sent within three business days of such request, provided the request is made before the date of the Meeting or any adjournment thereof. In order to receive the Materials in advance of the deadline to submit your vote, we recommend that you contact us before 2:00 p.m. EDT on November 24, 2025.

Registered shareholders and persons appointed as proxies pursuant to the Proxy will be entitled to participate fully in the virtual online Meeting, including submitting questions and voting shares. Registered shareholders are encouraged to provide questions in advance of the Meeting by email to the Corporate Secretary at amberkehoe@advancedgroup.ca.

Dated: October 29, 2025

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Kevin Cruickshank"*

Kevin Cruickshank, Chair of the Board of Directors

Our Meeting will be held as a hybrid meeting. Whether or not you plan to attend the Meeting virtually, or in person, we encourage you to vote. If you do not intend to attend the Meeting, please submit your completed Proxy in advance in the manner described in the Proxy and enclosed Circular. For additional instructions on attending virtually, or voting via Internet, please refer to the Circular or the Proxy that you will receive via mail. To vote and submit your Proxy by mail, please complete, sign and date the Proxy form that is mailed to you in the Notice Package and return it in the envelope also provided in the Notice Package. If you have returned your completed Proxy and then decide to attend the Meeting, you may revoke your Proxy and vote at the Meeting. Please refer to the attached Circular for further details.

FRONTENAC MORTGAGE INVESTMENT CORPORATION

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Management Information Circular (the "**Circular**") accompanies the Notice of Special Meeting of the Shareholders (the "**Notice**") of the Frontenac Mortgage Investment Corporation (the "**Company**" or "**FMIC**" or "**Frontenac**").

The Circular is furnished in connection with the solicitation of proxies and has been prepared by Management of the Company for use at the Special Meeting (the "**Meeting**") or at any adjournment of the Meeting for the purposes set forth in the accompanying Notice. The Meeting will be held on **December 8, 2025 at 2:00 p.m. EDT**. It is expected that solicitation of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by Directors or Officers of the Company, without special compensation, or by employees of Advanced Capital Corporation, the New Manager (as defined below) of the Company.

The Meeting will be held in a hybrid format, virtually via the Internet and in person. Shareholders of the Company ("**Shareholders**" and each, a "**Shareholder**") may choose to attend the Meeting online by accessing a live webcast or Shareholders may attend in person. Shareholders (both registered and non-registered) who choose to attend the Meeting virtually may do so by accessing a live webcast of the Meeting via the Internet at //meetnow.global/MNPW4P9. The Circular provides background information not previously provided to you which might be useful in deciding how you wish to vote on matters put before the Shareholders. The cost of the solicitation of Proxies herein will be borne by the Company, including the cost of preparing, assembling and mailing Proxy materials and handling and tabulating the Proxies returned.

A voter instruction/proxy form (the "**Proxy**") will be sent to you in your Notice Package. Whether or not you plan to attend the Meeting, the Proxy will allow you to specify how you want to vote your common shares of the Company ("**Shares**") at the Meeting and whom you authorize to vote your Shares (see 'How To Vote Your Shares') below.

The FundSERV platform through which all purchases of Shares are processed, including purchases pursuant to the Company's dividend reinvestment program, records information on both the registered dealer which purchases and holds the Shares as well as the investors for whom such dealers are acting (the "**Beneficial Shareholders**") for all purchases of Shares. Because there is no secondary market for the Shares, and because redemptions of Shares are also processed through FundSERV, the Company, through its transfer agent and registrar, SGGG Fund Services Inc., is able to obtain accurate shareholder information at all times, including a complete and accurate list of the Beneficial Shareholders. In connection with Shareholder meetings, including this Meeting, the Company sends all applicable meeting materials directly to all Beneficial Shareholders or to the registered investment dealer or registered portfolio manager to which a Beneficial Shareholder has granted discretionary authority to vote its Shares (each, an "**Intermediary**"), as requested by such registered Dealer or registered Portfolio Manager. For purposes of the Meeting such Beneficial Shareholders and Intermediaries are deemed to be registered

Shareholders, except that a Beneficial Shareholder for whom an Intermediary votes the Shares beneficially owned by such Beneficial Shareholder will be considered a non-registered Shareholder for purposes of the Meeting.

NOTICE-AND-ACCESS

The Company is using the Notice-And-Access provisions ("**Notice-and-Access Provisions**") under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allow issuers to post electronic versions of the Shareholder meeting materials online on the System for Electronic Data Analysis and Retrieval + ("**SEDAR+**"), as well as an additional website, instead of mailing paper copies of Shareholder meeting materials to Shareholders. FMIC anticipates that notice-and-access will directly benefit the Company through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Electronic copies of the Notice, the Circular, and other Meeting materials (together the "**Materials**") may be found on the Company's SEDAR+ profile at www.sedarplus.ca, as well as at Computershare's website at www.envisionreports.com/Frontenac2025 and at FMIC's website at fmic.ca. The Company reminds Shareholders to review the Circular prior to voting.

Shareholders will receive the Notice Package via pre-paid mail. The Notice Package contains a notice with prescribed information under NI 54-101, a Proxy and a return envelope.

The Company will not send paper copies of the Materials to any Shareholders unless specifically requested to do so. Shareholders wishing to receive paper copies of the Materials should contact the Company at 1-877-279-2116 or by email at amberkehoe@advancedgroup.ca, and the Company will arrange for paper copies to be sent within three business days of such request, provided the request is made before the date of the Meeting or any adjournment thereof. In order to receive the Materials in advance of the deadline to submit your vote, we recommend that you contact us before 2:00 p.m. EDT on November 24, 2025.

The Company will send its proxy-related materials directly to non-objecting beneficial owners under NI 54-101. The Company does not intend to pay for proximate intermediaries to forward the proxy-related materials and the voting instruction form to objecting beneficial owners under NI 54-101. Objecting beneficial owners will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

HOW TO VOTE YOUR SHARES

Registered Shareholders can vote their Shares either: (a) by attending and voting at the Meeting, or (b) by completing and submitting the Proxy in advance of the Meeting.

Voting at the Meeting

If you are a registered Shareholder or a person named in the Proxy to vote Shares and you will be attending the Meeting (see "How to Attend the Meeting" below) you are encouraged to vote online prior to the Meeting commencing. You may also vote using a ballot, which will be presented to you during the Meeting. Only registered Shareholders or their duly appointed proxyholders are entitled to vote at the Meeting. If you have followed the process for voting in advance of the Meeting, voting at the Meeting (whether in person or online) will revoke your previous Proxy.

For your proxyholder to vote online at the Meeting, you need to:

(1) Appoint your proxyholder by following the instructions below under the heading *"*Voting by Proxy in Advance of the Meeting*"*. Please note that these steps must be completed prior to the proxy deadline or your proxyholder will not be able to vote your Shares at the Meeting; and

(2) Your proxyholder needs to follow the instructions below to log in and vote at the Meeting as described below under the heading *"*How to Attend the Meeting*"*.

For registered Shareholders who wish to vote online at the Meeting, you need to:

(1) Log into //meetnow.global/MNPW4P9 at least 15 minutes before the Meeting starts. You should allow ample time to check into the Meeting and to complete the related procedures.

(2) Enter your control number into the Shareholder Login section (your control number is located on your Proxy) and click on "Enter Here".

(3) Follow the instructions to access the Meeting online and vote when prompted.

