Overview of Proposed Acquisition of 100% of DLC LP and Corporate Reorganization

October 2020

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FOUNDERS ADVANTAGE CAPITAL

Overview of Proposed Acquisition and Corporate Reorg

- On October 5, 2020, Founders Advantage Capital Corp ("FAC") announced signing an acquisition agreement to acquire all of the limited partnership units of Dominion Lending Centres LP ("DLC LP") for 26.8mm non-voting, non-convertible (non-dilutive) preferred shares (the "Preferred Shares")
- Currently, FAC holds a 60% interest in DLC LP and KayMaur Holdings Ltd.[1] ("KayMaur") holds a 40% interest in DLC LP
- Once acquired, FAC intends on winding-up DLC LP and thereafter amalgamating with Dominion Lending Centres Inc. The combined entity will operate as Dominion Lending Centres Inc. post reorganization ("Newco")
- A formal valuation has determined the fair market value of the DLC Group to be $230mm. Newco will own 100% of the DLC Group, with the equity holders entitled to a 60% interest in the DLC Group and the Preferred Shareholders entitled to a 40% interest in the DLC Group
- The transaction is anticipated to be completed on December 31, 2020, with the name change to be completed in January 2021
- The deal is subject to various approvals by the TSXV, shareholders and lenders
- The primary purpose of the corporate reorganization is to allow all stakeholders to benefit from a simplified corporate structure with a clear focus and long-term business plan

1. KayMaur Holdings Ltd. is controlled by Gary Mauris and Chris Kayat who are the founders and principal operators of DLC

Overview of Reorganization Steps

Private Placement & Inversion Right Termination

- FAC expects to complete a private placement of 4.3mm Common Shares at $1.75/share for aggregate gross proceeds of $7.5mm (the "Private Placement") [(1)] concurrent with the closing of the Acquisition.
- Upon the completion of the Private Placement, FAC will pay the vendors an aggregate value of $15mm to terminate the inversion rights[(2)], comprised of:
  - 4.3mm class A common shares of FAC at $1.75/share
  - $7.5mm of cash

Acquire 100% of DLC LP

- FAC issues 26.8mm Preferred Shares to KayMaur and will own a 100% interest in DLC
- The Preferred Shares will be entitled to 40% of future cash distributions (assumes the termination of the Inversion Rights)

Amalgamation of DLC and FAC

- FAC will amalgamate with DLC Inc. and continue operating as DLC Inc. under the anticipated ticker DLCG
- Losses previously generated from FAC will be available to be applied against DLC's income (as well as ongoing corporate head office costs)
- With the exception of the reduction in corporate taxes, the economics for FAC shareholders remains substantially unchanged

1. Belkorp Industries Inc. (an insider) will complete the private placement
2. The inversion rights provide the Preferred Shares the right to receive 70% of future cash distributions in excess of the defined threshold

