Founders Advantage Completes Acquisition of Dominion Lending Centres, Name Change and Corporate Reorganization

Calgary, Alberta – January 1, 2021 – Founders Advantage Capital Corp. (TSX-V: FAC) (“FAC” or the “Corporation”) is pleased to announce that it has completed its acquisition (the “Acquisition”) of all of the limited partnership units of Dominion Lending Centres Limited Partnership (“DLC LP”) that the Corporation did not otherwise own in exchange for an aggregate of 26,774,054 non-voting series 1 class B preferred shares (the “Preferred Shares”). Concurrent with completing the Acquisition, the Corporation completed a private placement of 4,285,714 class “A” common shares (“Common Shares”) for aggregate gross proceeds of $7.5 million (the “Private Placement”). The Corporation paid the proceeds from the Private Placement, and issued an additional 4,285,714 Common Shares, to the holders of the Preferred Shares to remove the provisions in the Preferred Shares providing the holders with a disproportionate share of future cash distributions above a defined threshold amount (the “Inversion Rights”). Upon completion of the Acquisition, the Corporation wound-up DLC LP, amalgamated with Dominion Lending Centres Inc. (“DLC”) and changed the name of the Corporation to Dominion Lending Centres Inc. (collectively, the “Reorganization”).

As previously announced, the Corporation obtained shareholder approval for the Acquisition and the Reorganization on December 15, 2020. Further details regarding the Acquisition and the Reorganization are set out below.

The Acquisition

Effective December 31, 2020, the Corporation acquired full ownership of DLC LP in exchange for 26,774,054 Preferred Shares. The actual number of Preferred Shares is an arbitrary number for administrative convenience as the Preferred Shares have fixed entitlements and are not convertible into Common Shares. The Preferred Shares are non-voting and non-convertible into Common Shares, will not be listed on any exchange, and will provide the Preferred Shareholders with similar economic and legal entitlements as the acquired units of DLC LP. The terms and conditions of the Preferred Shares are set out in the Corporation’s information circular dated November 9, 2020 (which is available on SEDAR).

Effective January 1, 2021, the Corporation wound-up DLC LP and amalgamated with Dominion Lending Centres Inc. (changing its name to “Dominion Lending Centres Inc.”).

The Private Placement

Effective December 31, 2020, the Corporation completed the Private Placement and issued 4,285,714 Common Shares for gross proceeds of $7.5 million ($1.75 per Common Share). Belkorp Industries Inc. (“Belkorp”), a related party to the Corporation, was the sole subscriber. The proceeds from the Private Placement were paid to the holders of the Preferred Shares to fund cash portion of the Inversion Right Termination Transaction discussed below.

Inversion Right Termination Transaction

Effective December 31, 2020, the Corporation paid the Inversion Termination Consideration (defined below) to the holders of the Preferred Shares and amended the Preferred Shares to remove the Inversion Rights. The “Inversion Termination Consideration” includes an aggregate cash amount equal to $7.5 million (the “Inversion Termination Cash Payment”) and an aggregate of 4,285,714 Common Shares (the
“Inversion Termination Shares”). As the Inversion Termination Shares are being issued at a deemed value of $1.75 per share, the Inversion Termination Consideration has a deemed aggregate value of $15.0 million.

Post-Closing Capitalization and Control Persons

Upon completion of the Acquisition, the Private Placement and the Inversion Termination Transaction, there are 46,653,941 Common Shares and 26,774,054 Preferred Shares issued and outstanding.

KayMaur Holdings Ltd. ("KayMaur"), a corporation owned and controlled by Gary Mauris and Chris Kayat, holds an aggregate of 16,524,759 Common Shares (35.4%) and 25,432,674 Preferred Shares (95%). Belkorp holds an aggregate of 12,276,714 Common Shares (26.3%).

Name Change & Trading Symbol Change to “DLCG”

Effective January 1, 2021, the Corporation changed its name to Dominion Lending Centres Inc. Upon filing of the requisite documentation with the TSX Venture Exchange, the Corporation’s Common Shares will commence trading under the symbol “DLCG”. It is expected that the Corporation’s Common Shares will commence trading under the new symbol on the opening of trading on January 8, 2021.

Management Changes

Effective January 1, 2021, the Corporation completed the following management changes:
- Gary Mauris became the Chief Executive Officer and Executive Chairman;
- Chris Kayat became the Executive Vice-Chairman;
- James Bell (current President of FAC) and Eddy Cocciollo (current President of Dominion Lending Centres Inc.) were each appointed co-President of the Corporation. Mr. Bell will be responsible for public company operations and management of non-core assets while Mr. Cocciollo will be responsible for DLC mortgage origination operations.
- Robin Burpee (current Chief Financial Officer of FAC) and Geoff Hague (current Chief Financial Officer of Dominion Lending Centres Inc.) were appointed co-Chief Financial Officer of the Corporation. Ms. Burpee will be responsible for public company and non-core asset financial management while Mr. Hague will be responsible for financial management of the mortgage origination operations.

There were no changes to the Corporation’s Board of Directors. The Corporation’s Board of Directors includes: Gary Mauris, Chris Kayat, James Bell, Trevor Bruno, Ron Gratton, Dennis Sykora and Kingsley Ward.

Sagard Credit Facility Changes

Effective January 1, 2021, the Corporation and Sagard Credit Partners, LP (together with its parallel funds, “Sagard”) entered into an amended and restated credit agreement (the “Amended and Restated Credit Agreement”). The Amended and Restated Credit Agreement provides the Corporation with the option to extend the maturity date of the credit facility by one year to June 14, 2023 (the “Extension Option”), provided the Corporation’s total leverage ratio is below a prescribed level. In consideration for the Extension Option, the Corporation agreed to extend the expiry date of the 2,078,568 lender warrants held by Sagard for an additional year (the new lender warrant expiry date will be June 14, 2023).

Non-Core Asset Governance Amendments
Following completion of the Acquisition and Reorganization, the Corporation continues to hold its ownership interests in Club16 and Impact (the “Non-Core Assets”). However, effective December 31, 2020, the Corporation entered into the following governance amending agreements (“Non-Core Asset Governance Amendments”):

- The Corporation and the principals of Club16 entered into an amending agreement to amend the terms of the shareholders agreement to reduce the Corporation’s Club16 board nominees from three (3) representatives to two (2) representatives. As such, the Club16 principals will now have two (2) board representatives and the Corporation will now have two (2) board representatives.
- The Corporation and the principals of Impact Communications entered into an amending agreement to amend the terms of the shareholders agreement to reduce the Corporation’s Impact board nominees from two (2) representatives to one (1) representative. As such, the Impact principal will now have one (1) board representative and the Corporation will now have one (1) board representative.

Following the Non-Core Asset Governance Amendments, the Corporation will be able to better highlight the core business of Dominion Lending Centres from the non-core activities which will assist users of the Corporation’s financial information to better understand the financial performance of the business.

**About Dominion Lending Centres Inc.**

DLC group of companies is Canada’s leading and largest mortgage brokerage with over $40 billion in funded mortgages in 2019. DLC group of companies operates through four main subsidiaries, Dominion Lending Centres, Mortgage Centre Canada, Mortgage Architects and Newton Connectivity Systems and has operations in all 13 provinces and territories. DLC group of companies’ extensive network includes ~6,000 agents and 515 locations. Headquartered in British Columbia, DLC group of companies was founded in 2006 by Gary Mauris and Chris Kayat.

**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’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.

Contact information for the Corporation is as follows:

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