To vote in-person at the Meeting, you need to follow the instructions below under the heading "How to Attend the Meeting". Ballots will be circulated to registered Shareholders upon registration with Computershare. For your proxyholder to vote in-person at the Meeting, you will need to appoint your proxyholder by following the instructions below under the heading *"*Voting by Proxy in Advance of the Meeting*"*. Please note that these steps must be completed prior to the proxy deadline or your proxyholder will not be able to vote your Shares at the Meeting and your proxyholder will need to follow the instructions below under the heading *"*How to Attend the Meeting*"* and register with Computershare to obtain a ballot.

A non-registered Shareholder wishing to attend the Meeting in person without voting – for example, because you have provided voting instructions prior to the Meeting or appointed another person to vote on your behalf at the Meeting – can attend and ask questions at the Meeting in the same manner as for registered Shareholders. However, such a Shareholder will not be able to vote at the Meeting unless they are also a duly appointed proxyholder.

<u>Voting by Proxy in Advance of the Meeting</u>

Registered Shareholders who are unable, or who do not wish, to attend and participate in the Meeting may use the Proxy to submit their voting instructions to authorize the management representatives of

the Company to vote their Shares as their proxyholder at the Meeting by one of the following methods, no later than 2:00 p.m. EDT on December 4, 2025.

By Mail: The completed Proxy, together with the Power of Attorney or other authority, if any, under which the Proxy was signed or a certified copy of the Power of Attorney or other authority, must be delivered to: Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting. Late Proxies may be deposited with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof. However, the Chair may accept or reject late Proxies at their discretion.

By Internet: The Company has an online registration system available to Shareholders through the internet to allow them to submit their voting instructions at **www.investorvote.com using their control number which is printed on the Proxy. If you have multiple accounts, you may receive a package for each account. With each package, you have received a unique user control number which is associated with the number of Shares held in that account. It is very important that you keep your control number for each account as you will need these to properly register your total share count for the Meeting.**

Shareholders submitting their Proxy instructions by any of the above-noted methods other than mail are not required to return a paper form of the Proxy to the Company or its agent, Computershare.

The individuals named as proxyholders in the Form of Proxy accompanying this Circular are officers of the Company and/or employees of the New Manager. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying Form of Proxy.** If you wish to appoint an alternate person as proxy to vote your Shares at the Meeting, during the live webcast, please follow the instructions found on the Form of Proxy. You will need to enter the email address of your appointee on the Proxy. Upon receipt of the Proxy the Company will send a control number to your appointee via e-mail which will allow your appointee only to attend the Meeting online and vote your Shares on your behalf.

We ask that Shareholders voting by Proxy return their Form of Proxy or register their Proxy online as soon as they can after receiving them so that we are assured of having the appropriate number of Shares represented either in person or by proxy at the Meeting. At the very latest, we ask that the Proxies be submitted by 2:00 p.m. EDT on December 4, 2025.

Pursuant to section 148 (4) of the *Canada Business Corporations Act,* a Shareholder who has given a Proxy may revoke it manually or online:

a) By depositing an instrument in writing, including another completed Form of Proxy executed by that Shareholder or Shareholder's attorney authorized in writing either:

   i) At the registered office of the Company at any time up to and including the last business day preceding the date of the Meeting or any adjournment of the Meeting; or

   ii) With the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment of the Meeting; or

b) By signing on at www.envisionreports.com/Frontenac2025 and changing the appropriate field in the Form of Proxy; or

c) In any other manner permitted by law.

A Shareholder may indicate the manner in which the person named in the Proxy is to vote with respect to a matter to be acted upon at the Meeting by ticking one of the options on the Proxy. All Shares represented at the Meeting by properly executed Proxies will be voted in accordance with the instructions indicated thereon. If no choice is specified in the Proxy with respect to a matter to be acted upon, the Proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying Form of Proxy. If no instructions are given, the Shares represented by properly executed Proxies given in favour of the persons named by management in the accompanying Form of Proxy will be voted **in favour** of each matter identified in the Form of Proxy.

The Proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice and with respect to any other matters which may properly come before the Meeting. As of the date of this Circular, Management of the Company is not aware of any such amendments or variations, or any other matters, that will be presented for action at the Meeting other than those referred to in the accompanying Notice. If, however, other matters that are not now known to Management properly come before the Meeting, then the person named in the accompanying Form of Proxy will vote on them in accordance with their best judgment.

HOW TO ATTEND THE MEETING

The Company will hold the Meeting in a hybrid format which will be conducted both via live webcast online and in person. Shareholders may choose to attend the Meeting online by accessing a live webcast or Shareholders may attend in person registered Shareholders attending virtually by accessing the live webcast and those appointed by a Proxy to vote Shares will be able to submit questions for consideration at the Meeting and to vote on all business brought before the Meeting. Questions can be submitted in advance of the meeting by email to the Corporate Secretary at amberkehoe@advancedgroup.ca.

To fully participate in the Meeting, including being able to submit questions for consideration at the Meeting and to vote on all business brought before the Meeting, registered Shareholders and those appointed by a Proxy to vote Shares are advised as follows:

- To attend the Meeting online via the internet and live webcast, Shareholders will need to visit //meetnow.global/MNPW4P9 and check-in using the control number included on your Voting Instruction/Proxy Form or which has been e-mailed to you if you are appointed to vote Shares as a proxyholder.
- The Meeting platform is fully supported across browsers and devices running the most updated version of applicable software plugins. You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting.
- The Meeting will begin promptly at **2:00 p.m.** EDT on December 8, 2025. Online check-in will begin 30 minutes prior, at **1:30 p.m.** EDT. You should allow ample time for online check-in procedures.
- To attend the Meeting in person, arrive at the Meeting at DoubleTree Hotel, 1550 Princess St. Kingston, Ontario K7M 9E3 and register with Computershare in order to obtain your ballot.

In order to find the Control Number to access the Meeting:

- ***Registered Shareholders and Proxyholders***: The control number is located on the Voter Instruction/Proxy Form that has been mailed to you.

We recommend that you log in at least 15 minutes before the start time of the Meeting. It is important to ensure you are connected to the Internet at all times if you participate in the Meeting online, in order to vote when balloting commences. You are responsible for ensuring Internet connectivity for the duration of the Meeting.

Those who have appointed a proxyholder may not ask questions or vote at the Meeting though may still attend the meeting as guests, via the Internet as follows:

Internet: Visit //meetnow.global/MNPW4P9

QUORUM

The By-laws of the Company provide that a quorum for the transaction of business at any meeting of Shareholders shall be 40 Shareholders and 10% of the Shares entitled to vote at a meeting of Shareholders, whether present or represented by Proxy.

VOTING SHARES AND PRINCIPAL HOLDERS

Shareholders who appear in the Shareholder list on the record date of October 29, 2025 (the "**Record Date**") are entitled to receive notice of and to attend and vote at the Meeting or any adjournment of the Meeting. Unless otherwise indicated, the information in this Circular is given as of October 29, 2025.

As of the Record Date, the Company had 3,168,224.4388 Shares issued and outstanding, which are entitled to be voted at the Meeting. Each whole Share carries the right to one vote. The Company does not have any other class of shares issued and outstanding.

As at the Record Date, to the knowledge of the Directors and Officers of the Company, no person, firm or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Company carrying more than 10% of the voting rights attaching to any class of voting securities of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of the Directors

At the Meeting, Shareholders of the Company will be asked to elect Eric Dinelle, Ryan Wykes, Andrew Blanchard, and Kevin Cruickshank as Directors of the Company, to serve until the close of the next annual meeting of shareholders or until their successors are elected or appointed, unless their office is earlier vacated in accordance with the by-laws of the Company.

