FOUNDERS ADVANTAGE CAPITAL

NEWS RELEASE

FOUNDERS ADVANTAGE RELEASES Q2 2017 RESULTS; REVENUES AND INCOME INCREASE AS ALL THREE INVESTEES CONTRIBUTING

Calgary, Alberta – August 28, 2017 – Founders Advantage Capital Corp. (TSXV: FCF) (the "Corporation") is pleased to report its financial results for the three months and six months ended June 30, 2017 ("Q2 2017"). Readers should refer to the condensed interim consolidated financial statements and management discussion and analysis ("MD&A") for complete information, which are available on SEDAR at www.sedar.com and on the Corporation's website at www.advantagecapital.ca.

All amounts are presented in Canadian dollars unless otherwise stated. Dominion Lending Centres Limited Partnership is referred to herein as "DLC", Club16 Limited Partnership is referred to herein as "Club16", and Cape Communications International Inc. (operating as Impact Radio Accessories) is referred to herein as "Impact". Included within the DLC segment is the operations of Newton Connectivity Systems Inc., herein referred to as "NCS".

Q2 2017 Highlights

Financial Results

The Corporation's financial performance improved significantly over the prior quarter as Q2 2017 was the first quarter in which all three of the Corporation's investments contributed for the full period. In particular, we note the following from our three month financial results ended June 30, 2017 (with the comparative period being the three month period ended March 31, 2017 as June 30, 2016 does not provide a meaningful comparison):

- Consolidated Revenue was $19.5 million, an increase of $5.8 million over the prior period ($13.7 million).

- Consolidated adjusted EBITDA, excluding NCS, was $5.9 million, an increase of $3.7 million over the prior period ($2.2 million).

- Consolidated Income from Operations increased by $4.4 million to $2.6 million compared to a loss of $1.8 million for the prior period.

- Consolidated Earnings per Share increased by $0.07 per share to $0.03 per share for the period compared to a loss per share of $0.04 for the prior period.

- DLC Revenue was $8.8 million, an increase of $1.5 million over the prior period, being consistent with seasonal variances in home sales.

- DLC adjusted EBITDA was $2.6 million, an increase of $1.2 million over the prior period ($1.8 million).

- DLC added an additional 87 mortgage brokers during the period, bringing the total added brokers to 159 for the current year.

- Club16 Revenues increased to $7.8 million, an increase of $2.3 million over the prior period ($5.4 million) as a result of the annual club enhancement fee.

- Club16 adjusted EBITDA was $3.3 million, an increase of $2.2 million over the prior period ($1.1 million).

New $75.0 Million USD Credit Facility

In addition to reporting positive financial results, the Corporation also closed a new five (5) year USD $75 million senior secured credit facility (the "Sagard Facility") with Sagard Holdings ULC ("Sagard"). The Corporation has drawn USD $42 million under the Sagard Facility to repay the Corporation's prior senior indebtedness, to provide immediately available funds to complete further acquisitions and for general corporate purposes. Management of the Corporation believes the closing of the Sagard Facility was a transformational event as: (i) Sagard is a strategic capital partner that shares the Corporation's long-term approach to investing; (ii) the Sagard Facility provides the Corporation with additional capital to complete acquisitions and further its business plan without dilution; (iii) the Sagard Facility provides the Corporation with a committed five (5) year term facility (as compared to our prior demand credit facility); (iv) the Sagard Facility requires interest only to be paid during the term, increasing the Corporation's free cash flow and overall liquidity; and (v) the financial covenants set out in the Sagard Facility allow the Corporation increased leverage and financial flexibility (as compared to the more restrictive covenants in our prior credit facility).

Stephen Reid, President and Chief Executive Officer of the Corporation notes: "We are pleased with our Q2 2017 results and accomplishments, particularly the closing of the transformational partnership with Sagard. In addition to the capital the Sagard Facility provides, we have also benefited from receiving acquisition opportunities from our new partner. We acknowledge the Sagard Facility does come at a higher rate of interest than our prior credit facility, but that is only part of the story. We believe that having a credit facility with a long-term strategic partner that enables us to increase cash flow and overall liquidity significantly outweighs the additional interest expense. Furthermore, our investee partners remain unencumbered by the Sagard Facility which gives our investees more financial flexibility through stronger balance sheets. In short, we continue to view the Sagard Facility as a game-changer for the Corporation."

