

**Frontenac Mortgage Investment Corporation
Announces Shareholder Approval of Return of Stated Capital,
Election of Directors to the Board, and Mortgage Portfolio Update**

Ottawa, December 10, 2025

Results of Special Meeting of Shareholders

Frontenac Mortgage Investment Corporation (“**FMIC**” or the “**Company**”) announced today that at its special meeting of shareholders (“**Shareholders**”) of the Company (“**Meeting**”) held on Monday, December 8, 2025, Shareholders voted to approve: (i) the election of the Directors of the Company and ii) a special resolution (the “**Stated Capital Reduction 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 management information circular of the Company dated October 29, 2025 (the “**Circular**”) to reduce the Company’s stated capital attributable to the issued and outstanding common shares of the Company (the “**Common Shares**”) in accordance with section 38 of the *Canada Business Corporations Act*.

The Stated Capital Reduction Resolution required approval by the affirmative vote of at least two-thirds of the votes cast by Shareholders at the Meeting. Of the votes cast at the Meeting with respect to the approval of the Stated Capital Reduction Resolution, a total of 729,838 Common Shares were voted in favour of the special resolution, representing approximately 99.4% of the votes cast.

In respect of the election of directors, Kevin Cruickshank, Eric Dinelle, Ryan Wykes, and Andrew Blanchard were elected directors of the Company, to serve until the close of the next annual meeting of Shareholders or until their successors are elected or appointed.

With the approval of the Stated Capital Reduction Resolution, the Company intends to make a pro-rata distribution as a return of capital to the Shareholders in the aggregate amount of \$20 million, representing \$6.31 per Common Share, on or before Friday, December 19, 2025. In connection with the return of capital distribution, the directors of the Company will approve a reduction in the stated capital account for the Common Shares by an amount equal to the cash to be distributed, effective immediately before or at the same time as the distribution, in accordance with the Stated Capital Reduction Resolution.

FMIC Mortgage Portfolio Update

The financial information presented below is given as of November 30, 2025, and is management prepared and presented on an unaudited and unreviewed basis.

The portfolio consists of 49 remaining mortgage files totaling approximately \$69.7M of principal outstanding, excluding any internally recorded provisions for loss and additional fees and interest that may or may not be collectible. The 49 files are segmented as follows:

- 12 Residential mortgages totaling approximately \$9.1M of outstanding principal;
- 27 Construction mortgages totaling approximately \$42.7M of outstanding principal;
- 6 Vacant Land mortgages totaling approximately \$2.1M of outstanding principal; and
- 4 Residential Development mortgages totaling approximately \$15.8M of outstanding principal, which are all related to the legacy large development property and are all currently in a court appointed receivership.

File concentration is summarized as follows:

- Top 10 files by outstanding principal represent roughly 51% of the portfolio balance;
- Top 20 files by outstanding principal represent roughly 75% of the portfolio balance;
- Top 30 files by outstanding principal represent roughly 91% of the portfolio balance; and
- Bottom 19 files by outstanding principal represent roughly 9% of the portfolio balance, and carry an average principal balance of \$321k.

Current actions being taken on the remaining 49 files are broken down as follows:

- 20 files (\$19.6M) are being pushed towards Power of Sale (POS) to entice borrowers to hasten exit attempts

that would likely yield a higher probability of full payout;

- 25 files (\$34.3M) are in Power of Sale; however, we are awaiting possession of 13 currently, which may individually yield some full payouts, but are expected to incur losses overall; and
- 4 files (Residential Development loan - \$15.8M) are in Power of Sale but are in a court appointed receivership process and the secured properties are actively being marketed for sale, which are expected to incur losses.

Some files have been identified as likely incurring losses overall, however a provision for estimated credit losses is present and has been accumulating through prior periods. A portion of this provision has already been factored into distributions of profit from earlier periods, and the realization of actual losses will be partially offset by this allowance.

The Company continues to pursue active realization strategies across the remaining portfolio.

For more information, please contact:

Amber Kehoe

Corporate Secretary

Frontenac Mortgage Investment Corporation

amberkehoe@advancedgroup.ca

Forward-Looking Statements

This press release contains certain forward-looking statements and forward-looking information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable Canadian securities laws, which may include, but are not limited to, information and statements in respect of MNP’s completion of the audit of the Company’s annual financial statements for the year ended December 31, 2024; the redemption of outstanding common shares pursuant to the pro rata redemption plan, and the anticipated timing of future redemptions; timing of the filing of the Annual Filings and Interim Filings, the Company’s annual meeting, and the revocation of the failure-to-file cease trade order by the OSC; and the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Company. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “achieve”, “could”, “believe”, “plan”, “intend”, “objective”, “continuous”, “ongoing”, “estimate”, “outlook”, “expect”, “may”, “will”, “project”, “should” or similar words, including negatives thereof, suggesting future outcomes.

Forward-looking statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors beyond FMIC’s ability to predict or control, which may cause actual events, results, performance, or achievements of FMIC to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking statements herein. Forward-looking statements are not a guarantee of future performance. Although FMIC believes that any forward-looking statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such statements, there can be no assurance that any such forward-looking statements will prove to be accurate. Actual results may vary, and vary materially, from those expressed or implied by the forward-looking statements herein. Accordingly readers are advised to rely on their own evaluation of the risks and uncertainties inherent in forward-looking statements herein and should not place undue reliance upon such forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Any forward-looking statements herein are made only as of the date hereof, and except as required by applicable laws, FMIC assumes no obligation and disclaims any intention to update or revise any forward-looking statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward-looking statements herein, whether as a result of new information, future events or results, or otherwise.