The table below sets out detailed information about each nominee for election to the Board of Directors.

Name and Municipality of Residence	Principal Occupation for Last Five Years[1]	Director Since	Expiry of Term	Number of Shares Owned or Controlled
Kevin Cruickshank [3][4][5] Cloyne, Ontario, Canada	Chair of the Board (2025 to present); Former Executive Vice-President and Chief Financial Officer of W. A. Robinson Asset Management Ltd. and Chief Financial Officer of the Company (2005 to 2022)	January 2025	2025	7,115
Eric Dinelle[4][5] Kingston, Ontario, Canada	Owner of Environmentall Contracting Services since 2009.	July 2012	2025	1,136
Ryan Wykes[2][4][5] Toronto, Ontario, Canada	Managing Partner at The Spring Team	March 2022	2025	3
Andrew Blanchard [4][5] Manotick, Ontario, Canada	Chief Executive Officer of Sterling Capital Brokers Ltd., providing direct oversight of sales, marketing and global partnerships (formerly the Chief Operating Officer from 2022 to 2023)	December 2024	2025	0

Notes:

(1) Information as to principal occupation, business or employment is not within the knowledge of Management of the Company and has been furnished by the respective individuals.
(2) Chair of the Governance/Nominating Committee.
(3) Chair of the Audit Committee.
(4) Member of the Audit Committee.
(5) Member of the Governance/Nominating Committee.

Further information about the experience and background of each of Kevin Cruickshank and Andrew Blanchard is set out below.

Kevin Cruickshank

Mr. Cruickshank brings over 20 years of management and leadership experience, previously serving as the executive vice-president and Chief Financial Officer of the former Manager (as defined below) and former Administrator (as defined below), and the chief financial officer of the Company from 2005 to 2022. Mr. Cruickshank holds a Chartered Professional Accountant and Chartered Accountant accreditation from CPA Ontario.

Andrew Blanchard

Mr. Blanchard previously served on the Board of Directors from 2015 to 2020. Mr. Blanchard is currently the Chief Executive Officer of Sterling Capital Brokers Ltd., providing direct oversight of sales, marketing and global partnerships (formerly the Chief Operating Officer from 2022 to 2023). Mr. Blanchard brings over 18 years of management and leadership experience, with particular expertise in operations

management through his time as an operations manager and management consultant at Procter & Gamble and McKinsey & Company, respectively. Mr. Blanchard is also the founding partner of Jacket River Capital Partners, a professional service and strategic capital firm providing growth equity and operational expertise to entrepreneurs. Mr. Blanchard holds a Bachelor of Applied Science in Mechanical Engineering from Queen's University.

Except as set forth below, none of the nominees for election as a Director of the Company is, or was within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order, or an order that denied such company access to any exemption under securities legislation that was, in each case, in effect for a period of more than 30 consecutive days, and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

On July 3, 2025 the Company was issued a failure-to-file cease trade order ("**FFCTO**") by the Ontario Securities Commission. The FFCTO was issued as a result of the delay in the filing of the Company's annual audited financial statements, management's discussion and analysis and related officer certifications for the fiscal year ended December 31, 2024, as well as the Company's interim financial statements, management's discussion and analysis and related officer certifications for the three-month period ended March 31, 2025. Under National Instrument 51-102 - *Continuous Disclosure Obligations*, the annual filings were required to be made no later than April 30, 2025, and the interim filings were required to be made no later than May 30, 2025. The Ontario Securities Commission had previously issued, on May 9, 2025, a management cease trade order ("**MCTO**"), which was replaced by the FFCTO. Each of the nominees for election as a Director of the Company was a director of the Company at the time that each of the FFCTO and MCTO were issued.

None of the nominees for election as a Director of the Company is, or was within the ten years prior to the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the nominees for election as a Director of the Company has within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

None of the nominees for election as a Director of the Company has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

In the absence of a contrary instruction, the persons designated by management of the Company in the form of proxy intend to vote <u>in favour</u> of the election of each of the nominees whose names are set forth above.

Management of the Company does not contemplate that any of the nominees will be unable to serve as a Director of the Company for the ensuing year, however, if that should occur for any reason prior to the Meeting or any adjournment thereof, the Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the persons designated by management of the Company in the Proxy, in their discretion, in favour of another nominee.

Approval of Stated Capital Reduction

Background and the Orderly Wind-Up Plan

At the special meeting of Shareholders held on December 18, 2024 (the "**2024 Special Meeting**"), Shareholders approved the wind-up of the Company pursuant to an orderly wind-up plan (the "**Orderly Wind-Up Plan**") as described in the Company's management information circular dated October 31, 2024.

The Orderly Wind-Up Plan was authorized to be implemented through a combination of: (i) allowing the mortgages in the Company's portfolio to expire at their scheduled maturities in accordance with the terms thereof; (ii) selling mortgages in the Company's portfolio to third parties prior to their scheduled maturities at par or at a discount to par if determined by the Board of Directors to be in the best interests of the Company in order to accelerate completion of the Orderly Wind-Up Plan and return capital to investors; and (iii) in addition to or in lieu of the foregoing, effecting other transactions, as determined by the Board of Directors, in its discretion, consistent with its obligations to act in the best interests of the Company, with a goal of maximizing value for Shareholders and minimizing the time necessary to wind up the Company's affairs. The Company continues to implement the Orderly Wind-Up Plan as approved by Shareholders.

The Company may distribute the net proceeds resulting from the Orderly Wind-Up Plan to Shareholders in a manner approved by the Board of Directors from time to time, acting reasonably and in the best interests of Shareholders, whether through special dividends, redemptions of Shares under the Pro Rata Redemption Plan, a return of capital or otherwise.

At the 2024 Special Meeting, Shareholders also approved amendments to the articles of the Company to implement a pro rata redemption plan (the "**Pro Rata Redemption Plan**"), as the primary mechanism to distribute to Shareholders available cash generated through the sale, early repayment or maturity of mortgage loans in the Company's portfolio in connection with the implementation of the Orderly Wind-Up Plan.

The Pro Rata Redemption Plan empowers the Company to redeem Shares from all Shareholders on a proportional basis in order to deliver to each Shareholder their proportionate share of any proceeds available to fund redemptions. Pro Rata Redemption Plan, amounts determined by the Board to be available to fund a redemption from time to time are allocated to Shareholders on a proportionate basis, and are used to redeem, subject to the provisions of the CBCA and the Company's articles, Shares held by

each the Shareholder at a price equal to the net asset value ("**NAV**") per Share at the time of redemption. As a result of redemptions pursuant to the Pro Rata Redemption Plan, the number of Shares held by each Shareholder is reduced, while maintaining the NAV per share of the remaining Shares held by all Shareholders.

To date, the Company has completed the following pro rata redemptions pursuant to the Pro Rata Redemption Plan:

- On December 19, 2024, the Company completed an initial pro rata redemption of an aggregate of $65,000,000, representing approximately $10.26 per Share, based on a redemption price of $30.00 per Share, resulting in the redemption of 2,166,667 Shares (approximately 34% of the outstanding Shares at the time of the redemption).

- On March 28, 2025, the Company completed a pro rata redemption of an aggregate of $30,000,000, representing approximately $7.20 per Share, based on a redemption price of $30.00 per Share, resulting in the redemption of 1,000,000 Shares (approximately 24% of the outstanding Shares).

From July 3, 2025, the Company has been unable to redeem Shares pursuant to the Pro Rata Redemption Plan because the FFCTO prohibited trading in the Shares. As a result, the Company was unable to complete planned distributions of the proceeds of the implementation of the Orderly Wind-Up Plan.

