



September 1, 2016

Dear **Canadian Horizons First MIC Fund Inc.** ("MIC") shareholder,

Redemption Suspension

This notice contains important information concerning redemption inquiries and/or recently submitted redemption requests for the **Series A1 Preferred Shares and Series B1 Preferred Shares** of the MIC.

In accordance with the **Series A1 Preferred Shares and Series B1 Preferred Shares** terms, we can confirm that the MIC has received redemption notices that, in aggregate, are sufficient to fill the monthly 1% redemption limits for 2017. Subject to the share terms, these shares tendered for redemption will be paid monthly. Commencing in January 2017 the MIC will redeem the 1% monthly limit, on a pari passu basis, with payment on or within 10 business days of the last day of each calendar month. Redeeming shareholders may refer to their monthly Carecana Investor Statement and/or Redemption Confirmation to track their redemption payments.

As the MIC has received redemption notices that, in aggregate, meet the 2017 redemption limits, no further redemption notices will be accepted for redemption by the MIC for the balance of 2016. The next scheduled opportunity to submit a redemption request for holders of **Series A1 Preferred Shares and Series B1 Preferred Shares** will be in August 2017, such notices having a redemption date of January 2018.

The MIC redemption limitations, which are outlined in the MIC's articles, are designed to allow the MIC to continue operations for the benefit of shareholders as a whole. In particular it prevents the need to liquidate longer term mortgage assets at potentially reduced prices to meet short term redemption requests beyond certain levels, as such an imbalance is not in the economic interests of shareholders as a whole. The limitations are working as contemplated and will allow operations of the MIC to continue to function for the benefit of all shareholders.

Please contact Carecana Investor Relations prior to the next available month to submit a Retraction Notice starting in August 2017.

Carecana Investor Relations may be reached by phone at 1-855-278-3611 or e-mail investor@carecanacorp.com.

Yours truly,

Carecana Management Corp.