INFORMATION CIRCULAR

for the

ANNUAL GENERAL AND SPECIAL MEETING

of

B.C. ADVANTAGE FUNDS (VCC) LTD.

Suite 410 – 221 West Esplanade
North Vancouver, British Columbia
V7M 3J3

to be held on Friday, July 29, 2016

July 7, 2016

Dear shareholders of B.C. Advantage Funds (VCC) Ltd. (the "**Company**"):

You are invited to attend a general and special meeting (the "**Meeting**") of the shareholders to be held on Friday, July 29, 2016 at 3:00 p.m. (Pacific Daylight Time) at the offices of the Company's counsel, Fasken Martineau DuMoulin LLP, 2900 – 550 Burrard Street, Vancouver, British Columbia.

At the Meeting, among other items of business including the annual election of directors, shareholders will be asked to consider and vote upon a resolution to approve the dissolution of the Company, and as a result, the dissolution of Advantage Structured Fund (the "**Fund**") (the "**Dissolution**"). Detailed information regarding the Dissolution is contained in the attached information circular of the Company dated July 7, 2016 (the "**Information Circular**").

In order to become effective, the Dissolution must be approved by a resolution passed by a majority of the votes cast by shareholders at the Meeting. In addition to that approval, completion of the Dissolution is subject to approval of the disposition of all or substantially all of the Company's undertaking to the "Liquidation Trustee" as described in the Information Circular (the "**Settlement**") and certain other resolutions required in order to surrender the Company's registration under the *Small Business Venture Capital Act* (British Columbia) (the "**Registration**"). The Settlement must be approved by a resolution passed by not less than two-thirds (66.67%) of the votes cast by shareholders at the Meeting.

After taking into consideration, among other things, the significant ongoing regulatory costs to remain a reporting issuer, the Company's board of directors (the "**Board**") has unanimously concluded that the Dissolution, the Settlement and the consequential resolutions required to effect the Dissolution are in the best interests of the Company.

Accordingly, the Board unanimously recommends that the shareholders vote <u>FOR</u> the Dissolution, the Settlement and the consequential resolutions to effect the Dissolution.

The accompanying notice of meeting and information circular provide a description of the Dissolution, the Settlement and the consequential resolutions and include certain additional information to assist you in considering how to vote. You are encouraged to consider carefully all of the information in the accompanying information circular. If you require assistance, you should contact your financial, legal or other professional advisor.

On behalf of the Company, I would like to thank all the Company's shareholders for their continuing support.

Yours very truly,

"*Frank Holler*"

Frank Holler
Chief Executive Officer
B.C. Advantage Funds (VCC) Ltd.

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INTRODUCTION

The information contained in this Information Circular, unless otherwise indicated, is as of June 30, 2016.

This Information Circular accompanies the Notice of the Annual and Special Meeting (the "**Meeting**") of the shareholders of B.C. Advantage Funds (VCC) Ltd. ("**Advantage**" or the "**Company**") to be held on Friday, July 29, 2016 at the time and place set out in the accompanying Notice of Meeting. **This Information Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting and at any adjournment of the Meeting**.

PROXIES AND VOTING RIGHTS

Management Solicitation and Appointment of Proxies

The persons named in the accompanying form of proxy are nominees of the Company's management. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for and on the shareholder's behalf at the Meeting other than the persons designated as proxyholders in the accompanying form of proxy. To exercise this right, the shareholder must either:**

(a) on the accompanying form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the shareholder's nominee in the blank space provided; or

(b) complete another proper form of proxy.

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder's attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to the Company at Suite 410 – 221 West Esplanade, North Vancouver, British Columbia, V7M 3J3, by 3:00 p.m. (Pacific Daylight time) on Wednesday, July 27, 2016 or at least 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting is to be reconvened after any adjournment of the Meeting.

Revocation of Proxies

A shareholder who has given a proxy may revoke it at any time before the proxy is exercised:

(a) by an instrument in writing that is:

  (i) signed by the shareholder, the shareholder's attorney authorized in writing or, where the shareholder is a corporation, a duly authorized officer or attorney of the corporation; and

  (ii) delivered to the Company at Suite 410 – 221 West Esplanade, North Vancouver, British Columbia, V7M 3J3 at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting, or delivered to the Chair of the Meeting on the day of the Meeting or any adjournment of the Meeting before any vote on a matter in respect of which the proxy is to be used has been taken; or

(b) in any other manner provided by law.

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Voting of Shares and Proxies and Exercise of Discretion by Proxyholders

Voting By Show of Hands

Voting at the Meeting generally will be by a show of hands, with each shareholder present in person or by proxy and entitled to vote thereat being entitled to one vote.

Voting By Poll

Voting at the Meeting will be by poll only if a poll is:

(a) requested by a shareholder present at the Meeting in person or by proxy;

(b) directed by the Chair; or

(c) required by law.

On a poll, each shareholder and each proxyholder will have one vote for each common (voting) share held or represented by proxy.

Approval of Resolutions

To approve a motion for an ordinary resolution, a simple majority of the votes cast in person or by proxy will be required; to approve a motion for a special resolution, a majority of not less than two-thirds or 66.67% of the votes cast in person or by proxy will be required.

Voting of Proxies and Exercise of Discretion by Proxyholders

A shareholder may indicate the manner in which the persons named in the accompanying form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy on any ballot that may be called for.**

If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying form of proxy. It is intended that the proxyholders named by management in the accompanying form of proxy will vote the shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Company's Board of Directors for directors and auditor.

The accompanying form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company is not aware of any such amendments or variations, or any other matters, that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment.

Solicitation of Proxies

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by directors, officers and employees of the Company without special compensation. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for

the costs incurred in obtaining authorization to execute forms of proxy from their principals. The costs of solicitation will be borne by the Company.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company's authorized capital consists of 19,000,000,000 common shares divided into 19 classes of common shares with each class having an authorized share capital of 1,000,000,000 common shares.

Only shareholders of the Company who are listed on its register of shareholders on the record date of June 15, 2016 are entitled to receive notice of and to attend and vote at the Meeting or any adjournment of the Meeting (see "Voting of Shares and Proxies and Exercise of Discretion by Proxyholders" above).

As of June 15, 2016 the Company had approximately 5,408,023 common shares of all voting classes of its common shares issued and outstanding (collectively the "**Shares**"), comprised of 2,767,259 Advantage Structured Fund I common shares and 2,640,764 Advantage Structured Fund I RRSP common shares.

The Company also had a total of 6,000,000 Class Z common shares of the Company (the "**Class Z Shares**") issued and outstanding as of June 15, 2016. These shares are also known as "equity participation shares" and are held by Lions Capital Corp. ("**Lions Capital** "), the former management company, in trust for the shareholders of Lions Capital.

Holders of the Class Z Shares are entitled to vote only in respect of their right to elect such number of Company directors as is equal to not less than 20% of all of the Company's directors. The Class Z Shares may receive dividends at the discretion of the Board, and may be exchanged, subject to certain restrictions, on a one-for-one basis with any other class of Shares. Reference is made to the headings "Management Contracts" and "Interest of Informed Persons in Material Transactions" for further information.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or controls or directs, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

RECEIPT OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The Management Report on Fund Performance and the financial statements of the Company for the financial year ended December 31, 2015 and accompanying auditor's report will be presented at the Meeting.

APPOINTMENT OF AUDITOR

The shareholders will be asked to pass an ordinary resolution to appoint KPMG LLP, chartered accountants, as the auditor of the Company to hold office until the next annual general meeting of shareholders of the Company at remuneration to be fixed by the directors. KPMG LLP has been the Company's auditor since August 8, 2008.

ELECTION OF DIRECTORS

The proposed nominees for the Company's Board of Directors are named in the table below. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or the *Business Corporations Act* (British Columbia) (the "**BCBCA**").

Shareholders will be asked at the Meeting to pass an ordinary resolution to fix the number of directors at three. The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of Directors at

three. In the absence of instructions to the contrary, if the management proxyholders are appointed as proxyholder by you, the shares represented by the proxy will be voted in favour of the resolution.

Pursuant to the Articles of the Company, holders of the Class Z Shares are entitled to vote only in respect of their right to elect such number of Company directors as is equal to not less than 20% of all of the Company's directors. The holders of the Class Z Shares intend to elect Mr. Frank Holler as a director to hold office until the next annual general meeting of the Company.