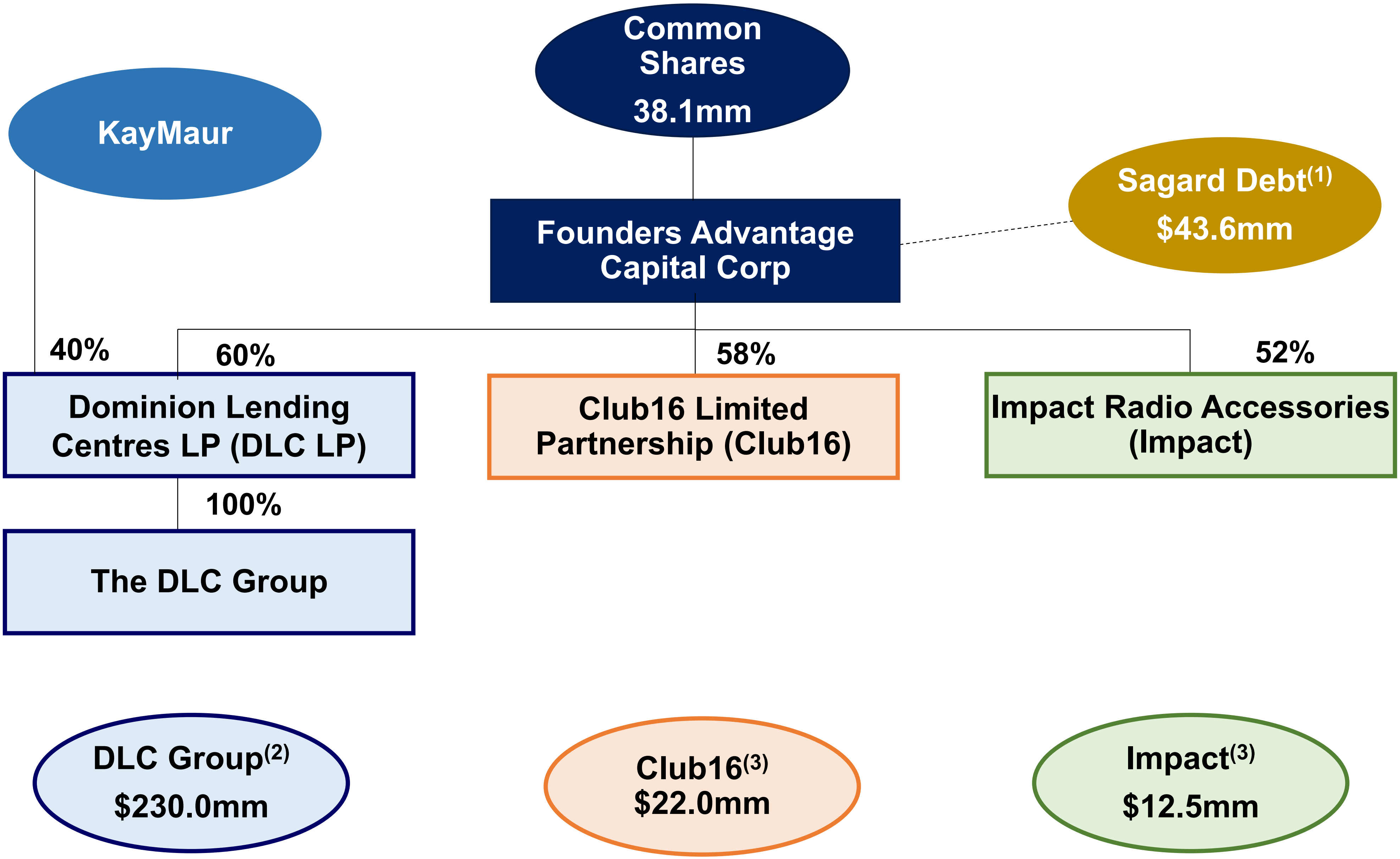
Reorganization Summary

- The following is a summary of key changes before and after the reorganization

	Pre-Reorganization	Post-Reorganization
Legal Name:	Founders Advantage Capital Corp.	Dominion Lending Centres Inc.
Ticker	FCF	DLCG(1)
Common Shares Outstanding	38,082,513	46,653,942(2)
Preferred Shares Outstanding	nil	26,774,054
Newco Share of Distributable Cash from DLC <u>Below</u> Predetermined Threshold(3)	60%	60%
Newco Share of Distributable Cash from DLC <u>Above</u> Predetermined Threshold(3)	30% Includes Inversion Rights	60% Inversion Rights Terminated(4)
Ownership Interest in the DLC Group (Core Asset)	60%	100%
Non-Core Assets(5) Ownership and Rights (no changes)	Club16 (58% ownership) Impact (52% ownership)	Club16 (58% ownership) Impact (52% ownership)

1. DLCG Is the anticipated trading symbol
2. The number of common shares outstanding includes the anticipated issuance of additional Common Shares as part of the termination of the Inversion Rights
3. Inversion rights provide KayMaur the right to 70% of distributable cash from DLC above the defined threshold
4. The Inversion Rights are anticipated to be terminated as part of the Proposed Acquisition
5. The Corporation will continue to hold its non-core assets after completion of the Proposed Acquisition and Reorganization. In the event the Non-Core Assets were sold, it is anticipated that the net proceeds would be used to pay down the Sagard credit facility.

