



Mosaic Capital Corporation
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FOR IMMEDIATE RELEASE

**MOSAIC CAPITAL COMPLETES ACQUISITION OF OTTAWA-BASED
BASSI CONSTRUCTION LTD. AND BASSCON GROUP INC.**

Calgary, Alberta – December 5, 2016. Mosaic Capital Corporation ("**Mosaic**") (TSX-V Symbols: **M**, **M.P.R.A** and **M.D.B**) is pleased to announce that it has successfully completed the acquisition of a 70% interest in the business being carried on by Bassi Construction Ltd. and Basscon Group Inc. (collectively "**Bassi**"). The remaining 30% is retained by John Bassi.

Bassi is a 50-year-old multi-discipline commercial and industrial renovation/tenant refit and construction company with over 120 employees, headquartered in Ottawa, Ontario. Bassi operates in five primary divisions: commercial tenant fit-ups & restoration, specialty, concrete remediation, fire & flood reclamation and project management. More information about Bassi can be found at www.bassi.ca.

Mosaic's cost of the acquisition was \$24.5 million, subject to typical post-closing adjustments and was funded through a combination of cash (\$21.5 million) and vendor take-back financing (\$3.0 million) which is payable in full on November 30, 2019 and bears interest at commercial rates. In addition, there is a three-year earn out provision to be paid to the vendor if the business meets specified financial targets. Existing management will remain in place.

John Bassi, President and CEO stated "I am thrilled to partner with the Mosaic Capital team. Their professionalism, honesty and work ethic are the same values that have been a part of the Bassi team for the last 50 years. Mosaic management's depth will make our firm even stronger and more competitive. I look forward to working closely with the Mosaic team as we further expand our business."

Mark Gardhouse, CEO of Mosaic Capital commented "this acquisition represents Mosaic's first acquisition in the Ontario market, another key step in our long term growth and diversification strategy. We believe this transaction is another example of Mosaic acquiring strong businesses operated by successful owners and management teams. We think Bassi has substantial growth potential in the Ottawa market as well as other regions of Ontario."

"We are excited about our partnership with Bassi" added Harold Kunik, President of Mosaic. "Bassi is well respected in the Ottawa renovation and construction market and based on its reputation for quality and on-time delivery, has successfully continued to grow its business. The acquisition of Bassi is the next step in our multi-phase plan to increase Mosaic's portfolio representing a diverse range of industries and geographic locations."

ABOUT MOSAIC CAPITAL CORPORATION

Mosaic is a Canadian investment company that owns a portfolio of established businesses which span a diverse range of industries and geographies. Mosaic's strategy is to create long-term value for its shareholders through accretive acquisitions, long-term portfolio ownership, sustained cash flows and organic portfolio growth. Mosaic achieves its objectives by maintaining financial discipline, acquiring businesses at attractive valuations, performing extensive acquisition due diligence, utilizing optimal transaction structuring and working closely with subsidiary businesses after acquisition.

FOR FURTHER INFORMATION PLEASE CONTACT:

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FORWARD-LOOKING INFORMATION:

This news release may contain forward-looking information and statements within the meaning of applicable Canadian securities laws (herein referred to as "forward-looking statements") that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All information and statements in this news release which are not statements of historical fact may be forward-looking statements. 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. In particular, forward-looking statements in this news release include, but are not limited to: statements with respect to the terms of the acquisition by Mosaic of a 70% interest in the business carried on by Bassi, the expected continuity of Bassi's management team and management's belief that Bassi has substantial growth potential in the Ottawa market as well as other regions in Ontario. Such statements or information 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 due to these statements being subject to a number of risks and uncertainties.

Undue reliance should not be placed on these forward-looking statements 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 involve assumptions and known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions and other forward-looking statements will not occur. Some of the assumptions made by Mosaic, upon which such forward-looking statements are based include, but are not limited to: the business operations of Bassi will continue on a basis at least consistent with prior years; there will be reasonable continuity of Bassi's management team; and future market conditions for Bassi will not be materially different than anticipated by Mosaic.

A number of factors could cause actual results to differ materially from those expressed or implied by the forward-looking statements, including, but not limited to: general business and economic conditions in geographic areas where Bassi has operations; pricing pressures and other competitive factors; third parties failing to honour their contractual obligations with Bassi; procurement and pricing issues with suppliers; unforeseen cost overruns on Bassi's projects; legislative or regulatory developments; the continued availability and cost of qualified labour; the continued strength of the industries within which customers of Bassi operate; and the continued ability to secure new business. Should any of the risks or uncertainties facing Mosaic and its subsidiaries materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance, activities or achievements could vary materially from those expressed or implied by any forward-looking statements contained in this news release. 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

Mosaic's annual information form for the year ended December 31, 2015, a copy of which is available under Mosaic's profile on SEDAR (www.sedar.com).

Although Mosaic believes that the expectations represented by any forward-looking-statements contained herein are reasonable based on the information available to it on the date of this news release, management cannot assure investors that actual results, performance or achievements will be consistent with these forward-looking statements. Any forward-looking statements herein contained are made as of the date of this news 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.