Approval of Stated Capital Reduction Resolution

At the Meeting, Shareholders will be asked to pass a special resolution (the "**Reduction of Stated Capital Resolution**"), the full text of which is set out below, which will give the Board of Directors the authority, if deemed appropriate by the Board of Directors, without further act on the part of the Shareholders, to reduce the stated capital of the Shares in respect of return of capital distributions (each a "**Return of Capital**") by an amount up to a maximum cumulative total amount of $94,590,719.48, such reduction to be effected one or more times, in such amounts and on such dates as may be determined by the Board of Directors in its sole discretion, provided that the amount of any reduction of stated capital does not exceed the lesser of the amount of the corresponding Return of Capital and the stated capital of the Shares at the time of such reduction. This authority will allow the Board of Directors to implement one or more Return of Capital distributions as part of the Orderly Wind-Up Plan.

Under the *Canada Business Corporations Act*, a corporation is required to maintain a stated capital account for each class and series of shares that it issues and to add to that account the full amount of consideration that it receives for the shares that it has issued. The stated capital of the Shares is relevant, primarily, for legal, accounting and income tax purposes in that the amount of such capital affects the Company's ability to pay dividends, effect distributions or purchase its own Shares. The income tax consequences of receiving a distribution by way of a reduction of stated capital may be more favourable than receiving a similar distribution in another manner.

Section 38(1)(b) of the *Canada Business Corporations Act* provides that, with shareholder approval by way of a special resolution, a corporation may reduce its stated capital for any purpose, including distributing

to the holder of an issued share of any class or series of shares an amount not exceeding the stated capital of the class or series, provided that there are no reasonable grounds for believing that (a) the corporation is, or would after the reduction be, unable to pay its liabilities as they become due; or (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

Purpose of the Stated Capital Reduction Resolution

If passed, the Reduction of Stated Capital Resolution will give the Board of Directors the flexibility to distribute the proceeds resulting from the Orderly Wind-Up Plan to Shareholders in a potentially tax-efficient manner. See "*Certain Canadian Federal Income Tax Considerations*" below. The Board of Directors may use this mechanism in circumstances where it is impracticable to redeem Shares pursuant to the Pro Rata Redemption Plan, and otherwise when it considers doing so to be advisable and in the best interests of Shareholders.

There is no guarantee that the Board of Directors will act on the authority granted to it by the Shareholders, assuming the Reduction of Stated Capital Resolution is approved, or that any reduction of capital will actually be effected. Even if the Reduction of Stated Capital Resolution is passed, the Board of Directors expects to cause the Company to distribute the proceeds of the Orderly Wind-Up Plan to Shareholders primarily by way of redemptions of Shares pursuant to the Pro Rata Redemption Plan, provided that it is practicable to do so.

In determining whether to implement any reduction of stated capital and Return of Capital distribution, the Board of Directors will consider the Company's financial position and liquidity requirements, the availability of alternatives for delivering cash to the Shareholders (including redemptions under the Pro Rata Redemption Plan), the impact of a Return of Capital on the NAV per Share, compliance with applicable laws, and other considerations the Board of Directors deems relevant.

Effect of a Reduction of Stated Capital to Pay a Return of Capital

For each Return of Capital distribution the Board of Directors may approve, the Company will reduce the stated capital account for the Shares by an amount equal to the cash to be distributed, effective immediately before or at the same time as the distribution. The aggregate of all such distributions will not exceed (i) the then available stated capital of the Shares and (ii) the $94,590,719.48 limit approved by Shareholders.

Because any Return of Capital will be funded from the Company's assets but will not reduce the number of outstanding Shares, the Company's total assets and shareholders' equity will decrease by the amount distributed, and the NAV per Share will decline by approximately the per-Share distribution amount.

Recommendation

The Board of Directors believes that the Stated Capital Reduction Resolution will benefit the Company by enhancing the Company's flexibility in the timing and manner of delivering to Shareholders the proceeds of the Orderly Wind-Up Plan that are available for distribution.

If Shareholders do not approve the Stated Capital Reduction Resolution at the Meeting, the Company will not have the flexibility to deliver the proceeds of the Orderly Wind-Up Plan that are available for distribution by way of a Return of Capital. While the Company expects that it would continue to distribute such proceeds to Shareholders from time to time pursuant to the Pro Rata Redemption Plan, it may be unable to do so if circumstances arise that interfere with the Company's ability to redeem its Shares.

The Board of Directors unanimously recommends that Shareholders vote in favour of the Stated Capital Reduction Resolution. **Unless directed otherwise, the persons designated by Management in the Form of Proxy intend to vote FOR the Stated Capital Reduction Resolution**.

Certain Canadian Federal Income Tax Considerations

The following is a general summary of the material Canadian federal income tax considerations applicable to a Shareholder who receives one or more distributions from the Company as a Return of Capital, and who, for the purposes of the *Income Tax Act* (Canada), as amended, and the regulations thereunder (the "**Tax Act**") and at all relevant times, is or is deemed to be resident in Canada, deals at arm's length with the Company, is not affiliated with the Company, and holds the Shares as capital property (a "**Holder**"). Shares will generally constitute capital property to a Holder unless those Shares are held in the course of carrying on a business or have been acquired in a transaction or transactions considered to be an adventure or concern in the nature of trade for purposes of the Tax Act. Certain Holders for whom Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have those Shares, and any other "Canadian securities" (as defined in the Tax Act) owned by that Holder in the taxation year in which the election is made and all subsequent taxation years, be deemed to be capital property.

This summary is not applicable to a Holder: (i) that is a "financial institution" as defined in the Tax Act for the 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 has made an election under the Tax Act to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; or (v) that has entered into a "derivative forward agreement", as defined in the Tax Act, in respect of the Shares. Such Holders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"), and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted substantially as proposed. No assurance can be given that the Proposed Amendments will be enacted in their present form, or at all.

This summary does not otherwise take into account or anticipate any changes in the law whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors having regard to their own particular circumstances.

This summary does not address any Canadian federal tax considerations applicable to nonresidents of Canada. Non-residents of Canada should consult their own tax advisors.

Status as a Mortgage Investment Corporation

A corporation is entitled to be taxed as a "mortgage investment corporation" (as defined in the Tax Act) (a "**MIC**") only if it is a MIC throughout its taxation year. The Company expects to maintain its status as a MIC throughout each of its taxation years, including the taxation year ending on the winding-up of the Company, but there can be no assurances in this regard.

If the Company ceases to be a MIC at any time in a taxation year, the Company will not be entitled to deduct any amount in respect of either the taxable dividends or the capital gains dividends paid to its Shareholders in respect of that year, making the Company subject to tax at the full general corporate income tax rates on its taxable income earned in the year. However, the Company should be able to deduct any unused non-capital losses in computing its income and may deduct any allowable capital losses against taxable capital gains in accordance with the detailed rules described in the Tax Act.

The remainder of this summary assumes that the Company will qualify as a MIC throughout each taxation year. If the Company were to not qualify as a MIC at any time in a taxation year, the income tax considerations to Shareholders would be materially different from those described below.

Returns of Capital

The Company will be considered to be a "public corporation" (as defined in the Tax Act) on the basis that it qualifies as a MIC. The Company expects to qualify as a public corporation at all relevant times.

