



Mosaic Capital Corporation
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FOR IMMEDIATE RELEASE

MOSAIC CAPITAL CORPORATION

Initiates Dividend on Common Shares

Calgary, Alberta – January 19, 2012. Mosaic Capital Corporation ("**Mosaic**") (TSX-V Symbols: **M** and **M.PR.A**) is pleased to announce that its Board of Directors has adopted a policy to pay a regular quarterly dividend on Mosaic's **common shares (TSX-V Symbol: M)** in such amount as Mosaic's Board of Directors may from time to time determine. Today, Mosaic also announced that its Board of Directors has declared an initial quarterly cash dividend for its common shares of \$0.02 per share to be paid on February 15, 2012 to holders of record on January 31, 2012. The objective of paying a dividend is to allow common shareholders of the company to participate in its free cash flow, while ensuring Mosaic retains sufficient capital to preserve its strong balance sheet, continue its acquisition strategy and fund organic growth.

The \$0.02 per share dividend currently represents a small portion of Mosaic's distributable free cash flow and the company intends to grow the dividend over time. A recent research report written by RBC Capital Markets compared dividend paying stocks to non-dividend paying stocks on the TSX Composite Index from June 1986 to June 2011. The research concluded that dividend paying stocks significantly outperformed their market peers.

The continued diversification of Mosaic's portfolio of established businesses that have a history of generating strong sustainable free cash flow from their operations makes Mosaic a good vehicle for dividend growth. Our financial position remains strong with current working capital as of January 15, 2012 of approximately \$14 million including cash and cash equivalents of approximately \$7 million. Our existing growth prospects are also positive as we continue to improve operational performance in our existing businesses and look for additional acquisitions. We are well positioned to execute on our business plan of continuing to purchase great businesses in niche markets with strong management teams and growing cash flow.

"I am very pleased to announce our new dividend policy and the initial dividend to our common shareholders today," commented John Mackay, Executive Chairman and CEO. Mr. Mackay added, "This has always been part of our business plan. We feel that it is prudent to deploy capital into businesses that have a history of growing sustainable free cash flow, which operate in industries that we believe have good growth potential. In doing this we believe that Mosaic's distributable free cash flow per common share will continue to grow. We have initiated our dividend program with a small dividend with the view of growing it over time. Our objective is to distribute a reasonable portion of our sustainable free cash flow while maintaining a strong balance sheet to allow us to continue to achieve our growth objectives. This will allow shareholders to benefit from a combination of dividend yield, dividend yield growth and share price appreciation, which we hope will provide superior total shareholder returns."

ABOUT MOSAIC CAPITAL CORPORATION

Mosaic is an investment company based in western Canada that owns a portfolio of established businesses with unique competitive advantages that have a history of generating strong sustainable cash flow from their operations. Mosaic's objective is to create long term value for our shareholders and business partners and to have that reflected in our share price. We believe that this is achieved by growing free cash flow per share and retained earnings. We do this by acquiring businesses that we understand at attractive prices and we manage our risk through extensive due diligence, creative transaction structuring and working closely with our businesses after acquisition.

We strongly encourage the management teams of our operating companies to continue to look for acquisitions that would facilitate their entry into new markets or increase their product or service offerings. We are actively looking for businesses in a variety of industries that fit our investment model.

Our preferred acquisition criteria for such transactions include the following:

- Demonstrated history of growing sustainable cash flow and operating in an industry which we believe has good growth potential
- A capable and experienced management team that is growth oriented
- The business should have a significant market share in its business area
- A unique competitive advantage
- Ability to grow the business without significant amounts of new capital

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This press release may contain forward-looking statements and forward-looking information, including statements and information regarding the future business plans and operations, as well as opportunities and prospects, of Mosaic and its subsidiaries. The words "believe", "expect", "intend", "estimate", "anticipate", "project", "scheduled", and similar expressions, as well as future or conditional verbs such as "will", "should", "would", and "could" often identify forward-looking statements and forward-looking information. More particularly, and without limitation, this press release contains forward-looking statements and information concerning Mosaic's current plan to declare quarterly dividends in respect of its common shares and to grow its common share dividend over time. However, the forward-looking statements and information herein contained are only predictions and reflect the current beliefs of management with respect to future events and are based on information currently available to management. Actual results and events may differ materially from those contemplated by these forward-looking statements and information due to these statements and information being subject to a number of risks and uncertainties. Undue reliance should not be placed on these forward-looking statements and forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature forward-looking statements and information involve

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Readers are cautioned that the foregoing list of risks is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Mosaic and its subsidiaries are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) under the profile for Mosaic.

Although Mosaic believes that the expectations represented by any forward-looking-statements and forward-looking information contained herein are reasonable based on the information available to them on the date of this press release, management cannot assure investors that actual results, performance or achievements will be consistent with these forward-looking statements or forward-looking information. Any forward-looking statements or information herein contained are presented as of the date of this press release and Mosaic does not assume any obligation to update or revise them to reflect new information, events or circumstances, except as required by law.