The following table sets out the names of management's nominees for election as directors, the place in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time during which each has been a director of the Company, and the number of voting securities of the Company beneficially owned by each of them, directly or indirectly, or over which control or direction is exercised, as of the date of this Information Circular.

Name, Place of Residence and Office(s) with the Company [(1)]	Principal Occupation or Employment for Last Five Years [(1)]	Served as a Director Since	Voting Securities Owned [(1)]
Frank Holler [(2) (4) (5) (7)] British Columbia, Canada *Chairman of the Board, Chief Executive Officer and Director*	CEO and Fund Manager of Advantage from April 2004 to present; CEO of Lions Capital from April 2004 to December 2011; CEO of BC Advantage Fund Management Inc. from February 2014 to present.	August 8, 2008 (served as a director of predecessor company since February 24, 2003)	12,197 Advantage Structured Fund Shares, or 0.23% of all Advantage Structured Fund Shares
Don Enns [(3) (5) (6) (7)] British Columbia, Canada *Director*	President of Transferra Nanosciences Inc. (formerly, Northern Lipids Inc.) from August 2013 to present; President of Life Sciences BC from September 2010 to August 2013.	January 31, 2015	Nil
Ambrose Hong [(2) (5) (7)] British Columbia, Canada *Director and Chief Financial Officer*	Fund Manager of Advantage from February 2015 to present; Chief Financial Officer of Advantage from March 2011 to present.	April 29, 2015	284 Advantage Structured Fund Shares, or 0.01% of all Advantage Structured Fund Shares

(1) The information as to the place of residence, principal occupation and shares beneficially owned, directly or indirectly, or controlled or directed, has been furnished by the respective directors individually.
(2) Frank Holler and Ambrose Hong are executive officers of the Company and as such are considered non-independent directors.
(3) Independent director.
(4) Pursuant to the Articles of the Company, the holders of the Class Z Shares are entitled to elect such number of directors as is equal to not less than 20% of all of the Company's directors. The holders of the Class Z Shares intend to elect Mr. Frank Holler as a director of the Company to hold office until the next annual general meeting of the Company.
(5) Member of our Audit and Valuation Committee.
(6) Member of our Investment Committee.
(7) Member of our Nomination and Governance Committee.

The Company's Board of Directors does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

Committees

The current members of the Company's Nomination and Governance Committee are Don Enns (Chair), Frank Holler and Ambrose Hong.

The current members of the Company's Audit and Valuation Committee are Don Enns (Chair), Frank Holler and Ambrose Hong.

The current sole member of the Company's Investment Committee is Don Enns (Chair).

Bankruptcies or Orders Issued

To the best of the knowledge of the Company and its management, except as disclosed herein, no proposed director of the Company

(a) is, as of the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, while acting in that capacity,

(i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for more than 30 days (an "**Order**") that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer or

(ii) was subject to an Order that was issued after the proposed director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; or

(b) is, at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Holler was a director of Allon Therapeutics Inc. ("**Allon**"), one of the Company's publicly traded portfolio companies. On May 30, 2013, Allon made a proposal to its creditors, and a reorganization of its share structure was approved by the Supreme Court of British Columbia on July 5, 2013. Following such approval, all of the issued and outstanding shares of Allon were acquired by Paladin Labs Inc. The common shares of Allon were delisted from the Toronto Stock Exchange on June 28, 2013. Mr. Holler ceased to be a director of Allon effective July 16, 2013.

Mr. Holler was a director of Contech Enterprises Inc. ("**Contech**"), one of the Company's privately held portfolio companies. On December 23, 2014, Contech made a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), and a reorganization of its capital structure was approved by the Supreme Court of British Columbia on January 26, 2015. This proposal was intended to facilitate a financing by a new lender and a debt restructuring that, together, would enable Contech to carry on its business. However, on March 6, 2015, the Court of Appeal of British Columbia overturned the approval of the proposal by the Supreme Court of British Columbia and Contech was placed into bankruptcy. Mr. Holler ceased to be a director of Contech effective March 6, 2015.

Penalties and Sanctions

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Executive Officers

The summary compensation table below discloses compensation paid to the following individuals (each, a "**Named Executive Officer**" or "**NEO**"):

(a) each chief executive officer ("**CEO**") of the Company;

(b) each chief financial officer ("**CFO**") of the Company;

(c) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds $150,000 per year; and

(d) any additional individual for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year,

The Company had two Named Executive Officers in the year ended December 31, 2015, being Frank Holler, the Chief Executive Officer, and Ambrose Hong, the Chief Financial Officer.

Compensation Discussion and Analysis

Since December 31, 2011, the Company has employed the NEOs and other staff directly. The Board of Directors is responsible for putting an appropriate plan in place for executive compensation and for making recommendations with respect to the compensation of the Company's executive officers. The Board sets total compensation with the objective of providing fair and reasonable compensation that reflects the Company's need to provide incentive and compensating NEOs adequately for time and effort expended on managing the Company, while taking into account the financial and other resources of the Company. The Board has not specifically considered implications of the risks associated with its compensation policies.

The Company has not established a compensation committee, but instead, compensation was determined by the Board of Directors, based on the duties required of the NEOs, the financial position of the Company and what such individuals had previously been paid by Lions Capital for their services in managing the funds. The Company has entered into employment agreements with the NEOs, as described below.

Certain of the NEOs are shareholders of the Fund Manager (as defined below) and may receive a benefit from any Equity Participation that may be paid to the Fund Manager under the Management Agreement with B.C. Advantage Fund Management Inc. See "*Management Contracts*", below, for more details.

Summary Compensation Table

The following table contains a summary of the compensation paid to the Named Executive Officers of the Company for each of the Company's three most recently completed financial years:

Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Frank Holler CEO [(1)]	2015	150,000	N/A	N/A	N/A	N/A	N/A	Nil	150,000
	2014	150,000	N/A	N/A	N/A	N/A	N/A	Nil	150,000
	2013	150,000	N/A	N/A	N/A	N/A	N/A	Nil	150,000
Ambrose Hong CFO [(1)]	2015	120,000	N/A	N/A	N/A	N/A	N/A	Nil	120,000
	2014	120,000	N/A	N/A	N/A	N/A	N/A	Nil	120,000
	2013	120,000	N/A	N/A	N/A	N/A	N/A	Nil	120,000

(1) Mr. Holler and Mr. Hong were also directors of the Company in 2015, but received no additional compensation for such roles.

Narrative Discussion

Since December 31, 2011, the Company has employed its officers and employees directly rather than such persons being employed by the former fund manager, Lions Capital. The Company has entered into employment agreements with its NEOs (the "**Employment Agreements**"). Pursuant to these Employment Agreements, in 2015 Frank Holler was entitled to an annual base salary of $150,000 and Ambrose Hong was entitled to an annual base salary of $120,000. The NEOs were also entitled to participate in the bonus and benefits programs of the Company, including the potential to receive a share of the performance fees generated by the Company from managing its funds. Participation in such bonus scheme will be determined by the Board based on the fund's performance and the individual NEO's performance in the year. Pursuant to the Employment Agreements, the NEOs are subject to customary provisions with respect to vacation entitlement, confidentiality, assignment of intellectual property and non-competition.

The Company has no equity or non-equity incentive plans in place for its directors, officers or employees.

Director Compensation

The Company's non-executive directors and Board Committee members receive cash compensation for participation in each formal meeting held by the Board of Directors and its Committees. Each director who attends a Board meeting receives a fee of $825 per meeting, of which there are typically four per annum. Each director who attends a meeting of a Committee of the Company receives a fee of $275 per meeting, of which there are typically four to six per annum. In addition to the above, each director receives an annual retainer of $3,300 plus reimbursement of all out-of-pocket expenses. The table below summarizes the compensation paid to directors during the most recent financial year:

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Don Enns	7,700	Nil	N/A	N/A	N/A	Nil	7,700
Dr. Avtar Dhillon[(1)]	284	Nil	N/A	N/A	N/A	Nil	284

(1) Dr. Avtar Dhillon resigned from the Board effective January 31, 2015.

Termination and Change of Control Benefits

Pursuant to his Employment Agreement, Frank Holler is entitled, upon termination without cause, or where there is a change of control of the Company and as such he elects to terminate his employment within six months of such change of control, to receive an amount equal to one year's salary, bonus and benefits. The amount that would have been payable to Mr. Holler if termination had occurred as of December 31, 2015 is $160,158.