Generally, where a public corporation (as defined in the Tax Act) reduces the paid-up capital in respect of a class of its shares, the amount distributed to its shareholders on such reduction is deemed to be a dividend. However, where the paid-up capital of the relevant class of shares of the corporation exceeds the amount of the distribution, the amount distributed may be treated as a tax-free return of capital (subject to the comments below concerning the reduction of the adjusted cost base of the shares) and not as a deemed dividend where: (i) the distribution is made on the winding-up, discontinuance or reorganization of the corporation's business; or (ii) where the amount of the distribution is derived from proceeds realized by the distributing corporation on certain non-ordinary course transactions. The Company is of the view that either or both of these exceptions should apply to the Return of Capital. However, no income tax ruling or opinion has been sought or obtained by the Company in this regard.

Distributions by way of a Return of Capital are not expected to exceed the paid-up capital of the Shares at the time of a distribution. Accordingly, provided that either of the above exceptions for a reduction of

paid-up capital by a public company applies on the date of the distribution(s), Holders should not be deemed to receive any dividend as a result of such Return of Capital.

To the extent that any portion of any distribution by the Company as part of a Return of Capital is treated as a deemed dividend, the amount of the deemed dividend will be treated in the same manner as other dividends received by the Holder from the Company. A Holder will be required to include in its income, as interest payable on a bond issued by the Company, any amount received by the Holder from the Company as or on account of such deemed dividend (other than a capital gains dividend). Capital gains dividends received by a Holder will be treated as a capital gain of the Holder from a disposition of capital property in the year in which the deemed dividend is received. Accordingly, the treatment of any deemed dividend received by a Holder will depend on whether the Company elects that the dividend be a capital gains dividend (to the extent that the Company has realized sufficient capital gains, net of any applicable capital losses, in the year). The gross-up and dividend tax credit applicable to taxable dividends received by individuals from a taxable Canadian corporation will not apply to dividends (including deemed dividends) paid by the Company.

The distributions received by a Holder from the Company as a Return of Capital (less any amount deemed to be a dividend as described above) will be deducted from the adjusted cost base (and paid-up capital) of the Holder's Shares. To the extent that the reduction exceeds the adjusted cost base of a Holder's Shares as otherwise determined, the Holder will be deemed to have realized a capital gain equal to such excess and the adjusted cost base of the Holder's Shares will be nil. The tax treatment of capital gains is discussed below under "Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

In general, one-half of any capital gain (a "**taxable capital gain**") realized in a taxation year by a Holder will be included in the Holder's income for the year, and , subject to, and in accordance with the provisions of the Tax Act, one-half of any capital loss (an "**allowable capital loss**") realized by a Holder in the year must be deducted from the Holder's taxable capital gains, if any, realized by the Holder in such year. Allowable capital losses in excess of taxable capital gains for a particular year may generally be carried back and deducted in any of the three preceding taxation years or carried forward indefinitely and deducted in any subsequent taxation year against net taxable capital gains realized in such years, subject to the detailed rules described in the Tax Act.

Alternative Minimum Tax

Holders who are individuals or trusts (other than certain specified trusts) who receive or are deemed to receive taxable dividends or realize capital gains or receive capital gains dividends on Shares may be subject to alternative minimum tax under the Tax Act.

Stated Capital Reduction Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve with or without variation a Stated Capital Resolution in the form of the following special resolution:

"BE IT RESOLVED, as a special resolution that**:**

1. The stated capital account of the common shares of the Company be reduced by up to $94,590,719.48, such reduction to be effected one or more times, in such amounts and on such dates as may be determined by the directors of the Company in their sole discretion, all as more particularly described in the Company's Management Information Circular dated October 29, 2025, provided that the amount of any stated capital reduction does not exceed the stated capital of the common shares at the time of such reduction.

2. Any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and, if appropriate, deliver all other documents and instruments and do all other things as in the opinion of such director or officer may be necessary or advisable to implement this resolution and the matters authorized hereby.

3. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized to and empowered to revoke this resolution, without any further approval of the Company's shareholders, at any time if such revocation is considered necessary or desirable by the directors."

The Stated Capital Reduction Resolution must be approved by a majority of not less than two-thirds of the votes cast on the resolution by the Shareholders at the Meeting, in person or by proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Summary of Compensation Table

Applicable securities legislation requires disclosure of all direct and indirect compensation for both of its two most recently completed financial years provided to each Director and Named Executive Officer ("**NEO**") of the Company during the most recently completed financial year. NEO is defined by securities legislation to mean: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; (iii) the most highly compensated Executive Officer of the Company, including any of its subsidiaries, or the most highly compensated individual acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year; and (iv) each individual who would be a "NEO" under paragraph (iii) but for the fact that the individual was neither an Executive Officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of the most recently completed financial year.

During the financial years ended December 31, 2024, the Company had three (3) NEOs: Matthew Robinson, Former Chief Executive Officer, Katie Harker, Chief Financial Officer, and Daniel Komorowski, former Chief Financial Officer. The NEOs of the Company were all employed by the Manager (see "Management Contracts - Management Agreement" below) and their services were provided to the Company pursuant to the Management Agreement (as defined below). Pursuant to the Management Agreement, the Manager directed the affairs and managed the business and administered or arranged for the administration of the Company's day-to-day operations during the financial years ended December 31, 2024 and 2023. The Company did not have any employment agreements with its NEOs, and is not responsible for overseeing, determining or paying their compensation. In consideration for the

management services provided to the Company, the Manager was paid a monthly management fee equal to one-twelfth of one percent of the value of the Company's gross assets, calculated on a monthly basis (see "Management Contracts - Management Agreement" below). The Company also reimburses the Manager for any out-of-pocket fees, costs and expenses incurred in the provision of the management services. However, the Company is not required to reimburse the Manager for the salaries and other remuneration of the management or personnel of the Manager who carry out any services or functions for the Company or overhead for such persons.

The following table and notes thereto provide a summary of the compensation paid by the Manager to each NEO of the Company that is attributable to time spent by such NEO on the activities of the Company, and the compensation paid by the Company to the members of the Board of Directors, for the financial years ended December 31, 2024 and December 31, 2023. The following table is presented in accordance with form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* under National Instrument 51-102 – *Continuous Disclosure Obligations*.

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year**	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee Fees ($)**	**Value of Perquisites ($)**	**Value of All other Compensation ($)**	**Total Compensation ($)**
Matthew Robinson [(1)(2)] *Former Chief Executive Officer*	2024	103,732	Nil	Nil	Nil	Nil	103,732
	2023	210,000	Nil	Nil	Nil	Nil	210,000
Wayne Robinson[(1)(4)] *Former Chief Executive Officer*	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Komorowski [(1)(3)] *Former Chief Financial Officer*	2024	78,472	Nil	Nil	Nil	Nil	78,472
	2023	100,000	Nil	Nil	Nil	Nil	100,000
Katie Harker[(1)(5)] *Chief Financial Officer*	2024	20,103	Nil	Nil	Nil	Nil	20,103
	2023	Nil	N/A	N/A	N/A	N/A	Nil
Ryan Wykes *Director*	2024	36,183	Nil	Nil	Nil	Nil	36,183
	2023	20,800	Nil	Nil	Nil	Nil	20,800
Eric Dinelle *Director*	2024	36,183	Nil	Nil	Nil	Nil	36,183
	2023	20,800	Nil	Nil	Nil	Nil	20,800

