

JOINT NEWS RELEASE

Mosaic Capital Corporation and First West Properties Ltd. announce completion of Plan of Arrangement with Mosaic Diversified Income Fund

Calgary, Alberta, May 2, 2011 – Mosaic Capital Corporation (“Mosaic”) and First West Properties Ltd. (“First West”) announced today that the merger with Mosaic Diversified Income Fund (the “Fund”) has been completed effective May 1, 2011 pursuant to the previously announced statutory plan of arrangement (the “Arrangement”) under section 193 of the *Business Corporations Act* (Alberta).

Under the Arrangement, the Fund and First West have become wholly-owned subsidiaries of Mosaic. In connection with the transaction, holders of preferred units of the Fund received, for each preferred unit held by them, one 10% perpetual preferred security of Mosaic (“Preferred Security”) and 0.143 of a common share of Mosaic (“Common Share”) and holders of common shares of First West received, for each common share held, 0.077 of a Preferred Security and 0.154 of a Common Share. In addition, holders of common share purchase options of First West exchanged those options for Mosaic unit options on a basis so as to put the holders in materially the same economic position as they were prior to the merger. The Mosaic unit options entitle the holders to receive the same mix of Preferred Securities and Common Shares, on the same basis, as holders of common shares of First West received under the Arrangement.

The former preferred unitholders of the Fund, as a group, presently hold approximately 6.2% of the Common Shares and 70% of the Preferred Securities, and the former shareholders of First West, as a group, presently hold approximately 38% of the Common Shares and 30% of the Preferred Securities. The remaining Common Shares of Mosaic are owned by the former common unitholders of the Fund.

The Common Shares and Preferred Securities of Mosaic are expected to be listed and to commence trading on the TSX Venture Exchange under the symbol “MZ” and “MZ.PR.A”, respectively, on or about May 9, 2011.

About Mosaic Capital Corporation

Mosaic is a Calgary based investment company that owns a portfolio of established businesses that generate strong cash flow from their operations in niche markets. Mosaic’s portfolio businesses operate in the printing, oil and gas service, technology and real estate industries.

Mosaic continues to acquire and invest in businesses that have attributes similar to its existing businesses. It also considers limited capital investments in start up companies, distressed asset situations, reorganizations of businesses, investment fund management, private equity, venture capital, or pursuing various other investment related opportunities.

About First West

First West is an Alberta based real estate investment company with a portfolio of commercial real estate assets in high growth secondary markets throughout western Canada.

Forward-Looking Statements

Certain statements in this release may constitute “forward-looking statements” which reflect the current expectations of Mosaic and First West. These statements reflect the current beliefs of management with respect to future events and are based on information currently available to management. Forward-looking statements in this press release include, but are not limited to, statements with respect to the future nature of the business to be carried on by Mosaic (including indirectly through each of the Fund and First West), as well as statements with respect to the listing of the Common Shares and the Preferred Securities on the TSX Venture Exchange.

Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions, including the timing and receipt of all applicable regulatory approvals in order to commence trading of Mosaic's securities, the growth prospects of Mosaic following the completion of the Arrangement, the ability of the Fund and First West to continue to successfully execute on their respective business plans, and access to capital to obtain acquisition and other financing needed to grow the business.

Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by the forward-looking statements herein contained including, without limitation, those risks listed under the heading "Risk Factors" in the joint management information circular of the Fund and First West dated March 25, 2011. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this release. Although the forward-looking statements contained in this release are based upon what Mosaic and First West believe to be reasonable assumptions, management cannot assure investors that actual results, performance or achievements will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this release and Mosaic and First West do not assume any obligation to update or revise them to reflect new events or circumstances, except as required by law.

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