

**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”)  
14216 Road #38, P.O. Box 208  
Sharbot Lake, Ontario K0H 2P0

**Item 2 — Date of Material Change**

August 30, 2023 and August 24, 2023.

**Item 3 — News Release**

News releases were disseminated by the Company on August 30, 2023 and on September 7, 2023 through Cision (Newswire), copies of which have been filed under the Company’s profile on SEDAR+ at [www.sedar.com](http://www.sedar.com).

**Item 4 — Summary of Material Change**

On August 30, 2023, the Company announced that it continued to escrow share issuances and would escrow share redemptions pending the resolution of regulatory questions relating to a property securing a large development loan in the context of a regulatory review of continuous disclosure.

On September 7, 2023 the Company announced the prior granting of an extension to the filing of the renewal prospectus relating to FMIC’s long form prospectus dated June 16, 2022.

**Item 5 — Full Description of Material Change**

*5.1 Full Description of Material Change*

On August 30, 2023 the Company announced that, further to its press release of July 27, 2023, it continues to receive and respond to regulatory questions relating to a property securing a large development loan in the context of a regulatory review of continuous disclosure. In light of the issues raised in such review, the Company decided to continue to escrow subscription funds received in relation to its monthly sale of common shares scheduled to close on July 5, 2023 and August 2, 2023 and to escrow subscription funds received in relation to its monthly sale of common shares scheduled to close on September 5, 2023. The Company also announced that current booked trades pending settlement on the aforementioned dates would be considered for reversal, if requested. Additionally, the Company announced that it would escrow processing of the monthly dividend payments scheduled to be paid on or before July 30, 2023 and August 31, 2023 and that redemption of common shares for the August 31, 2023 quarterly redemption date would also be delayed. Furthermore, the Company announced that MNP SENCRL, SRL/LLP had paused the release of its Investment Entity Review Report (IERR), for the valuation dates of May 30, 2023, June 30, 2023, and July 31, 2023 until certain issues relating to the review have been resolved. The review of the Company’s continuous disclosure by the Company’s principal regulator, the Ontario Securities Commission, is ongoing. The Company escrowed its share sales and redemptions pending resolution of certain issues raised in the continuous disclosure review that could impact the Company’ share price.

On September 7, 2023 the Company announced that its principal regulator, the Ontario Securities Commission, had issued a decision granting FMIC relief from certain requirements under applicable securities legislation such that the time limits pertaining to FMIC filing a renewal prospectus in respect of FMIC's long form prospectus dated June 16, 2022 had been further extended as if the lapse date was October 16, 2023. The Company had applied for the relief because the regulatory review of the Company's continuous disclosure had effectively suspended the regulatory review of the Company's renewal prospectus in the context of the timeline prescribed under applicable securities legislation.

5.2 *Disclosure for Restructuring Transactions*

Not applicable.

**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: Amber Kehoe, Corporate Secretary, may be reached at 1-877-279-2116 Ext. 105.

**Item 9 — Date of Report**

September 7, 2023