Selected Consolidated Financial Highlights

	For the three months ended			For the six months ended	
(000's except per share amounts)	June 30, 2017	March 31, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenues	$ 19,500	$ 13,694	$ 3,018	$ 33,194	$ 3,018
Earnings (loss) from operations	2,640	(1,790)	(1,832)	850	(4,775)
Adjusted EBITDA [1] [2]	5,494	1,396	(302)	6,860	(2,232)
Net income (loss) for the period	3,091	(1,660)	949	1,431	(3,076)
Net income (loss) attributable to:					
Shareholders	$ 975	$ (1,630)	$ 599	$ (655)	$ (3,426)
Non-controlling interests	$ 2,116	$ (30)	$ 350	$ 2,086	$ 350
Adjusted EBITDA attributable to:					
Shareholders	$ 2,789	$ 345	$ (903)	$ 3,134	$ (2,833)
Non-controlling interests	$ 2,675	$ 1,051	$ 601	$ 3,726	$ 601
Loss per share:					
Basic	$ 0.03	$ (0.04)	$ 0.03	$ (0.02)	$ (0.21)
Diluted	$ 0.03	$ (0.04)	$ 0.02	$ (0.02)	$ (0.21)

(1) One of the measures we use to assess our overall performance is adjusted EBITDA, which is a supplemental measure of our income from operations in which depreciation and amortization, finance expense and other unusual or one-time items are added back to income from operations to arrive at adjusted EBITDA. Please see the "Non-IFRS Measures" section of this document for additional information.

(2) Included within consolidated adjusted EBITDA is negative adjusted EBITDA of $0.4 million and $1.2 million for the three and six months ended June 30, 2017 related to the restructuring of NCS. Normalizing for the negative adjusted EBITDA from NCS's operations, consolidated adjusted EBITDA for the three and six months ended June 30, 2017 would have been $5.89 and $8.09 million, respectively.

Review of Q2 2017 Consolidated Financial Results

Revenues

Our consolidated revenues for the current quarter have increased by $5.8 million over the three months ended March 31, 2017 to $19.5 million, which can be attributed to the operations of each of our three business segments. DLC volumes of funded mortgages increased by $1.7 billion over the prior quarter, resulting in an additional $1.4 million in revenues over the comparative period. This increase in revenues is consistent with management's expectations as DLC's operations are subject to seasonal variances that move with the normal home buying season, with funded mortgage volumes peaking in the months of June through September of each year. The comparative quarter, the months of January through March, typically result in the lowest volumes of funded mortgages each year. The increase in DLC's revenues can also be partially attributed to NCS's operations, which contributed revenues of $0.7 million in the current quarter compared to $0.6 million during the three months ended March 31, 2017. NCS's revenues have increased primarily due to signing on new customers during Q2 2017 to use the NCS mortgage deal submission and tracking platform. Revenue from Club16 operations has increased by $2.3 million over the three months ended March 31, 2017 primarily due to an annual club enhancement fee that is charged to members in May of each year. Normalizing for the club enhancement fee, Club16 revenues are up approximately $0.1 million over the comparative quarter primarily due to seasonal bike rental sales. Bikes sales revenues are earned from mid-March to mid-October of each year. This is the first full quarter in which the Impact operations have been included in our consolidated results, adding an additional $2.0 million to our consolidated revenues. The Impact acquisition was completed on March 1, 2017 and therefore the prior quarter included only 31 days of the Impact operating results.

Income from operations

Income from consolidated operations for the three months ended June 30, 2017 increased by $4.4 million to $2.6 million from a loss of $1.8 million during the three months ended March 31, 2017. The increase in consolidated income from operations is due to higher revenues generated by each of our three business segments as discussed above and is partially offset by higher operating costs of $0.6 million, which are significantly related to the inclusion of the first full quarter of Impact's operations into our consolidated results, and higher seasonal advertising and promotion costs from DLC's operations. DLC's advertising campaigns typically incur the highest costs in the spring and fall of each year.