Pursuant to his Employment Agreement, Ambrose Hong, upon termination in the same circumstances as Mr. Holler, is entitled to an amount equal to one year's salary, bonus and benefits. The amount that would have been payable to Mr. Hong if termination had occurred as of December 31, 2015 is $130,158.

Compensation Governance

The Company does not currently have a Compensation Committee. The Compensation paid by the Company to the NEOs and the Directors is determined by the Board of Directors as described above under "Compensation Discussion and Analysis". No compensation consultants have been retained within the last 12 months.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness, no current or former executive officer, director or employee of the Company or any of its subsidiaries, or any proposed nominee for election as a director of the Company, or any associate or affiliate of any such executive officer, director, employee or proposed nominee, is or has been indebted to the Company or any of its subsidiaries, or to any other entity that was provided a guarantee, support agreement, letter of credit or other similar arrangement or understanding by the Company or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Company.

MANAGEMENT CONTRACTS

The Company's Board has overall responsibility for overseeing the management of the Company. Since December 31, 2011, when the management agreement with Lions Capital was terminated, the Company has been managed by its officers and employees.

In response to a requirement of the BC Securities Commission ("**BCSC**"), the Company has retained BC Advantage Fund Management Inc. (the "**Fund Manager**"), effective January 1, 2014, pursuant to a new management agreement (the "**Management Agreement**") to provide third party management services to the Company. The Fund Manager is registered as an investment fund manager and restricted portfolio manager with the BCSC.

Other Compensation

Pursuant to the terms of the Management Agreement, the Fund Manager is entitled to a 20% equity participation in the Company (the "**Equity Participation**"). The Fund Manager's ability to realize on the value of that Equity Participation is subject to certain conditions. The Equity Participation of the Fund Manager in respect of a particular investment is equal to 20% of the cumulative gain realized on the liquidation of the investment. The cumulative gain represents the sum of any dividends, income and other return of capital received by the Company on the investment, plus proceeds received on liquidation, less the amount of capital the Company invested.

The Fund Manager can only receive its Equity Participation in respect of an investment if the "Investment Objective" and the "Exchangeability Objective" as explained below, have both been met.

The Investment Objective has been met when an individual investment in a fund has been liquidated such that the compounded annual internal rate of return on the entire investment, based only on realized gains and gross income, from the investment since its acquisition equals or exceeds 10% per year, compounded annually.

The Exchangeability Objective has been met when the total realized gains, unrealized gains and net investment income from the portfolio of investments in a Fund have generated a return greater than 8% per year compounded annually measured from the inception of that Fund.

Lions Capital was previously entitled to Equity Participation under the former management agreement with Lions Capital on similar terms. For the financial year ended December 31, 2015, the Company paid performance fees in the amount of $Nil. On December 11, 2015, Lions Capital waived the entitlement of the accrued equity participation of $155,070. At December 31, 2015 performance fees in the amount of $Nil were accrued and payable.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, no informed person of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's most recently completed financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of any of such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Company, other than as set forth below and elsewhere in this Information Circular, including the fee to the Liquidation Trustee.

Frank Holler
Fund Manager, Shareholder, Director and Officer of the Company

(a) Mr. Holler is a shareholder of Sophiris Bio Inc., a company in which the Company has made an investment;

(b) Mr. Holler was a director of Contech Enterprises Inc. until March 6, 2015, a company in which the Company has made an investment;

(c) Mr. Holler is a director, officer and shareholder of the Fund Manager; and

(d) It is intended that Mr. Holler will be a director, officer and shareholder of the Liquidation Trustee.

Dr. Avtar Dhillon
Director of the Company

(a) Dr. Dhillon is a shareholder of Aquinox Pharmaceuticals Inc., a company in which the Company has made an investment.

Ambrose Hong
Chief Financial Officer and Shareholder of the Company

(a) Mr. Hong is a shareholder of Sophiris Bio Inc., a company in which the Company has made an investment;

(b) Mr. Hong is a shareholder of Aquinox Pharmaceuticals Inc., a company in which the Company has made an investment;

(c) Mr. Hong is a director of MTI LP, a company in which the Company has made and investment;

(d) Mr. Hong is a director, officer and shareholder of the Fund Manager; and

(e) It is intended that Mr. Hong will be an officer of the Liquidation Trustee.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Compensation for Shareholders, Directors and Officers of the Company

The payment of any compensation to the Fund Manager and to shareholders, directors and officers of the Company is subject to the provisions of the Regulations to the *Small Business Venture Capital Act* (British Columbia) (the "**SBVCA**") and to Section 27 of the Company's Articles, which states that the Company shall not pay fees, expenses or remuneration of any kind to any shareholder, director or officer of the Company, or to any affiliate or associate (as those terms are defined in the SBVCA) of those persons except as permitted by special resolution of the shareholders of the Company at least annually. The requirement to have such fees, expenses or remuneration approved by special resolution is a regulatory requirement of the SBVCA.

In accordance with these requirements, shareholders will be asked at the Meeting to pass a special resolution generally approving the payment of management and/or performance fees or any other remuneration of any kind whatsoever and expenses of any kind to the Fund Manager under the Management Agreement and any and all other

compensation, fees, expenses and remuneration of any kind whatsoever to the employees, officers and directors, as determined by the board of directors in their sole discretion in connection with services provided by the Fund Manager and by such employees, officers and directors to the Company, or as may arise from the fees and expenses set forth under "Statement of Executive Compensation".

Pursuant to the Articles of the Company, a special resolution is required to be approved by a majority of not less than two-thirds or 66.67% of the votes cast at the Meeting by shareholders (other than those directors, officers and shareholders who have received fees or remuneration) who vote at the Meeting in person or by proxy. In this regard, a total of 12,481 Shares will be withheld from voting at the Meeting.

Reference is made to the heading above "Interest of Informed Persons in Material Transactions" for further information.

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the payment to BC Advantage Fund Management Inc. (the Company's management company) and to the Company's directors, officers and employee shareholders, or to any affiliate or associate of such persons, of any and all fees, expenses or other remuneration of any kind, as determined by the board of directors, in their sole discretion, for the financial years of the Company ended December 31, 2017, be approved; and

2. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings as may be required to give effect to the true intent of this resolution."

Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.

Dissolution of the Company

At the Meeting, shareholders will be asked to consider and, if thought advisable, approve, with or without variation, ordinary and special resolutions (collectively, the "**Dissolution Resolution**") substantially in the form set out in Schedule "A" to this Information Circular, which taken together will

(a) authorize the Company pursuant to paragraph 314(1)(a) of the BCBCA to apply to be dissolved (the "**Dissolution**") under Division 2 of Part 10 of the BCBCA forthwith,

(b) in connection therewith authorize the directors forthwith to settle (the "**Settlement**") all of the assets of the Company on the Liquidation Trustee (as defined below) on trust (the "**Trust**") that the Liquidation Trustee assume and pay all of the liabilities of the Company, and distribute any remaining assets of the Trust rateably to the shareholders of record as of the date of dissolution of the Company (other than shareholders of the Company who validly dissent from the Dissolution Resolution as described below – see "Rights of Dissenting Shareholders") all on the terms set out in more detail below,

(c) authorize, pursuant to paragraph 74(1)(b) of the BCBCA but subject to paragraph 74(1.1) thereof, the reduction of the capital of the Company (the **"Reduction of Capital**") on the winding-up of the Company, without payment or distribution to shareholders, in an amount equal to the aggregate fair market value of the rights of the shareholders, determined forthwith after the Settlement, to receive the net remaining assets of the Trust (each a "**Trust Interest**"), all as described below, and

(d) approve pursuant to paragraph 301(1)(b) of the BCBCA the disposition of all or substantially all of the undertaking of the Company.

The Company will be dissolved under Division 2 of Part 10 of the BCBCA forthwith after the Reduction of Capital.

In addition and as an alternative to the foregoing, the Dissolution Resolution will, if passed, authorize the voluntary liquidation and dissolution of the Company under Division 3 of Part 10 of the BCBCA pursuant to subsection 319(1) thereof if the directors determine that dissolving the Company pursuant to a voluntary liquidation and dissolution under Division 3 of Part 10 of the BCBCA (a "**Division 3 Formal Dissolution**"), rather than under Division 2 of Part 10 thereof, is in the best interests of the Company and its shareholders.

