FOUNDERS ADVANTAGE CAPITAL

Founders Advantage Suspends Dividend and Amends Credit Facility to Permit Debt Repayment; Maintains Focus on Growing Four Assets

Calgary, Alberta – March 12, 2019 – Founders Advantage Capital Corp. (TSX-V: FCF) (the "Corporation") reports that it has suspended its quarterly dividend of $0.0125 per share to provide the Corporation with more flexibility to pay down debt and allow certain investees to retain more cash to take advantage of growth opportunities. The Corporation also reports that it has entered into an amending agreement (the "Amending Agreement") with Sagard Holdings Manager, LP ("Sagard") to amend its USD $42 million credit facility (the "Sagard Facility"). The Amending Agreement provides the Corporation with the ability to repay debt at par with all excess free cash-flow. For greater certainty, this will enable the Corporation to repay the Sagard Facility from available free cash flow without having to pay any make-whole amounts which are currently required under the Sagard Facility.

The initial dividend policy was adopted in November, 2016 and the Corporation has paid eight consecutive quarterly dividends of $0.0125 per share and has returned $0.10 per share to shareholders during that period. However, when the dividend policy was adopted, the capital markets for small-cap diversified issuers was more robust and the Corporation's business plan was to raise equity and complete multiple acquisitions per year. Over the last two years, the capital markets for small-cap diversified issuers has weakened considerably and we do not believe the trading price of the Corporation's shares reflects the underlying intrinsic value of the Corporation's four investments. As such, the Corporation does not foresee completing any further additional platform investments (other than further add-on investments by our investees) while our equity is at the current value as any equity raise would be dilutive to shareholders. We note that we paid an aggregate of $145.6 million for our four assets, have debt owed under the Sagard Facility of approximately CAD $56 million and have 38.2 million common shares outstanding. Further, we note that the initial cost of our assets does not reflect any growth that has occurred since the date of acquisition.

The Corporation remains focused on further growing and optimizing its four existing investments. In particular, we expect Dominion Lending Centres ("DLC") to complete one or more add-on investments in 2019 and Club 16 Trevor Linden Fitness ("Club16") is opening a new club in Langley, British Columbia in Q3, 2019. As such, the Corporation anticipates retaining more cash in its investee entities to enhance the growth of the overall portfolio.

In addition to focusing on the growth of our investee businesses, we would also like to de-lever and pay down our existing corporate debt from available excess free cash flow. As the total cost of capital on the Sagard Facility is currently in excess of 11%, we would like to reduce our debt burden and our related interest expense. In addition to providing the Corporation with the ability to repay debt with no penalty from excess cash flow, the Amending Agreement also provides the Corporation with more flexibility under certain financial covenants within the Sagard Facility.

James Bell, President and Chief Executive Officer commented: "While we understand that cutting a dividend is not normally viewed positively by market participants, we believe using our excess free cash flow to pay down our corporate debt and further grow our investees will maximize shareholder value over the long-term. We believe in the strength of our four businesses and are committed to making good business decisions today in an effort to maximize shareholder value over the longer term."

In consideration for the amendments, the Corporation has agreed to pay Sagard a cash fee of 1.5% of the principal loan balance and reprice its existing 2,078,568 lender warrants to $1.4375 per share (half of which were previously exercisable at $3.508 per share and half were exercisable at $3.965 per share).

The Corporation's Common Shares are listed on the TSXV 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 Information

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

- DLC will complete one or more add-on investments in 2019 and Club16 will successfully open a new club in Q3, 2019;
- the Corporation will retain more cash in certain investees in 2019;
- retaining cash in investees will enhance the growth of the overall portfolio; and
- that the suspension of the dividend will result in additional value to shareholders over the longer term.

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 news release:

- that DLC will be able to negotiate one or more add-on investments on terms acceptable;
- that construction of Club16’s new club will proceed as planned and will not be delayed;
- that retaining additional cash in select investees will help accelerate growth of the overall portfolio; and
- that the four investee entities will continue to perform as expected.

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 known and unknown 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:

- business risks associated with the operations of our four existing investees;

- general market conditions for the Corporation and its four investees; and
- the market value of the Corporation's four investees declining.

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 news release 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.