

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

October 26, 2023.

Item 3 — News Release

A news release was disseminated by the Company on October 25, 2023 through Cision (Newswire), a copy of which have been filed under the Company’s profile on SEDAR+ at www.sedar.com.

Item 4 — Summary of Material Change

The Company announced that it would continue to escrow share issuances and share redemptions pending regulatory review of FMIC’s current submissions in the context of a regulatory review of continuous disclosure relating to a property securing a large development loan.

The Company also announced that its principal regulator, the Ontario Securities Commission, has 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 has been further extended as if the lapse date was December 16, 2023.

Item 5 — Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that its principal regulator, the Ontario Securities Commission, has 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 has been further extended as if the lapse date was December 16, 2023. FMIC had applied for the relief because the ongoing regulatory review of the Company’s continuous disclosure relating to a property securing a large development loan (the “**CD Review**”) had effectively suspended the regulatory review of the Company’s renewal prospectus in the context of the timeline prescribed under applicable securities legislation. Consequently, the cessation of continuous monthly distributions of FMIC’s common shares under FMIC’s prospectus will continue, and monthly prospectus distributions will not resume, until the comment process for both FMIC’s last prospectus amendment and the pro forma prospectus have been completed and receipts have been issued for the documents.

FMIC also announced that as the CD Review has not yet concluded and, as FMIC does not expect that such review will conclude by the end of October, 2023, FMIC has decided to continue to escrow monthly sales of its common shares under prospectus exemptions, and redemptions of FMIC's common shares, pending regulatory review of FMIC's current submissions in the continuous disclosure review process.

FMIC is working diligently with the regulator to conclude the CD Review with a view to resuming the prospectus exempt sale and redemption of its common shares and payment of dividends. FMIC would thereafter work diligently with the regulator to conclude the comment process for both FMIC's last prospectus amendment and the pro forma prospectus and obtain receipts therefor so that FMIC's continuous monthly distribution of common shares under a prospectus can resume. FMIC can provide no assurances as to the results, nor timing, of completion of the CD Review process nor in respect of obtaining prospectus receipts but will provide updates on such matters as circumstances dictate.

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

October 27, 2023