The Liquidation Trustee will be a newly incorporated single purpose corporation and will be owned 100% by Frank Holler, the current director and Chief Executive Officer of the Company. The Liquidation Trustee will be incorporated solely to act as trustee of the Trust on behalf of the shareholders. Pursuant to the Dissolution Resolution, the shareholders will authorize and direct the Company to settle all of the Company's assets on Liquidation Trustee as trustee of the Trust for the benefit of the shareholders on trust that the Liquidation Trustee will:

(a) forthwith assume all of the liabilities of the Company;

(b) deposit all of the Company's cash in one or more non-interest bearing bank accounts;

(c) liquidate and convert all of the non-cash assets of the Company, including without limitation the Portfolio Investments (as defined below) to cash and deposit the net cash proceeds to the Trust's bank account or accounts, and

(d) pay or apply all of the Company's cash, if any, as follows:

(i) first, to pay or provide for all of the liabilities of the Company (including, without limitation, all amounts owing to Dissenting Shareholders, if any, as described below under the heading "Rights of Dissenting Shareholders"), and

(ii) thereafter to distribute all of the remaining cash of the Trust in one or more distributions of income or capital rateably to the shareholders of the Company of record as of the date of dissolution of the Company (other than Dissenting Shareholders), in satisfaction of their Trust Interests,

and otherwise on terms to be set out in a Trust Agreement (the "**Trust Agreement**") to be entered into between the Company, as settlor, and the Liquidation Trustee, as trustee, as described in detail under the heading "The Trust Agreement" below.

The Dissolution Resolution will also authorize the Reduction of Capital on the winding up of the Company pursuant to paragraph 74(1)(b) of the BCBCA forthwith after the Settlement by an amount equal to the fair market value of all outstanding Trust Interests immediately after the Settlement without any payment or distribution to the shareholders of the Company.

The Trust Agreement

The Company as settlor and the Liquidation Trustee as trustee will enter into a Trust Agreement which will govern the terms of the Trust. A draft of the Trust Agreement will be available for inspection by shareholders at the Company's records office during statutory business hours from July 18, 2016 to July 22, 2016.

The Trust Agreement will stipulate as follows:

(a) the Company will be the settlor, and the Liquidation Trustee will be the trustee, of the Trust;

(b) the beneficiaries of the Trust will be the shareholders of record of the Company as of the date of dissolution of the Company (other than such shareholders who validly exercise dissent rights as discussed below), each of whom will hold a Trust Interest that will entitle him, her or it to share in each distribution of income or capital of the Trust in the same proportion in which he, she or it holds Shares as of that date;

(c) shareholders of the Company who validly exercise dissent rights will not be beneficiaries of the Trust, but will be entitled to be paid the fair value of their shares determined immediately before the Settlement as creditors of the Trust ranking after all other creditors of the Company whose debts are assumed by the Trust, but in priority to the beneficiaries of the Trust in respect of their Trust Interests;

(d) forthwith after the passage of the Dissolution Resolution, the Company will settle, transfer and assign all of its assets to the Liquidation Trustee, as trustee of the Trust, on trust that the Liquidation Trustee will:

  (i) assume, determine, and pay all of the liabilities of the Company;

  (ii) liquidate and convert all non-cash assets of the Company transferred to it pursuant to the Settlement; and

  (iii) distribute all of the net cash of the Trust after payment of all of the Company's liabilities and the Trustee's Fee (as described below) rateably to the beneficiaries of the Trust in one or more distributions of income or capital in satisfaction of their respective Trust Interests; and

(e) the Liquidation Trustee will be entitled to be paid a Trustee's fee payable out of the income and, to the extent necessary, capital of the Trust as described under the heading "Trustee's Fee" in this Information Circular.

Considerations

In reaching its decision to recommend to shareholders that the Company be dissolved by way of the Settlement, Reduction of Capital and the Trust, the Board considered a number of factors including, but not limited to, the following material factors:

(a) this approach is the result of a strategic review process conducted by the Company that included evaluating eight other strategic alternatives available to the Company. These included the sale of the portfolio investments of the Company which consist of shares of private companies (the "**Portfolio Investments**") to a secondary fund, the distribution of the Portfolio Investments to shareholders, the assignment of the Management Agreement to another firm registered under the SBVCA, conveyance of the Portfolio Investments to a Special Purpose Vehicle to hold the assets until they can be liquidated, dissolving the Company by way of a Division 3 Formal Dissolution (which includes the appointment of a formal liquidator under section 319 of the BCBCA) and managing the existing portfolio through to liquidity so as to be able to reinstate redemptions;

(b) the costs of operating as a small public company are burdensome. Due to the challenging economic environment, the Company has actively taken steps to reduce its operating expenses to as low a level as possible; however, the cost of operating as a small public company remain;

(c) the Company's assets consist of cash and the Portfolio Investments. The Portfolio Investments consist of shares of illiquid private companies that will likely take both time and expertise to sell;

(d) the Liquidation Trustee will engage Frank Holler and Ambrose Hong to carry out the Liquidation Trustee's duties, both of whom are very familiar with the Portfolio Investments and the underlying companies businesses, management teams, directors and existing investors;

(e) there has been an inability to fund follow up investments on acceptable terms, or at all;

(f) as the Company has ceased raising capital, its only remaining source of cash will be from the sale of the Portfolio Investments;

(g) the cost of a Division 3 Formal Dissolution would be burdensome and would work against the Company's efforts to maximize value for shareholders;

(i) Management believes that Frank Holler, director and Chief Executive Officer of the Company, has unique knowledge and expertise that will assist in disposing of the Portfolio Investments, likely at a higher price than proceeding by way of a Division 3 Formal Dissolution.

(ii) Management believes that proceeding by way of a Liquidation Trustee (rather than a Division 3 Formal Dissolution) will reduce the costs associated with the liquidation process. Management estimates that to proceed with a Division 3 Formal Dissolution would cost approximately $400,000 to $500,000 more than proceeding by way of a Liquidation Trustee.

(h) the Board unanimously determined that the Settlement is superior to all other proposals received by the Company pursuant to the strategic review process and is the best alternative among the limited opportunities available to the Company to maximize shareholder value having regard to the Company's current financial position;

(i) the Board believes that it is likely that the conditions to complete the Settlement (including the affirmative vote of shareholders representing at least 66.67% of the Shares represented and voted at the Meeting) will be satisfied; and

(j) to the knowledge of the Board, there are no material competition or other regulatory issues which are expected to arise in connection with the Settlement so as to prevent its completion, and it is anticipated that all required regulatory clearances will be obtained.

As the Settlement will constitute the disposition of all or substantially all of the undertaking of the Company other than in the ordinary course of business, paragraph 301(1)(b) of the BCBCA requires that the Dissolution Resolution be approved by special resolution of not less than two thirds (66.67%) of the votes cast by shareholders present in person or by proxy at the Meeting.

Similarly, the Reduction of Capital must be approved as a special resolution by not less than two thirds (66.67%) of the votes cast by shareholders present in person or represented by proxy at the Meeting.

Notwithstanding the foregoing, the Dissolution Resolution authorizes the Board, without further notice to or approval of the shareholders, either

(a) to decide not to proceed with the Dissolution and to revoke such Dissolution Resolution at any time prior to the Settlement becoming effective, or

(b) to proceed with a Division 3 Formal Dissolution if the directors determine that doing so, rather than dissolving the Company under Division 2 of Part 10 of the BCBCA, is in the best interests of the Company and the shareholders.

See Schedule "A" to this Information Circular for the full text of the Dissolution Resolution.

Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote FOR the approval of the Dissolution Resolution at the Meeting unless otherwise directed by the shareholders appointing them.

ADDITIONAL INFORMATION CONCERNING THE PROPOSED DISSOLUTION OF THE COMPANY AND THE FUND

Distribution of Cash and the Dissolution

The Board is not able to estimate the amount that shareholders will receive in cash per Share from the Trust as distributions on their Trust Interests, which is expected to be paid in one installment after the sale of all or a substantial portion of the Portfolio Investments. The amount of the payment shall be determined by the Liquidation Trustee, after repayment of the Company's liabilities, which are currently estimated to be approximately $909,497, including, tax credit liability repayment ($163,184), severance payments to the employees ($306,313), the Trustee's Fee (as defined below) ($135,000), any tax liabilities, and costs relating to the Dissolution ($305,000). Although management of the Company believes that the estimates of the liabilities set forth herein are reasonable based on information currently available to the Company, the actual amounts of such liabilities may differ materially from the estimates presented above, thereby affecting the amount of cash available to be distributed to shareholders. The Board is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of cash available for distribution to shareholders, but there is no assurance this will remain the case.

