

Crossroads-DMD Mortgage Investment Corporation Announces Closing of Strategic Acquisition by Durum Opportunities Fund

CALGARY, Alberta, April 12, 2022 – Crossroads-DMD Mortgage Investment Corporation (the "Corporation" or "Crossroads") announces today that Durum Opportunities Fund ("Durum") has completed the acquisition of all of the outstanding class A common shares ("Class A Shares") and class B preferred shares ("Class B Shares") of the Corporation by way of a plan of arrangement (the "Plan of Arrangement" or the "Arrangement") under the *Business Corporations Act* (Alberta). Holders of Class A Shares and Class B Shares approved the Arrangement at the special meeting held on April 6, 2022. Crossroads received the final order in respect thereof from the Court of Queen's Bench of Alberta on April 7, 2022 and the articles of arrangement were filed today, on April 12, 2022.

In accordance with the terms of the Plan of Arrangement:

- (i) the holders of Class A Shares were entitled to receive \$1.00 per Class A Share; and
- (ii) the holders of Class B Shares were entitled to elect to receive an amount per Class B Share equal to:
 - (A) a cash amount equal to \$0.56 per Class B Share, subject to adjustment (the "Initial Cash Consideration"), up to a maximum aggregate payment of \$10,000,000 (the "Maximum Cash Consideration"); or
 - (B) class A units of Durum ("Durum Units") and warrants ("Durum Warrants") to purchase Durum Units at an exercise price of \$17.09 per unit exercisable for a period of 18 months following closing of the Arrangement, on the basis of 0.033333 of a Durum Unit and 0.033333 of a Durum Warrant for each Class B Share, subject to adjustment (the "Initial Equity Consideration").

Each of the Initial Cash Consideration and the Initial Equity Consideration was adjusted based upon, among other things, the Corporation's working capital position prior to closing of the Arrangement. This adjustment resulted in an increase to both the Initial Cash Consideration and the Initial Equity Consideration, such that the cash consideration payable per Class B Share equals \$0.5931 and the equity consideration payable per Class B Share equals 0.035306 of a Durum Unit and 0.035306 of a Durum Warrant. The Maximum Cash Consideration was not elected for by holders of Class B Shares and as such, there was no pro-ratoning of any holder's cash elections under the Arrangement.

Registered shareholders of Crossroads who have not submitted letters of transmittal to Olympia Trust Company are reminded that they will not receive direct registration statements representing their Durum Units and Durum Warrants until they have done so. Former Crossroads shareholders who had previously submitted letters of transmittal and election forms can expect to receive the consideration to which they are entitled under the Arrangement by April 21, 2022. Any questions or requests for assistance or additional copies of the letter of transmittal may be directed to Olympia Trust Company by phone at 1-833-684-1546 or by email at cssinquiries@olympiatrust.com

About Durum Opportunities Fund

Durum Opportunities Fund is a mutual fund trust focused on recovering and maximizing value in special situations by developing unique alternatives and taking decisive, considerate action with the objective of achieving long term capital appreciation. Durum Opportunities Fund is managed by Durum Capital Inc., a private, Calgary-based asset manager with over \$300 million of assets under administration across a diversified portfolio of investments, that aims to generate attractive returns by following a deliberate and time-tested methodology of employing high-quality people, guided by a high standards culture, and aligning its interests with its partners.

Caution Regarding Forward-Looking Statements

This news release contains certain forward-looking information within the meaning of Canadian securities laws. Forward-looking information relates to future events or future performance and is based upon the Corporation's current expectations, estimates, projections, assumptions and beliefs. All information other than historical fact is forward-looking information. Words such as "plan", "expect", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words that indicate events or conditions may occur are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information relating to the anticipated timing for receipt of the consideration under the Arrangement. By their nature, forward-looking statements are subject to numerous risks and uncertainties. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.