Adjusted EBITDA

Adjusted consolidated EBITDA has increased during the current period to $5.5 million from $1.4 million in the three months ended March 31, 2017. This variance is in part the result of the Impact acquisition, which added $0.5 million to adjusted EBITDA for the quarter, Club16's adjusted EBITDA also increased by $2.1 million driven primarily by the annual club enhancement fee revenue earned during the quarter, and DLC's adjusted EBITDA increased by $1.2 million (excluding NCS), which is substantially related to the seasonality of the normal home buying season and is partially offset by higher operating costs related to DLC's seasonal advertising and promotional activities. NCS's operations also added to the positive increase in adjusted EBITDA over the comparative period, as NCS's negative adjusted EBITDA decreased from $0.8 million to $0.4 million in the current quarter. It is management's expectation that NCS will contribute cumulative positive adjusted EBITDA during 2017 as a result of the synergies obtained from DLC's ownership and restructuring of NCS.

Net income

Net income for the three months ended June 30, 2017 has increased by $4.8 million to $3.1 million from a loss of $1.7 million for the three months ended March 31, 2017. The increase in net income is significantly related to the $5.8 million increase in revenues generated by our three business segments, increases to Other Income of $1.2 million related mainly to gains on sale of DLC and NCS assets, offset by higher operating costs related primarily to the timing of the Impact acquisition as the prior quarter included only 31 days of Impact's financial results, as well as higher costs in the DLC segment related to seasonal advertising and promotion costs.

Overview of Investees

DLC Limited Partnership

(000's) [1] [2]	For the three months ended June 30, 2017	March 31, 2017	June 30, 2016	For the six months ended June 30, 2017	June 30, 2016
Revenues	$ 8,802	$ 7,338	$ 3,018	$ 16,140	$ 3,018
Operating expenses [3]	7,572	6,729	1,813	14,301	1,813
Income from operations	**1,230**	**609**	**1,205**	**1,839**	**1,205**
Other income (expense), net	1,587	(275)	(39)	1,312	(39)
Income before tax	**2,817**	**334**	**1,166**	**3,151**	**1,166**
Add back:					
Depreciation and amortization	1,365	1,338	293	2,703	293
Finance expense	168	177	43	345	43
Gain on sale of assets [4]	(1,759)	-	-	(1,759)	-
Adjusted EBITDA [5]	**$ 2,591**	**$ 1,849**	**$ 1,502**	**$ 4,440**	**$ 1,502**
Adjusted EBITDA attributable to:					
Shareholders	$ 1,220	$ 1,244	$ 901	$ 2,464	$ 901
Non-controlling interests	$ 1,371	$ 605	$ 601	$ 1,976	$ 601
Key performance indicators:					
Funded mortgage volumes [6]	$ 8,530,883	$ 6,786,746	$ 3,562,402	$ 15,317,629	$ 3,562,402
Number of franchises [7]	473	446	431	473	431
Number of brokers [7]	5,396	5,309	5,102	5,396	5,102

(1) DLC's results generally vary from quarter to quarter as a result of seasonal fluctuations in the reporting segment. This means DLC's results in one quarter are not necessarily a good indication of how they will perform in a future quarter.
(2) The 2016 results presented in this table are from June 3, 2016, the date of acquisition.
(3) DLC's operating expenses are comprised of direct costs, general and administrative expenses, and depreciation and amortization expense.
(4) Adjustments relate to gains on sale from the disposition of a division of the NCS operations and a DLC asset sale.
(5) Included within DLC's adjusted EBITDA is negative adjusted EBITDA of $0.4 million and $1.2 million related to the restructuring of the NCS operations for the three and six months ended June 30, 2017. Normalizing for the negative adjusted EBITDA from the restructuring of the NCS's operations, DLC's adjusted EBITDA for the three and six months ended June 30, 2017 would have been $3.0 million and $5.6 million.
(6) Funded mortgage volumes are a key performance indicator for the DLC segment that allows us to measure DLC's performance against our operating strategy. Volumes for 2016 comparatives are from the June 3, 2016 date of acquisition. These amounts are stated in thousands.
(7) The number of franchises and brokers are as at the respective balance sheet date.