Although the amount of cash to be distributed to the shareholders cannot be estimated as it will be dependent on the proceeds that the Liquidation Trustee is able to obtain upon a sale of the Portfolio Investments, the below provides information with respect to: (i) the current assets and liabilities of the Company; and (ii) all of the known liabilities of the Company that must be satisfied prior to the completion of the Dissolution and are necessary to complete the Liquidation:

Advantage Structured Fund **Investment, Asset or Liability**	**Investment at Fair Value as at** **June 30, 2016**
Publicly-traded investments:	
Venturi Ventures Inc.	$165,521
Total publicly-traded investments:	$165,521
Privately-held investments:	
Agreement Express Inc. (formerly Recombo Inc.)	$634,742
Endurance Wind Power Inc.	$2,101,400
Methylation Sciences Inc.	$233,261
MTI Limited Partnership	$1,825,614
Redlen Technologies Inc.	$1,884,886
Total privately-held investments	$6,679,903
Total Investments	$6,845,424
Cash and Other Current Assets	$1,192,661
Liabilities	$(42,664)
Pricing net asset value of the Fund	$7,995,421

Common shares outstanding	5,408,023
Pricing net asset value per common share	$1.48

Advantage Structured Fund Investment, Asset or Liability	Projected Investment at Fair Value as at July 31, 2016
Pricing Net Asset Value of the Fund as of June 30, 2016:	$7,995,421
Operating expenses	$(75,000)
Wind-up expenses:	
Tax credits liability repayment	$(163,184)
Severance	$(306,313)
Trustee's Fee	$(135,000)
Dissolution costs	$(150,000)
Post wind-up operating expenses	$(155,000)
Total wind-up expenses	$(909,497)
Pricing net asset value of the Fund	$7,010,924
Common shares outstanding	5,408,023
Pricing net asset value per common share	$1.30

*This amount represents a payment to the Administrator of the SBVCA on behalf of the Minister of Finance, for repayment of tax credits received by shareholders.

Although management of the Company believes that the estimates of the liabilities of the Company are reasonable based on information currently available to the Company, the actual amounts of such liabilities may differ materially from the estimates presented above for a variety of reasons including: (i) to the extent that the costs incurred to complete the Dissolution are greater than the anticipated amount of $305,000; (ii) to the extent there are material unforeseen costs or liabilities that must be satisfied by the Company or the Liquidation Trustee; and (iii) to the extent that there are any unforeseen movements in the Company's or the Liquidation Trustee's cash balances.

Further, although management of the Company believes that the estimates of the assets of the Company are reasonable based on information currently available to the Company, the proceeds that the Liquidation Trustee is able to obtain upon a sale of the Portfolio Investments may differ materially from the estimates presented above for a variety of reasons including: (i) the value of the Portfolio Investments may be reduced in order to reflect the minority positions held; (ii) there may not be a market for the Portfolio Investments and the Liquidation Trustee may not be able to dispose of them on favorable terms, in a timely manner or at all; (iii) the value of the Portfolio Investments may fluctuate with specific industry conditions, including success or failure of other companies in the industry, the investment attitude with respect to the industry and changes to its regulatory environment, and general economic conditions, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors; (iv) there is no published market and the resulting value may differ from values noted above, and (iv) to the extent that there are any unforeseen events that may affect the ability of the Liquidation Trustee to turn the Portfolio Investments into cash. **The value that the Liquidation Trustee is able to obtain by of a sale or other disposition of the Portfolio Investments will directly affect the amount of cash available to the Trust to distribute to the shareholders.**

There is a significant risk that a significant portion, or all, of the Portfolio Investments cannot be readily converted into cash, on terms that are favorable to the shareholders, or at all.

Before the Trust distributes its remaining cash to the shareholders, the Liquidation Trustee will determine and pay all outstanding liabilities and obligations of the Company (including without limitation all costs incurred to complete the

Dissolution, all amounts (if any) due to Dissenting Shareholders as described below, and the Trustee's Fee), dispose of the Portfolio Investments and pay remaining cash to shareholders. In consideration for carrying out its duties the Liquidation Trustee will be entitled to be paid the Trustee's Fee, out of the income or, to the extent of any shortfall, the capital of the Trust as described under the heading "Trustee's Fee" below.

As soon as practicable, and if shareholder approval is obtained, the Company intends to be dissolved pursuant to the BCBCA and cancel registration under the SBVCA. The specific steps to be taken by the Company are detailed below under "Procedural Steps".

Until all cash available for the distribution is paid to shareholders, the Liquidation Trustee shall cause such cash to be invested in a non-interest bearing bank account.

Communication

If the Dissolution is approved by the shareholders, the Company will be dissolved and shareholders will cease to be shareholders of the Company and will instead become beneficiaries of the Trust. This means that shareholders will no longer receive notice of meetings, annual meetings of the shareholders of the Company will not be held, financial statements will not be prepared, and there will not be a formal obligation to provide information to shareholders of the then dissolved Company. However, the Liquidation Trustee will provide quarterly reports to shareholders as beneficiaries of the Trust describing the procedures to be followed to effect the distributions, and provide progress and update information as appropriate. Your e-mail address is important because that is how we will send you information. This will keep our costs low and allow us to provide you a correspondingly higher return on your investment. The Board has provided a form for each shareholder to provide an email address to the Board. PLEASE FILL OUT THE FORM AND RETURN IT TO US at #410 – 221 West Esplanade, North Vancouver, BC, V7M 3J3 or contact us at 604-688-6877 or info@bcaf.ca to provide us with your email. Additionally, all updates will be posted on www.bcadvantagefunds.com. Please check the website regularly to ensure you are receiving all updates.

If this is not how you would prefer to receive this information, please let us know. We may require that those of our Investors who require printed information pay a reasonable fee for such additional materials, equal to our printing and delivery costs, subject to compliance with all applicable legislation.

Procedural Steps

If the shareholders vote in favour of the Dissolution Resolution, the Board intends (unless it has determined either that the Dissolution is no longer in the best interests of shareholders, or instead that effecting the dissolution of the Company pursuant to a Division 3 Formal Dissolution rather than pursuant to Division 2 of Part 10 of the BCBCA is in the best interests of the Company and the shareholders) to proceed with the Dissolution in the following manner:

1. Frank Holler, a director and the Chief Executive Officer of the Company, will incorporate the Liquidation Trustee as a new British Columbia company under the BCBCA, and will hold all of the issued shares thereof.

2. The Company as settlor and the Liquidation Trustee as trustee will enter into the Trust Agreement on the terms described above (see under the heading "The Trust Agreement").

3. Immediately before the Settlement the Company will issue a debt claim to each shareholder who validly exercises dissent rights as described below to be paid the fair value of the shareholder's shares determined at that time, and the shares of all such shareholders will be purchased by the Company. See "Rights of Dissenting Shareholders" below.

4. Pursuant to the Settlement and in accordance with the Trust Agreement, the Company will settle all of its assets on the Liquidation Trustee as trustee of the Trust on trust that the Liquidation Trustee assume, determine and pay all the liabilities of the Company (including the debt claims issued to Dissenting Shareholders as described above), liquidate and convert to cash all of the non-cash assets of the Company,

and pay the net proceeds remaining to the shareholders (other than Dissenting Shareholders) on their Trust Interests, on a pro rata basis in accordance with their prior shareholdings of the Company in one or more distributions of income or capital.

5. The Company will effect the Reduction of Capital on the winding up of the Company and in an amount equal to the Board's best estimate of the fair market value of all outstanding Trust Interests determined immediately after the Settlement without payment or distribution to shareholders.