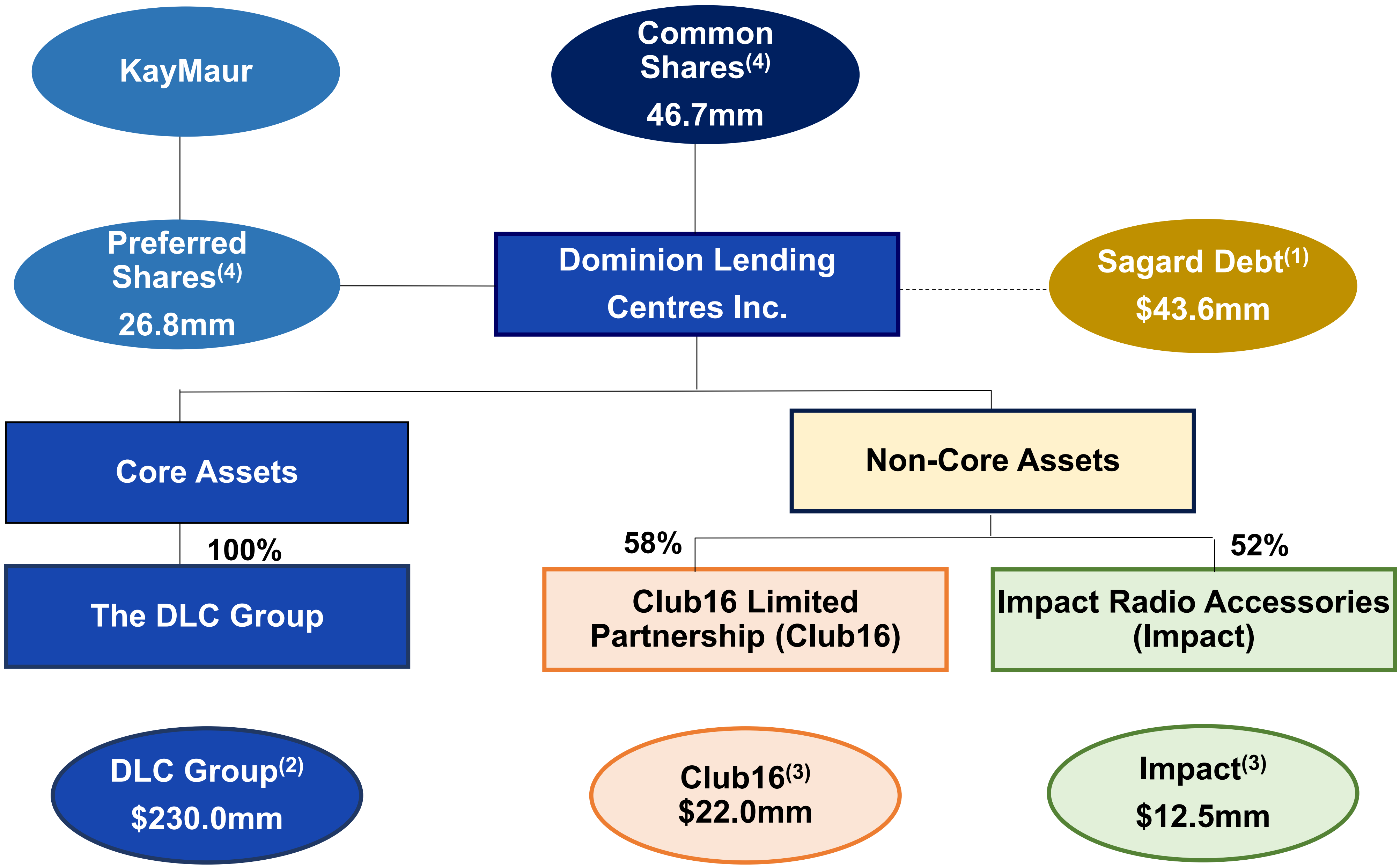
Pre-Reorganizational Structure



1. Corporate lender: gross debt as at June 30, 2020
2. As determined by the independent valuation
3. Initial cost paid by FAC

Note: The structure has been simplified to show only those aspects relevant to the reorganization

Post-Reorganizational Structure



1. Corporate lender: gross debt as at June 30, 2020
2. As determined by the independent valuation
3. Initial cost paid by FAC
4. KayMaur will hold 34.6% of the Common Shares and 95% of the Preferred Shares

The structure has been simplified to show only those aspects relevant to the reorganization

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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 presentation: the conditions to complete the Proposed Acquisition, the Proposed Reorganization and the Private Placement will be satisfied and the transactions will be completed as anticipated; the impacts of COVID-19 on the Corporation and its subsidiaries will be consistent with the Corporations expectations and the expectations of management of each of its subsidiaries both in extent and duration; the Canadian and U.S. economies will begin to recover from the ongoing economic downturn created by COVID-19 within the next twelve months; the Corporation and its subsidiaries affected by COVID-19 will recover from the pandemic's impacts and return to historical (pre-COVID-19) operating environments; management's ability to adjust cost structures at the Corporation and its subsidiaries to improve liquidity and cash flow; the Corporation's three subsidiaries will continue to perform as expected; and any potential liquidation of non-core assets will be on terms and conditions acceptable to the Corporation. Such forward-looking information is necessarily based on many estimates and assumptions, including material estimates and assumptions, related to the factors identified below that, while considered reasonable by the Corporation as at the date hereof considering management's experience and perception of current conditions and expected developments, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, changes in taxes; increased operating, general and administrative, and other costs; changes in interest rates; general business, economic and market conditions; our ability to obtain services and personnel in a timely manner and at an acceptable cost to carry out our activities; DLC's ability to maintain its existing number of franchisees and add additional franchisees; changes in Canadian mortgage lending and mortgage brokerage laws; material decreases in the aggregate Canadian mortgage lending business; changes in the fees paid for mortgage brokerage services in Canada; changes in the regulatory framework for the Canadian housing sector; demand for DLC, Club16, and Impact's products remaining consistent with historical demand; our ability to realize the expected benefits of the DLC, Club16, and Impact transactions; our ability to generate sufficient cash flow from investees to meet current and future commitments and obligations; the uncertainty of estimates and projections relating to future revenue, taxes, costs and expenses; changes in, or in the interpretation of, laws, regulations or policies; 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.

Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All forward-looking statements made in this press release are qualified by these cautionary statements. The foregoing list of risks is not exhaustive. For more information relating to risks, see the risk factors identified in our 2019 Annual Report. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities laws, we undertake no obligation to update publicly or revise any forward-looking statements or information, whether because of new information, future events or otherwise.

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