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year**	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee Fees ($)**	**Value of Perquisites ($)**	**Value of All other Compensation ($)**	**Total Compensation ($)**
Andrew Blanchard[6] *Director*	2024	3,883	Nil	Nil	Nil	Nil	3,883
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Robert Barnes[7] *Former Director*	2024	9,000	Nil	Nil	Nil	Nil	9,000
	2023	20,800	Nil	Nil	Nil	Nil	20,800
Jody Becker[7] *Former Director and former Chair*	2024	15,083	Nil	Nil	Nil	Nil	15,083
	2023	34,800	Nil	Nil	Nil	Nil	34,800
Alex de Korte[7] *Former Director*	2024	9,000	Nil	Nil	Nil	Nil	9,000
	2023	20,800	Nil	Nil	Nil	Nil	20,800
Allison Martin[7] *Former Director*	2024	9,000	Nil	Nil	Nil	Nil	9,000
	2023	20,800	Nil	Nil	Nil	Nil	20,800
Ryan Seeds[8][9] *Former Director and former Chair*	2024	52,100	Nil	Nil	Nil	Nil	52,100
	2023	20,800	Nil	Nil	Nil	Nil	20,800
Meghan Davis[10] *Former Director and former Interim Chair*	2024	39,483	Nil	Nil	Nil	Nil	39,483
	2023	20,800	Nil	Nil	Nil	Nil	20,800

Notes:

1. Represents the portion of the salary paid by the Manager attributable to the time spent on the activities of FMIC.
2. Ceased acting as Chief Executive Officer in November 2024.
3. Ceased acting as Chief Financial Officer in November 2024.
4. Appointed as Chief Executive Officer in November 2024. Ceased acting as Chief Executive Officer in December 2024.
5. Appointed Chief Financial Officer in November 2024. Ceased acting as Chief Financial Officer subsequent to the 2024 financial year.
6. Appointed as a Director in December 2024.
7. Ceased being a Director in May 2024.
8. Acted as Chair of the Board of Directors between May 2024 and November 2024.
9. Ceased being a Director in November 2024.
10. Appointed as a Director in April 2021, and Interim Chair of the Board of Directors on December 8, 2024. Resigned as Interim Chair and a Director subsequent to the 2024 financial year.

Discussion of Compensation

Compensation of NEOs

The Company has no control over the form or amount of the compensation paid by the Manager to the NEOs. The sole element of compensation paid by the Manager to the NEOs is base salary. Base salaries are determined and approved by the Manager. No portion of a NEO's base salary is tied to performance criteria or goals.

On April 2, 2025, the Company entered into a Management Agreement with Advanced Capital Corporation (the "**New Manager**"), to succeed the Manager as the provider of management and administrative services to the Company. The New Manager's management responsibilities started on May 1, 2025. Similar to the Manager, the New Manager provides the services of its employees as NEOs of the Company, and is solely responsible for overseeing, determining or paying their compensation. Accordingly, effective as of the May 1, 2025 transition date, the compensation program for the Company's NEOs became the New Manager's compensation program for its employees, which will affect NEO compensation.

Compensation of Directors

Director compensation is determined by the Board of Directors. The Directors' fees described above relate to the work that the Directors are asked to perform on the Board of Directors and on Committees. The Directors provided oversight for the Company over the Manager and Administrator. Detailed activities include: reviewing and approving mortgages, financial oversight (review of financial statements), reviewing materials for the Company at the various Board of Directors' meetings and providing advice and approval of the Chief Executive Officer's strategic direction. In determining Director compensation, the Board of Directors considers factors including market rates for compensation of similarly-qualified Directors across different economic sectors, the aggregate assets of the Company, the responsibilities and time committed by the Directors past increases in compensation. The compensation of the Chair is greater than that of other Directors because the Chair assumes a greater workload, meeting with the Chief Executive Officer on a regular basis to discuss the Company's business and with the staff of the Administrator on an as needed basis to review and approve mortgages.

The Company does not have a stock option plan or any other security-based compensation plan, and does not award any security-based compensation to any of its NEOs or directors.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE AND SENIOR OFFICERS

Other than routine indebtedness, no Director or Senior Officer of the Company, or any proposed nominee for election as a Director of the Company, or any associate or affiliate of any such Director, Senior Officer or proposed nominee, is or has been indebted to the Company or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Company or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Company.

Except for: (i) indebtedness that has been entirely repaid on or before the date of this Circular, and (ii) "routine indebtedness" (as defined in paragraph 10.3(c) of Form 51-102F5 of National Instrument 51-102 - *Continuous Disclosure Obligations*), the Company is not aware of any individuals who are, or who at any time during the most recently completed financial year was, a Director or Executive Officer of the Company, a proposed nominee for election as a Director or an associate of any of those Directors,

Executive Officers or proposed nominees who are, or have been since the beginning of the most recently completed financial year indebted to the Company or any of its subsidiaries, or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Amended and Restated Management Agreement

During the financial year ended December 31, 2024, the Company was party to a management agreement made between the Company and W. A. Robinson Asset Management Ltd. (the "**Manager**") dated July 29, 2008, as amended ("**Management Agreement**"). Subject to the exclusive and overriding authority of the Board of Directors over the management of the Company, the Company appointed the Manager as its manager. The Manager was responsible for the following tasks and duties:

1) acting as Frontenac's registrar and transfer agent;
2) advising the Company on its compliance with legislation and providing all reports, studies, analyses, advice and information and arranging for the provision to the Company of such services by others as the Board of Directors may reasonably request in connection with the activities of the Company and the functions of the Board of Directors;
3) preparing financial statements for the Company;
4) maintaining the books and records of the Company and performing administrative functions in connection with the issuance, registration and redemption of Shares; and
5) supplying clerical, accounting and administrative staff and services as required for the efficient day-to-day function of the Company.

The Management Agreement had an initial term of five years which was automatically renewed. The Manager is paid 1/12th of 1% of the value of the Company's gross assets each month for its services. Total management fees earned by the Manager for the year ended December 31, 2024, including applicable sales taxes was $2,193,817.

The Management Agreement was terminated on May 1, 2025.

Amended and Restated Administration Agreement

During the financial year ended December 31, 2024, the Company was party to an amended and restated administration agreement made between the Company and Pillar Financial Services Inc. (the "**Administrator**") dated July 29, 2008, as amended (the "**Amended and Restated Administration Agreement**"). Pursuant to this agreement, the Administrator was appointed on an exclusive basis to source and administer the mortgage portfolio. In order to carry out this mandate, the Administrator was required to:

1) Underwrite the mortgages for the account of the Company, including setting the interest rates thereof;

2) Collect payments from borrowers and discharge mortgages upon payout;

3) Ensure the safe custody of mortgage deeds; and

4) Monitor and, where appropriate, pursue arrears and institute and pursue legal actions for the enforcement of the Company's rights as a mortgagee.

The Amended and Restated Administration Agreement had an initial term of five years which was automatically renewed. The Administrator is paid 1/12th of 1% of the value of the Company's gross assets each month for its services. Total administration fees earned by the Administrator for the year ended December 31, 2024, was $1,941,431.

The Amended and Restated Administration Agreement was terminated on May 1, 2025.

New Management Agreement (Advanced Capital Corporation)

On April 2, 2025, the Company entered into a Management Agreement with Advanced Capital Corporation (the "**New Manager**"), appointing the New Manager as the exclusive provider of day-to-day management and administrative services to the Company. The agreement was entered into pursuant to the orderly wind-up plan approved by Shareholders at the special meeting held on December 18, 2024, and is designed to ensure an efficient and value-maximizing wind-down of operations. The New Manager is responsible for implementing the orderly wind-up plan, together with its affiliate, the Mortgage Administrator (as defined below), and for providing all management and administrative services required by the Company during the term of its appointment. Compensation to the New Manager includes an initial annual management fee of $1,250,000 (paid in equal monthly payments) and, for any subsequent renewal term, a fee equal to 1.25% per annum of the Company's gross assets. The agreement has an initial one-year term, which started on May 1, 2025, with automatic renewal for a further one-year term unless terminated. The Company also reimburses the Manager for any out-of-pocket fees, costs and expenses incurred in the provision of the management services. However, the Company is not required to reimburse the Manager for the salaries and other remuneration of the management or personnel of the New Manager who carry out any services or functions for the Company or overhead for such persons.