6. The Company will apply to be dissolved pursuant to Division 2 of Part 10 of the BCBCA, and will be dissolved.

7. Thereafter the Liquidation Trustee, in its capacity as trustee of the Trust, will

   (a) determine and pay all of the liabilities of the Company (including, without limitation, all tax obligations of the Company, all amounts (if any) payable to Dissenting Shareholders, and the Trustee's Fee) as they come due,

   (b) arrange for the liquidation and conversion to cash of the Portfolio Investments and any other non-cash assets of the Company on the best available terms,

   (c) prepare and file all final tax returns of the Company, including obtaining a tax clearance certificate from the CRA, and

   (d) distribute rateably to the shareholders of the Company of record as of the date of dissolution of the Company, in their capacity as beneficiaries of the Trust and in one or more distributions of income or capital of the Trust, all of the Trust's cash after completion of the foregoing in satisfaction of the Trust Interests.

8. In connection with the foregoing:

   (a) the registrar will issue a certificate of dissolution showing the date and time on which the Company is dissolved, furnish a copy of the certificate of dissolution to: (i) the person who is required to retain the records of the Company; and (ii) the person who submitted the application for dissolution on behalf of the Company, and publish a notice that the Company has been dissolved;

   (b) the Liquidation Trustee will

      (i) pay to the administrator under the *Unclaimed Property Act* (B.C.) all amounts owed to creditors of the Company that cannot be located, and all amounts distributable to shareholders in respect of the Trust Interests who cannot be located, if such amounts remain unpaid for six months,

      (ii) obtain a receipt from the administrator for all amounts so paid to the administration, and

      (iii) thereupon be discharged from all liability for the money or assets paid or delivered, and any claims in respect of the money or assets paid or delivered;

   (c) the Company anticipates that the distribution to shareholders of the Trust's remaining cash, if any, after payment of the Company's liabilities and liquidation of the Portfolio Investments will be made in one or more instalment. **The Liquidation Trustee will not be responsible for distributing amounts owed to shareholders that are less than $10.00. If multiple distributions are made, the Liquidation Trustee will not be responsible for issuing amounts owed to shareholders that are, in the aggregate, less than $10.00;** and

(d) the distribution of the Trust's net remaining cash, if any, is expected to be made as promptly as practicable after the disposition of all or substantially all the Portfolio Investments and after the satisfaction of statutory requirements (which may include obtaining tax clearance certificates) of the Dissolution.

9. It is important for shareholders to understand that it may take time for the Liquidation Trustee to dispose of the Portfolio Investments and there can be no guarantee when the Liquidation Trustee will be able to dispose of Portfolio Investments and whether a sale of the Portfolio Investments can be arranged on terms that are favorable to a shareholder.

The issuance of a certificate of dissolution will commence certain statutory time periods within which claims may be filed against the Company. Notwithstanding the dissolution of the Company, a shareholder to whom any assets of the Company have been distributed in connection with the Dissolution is liable to any person commencing a civil, criminal or administrative action or proceeding to enforce a liability against the Company, either prior to its formal dissolution or within two (2) years after the date of such dissolution, to the extent of the amount received by the shareholder on the distribution, provided that an action to enforce that liability is brought within two (2) years after the date of dissolution of the Company.

Trustee's Fee

Pursuant to the Trust Agreement the Liquidation Trustee will be entitled to a monthly fee of $22,500 plus GST for each whole or part month in which it acts as trustee of the Trust until the earlier of:

1. the end of the sixth calendar month after the date on which the Company is dissolved; and

2. the end of the month in which the Liquidation Trustee has completed all of its duties as trustee and distributed all of the Trust's remaining cash, if any, to shareholders in their capacity as beneficiaries of the Trust.

(the "**Trustee's Fee**")

The amount of the Trustee's Fee is equivalent to the monthly salaries currently paid by the Company to Frank Holler and Ambrose Hong for acting as Chief Executive Officer and Chief Financial Officer, respectively, of the Company.

RIGHTS OF DISSENTING SHAREHOLDERS

Shareholders who wish to dissent should take note that the procedures for dissenting to the Dissolution Resolution requires strict compliance with Sections 237 to 247 of the BCBCA.

Any **registered** holder of the Company's Shares or Class Z Shares is entitled to be paid the fair value of such shares in accordance with Section 245 of the BCBCA if such holder duly dissents in respect of the Dissolution Resolution and the Dissolution Resolution becomes effective (the "**Dissent Rights**"). A shareholder is not entitled to dissent with respect to such holder's shares if such holder votes any of those shares in favour of the Dissolution Resolution.

The following procedures will be followed in respect of each registered shareholder who validly exercises Dissent Rights in respect of the applicable shareholder's shares (the "**Dissenting Shares**") and duly complies with the procedures to be taken by a registered shareholder in exercising Dissent Rights (the "**Dissent Procedures**") and consequently is entitled to be paid the fair value for the Dissenting Shareholder's Dissenting Shares (each a "**Dissenting Shareholder**"):

1. Upon receipt of the Dissent Completion Notice (as described below), the Dissenting Shares held by the Dissenting Shareholder will be repurchased by the Company;

2. If the Company and the Dissenting Shareholder agree on the amount of the payout value for the Dissenting Shares, the Company will promptly pay that amount to the Dissenting Shareholder;

3. If the Company and the Dissenting Shareholder do not enter into an agreement under clause 2 above, the Company will issue a debt claim to the Dissenting Shareholder to be paid the fair value of the Dissenting Shareholder's Dissenting Shares (the "**Dissent Debt Claim**") and the payout value will be determined in accordance with Division 2 of Part 8 of the BCBCA, except that the Liquidation Trustee will assume all of the Company's liabilities (both the substantive liability and the procedural liabilities under Division 2 of Part 8 of the BCBCA) with respect to each Dissent Debt Claim, as if it were the Company;

4. The Dissent Debt Claim will be among the liabilities of the Company that are assumed by the Liquidation Trustee on the Settlement;

5. Dissenting Shareholders will be entitled to the amount of their Dissent Debt Claim as creditors of the Trust ranking behind all other creditors of the Company whose debts are assumed by the Trust on the Settlement, but ahead of all beneficiaries of the Trust in respect of their Trust Interests; and

6. The Liquidation Trustee will be responsible to pay the amount to be paid in respect of the Dissent Debt Claim to the applicable Dissenting Shareholder out of the property of the trust.

A brief summary of the provisions of Sections 237 to 247 of the BCBCA is set out below.

Each shareholder of the Company who intends to exercise Dissent Rights must send a written notice of dissent from the Dissolution Resolution pursuant to Section 242 of the BCBCA, to the Company by 3:00 p.m., Vancouver time, on July 27, 2016. The notice of dissent should be delivered by registered mail to the Company at the address for notice described below. After the Dissolution Resolution is approved by shareholders and within one month after the Company notifies each shareholder that has sent in a written notice of dissent of the Company's intention to act upon the Dissolution Resolution pursuant to Section 243 of the BCBCA, each such shareholder must send to the Company a further written notice that the shareholder requires the purchase of all of the Company's shares in respect of which such holder has given notice of dissent (the "**Dissent Completion Notice**"), together with the share certificate or certificates representing those shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by the shareholder on behalf of a beneficial holder). A shareholder who does not strictly comply with the Dissent Procedures or, for any other reason, is not entitled to be paid fair value for his, her or its Dissenting Shares will be deemed to have voted for the Dissolution Resolution and will participate in the Dissolution on the same basis as non-dissenting shareholders. Upon receipt by the Company of the Dissent Completion Notice, the Company will issue the Dissent Debt Claim to the Dissenting Shareholder. Subsequent to the issuance of the Dissent Debt Claim, the Company will be dissolved and the Liquidation Trustee will assume the Dissent Debt Claim entitling the Dissenting Shareholder to the amount of their Dissent Debt Claim as a creditor of the Trust.

Any Dissenting Shareholder who has duly complied with Section 244(1) of the BCBCA, or the Liquidation Trustee in place of the Company, may apply to the Court, and the Court may determine the fair value of the Dissenting Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on the Liquidation Trustee to apply to the Court. The dissenting shareholder will be entitled to receive the fair value that the Dissenting Shares had immediately before the passing of the Dissolution Resolution.