DLC's volumes of funded mortgages increased by $1.7 billion over the three months ended March 31, 2017, resulting in additional revenues of $1.4 million over the comparative period. This increase in volumes is in line with management's expectations as DLC's operations are subject to seasonal variances, with volumes typically peaking in the months of June through September of each year. The increase in DLC's revenues can also be partially attributed to NCS's operations, which contributed revenues of $0.7 million in the current quarter compared to $0.6 million during the three months ended March 31, 2017. NCS's revenues have increased primarily due to signing on new customers during Q2 2017 to use the NCS mortgage deal submission and tracking platform.

DLC added an additional 87 mortgage brokers during the period, bringing the total added brokers to 159 for the current year. Based on DLC's estimates, these additional 159 brokers originated approximately $1.7 billion in annual mortgage volumes prior to being acquired by DLC. While some of these new brokers are now contributing to DLC's total funded mortgage volumes set out herein, DLC expects revenues and overall financial benefits from these new brokers to increase going forward as 're-flagged' or acquired mortgage broker volumes typically takes six (6) months to fully transition to DLC.

Despite the challenges presented from the changes to the Canadian mortgage rules in October 2016, DLC has been able to increase its year to date mortgage volumes, which are up 0.5% over the same six-month period in 2016.

During the three months ended June 30, 2017, DLC incurred $7.6 million in operating expenses, an increase of $0.8 million over the three months ended March 31, 2017. DLC's increase in operating costs in the current quarter is primarily due to higher direct costs of $0.3 million related to advertising fund expenditures for print and television advertising campaigns, and higher general and administrative costs of $0.5 million related mainly to an annual promotional event that is generally held in the spring of each year, and interest charges on GST amounts assessed for which the corporate head office has been indemnified. Advertising campaigns are seasonal with the highest costs typically incurred in the spring and fall of each year. The increase in the DLC operating costs is partially offset by the impact of NCS's operations, as NCS's operating costs have declined due to the prior quarter including $0.2 million in severance related costs.

During Q2 2017, DLC disposed of a division of the NCS operations for total consideration of $1.4 million, resulting in an accounting gain equal to the total consideration received. DLC also disposed of a book of royalty commissions during the quarter to a DLC salesperson for total proceeds of $0.4 million, resulting in a gain of $0.4 million. These gains have been adjusted out in calculating adjusted EBITDA for the quarter.

Adjusted EBITDA has increased by $0.7 million over the three months ended March 31, 2017 to $2.6 million primarily due to the expected seasonal increases in DLC's revenues of $1.4 million. The higher revenues are partially offset by an increase in DLC's adjusted operating costs during the quarter of $0.8 million, which are driven mainly by the seasonality of advertising campaigns and promotional events. The NCS operations had lower operating costs during the current quarter, as the prior quarter included $0.2 million in severance related costs. Overall, NCS contributed negative adjusted EBITDA of $0.4 million during the current quarter, compared to $0.8 million for the three months ended March 31, 2017. It is management's expectation that significant synergies will be obtained through DLC's ownership and restructuring of NCS, and as such, NCS's revenues are expected increase significantly starting in Q3 2017, and result in NCS contributing cumulative positive adjusted EBITDA during 2017.

Subsequent to June 30, 2017, DLC sold its 20% ownership interest in Canadiana for total proceeds of $2.5 million, which is expected to result in a gain in Q3 2017 of approximately $1.9 million. Year-to-date losses from Canadiana included within the DLC June 30, 2017 adjusted EBITDA is $0.2 million.

DLC began issuing monthly after-tax distributions to its limited partners of $0.90 million in October 2016. As we hold a 60% interest in DLC, the corporate head office receives a monthly after-tax distribution of $0.54 million per month ($6.5 million annually) from DLC. As the DLC entities are taxed at the operating level and distribute income to the DLC limited partnership, no additional taxes are payable on the distributions received from DLC.