The Company may terminate the agreement for material breach or insolvency, or at the end of the initial term with 90 days' notice. The agreement includes standard indemnities and limitation of liability provisions in favour of the New Manager, and contains detailed transition procedures in the event of termination. The New Manager replaces the Manager in the management of the Company.

New Administration Agreement (Advanced Alternative Lending)

On April 2, 2025, the administration agreement was executed between the Company, 7016514 Canada Inc. operating as Advanced Alternative Lending (the "**Mortgage Administrator**"), and the New Manager. Pursuant to the administration agreement, the Company appointed the Mortgage Administrator as its exclusive agent for the administration and servicing of its mortgage loans and related rights. The Mortgage Administrator is responsible for a comprehensive suite of services including collection of payments, managing defaults and enforcement actions, providing investor reports, maintaining insurance, and coordinating third-party service providers. The Mortgage Administrator is entitled to a fixed administration fee of $1,250,000 (paid in equal monthly payments), with future compensation set at

1.25% per annum of the Company's gross assets. The agreement is for an initial one-year term, with automatic renewal unless terminated. It may be terminated under specific circumstances such as material breach, insolvency, or the Company completing its wind-up. The agreement includes mutual indemnities, limits on liability, provisions for transition of services upon termination, and recognizes the Manager's oversight role. It also allows for delegation of duties by the Mortgage Administrator, subject to oversight and continued responsibility. The Mortgage Administrator replaces the Administrator as the administrator of the Company's mortgage portfolio.

Custodian Agreement

Frontenac is a party to a custodian agreement made among the Company, Computershare Trust Company of Canada (the "**Custodian**") and the Manager dated July 29, 2008. The Custodian's responsibilities include:

1) Appearing on the title of mortgages funded by Frontenac
2) Maintaining a list of mortgagees funded by Frontenac
3) Issuing an ownership certificate to Frontenac on mortgages funded by Frontenac

The contract has since been automatically renewed.

AUDITORS AND TRANSFER AGENT

Auditors

The independent auditors of the Company are MNP LLP, at its offices located at 800 – 1600 Carling Ave., Ottawa, Ontario K1Z 1G3. MNP LLP is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Canada.

Transfer Agent

SGGG Fund Services Inc. in Toronto, Ontario acts as registrar and transfer agent for the Shares.

DISCLOSURE REGARDING DIVERSITY

The Company recognizes that diversity can make an important contribution to governing excellence. As such the Company has adopted written policies wherein it states that it is desirable to have prospective Director candidates who are members of designated groups, including women, aboriginal peoples, persons with disability and members of visible minorities, and the Board of Directors does consider the level of representation of designated groups on the Board of Directors in identifying and nominating candidates for election or re-election to the Board of Directors, and the appointment of senior management. Pursuant to its policies, the Company's Governance/Nominating Committee evaluates the status of the diversity of its Board of Directors on an annual basis.

The Company has not adopted term limits for the directors on its board or other mechanisms of board renewal, and has not adopted target numbers or percentages for members of any designated group (as such term is defined in the *Canada Business Corporations Act*) to hold positions on the board or as senior

management by a specific date because the Company is in the process of implementing the orderly wind-up and distribution of its assets.

No persons (0%) who identify as women, Aboriginal peoples, persons with disabilities or members of visible minorities hold positions on the Board of Directors or as members of senior management of the Company.

CORPORATE GOVERNANCE DISCLOSURE

In establishing its corporate governance practices, the Board of Directors has been guided by applicable Canadian Securities Legislation for effective corporate governance, including National Policy 58-201 - *Corporate Governance Guidelines*. The Board of Directors is committed to a high standard of corporate governance practices. The Board of Directors believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board of Directors level.

The Board of Directors

Independence

Subject to certain exceptions, a Director is "independent" within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship that could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a Director's independent judgment. Certain types of relationships are, by their nature, considered to be material relationships.

Currently, all the members of the Board of Directors are independent Directors. These determinations were made by the Board of Directors based upon an examination of the factual circumstances of each Director and consideration of any interests, business or relationships which any Director may have with the Company.

The Company does not have a designated lead Director or a Chair of the Board of Directors. The Board of Directors utilizes its own in-house expertise, and that of its legal counsel, to provide advice and consultation on current and anticipated matters of corporate governance.

Other Reporting Issuer Experience

None of the Directors of the Company are Directors of other reporting issuers (other than the Company) as of the date of this Circular.

Orientation and Continuing Education

The Company provides new Directors with a copy of Board of Directors policies and training on the Carver Policy Governance model which is followed by the Board of Directors. The Company also provides its Directors with training on the 'Basecamp 'software package, a project/information management software enabling the sharing of information and documents for the consideration of Directors, tracking and coordinating the critical path of Board of Directors mandates, and assisting the Directors in preparing for Board of Directors meetings. The Company does not have a formal continuing education program for its Directors but may provide individualized training on an as-needed basis.

Ethical Business Conduct

The Company is committed to maintaining high standards of corporate governance and this philosophy is communicated by the Board of Directors to Management, and by Management to employees, on a regular basis. In order to ensure that the Directors exercise independent judgment in considering transactions and agreements, the Board of Directors requires that all Directors declare any conflicts of interest with issues or situations as they arise. This would include transactions/agreements in which a Director/Officer has material interest. See *"*Interest of Management and Others in Material Transactions*".*

Nomination of Directors

The Governance/Nominating Committee is a standing Committee appointed by the Board of Directors and it is responsible for overseeing and assessing the functioning of the Board of Directors and the Committees of the Board of Directors and for the development, recommendation to the Board of Directors, implementation and assessment of effective corporate governance principles. The Governance/Nominating Committee's responsibilities also include identifying candidates for Directorship and recommending to the Board of Directors qualified candidates for election as Directors.

Given the Board of Directors's reduced size, the full Board of Directors has generally performed the responsibilities delegated to the Governance/Nominating Committee.

Other Board of Directors Committees

The Board of Directors has no standing Committee other than the Audit Committee and the Governance/Nominating Committee.

Assessments

The Board of Directors, its Committees and individual Directors regularly self-assess their effectiveness and contribution by way of independent valuation following each quarterly meeting. The self-assessment includes a review of the Board of Directors preparedness for and participation in meetings, leadership and accountability (to the Shareholders), decision making abilities, collaboration and communication, follow-up, and feedback. Self-assessments are provided electronically to the Corporate Secretary for compilation and presentation at the annual Corporate Strategic Session, wherein the results are extensively discussed between the Directors and management of the Company.

AUDIT COMMITTEE DISCLOSURE

Charter

The text of the charter (the "**Charter**") of the Audit Committee is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee is comprised of Eric Dinelle, Ryan Wykes, Andrew Blanchard, and Kevin Cruickshank. The Chair of the Audit Committee is Kevin Cruickshank. Each member of the Audit Committee is financially literate and independent within the meaning of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**").