Addresses for Notice

All notices of dissent to the Dissolution Resolution pursuant to Section 242 of the BCBCA should be sent to the Company at:

B.C. ADVANTAGE FUNDS (VCC) LTD.
Suite 410 – 221 West Esplanade
North Vancouver, British Columbia
V7M 3J3

Attention: Frank Holler

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by shareholders who wish to dissent from the Dissolution Resolution and be paid the fair value of their shares and is qualified in its entirety by reference to Sections 237 to 247 of the BCBCA. Sections 237 to 247 of the BCBCA are reproduced in Schedule "B" to this Information Circular. However, upon dissolution of the Company, the Liquidation Trustee will replace the Company *pari passu*. The Dissent Procedures must be strictly adhered to and any failure by a shareholder to do so will result in the loss of that holder's Dissent Rights. Accordingly, each shareholders who wish to exercise Dissent Rights should carefully consider and comply with the Dissent Procedures and consult such holder's legal advisers.

INCOME TAX CONSEQUENCES

In this summary, an otherwise undefined term in quotation marks means that term as defined in the *Income Tax Act* (Canada) (the "**Tax Act"**).

In the opinion of Borden Ladner Gervais LLP, counsel to the Company, the following fairly summarizes the principal Canadian federal income tax consequences of the Settlement, Reduction of Capital, Dissolution and distributions of income or capital by the Trust generally applicable under the Tax Act to a shareholder of the Company who, at all relevant times for the purposes of the Tax Act,

(a) is an individual or corporation,

(b) is resident solely in Canada,

(c) holds all Shares solely as capital property,

(d) deals at arm's length, and is not affiliated, with the Company and the Trust,

(e) will not acquire, and will not be deemed to acquire, any capital or income interest in the Trust for consideration,

(f) is not a "financial institution" for the purposes of the mark-to-market rules, or a "specified financial institution",

(g) is not an entity an interest in which is a "tax shelter investment",

(h) has not elected to determine its Canadian tax results in a currency other than the Canadian dollar, and

(i) has not entered into and will not enter into a "derivative forward agreement", "synthetic disposition arrangement", "synthetic equity arrangement", or "specified synthetic equity arrangement" (as defined in the Tax Act),

(each a "**Holder**").

A shareholder's Shares generally will be capital property of the shareholder unless the shareholder holds them in the course of carrying on a business or as an adventure in the nature of trade. A shareholder whose Shares might not otherwise be capital property may in certain circumstances irrevocably elect pursuant to subsection 39(4) of the Tax Act that the shareholder's Shares, together with all of the shareholder's other "Canadian securities", be capital property. Such an election will not apply to any Trust Interest of the shareholder. Any shareholder considering making such an election should first consult the shareholder's tax advisers.

This summary further assumes that

(a) no Holder will acquire, or be deemed to acquire, the Holder's Trust Interest for consideration payable to the Trust or to any person or partnership, including the Company, that has made a contribution to the Trust by way of transfer, assignment or other disposition of property, and consequently that the Trust will be a "personal trust", and

(b) the Trust will distribute only cash on each distribution that it makes to Holders on their Trust Interests.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary assumes that the Tax Proposals will be enacted as currently proposed and that there will be no other material change to any applicable law, policy, or practice, although no assurance can be given in these respects. This summary does not take into account any provincial, territorial or foreign tax law or treaty, which may result in materially different considerations from those discussed below.

This summary is of a general nature and is not, and is not to be construed as, legal or tax advice to any particular Holder. Each Holder should consult the Holder's own tax advisers with respect to the legal and tax consequences of the Settlement, Reduction of Capital, Dissolution and receipt of Trust distributions applicable to the Holder's particular circumstances.

The Settlement and Reduction of Capital

Each Holder (other than a Dissenting Holder) will be deemed to have received a taxable dividend equal to the amount, if any, by the which the fair market value of the Trust Interest received by the Holder under the Trust Agreement on the Settlement exceeds the amount by which the "paid-up capital" (as computed for the purposes of the Tax Act ("**PUC**")) of the Holder's Shares is reduced by the Reduction of Capital. Any deemed taxable dividend so arising will be subject to tax as described below (see "Taxation of Dividends").

Management of the Company expects that the fair market value of all outstanding Trust Interests immediately after the Settlement should not exceed the PUC of the Common Shares at that time. Provided that this expectation is correct, no deemed taxable dividend should arise as a consequence of the Settlement and Reduction of Capital. However, and notwithstanding that management's expectation appears to be reasonable, whether the proviso is satisfied is a question of fact that can only be determined at the time of the Settlement. If taxable dividends were to arise it would be subject to the rules applicable to taxable dividends (see "Taxation of Dividends" below).

Each Holder will be required to reduce the "adjusted cost base" ("**ACB**") of the Holder's Shares by the amount by which the PUC of those Shares is reduced by the Reduction of Capital. If the ACB of the Holder's Shares thereby becomes negative, the Holder will be deemed to have realized a capital gain from the disposition of property equal to the negative amount, and the ACB of the Holder's Shares will then be restored to nil. Any capital gain so arising will be subject to tax as described below (see "Taxation of Capital Gains and Losses").

Taxation of Dividends

A Holder who is an individual will be required to include in income for a taxation year the amount of each taxable dividend, if any, that he or she is deemed to receive in the year as a consequence of the Settlement, subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by a Canadian resident individual from a taxable Canadian corporation including (provided the Company validly designates the deemed taxable dividend as an "eligible dividend" in accordance with the Tax Act) the enhanced gross-up and dividend tax credit rules applicable to eligible dividends.

Subject to the possible application of the capital gains stripping rules in subsection 55(2) of the Tax Act, a Holder that is a corporation generally will be required to include in income for a taxation year the amount of each taxable dividend, if any, that it is deemed to receive in the year as a consequence of the Settlement, and entitled to deduct an equivalent amount from the Holder's taxable income for the year. A corporate Holder that is a "private corporation" and certain other corporations may be liable to pay refundable tax under Part IV of the Tax Act at a rate of 38⅓% of the amount of the deemed taxable dividend, subject to prorating in respect of a taxation year that begins before 2016 and ends after 2015.

Cancellation of Common Shares on Conclusion of Dissolution

Each Holder will realize a capital loss on the cancellation of the Holder's Shares on the Dissolution equal to the positive amount, if any, of the ACB of the Holder's Common Shares determined immediately before that time. Any capital loss so arising will be deductible as described below (see "*Taxation of Capital Gains and Losses*").

Taxation of the Trust

The Trust's taxation year is the calendar year. The Trust will be subject to tax under the Tax Act on its income for each taxation year of the Trust, computed in accordance with the detailed provisions of the Tax Act and including any net taxable capital gains realized in the year, as if it were an individual resident in Canada subject to income tax at the highest marginal rate applicable to individuals.

The Trust's income for a taxation year will include its share of any net taxable capital gains that it realizes on the disposition of Portfolio Investments in the year.

Subject to detailed rules set out in the Tax Act, the Trust will generally be entitled to deduct from its income for a taxation year the reasonable administrative costs, interest and other expenses that it incurs in the year to earn income, including the Trustee's Fee.

The Trust will also be entitled to deduct from its income for a taxation year that amount of its income that is payable or deemed to be payable to Holders in the year. An amount of the Trust's income for a year will be considered to be payable to a Holder in a taxation year if the Trust pays it to the Holder in the year, or the Holder becomes entitled to enforce payment of the amount in that year. It is expected that the Trustee will cause the Trust to distribute sufficient of its income annually in cash to ensure that the Trust should not be liable for tax in any taxation year. The Trust cannot allocate net losses, if any, that it incurs in a year to Holders, but may deduct them against its income in future years in accordance with detailed rules in the Tax Act.

Taxation of Holders as Beneficiaries of the Trust

Each Holder generally will be required to include in the Holder's income for a taxation year in which a taxation year of the Trust ends (the "**Trust's Taxation Year**") that portion of the Trust's income, if any, for the Trust's Taxation Year that became payable to the Holder in the Trust's Taxation Year.

Provided that the Trust makes appropriate designations (each a "**Capital Gain Designation**") as permitted under the Tax Act, such portion of the Trust's net taxable capital gains, if any, that may reasonably be considered to be

included in a Holder's income will retain their tax character as a taxable capital gains in the Holder's hands, and be taxed accordingly (see "Taxation of Capital Gains and Losses" below).

A Holder will not be required to include in the Holder's income for a year the amount, if any, by which the amount of all distributions by the Trust that became payable to the Holder in the year exceed the portion of the Trust's income for the year that became payable to the Holder for the year. The Holder will be considered to have disposed of all or a portion of the Holder's Trust Interest in respect of each such distribution, but should not thereby realize any capital gain or loss.