Trevor Linden Club16

(000's)	For the three months ended June 30, 2017	March 31, 2017	June 30, 2016	For the six months ended June 30, 2017	June 30, 2016
Revenues	$ 7,811	$ 5,466	$ -	$ 13,277	$ -
Operating expenses	5,189	5,022	-	10,211	-
Income from operations	**2,622**	**444**	**-**	**3,066**	**-**
Other (expense) income, net	(92)	(40)	-	(132)	-
Income before tax	**2,530**	**404**	**-**	**2,934**	**-**
Add back:					
Depreciation and amortization	673	672	-	1,345	-
Finance expense	57	40	-	97	-
Adjusted EBITDA	**$ 3,260**	**$ 1,116**	**$ -**	**$ 4,376**	**$ -**
Adjusted EBITDA attributable to:					
Shareholders	$ 1,956	$ 670	$ -	$ 2,626	$ -
Non-controlling interests	$ 1,304	$ 446	$ -	$ 1,750	$ -
Key performance indicators:					
Total fitness club members [(1)]	80,808	80,296	77,717	80,808	77,717

(1) The number of fitness club members is as at the respective balance sheet date.

Club16's revenues have increased by $2.3 million over the three months ended March 31, 2017 mainly due to an annual club enhancement fee being charged in May of each year. Normalizing for the club enhancement fee, revenues are up $0.1 over the prior quarter which is driven by the increase in the number of members and seasonal bike rental revenues. Bike rental revenue is earned from mid-March to mid-October of each year.

Operating expenses have increased by $0.2 million over the prior quarter. This variance can be attributed to a $0.1 increase in repairs and maintenance costs, with the remainder attributable to higher point of sales system and bank charges incurred for processing the May club enhancement fees charged to members.

Club16 contributed $3.3 million in adjusted EBITDA to the Q2 2017 consolidated results, an increase of $2.1 million over the three months ended March 31, 2017. This variance is due to an increase in revenues of $2.3 million primarily related to the club enhancement fee revenue earned during the quarter, and is offset by a $0.2 million increase in general and administrative costs for increase repairs and maintenance costs and costs related to processing the annual club enhancement fees.

Club16 has no comparative amounts for the 2016 period as it was acquired in December 2016.

Club16 began issuing monthly pre-tax distributions to its limited partners of $0.45 million in March 2017. As we hold a 60% interest in Club16, the corporate head office receives a monthly distribution of $0.27 million per month ($3.2 million annually) from Club16. As the distributions received are on a pre-tax basis, income taxes on these amounts will be paid at the Founders Advantage corporate head office level. Expenses incurred by the Founders Advantage corporate head office will be used to offset any income tax liabilities generated by the receipt of distributions from Club16.

Impact

(000's) [1]		For the three months ended June 30, 2017		March 31, 2017		June 30, 2016		For the six months ended June 30, 2017		June 30, 2016
Revenues	$	2,887	$	890	$	-	$	3,777	$	-
Operating expenses		2,204		799		-		3,003		-
Income from operations		**683**		**91**		**-**		**774**		**-**
Other expense, net		(255)		(32)		-		(287)		-
Income before tax		**428**		**59**		**-**		**487**		**-**
Add back:										
Depreciation and amortization		287		96		-		383		-
Other adjusting items		(15)		19		-		4		-
Adjusted EBITDA	**$**	**700**	**$**	**174**	**$**	**-**	**$**	**874**	**$**	**-**
Adjusted EBITDA attributable to:										
Shareholders	$	700	$	174	$	-	$	874	$	-
Non-controlling interests	$	-	$	-	$	-	$	-	$	-

(1) The results presented in this table are from March 1, 2017, the date of acquisition. As such, the March 31, 2017 results presented above include 31 days of Impact's operating results.
(2) Other adjusting items include share-based payment expense and unrealized gains on foreign exchange.

Impact's income from operations included in our consolidated results for the period is $0.7 million, compared to $0.1 in the prior quarter. This variance is reflective of the March 1, 2017 acquisition date, as only 31 days of Impact's results were included in our consolidated results at March 31, 2017. While the quarter-over-quarter results are not directly comparable, Impact's revenues, which are driven primarily from individual customer sales, have continued to grow over the prior quarter, with total revenues increasing by $0.5 million over the three months ended March 31, 2017. As Impact was acquired on March 1, 2017, only a portion of the Q1 2017 revenue is included in our year-to-date results set out above.

