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BUILDERS CAPITAL MORTGAGE CORP. ANNOUNCES RIGHTS OFFERING

Calgary, Alberta – October 21, 2022. Builders Capital Mortgage Corp. (TSXV: "BCF") ("**Builders**", the "**Company**" or "**we**") today announced that it is offering rights (the "**Rights Offering**") to eligible holders of its Class A non-voting common shares (the "**Class A Shares**") of record at the close of business on October 28, 2022 (the "**Record Date**"). Pursuant to the Rights Offering, each holder of Class A Shares will receive one right (a "**Right**") for each Class A Share held. Every 3 Rights will entitle the holder to subscribe for one whole Class A Share of the Company at a price of \$9.30 per Class A Share (the "**Subscription Price**").

The Company expects to raise gross proceeds of up to \$6.6 million from the Rights Offering and intends to use all of the proceeds, less offering expenses, to fund the Company's mortgage lending business.

Sandy Loutitt, president and Chief Executive Officer said, "Housing demand currently exceeds housing supply in Canada. These conditions are expected to continue into the foreseeable future resulting in a robust housing construction market and a corresponding high demand for our construction finance product. We believe the time is ripe to expand our capital base and to capitalize on strong conditions in our target markets to continue to grow our mortgage portfolio and the Company. Raising capital through a Rights Offering can provide a benefit to existing shareholders as we expect it to result in lower capital raising costs than we have historically incurred."

Directors and senior officers, collectively holding, directly and indirectly, approximately 60,000 Class A Shares, have indicated their intention to exercise some or all of their Rights, subject to market conditions.

The Rights will trade on the TSX Venture Exchange under the symbol BCF.RT commencing on October 27, 2022 and will be halted from trading at 12:00 p.m. (Toronto time) on November 25, 2022. The ex-rights trading date for the Class A Shares on the TSX Venture Exchange will be October 27, 2022. This means that Class A Shares purchased after October 27, 2022 will not be entitled to receive Rights under the Rights Offering. Rights are exercisable until 5:00 p.m. (Toronto time) on November 25, 2022 (the "**Expiry Time**"), after which time unexercised Rights will be void and of no value and will be delisted. Shareholders must hold at least 3 Class A Shares to exercise their Rights, as no fractional Class A Shares will be issued.

The Rights Offering includes an additional subscription privilege under which eligible holders of Rights who fully exercise their Rights will be entitled to subscribe for additional Class A Shares, if available, that are not otherwise subscribed for in the Rights Offering.

There are currently 2,002,871 Class A Shares outstanding. Following completion of the Rights Offering, the Company expects that there will be up to 2,670,494 Class A Shares outstanding. The Company expects the Rights Offering to close on November 28, 2022.

The Rights Offering will be conducted only in the provinces and territories of Canada (the "**Eligible Jurisdictions**"). Accordingly, and subject to the detailed provisions of a Rights Offering circular (the "**Circular**"), Rights will not be delivered to, nor will they be exercisable by, persons resident outside of the Eligible Jurisdictions. Rather, such Rights may be sold on their behalf.

Details of the Rights Offering will be set out in a Notice and Circular, which are available under the Company's profile on SEDAR at www.sedar.com. The Notice and accompanying direct registration system statement and subscription form (the "**Rights DRS Advice**") will be mailed to each eligible shareholder of the Company as at the Record Date. To subscribe, registered shareholders must forward the completed Rights DRS Advice, together with the applicable funds, to the depositary and subscription agent, Computershare Investor Services, Inc., prior to the Expiry Time. Shareholders who own their Class A Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.

The Rights and the Class A Shares issuable upon exercise of the Rights have not been, and will not be, registered under the *United States Securities Act of 1933*, as amended, and accordingly, the Rights and the Class A Shares are not being publicly offered for sale in the "United States" or to "U.S. persons" (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended). This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

There shall be no sale of the securities in any jurisdiction in which an offer to sell, a solicitation of an offer to buy or a sale would be unlawful.

The Company is a public company listed on the TSX Venture Exchange under the symbol BCF and is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

Builders Capital is a mortgage lender providing short-term course of construction financing, primarily to residential builders. The company is a mortgage investment corporation ("**MIC**") within the meaning of Section 130.2(6) of the *Income Tax Act* (Canada) and is governed by the laws of the Province of Alberta.

As an MIC, the Company is not subject to income tax provided that we distribute all of our taxable income as dividends to shareholders within 90 days of our December 31st year-end. For income tax purposes, such dividends are generally treated by shareholders as interest income, so that each shareholder is in the same tax position as if their proportionate share of mortgage investments made by the company had been made directly by the shareholder.

For further information, please contact:
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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information can be identified by words such as: "expect", "intend," "plan," "seek," "believe," "estimate," "future," "likely," "may," "should," "will" and similar forward-looking language. The expected proceeds to be raised under the Rights Offering and the use thereof constitutes forward-looking information. The forward-looking information contained in this news release is based on a number of assumptions which we believe to be reasonable, including assumptions relating to the completion of the Rights Offering and the timing thereof, the amount of proceeds raised, and the expected use of proceeds from the Rights Offering. Forward-looking information entails various risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking information. Risks that could cause actual results to differ materially from those expressed or implied in the forward-looking information contained in this press release include, but are not limited to, that shareholders will not exercise all or any portion of the Rights, that the Company may not be able to find a suitable use of the proceeds of the Rights Offering, the level of dilution that will be experienced by shareholders who do not exercise all or a portion of their Rights, failure to complete or a delay in the Rights Offering for any other reason, the lack of a trading market for the Rights developing and the trading price of the Class A Shares following completion of the offering. In addition, general risks relating to capital markets, economic conditions, regulatory changes, as well as the operations of our business may also cause actual results to differ materially from those expressed or implied in such forward-looking information. Forward-looking information is not a guarantee of future performance, and management's assumptions upon which such forward-looking information are based may prove to be incorrect. Investors are cautioned not to place undue reliance on any forward-looking information contained herein. The Company disclaims any obligation to update or revise any forward-looking information contained in this news release, whether as a result of new information, future events or otherwise, except to the extent required by law.