

Special Committee Announces Completion of Strategic Review Process and Settlement with the Concerned Shareholder Group

- Board to recommend an Orderly Wind-Up of TZZ - TZZ to cease originating new mortgages and return capital to shareholders
- Zachary George to be appointed to the Board of Directors of TZZ - Manager agrees to assist in the Orderly Wind-Up of TZZ

TORONTO, ONTARIO--(Marketwired - May 9, 2016) - The Special Committee of the Board of Directors of Trez Capital Mortgage Investment Corporation (TSX:TZZ) (the "**Company**") announced today the completion of its strategic review process, an amicable settlement with FrontFour Capital Group LLC, FrontFour Capital Corp., Concerned MIC Shareholders GP Inc., Performance Income Inc. and Windsor Private Capital Inc., as managers and/or general partners of certain funds and limited partnerships (collectively, the "**Concerned Shareholder Group**") and a go-forward plan to maximize value for all shareholders by way of an orderly wind-up of the Company's assets and the return of capital to shareholders (the "**Orderly Wind-Up Plan**"). The Orderly Wind-Up Plan will be put forward for shareholder approval by way of a special resolution at the Company's upcoming annual and special meeting, which has been rescheduled from May 30, 2016 to June 16, 2016 (the "**Meeting**").

The Concerned Shareholder Group is fully supportive of the Special Committee's recommended course of action.

Trez Capital Fund Management Limited Partnership (the "**Manager**") has agreed, subject to shareholder approval, to assist in the Orderly Wind-Up Plan and to certain amendments to the Company's management agreement (the "**Amending Agreement**") to facilitate the Orderly Wind-Up. The Orderly Wind-Up Plan is only in respect of the Company and does not include any of the private funds that are managed by the Manager or its associated entities.

Under the Orderly Wind-Up Plan, the Company will cease originating new loans and all mortgage renewal activity, subject to contractual rights, and its assets will be monetized over time. The Orderly Wind-Up Plan will be implemented and capital will be returned to shareholders under the supervision of a committee of the Board (the "**Investment & Capital Management Committee**") with the assistance of the Manager. The Orderly Wind-Up Plan will occur over time with the goal of shareholders realizing maximum value for the Company's assets.

The nature of the Company's assets are such that the Company has contractual liquidity rights in the form of scheduled maturities. The expected weighted average term to maturity of the loan portfolio as of April 30, 2016 is 20.6 months and approximately \$37.3 million in mortgages (representing approximately 21.0% of the total portfolio) are scheduled to mature on or before May 30, 2017. The final scheduled loan maturity in the Company's portfolio is currently October of 2019. The Company, on recommendation by the Investment & Capital Management Committee, may pursue, where appropriate, opportunities to accelerate the monetization of the Company's loan portfolio through the sale of loans to third parties.

Under the Orderly Wind-Up Plan, cash proceeds from the monetization of loans will be distributed to shareholders in a manner that is in the best interests of shareholders as recommended by the Investment & Capital Management Committee and approved by the Board. The Company intends to maintain its current dividend until such time as the Board deems it no longer appropriate under the Orderly Wind-Up Plan and will apply to the Toronto Stock Exchange to re-institute its normal course issuer bid in order to permit the Company to purchase shares in the market pursuant to an active normal course issuer bid program. On the recommendation of the Investment & Capital Management Committee, the Board will also consider both tax efficiency and accretion to net asset value per share in determining how to return capital to shareholders and will utilize special dividends and substantial issuer bids as it deems appropriate.

The Concerned Shareholder Group has agreed to withdraw its previously announced requisition of a special meeting. In addition, Zachary George will be appointed to the Board of Directors effective immediately.

"We are pleased with the decision by the Special Committee to recommend an Orderly Wind-Up Plan as the outcome of the Strategic Review Process", commented Zachary George, member of the Concerned Shareholder Group. "We commend the Special Committee for pushing for this settlement and avoiding a costly proxy solicitation process. I look forward to working with the Board going forward", added Mr. George.

The Special Committee believes that the Orderly Wind-Up Plan is the best course of action for shareholders given its mandate to consider alternatives to address the share price trading discount to book value per share. The Orderly Wind-Up Plan in its entirety will be subject to shareholder approval at the Meeting. Further details on the Orderly Wind-Up Plan will be included in the management information circular to be sent to shareholders in connection with the Meeting. The record date for receiving notice of and voting at the Meeting is May 17, 2016.

Michael J.R. Nisker, on behalf of the Manager, commented "While the Manager believes strongly in the quality of the Company's portfolio, we will continue to cooperate with the Special Committee's process and assist in maximizing shareholder value under the Orderly Wind-Up Plan."

Under the Amending Agreement, the Manager has agreed to provide the full asset management services necessary to support the Orderly Wind-Up Plan. The Manager will also waive its performance fees and rights, if any, to early termination fees, in exchange for an Incentive Fee equal to 20% of the amount by which the net cash proceeds from the monetization of mortgages exceed \$163,509,009, subject to a minimum Incentive Fee of \$1 million. The Incentive Fee would be paid to the Manager in increments up to the minimum of \$1 million as distributions are made to shareholders with the balance, if any, paid at the completion of the Orderly Wind-Up Plan. If shareholders do not vote in favour of the Orderly Wind-Up Plan on or before June 30, 2016, the amendments to the Management Agreement described above will terminate.

Following a comprehensive review of alternatives and the completion of the monetization process previously disclosed to shareholders, the Special Committee, with the assistance of its legal and financial advisors, determined that the Orderly Wind-Up Plan is in the best interests of shareholders, and will be making a recommendation that shareholders vote in favour of the Orderly Wind-Up Plan at the Meeting.

Commenting on the results of the Strategic Review Process, Gary Samuel, Chair of the Special Committee said, "Following the exploration of multiple strategic options, we believe that we have determined the best path forward for shareholders and are pleased to gain key shareholder support. We are also appreciative of the ongoing cooperation of the Manager. Most importantly, today's announcement will bring greater certainty to all of the Company's shareholders."

MPA Morrison Park Advisors Inc. and Aird & Berlis LLP acted as financial and legal advisors, respectively, to the Special Committee.

Trimaven Capital Advisors, Norton Rose Fulbright Canada and Goodmans LLP acted as financial and legal advisors, respectively, to the Concerned Shareholder Group.

Crosbie & Company Inc. and Torys LLP acted as financial and legal advisors, respectively, to the Manager.

Forward-Looking Statements

This press release may contain forward-looking statements with respect to TZZ, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of TZZ discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the Orderly Wind-Up Plan contemplated herein will be approved by shareholders and that the Orderly Wind-Up Plan will be completed as contemplated. Important factors that could cause actual results to differ materially from expectations include, among other things, whether shareholder approval of the Orderly Wind-Up Plan is obtained, the availability of opportunities to accelerate the monetization of TZZ's loan portfolio and the factors described under "Risk Factors" in TZZ's Annual Information Form, which is available at www.sedar.com. These cautionary statements qualify all forward-looking statements attributable to TZZ and persons acting on TZZ's behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and TZZ has no obligation to update such statements.

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