Operating expenses in the current period are made up primarily of direct costs of $1.3 million, general and administrative expenses of $0.7 million, depreciation and amortization of $0.3 million, and share-based payment expense of $8,676, compared to direct costs of $0.4 million, general and administrative expenses of $0.3 million and depreciation and amortization of $0.1 million, and share-based payments of $24,564 for the 31 days in the prior quarter. General and administrative expenses are comprised mainly of occupancy costs, salaries and promotional expenses. Impact's share-based payment costs relate to share appreciation rights ("SARs") which were granted to the management of Impact as a part of the Impact acquisition.

Included within Other expense for the three months ended June 30, 2017, is a $0.3 million (March 31, 2017 - $44,485) expense related to Impact's non-controlling interest shareholder's portion of Impact's net income. Impact's non-controlling interest is classified as a liability, rather than equity on our consolidated statement of financial position, and as a result net income attributable to the non-controlling interest is reallocated from the Impact results to the statement of financial position through the other (expense) income line in the table above, resulting in income (loss) before tax and adjusted EBITDA only being the corporate head office's 52% interest in Impact.

Impact's adjusted EBITDA has been stable or growing on a month-over-month during the first half of 2017, and is expected to occasionally benefit from large periodic orders from certain of its regular distributors. Impact has contributed $1.0 million in adjusted EBITDA to the quarterly consolidated results, after adjusting their income from operations for depreciation and amortization and share-based payment expense, and is performing in line with management's expectations.

Impact has no comparative period for the same six-month period in the prior year as it was acquired in March 2017.

Impact began issuing monthly after-tax dividends to its shareholders of $0.2 million in June 2017. As we hold a 52% interest in Impact, the corporate head office receives a monthly dividend of $0.10 million per month ($1.25 million annually) from Impact. As the Impact entities are taxed at the operating level and pay dividends to the shareholders after-tax income, no additional taxes are payable on the dividends received from Impact.

Corporate

	For the three months ended			For the six months ended	
(000's)	June 30, 2017	March 31, 2017 (1)	June 30, 2016	June 30, 2017	June 30, 2016
Revenues	$ -	$ -	$ -	$ -	$ -
Operating expenses	1,895	2,934	3,037	4,829	5,980
Income from operations	**(1,895)**	**(2,934)**	**(3,037)**	**(4,829)**	**(5,980)**
Other expense, net	(52)	(306)	(648)	(358)	(1,730)
Income before tax	**(1,947)**	**(3,240)**	**(3,685)**	**(5,187)**	**(7,710)**
Add back:					
Depreciation and amortization	7	7	1	14	1
Finance expense	664	311	473	975	473
Share-based payments	748	1,191	861	1,939	1,819
Unrealized foreign exchange gain	(559)	(12)	-	(571)	-
Other adjusting items (1)		-	546		1,683
Adjusted EBITDA	**$ (1,087)**	**$ (1,743)**	**$ (1,804)**	**$ (2,830)**	**$ (3,734)**
Adjusted EBITDA attributable to:					
Shareholders	$ (1,087)	$ (1,743)	$ (1,804)	$ (2,830)	$ (3,734)
Non-controlling interests	$ -	$ -	$ -	$ -	$ -

(1) Includes loss on sale of investments, corporate start-up costs and professional fees related to arbitration.

Corporate head office uses the cash received from the operating subsidiaries to fund its operating expenses, financing costs and dividends paid to shareholders. During the three and six months ended June 30, 2017, corporate received distributions from its subsidiaries of $2.7 million and $4.6 million, respectively.

During the three months ended June 30, 2017, corporate head office incurred operating expenses of $1.9 million, compared to $2.9 million during the three months ended March 31, 2017, a decrease of $1.0 million. The decrease in operating costs is primarily due to lower general and administrative costs ($0.4 million decrease from $1.4 to $1.0 million), share-based payments ($0.4 million decrease from $1.1 to $0.7 million), and acquisition costs ($0.2 million decrease from $0.3 to $0.1 million). General and administrative expenses have declined due to a reduction in professional fees, share-based payments have decreased primarily due to forfeitures of share options during the current quarter and the decline in acquisition and due diligence costs can be attributed to certain due diligences processes now being completed internally at a reduced cost.