Relevant Education and Experience

Described below for each member of the Audit Committee is a brief description of the education and experience relevant to the performance of their responsibilities as an Audit Committee member and from which they derive their "financial literacy" as defined in NI 52-110.

Audit Committee Member	**Relevant Education and Experience**
Eric Dinelle	Owner of contracting services business since 2009, Director of the Company since 2012
Kevin Cruickshank	Chartered Professional Accountant
Ryan Wykes	Managing Partner of real estate business and holds a Bachelor of Commerce and Masters of Business Administration
Andrew Blanchard	Chief Executive Officer of Sterling Capital Brokers Ltd.; 18 years of management experience, including as an Operations Manager and Management Consultant at Procter & Gamble and McKinsey & Company, respectively

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in sections 2.4 (De Minimis Non-audit Services), 3.2 (Initial Public Offerings), 3.4 (Events Outside Control of Member), or 3.5 (Death, Disability or Resignation of Audit Committee Member) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Reliance of the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in subsection 3.3(2) (Controlled Companies) or section 3.6 (Temporary Exemption for Limited and Exception Circumstances) of NI 52-110.

Reliance on Section 3.8

At no time since the commencement of the Company's most recently completed financial year has the Company relied on section 3.8 (Acquisition of Financial Literacy) of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures for the Engagement of Non-Audit Services

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, as described in the Audit Committee Charter attached to this Circular.

External Auditor Service Fees

The table below sets out all fees billed by the Company's external auditor in respect of the Company's financial years ended December 31, 2024 and December 31, 2023.

Financial Year End	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
December 2024	$515,750.70	$50,718	$0	$52,718
December 2023	$266,106	$32,154	$0	$226,026

Notes:

(1) "Audit Fees" are fees billed by the Company's external auditor for services provided in auditing the Company's financial statements for the financial year.

(2) "Audit-Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to performing the audit or reviewing the Company's interim financial statements.

(3) "Tax Fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning.

(4) "All Other Fees" are fees billed by the auditor for products and services not included in the previous categories.

Investment Entity Review Reports

The Audit Committee has authority to oversee the process involving the preparation of investment entity review reports ("**IERRs**") including, without limitation, selecting and setting the remuneration of the firm of chartered business valuators who prepare the Company's IERRs.

In relation to any change in the firm of chartered business valuators who prepare the Company's IERRs, the Company will follow a process which is consistent with the process prescribed by section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* for any change of the Company's auditor.

Venture Issuer Exemption

The Company is not required to comply with Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 of NI 52-110 (Reporting Obligations) by virtue of the exemption for venture issuers contained in section 6.1 of NI 52-110.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of Management, no insider of the Company, no proposed nominee for election as a Director of the Company and no associate or affiliate of any such insider or proposed nominee has had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No Director or Senior Officer of the Company at any time since the beginning of the company's most recently completed financial year, no proposed nominee for election as a Director of the Company and no associate or affiliate of any such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except for any interest arising from the ownership of Shares of the Company where the Shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of Shares in the capital of the Company.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Form of Proxy, to vote the Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca. Financial information is provided in the comparative financial statements and the Management's Discussion and Analysis of the Company for the financial year of the Company ended December 31, 2023. Shareholders may also obtain these documents, without charge, upon request to the New Manager c/o Advanced Capital Corporation, 788 Island Park Drive, Ottawa, ON, K1Y0C2 or by email to the Corporate Secretary of the Company at amberkehoe@advancedgroup.ca.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Directors of the Company.

Dated: October 29, 2025

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Kevin Cruickshank"*

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Kevin Cruickshank
Chair, Board of Directors

Audit Committee Charter
Frontenac Mortgage Investment Corporation ("FMIC")

The Audit Committee shall assist the Board with its oversight duties related to finance in a manner consistent with National Instrument 52-110 – Audit Committees. Products expected by the Committee, and the Committee's authority are outlined below.

Committee Products

1. ***Selection of, liaison with, and oversight of external auditor***

    1.1 Options for Board decision re: selection of financial auditor and liaison with auditor on behalf of Board.

    1.2 Approval of terms of engagement of the external auditor as set forth in the Engagement Letter, for an audit to be completed annually and filed within 90 days of the fiscal year end.

    1.3 Review with the external auditor of the audit plan, including the scope of the audit, areas of special emphasis to be addressed, materiality levels they propose to employ and the estimated cost of the audit.

    1.4 Meet with the external auditor to determine that no Management restrictions have been placed on the scope and extent of the audit examinations or the reporting of their findings to the Committee.

    1.5 An opinion for the Board, based on evidence required of the external auditor, as to whether the independent audit of the organization was performed in an appropriate manner, including maintaining their independence.

    1.6 On behalf of the Board, pre-approval of non-audit services provided by the independent auditor.

    1.7 An annual report to the Board highlighting the committee's review of the Audited Financial Statements, and any other significant information arising from their discussions with the external auditor.

    1.8 An assessment for the Board of the services provided by the auditor.

2. ***Oversight of financial information***

    2.1 An opinion for the Board, based on discussion with the external auditors and management, as to whether there is reasonable assurance that the Annual Audited Financial Statements are accurate, complete, represent fairly the financial position and are in accordance with IFRS, prior to the Board's approval of the Audited Financial Statements.

2.2 An opinion for the Board based on discussion with Management as to whether Management's Discussion & Analysis is accurate, complete and in compliance with regulations.

3. ***Advice to the Board re: procedures for dealing with complaints and reported questionable accounting or auditing matters***

3.1 An opinion for the Board as required regarding procedures for dealing with complaints received by FMIC regarding accounting, internal accounting controls or auditing matters.

3.2 An opinion as required for the Board regarding procedures (to be established) for dealing with anonymous submissions by employees of the issuer of concerns regarding questionable accounting or auditing practices or actions.

4. ***Advice to the Board Re: Committee Terms of Reference***

4.1 If requested by the Board, an opinion for the Board regarding the currency of its Terms of Reference.

Committee Authority

1. The Committee has no authority to change or contravene Board policies.

2. The Committee has authority to spend funds required for travel to meetings if meetings are required.

3. The Committee has the authority to set the remuneration for the external auditor within the range approved by the Board. The Committee has no authority to spend or commit other organization funds.

4. The Committee has authority to use Corporate Secretary resource time normal for administrative support around meetings.

5. The Committee does not have authority to instruct the CEO or any other staff member, other than to request information required in the conduct of its duties.

6. The Committee has the authority to meet independently with FMIC's external auditors.

Composition

1. The Committee shall be composed of at least three Directors appointed by the Board of Directors at the first full meeting after the AGM. Members of the Committee shall be appointed annually for a one year term, which may be renewable at the pleasure of the Board. The Chair of the Board shall be an ex officio non-voting member of the Committee.

2. The Committee members shall elect the Chair from among its members.

3. All members of the Committee shall be independent, defined as a person who has no direct or indirect material (reasonably expected to interfere with the exercise of a member's independent judgement) relationship with FMIC.

4. All Committee members shall be financially literate as such qualification is defined by applicable law and interpreted by the Board in its business judgment.

    4.1 The Board's interpretation of financial literacy is the ability to read and understand FMIC financial statements.

Investment Entity Review Reports

1. The Committee has authority to oversee the process involving the preparation of Investment Entity review Reports (IERRs) including, without limitation, selecting and setting the remuneration of the firm of chartered business valuators who prepare FMIC's IERRs.

2. In relation to any change in the firm of chartered business valuators who prepare FMIC's IERRs, FMIC will follow a process which is consistent with the process prescribed by section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations for any change of FMIC's auditor.