



January 31, 2014

Dear Shareholder:

Please find below important information regarding your investment in **Canadian Horizons First MIC Fund Inc.** (the "MIC"):

Allowance for Mortgage Impairment

As part of the MIC's ongoing investment review process, they have recently completed an assessment of the mortgage portfolio. The review includes an evaluation of the assets underlying the mortgage to estimate the recoverable amount of principal and interest from each investment. The analysis incorporates numerous pieces of information including, but not limited to, the local and general economic conditions, the property itself, the type of development or potential development, neighbouring projects, appraisals (where applicable), and any other data which would help to determine the ability to receive full repayment.

As a result of this review, the MIC, where necessary, has taken allowances based on the estimated recoverable amounts on impaired mortgages. This has resulted in a reduction in the Redemption Price per share of the MIC. The Redemption Price of the MIC at December 31, 2013 is therefore \$0.99 per Series A1 Share, \$0.99 per Series B1 Share, and \$0.99 per Series F1 Share.

While no one is happy with the need for these allowances, we believe it is a necessity that reflects the realities of these mortgage positions. Great effort is taken to invest into mortgages that perform according to their terms, however not all factors can be known in advance.

Recovery on distressed loans continues to be a priority, and we are making progress on several fronts. As has always been the case, there are no guarantees as to the amount received or the timing of the process.

Carecana - Investor Relations

Please direct all inquiries and administrative requirements, to Carecana Investor Relations at:

Carecana Investor Relations

Toll Free: 1-855-278-3611

Email: investor@carecanacorp.com

We have created an e-mail distribution list that notifies investors of new developments or additions to the Carecana website. If you have not already done so, please complete the form available on the Carecana website. It can be reached from Carecana's homepage or by clicking on the follow link: [Carecana E-mail Notification List](#).

Please continue to visit Carecana's website for information regarding the CareVest and Canadian Horizons funds – www.carecanacorp.com.

Yours truly,

Carecana Management Corp.
Manager of the MIC