Other net expenses for the three months ended June 30, 2017 relate primarily to financing costs net of unrealized foreign exchange gains recorded during the quarter. Financing costs of $0.7 million were incurred during the current quarter, compared to $0.3 million during the three months ended March 31, 2017, an increase of $0.4 million. The increase over the prior quarter relates mainly to fees and interest expense incurred in connection with the Sagard Facility and extinguishing the corporate head office ATB

facility. The unrealized foreign exchange gain of $0.6 million relates to the corporate head office's net USD debt position at June 30, 2017.

During Q2 2017, corporate head office paid $0.5 million of dividends to shareholders of record as at March 31, 2017. On June 15, 2017, the corporate head office declared a dividend of $0.5 million, which was paid on July 12, 2017.

Corporate head office has $23.0 million of available cash to complete additional acquisitions and the ability to draw an additional $33.0 USD million on the Sagard Facility (subject to approval by Sagard).

Non-IFRS measures

Adjusted EBITDA for both our corporate head office and investees is defined as earnings before interest, taxes, and non-cash items such as depreciation and amortization, share-based payments, losses recognized on the sale of investments, and any unusual non-operating one-time items such as corporate start-up costs, reorganization costs and other revenues. Adjusted EBITDA is also adjusted for expenses relating to prior mineral property impairment reversal and arbitration. Readers are cautioned that adjusted EBITDA should not be construed as a substitute or an alternative to applicable generally accepted accounting principle measures as determined in accordance with IFRS.

About Founders Advantage Capital Corp.

The Corporation is listed on the TSX Venture Exchange as an Investment Issuer (Tier 1) and employs a permanent investment approach. The Corporation has developed an investment approach to create long-term value for its shareholders and partner entrepreneurs (investees) by pursuing controlling interest acquisitions of cash flow positive middle-market privately held entities. The Corporation seeks to win mandates by appealing to the segment of the market which is not aligned with traditional private equity control, royalty monetizations or related structures. The Corporation's innovative platform offers contractual incentives for growth in favour of our investees. This unique platform is designed to appeal to entrepreneurs who believe in the growth of their businesses and who want the added ability to continue managing the business while partnering with a long-term partner.

The Corporation's common shares are listed on the TSX Venture Exchange under the symbol "FCF".

For further information, please refer to the Corporation's website at www.advantagecapital.ca.

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Cautionary Statement Regarding Forward-Looking Financial Information

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- the benefits of the Sagard Facility;
- the ability of the Corporation to draw additional amounts under the Sagard Facility;
- the revenue and financial benefits of recently acquired DLC mortgage brokers increasing going forward;
- the completion of additional acquisitions;
- the ability of our investee entities to distribute cash to the corporate head office;
- the revenue from investees in future quarters being greater than the revenue from investees for the current period;
- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document:

- taxes and capital, operating, general & administrative and other costs;
- interest rates;
- general business, economic and market conditions;
- the ability of Founders Advantage to obtain the required capital to finance our investment strategy and meet our commitments and financial obligations;
- the ability to source additional investee entities and to negotiate acceptable acquisition terms;
- the ability of Founders Advantage to obtain services and personnel in a timely manner and at an acceptable cost to carry out our activities;
- that DLC will maintain its existing number of franchisees and will add additional franchisees;
- the continuation of existing Canadian mortgage lending and mortgage brokerage laws;
- the absence of material decreases in the aggregate Canadian mortgage lending business; and
- the timely receipt of required regulatory approvals.

Although the Corporation believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as the Corporation can give no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Corporation and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- the expected benefits of the DLC, Club16 and Impact transactions not being realized;
- the ability to generate sufficient cash flow from investees and obtain financing to fund planned investment activities and meet current and future commitments and obligations;
- general business, economic and market conditions;
- changes in interest rates;
- the uncertainty of estimates and projections relating to future revenue, taxes and costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and

- other risks and uncertainties described elsewhere in this document and in our other filings with Canadian securities authorities.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled “Risk Factors” in the Corporation’s current annual information form. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Corporation undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.