

MATERIAL CHANGE REPORT
FORM 51-102F3
Section 7.1 of National Instrument 51-102

Item 1 — Name and Address of Company

Frontenac Mortgage Investment Corporation (the “Company”)
The Simonett Building,
14216 Road 38
Sharbot Lake, Ontario
K0H 2P0

Item 2 — Date of Material Change

March 30, 2020.

Item 3 — News Release

A news release describing the material change was disseminated by the Company on March 31, 2019 through Cision, a copy of which has been filed under the Company’s profile on SEDAR at www.sedar.com.

Item 4 — Summary of Material Change

On March 31, 2020 the Company announced that, due to challenges related to the COVID-19 pandemic, it was availing itself of blanket orders issued by the Ontario Securities Commission and other securities regulators to permit the Company additional time to file its audited financial statements and management report of fund performance for the financial year ended December 31, 2019 and also to extend the lapse date of the Company’s prospectus for the continuous offering of its common shares from March 31, 2020 for an additional 45 days.

Item 5 — Full Description of Material Change

5.1 Full Description of Material Change

In recognition that the COVID-19 pandemic, pursuant to which the Ontario government issued a “Declaration of Emergency”, may present challenges to market participants in meeting certain obligations under Ontario securities law, the Ontario Securities Commission, on March 23, 2020 made a blanket order, Ontario Instrument 81-503 - *Extension Of Certain Filing, Delivery And Prospectus Renewal Requirements Of Investment Funds* (the “Order”), which extended for 45 days certain filing and delivery obligations of investment funds falling within the period from March 23 to June 1, 2020. Other members of the Canadian Securities Administrators issued blanket orders substantially similar to the Order.

The business disruption resulting from the COVID-19 pandemic has hindered the ability of the Company to complete and file its audited financial statements and management report of fund performance for the financial year ended December 31, 2019 by the March 30, 2020 deadline. Similarly, the Company has been hindered in its efforts to complete its transition from oversight by the Investment Funds and Structured Products branch of the OSC as an investment fund issuer to oversight by the Corporate Finance branch of the OSC as a corporate issuer (the “Transition”) prior to the March 31, 2020 lapse date of its current prospectus in Form 41-101F2.

Consequently the Company announced that it was availing itself of the extension of up to 45 days permitted under the Order, and under similar temporary blanket relief provided by securities regulators in the other provinces in which the Company is a reporting issuer, for filing its audited financial statements and management review of fund performance for its financial year ended December 31, 2019. The Company also announced that it was availing itself of the Order and similar temporary blanket relief provided by other securities regulators to extend the lapse date of its current prospectus in Form 41-101F2 for the continuous distribution of the Company's common shares from March 31, 2020 for a further 45 day period.

The Company anticipates that the additional time period provided by the Order and similar temporary blanket relief provided by the other securities regulators will be sufficient to enable the Company to file its audited financial statements and management review of fund performance for its financial year ended December 31, 2019 and also to complete its Transition by filing a prospectus in Form 41-101F1 and obtaining a receipt therefor such that the Company can continue to offer its common shares on a continuous monthly basis, uninterrupted, under a prospectus in Form 41-101F1 in the jurisdictions in which the Company is a reporting issuer.

Item 6 — Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 — Omitted Information

Not applicable.

Item 8 — Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report: Mr. Kevin Cruickshank, CFO, may be reached at 1-877-279-2116.

Item 9 — Date of Report

March 31, 2020