Taxation of Capital Gains and Losses

Each Holder who realizes a capital gain (including in respect of the Holder's Shares as a result of the Reduction of Capital or as a result of a Capital Gain Designation by the Trust in respect of the Holder's Trust Interest) or capital loss (including in respect of the Holder's Shares as a result of the Dissolution) in a taxation year will be required to include one half of any such capital gain (taxable capital gain) in income in the year, and entitled to deduct one half of any such capital loss (allowable capital loss) against taxable capital gains realized in the year or, to the extent not so deductible, against taxable capital gains realized in any of the three preceding years or any subsequent year, to the extent and in the circumstances permitted by the Tax Act.

The amount of a capital loss realized on the disposition of a Share by a Holder that is a corporation may, to the extent and under the circumstances set out in the *Income Tax Act*, be reduced by the amount of any dividends that the Holder previously received or was deemed to have received on the Holder's Shares. Similar rules may apply where Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Holders to whom these rules may be relevant should consult their own tax advisers in this regard.

A Holder that is a "Canadian-controlled private corporation" may be required to pay an additional 10 2/3% (subject to transitional rules for taxation years that begin before 2016 and end after 2015) refundable tax on certain investment income for the year, including the Holder's net taxable capital gains.

Alternative Minimum Tax

A Holder who is an individual and realizes or is deemed to realize a capital gain or receives or is deemed to receive a dividend may thereby incur a liability for alternative minimum tax under the Income Tax Act. Holders to whom these rules may apply should consult their own tax advisers.

Dissent Rights

A Holder who validly exercises Dissent Rights in respect of the Holder's Shares and consequently is issued a debt claim (the "**Dissent Debt Claim**") to be paid the fair value of those shares by the Company (a "**Dissenting Holder**") generally will be deemed to have received a taxable dividend equal to the amount, if any, by which the fair market value of the Dissent Debt Claim when issued exceeds the PUC of the Dissenting Holder's Shares, and a capital gain (or capital loss) equal to the amount, if any, by which the PUC of those shares exceeds (or is exceeded by) their ACB to the Dissenting Holder immediately before the payment, and to acquire the Dissent Debt Claim at a cost equal to its fair market value at the time of issue.

Provided, as expected by management of the Company, that the fair market value of the Dissent Debt Claim does not exceed the PUC of the Dissenting Holder's Shares, no deemed taxable dividend should arise, and the Dissenting Holder should realize a capital gain or capital loss as described above. However, and notwithstanding that management's expectation appears to be reasonable, whether this proviso is satisfied is a question of fact that can only be determined at the time of issue of the Dissent Debt Claim (see "The Settlement and Reduction of Capital" above).

The rules described above with respect to the taxation of taxable dividends and capital gains will generally apply to any capital gain or capital loss so arising (see "Taxation of Dividends", and "Taxation of Capital Gains and Losses" as applicable).

Each Dissenting Holder will realize a capital gain or capital loss on final payment of the holder's Dissent Debt Claim equal to the amount, if any, by which the payment is more or less than the ACB of the Dissent Claim at the time of payment. Any such capital gain or capital loss should generally be taxable or deductible as described above under "Taxation of Capital Gains and Losses".

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON (CONTINUED)

Application of Revocation of Registration under the Small Business Venture Capital Act

In connection with the Settlement and the Dissolution, the Company must surrender its registration under the SBVCA and repay certain tax credit liabilities to the Minister of Finance. At the Meeting, the shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Revocation Resolution**") approving and authorizing the Company to file an application (the "**Application**") with the administrator under the SBVCA (the "**Administrator**") in order to revoke the registration of the Company under the SBVCA.

If approval of the shareholders is obtained, the Application will be submitted following the Meeting at such time as the Board may determine. No further action on the part of shareholders would be required in order for the Board to submit the Application. Notwithstanding approval of the proposed Revocation Resolution by the shareholders, the Board, in its sole discretion, may delay the submitting of the Application or revoke the Revocation Resolution and abandon the Application without further approval or action by or prior notice to the Shareholders.

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Company is hereby authorized to submit an application to the administrator under the *Small Business Venture Capital Act* (British Columbia) (the "**Act**") for revocation of the Company's registration under the Act;

2. the Company repay the amount of approximately $163,184 to the Minister of Finance as a repayment of certain tax credit liabilities; and

3. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings as may be required to give effect to the true intent of this resolution."

To be effective, the Revocation Resolution must be approved by not less than two-thirds (66.67%) of the votes cast at the Meeting present in person or represented by proxy. **Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.**

Name Change of the Company

In connection with the Settlement and the Dissolution, the Company must surrender its registration under the SBVCA. In order to surrender its registration under the SBVCA, the Administrator requires the Company to remove the "VCC" from its name. At the Meeting, the shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Name Change Resolution**") approving and authorizing the Company to file a Notice of Alteration (the "**Name Change Amendment**") changing the name of the Company from

"B.C. Advantage Funds (VCC) Ltd." to "B.C. Advantage Funds Ltd." or such other name determined by the Board (the "**Name Change**").

If approval of the shareholders is obtained, the Name Change will take place following the Meeting at such time as the Board may determine. The Name Change Amendment will become effective as specified in the Name Change Amendment. No further action on the part of shareholders would be required in order for the Board to implement the Name Change Amendment. Notwithstanding approval of the proposed Name Change Resolution by the shareholders, the Board, in its sole discretion, may delay implementation of the Name Change Amendment or revoke the Name Change Resolution and abandon the name change without further approval or action by or prior notice to the shareholders.

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Company is hereby authorized to amend its articles of incorporation to change its name from "B.C. Advantage Funds (VCC) Ltd." to "B.C. Advantage Funds Ltd." or such other name that is determined by the board of directors in their sole discretion, subject to regulatory approval; and

2. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings as may be required to give effect to the true intent of this resolution."

To be effective, the Name Change Resolution must be approved by a majority of the votes cast at the Meeting by shareholders present in person or represented by proxy. **Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.**

Amendment to the Articles

In connection with the Company surrendering its registration under the SBVCA, the Company must remove certain provisions of its Articles. The proposed changes to the Company's previous form of Articles are as follows:

(a) The removal of the following sections:

(i) Section 1.1(l):

> ""SBVCA" means the *Small Business Venture Capital Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;"

(ii) Section 26.4:

> "**26.4 <u>Restrictions</u>**
>
> The company is restricted from carrying on any business except that of assisting development of small businesses by:
>
> (a) making investments permitted by the SBVCA; and
>
> (b) providing business and managerial expertise to small businesses in which it has made or proposes to make an eligible investment."

(iii) Section 27:

"**27. SMALL BUSINESS VENTURE CAPITAL ACT PROHIBITIONS**

The following are currently provisions in compliance with registration under the SBVCA:

(a) Upon registration of the Company under the SBVCA, the Company shall be subject to the provisions of the SBVCA;

(b) The Company shall not pay fees or remuneration of any kind to any shareholder, director, or officer of the Company, or to any affiliate or associate (as those terms are defined in the SBVCA) of those persons except as permitted by an annual special resolution; and

(c) A majority of the directors of the Company must be ordinarily resident in British Columbia."

(b) The replacement of "B.C. Advantage Funds (VCC) Ltd." with "B.C. Advantage Funds Ltd." throughout the Articles.

(c) The removal of all instances of the following:

(i) "the SBVCA";

(ii) "and, if required, the Administrator of the SBVCA"; and

(iii) "that portion of the equity capital of the Company which is invested in investments which are eligible investments under the SBVCA is less than the portion the equity capital of the Company which, under or pursuant to the SBVCA, is required to be invested in investments which are eligible investments under the SBVCA;",

(together, the "**Amendments**").

A copy of the Company's Articles reflecting the Amendments and a blackline showing the Amendments will be available for inspection by shareholders at the Company's records office during statutory business hours from July 18, 2016 to July 22, 2016.

At the meeting, shareholders will be asked to consider and, if thought advisable, pass the following special resolution pursuant to Section 259(1) of the BCBCA in the following form:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the amendment of the Company's Articles, as described in the Information Circular circulated in connection with the Meeting to be held on July 29, 2016, be authorized and approved; and

2. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings as may be required to give effect to the true intent of this resolution."

To be effective, the foregoing special resolution must be approved by not less than two-thirds (66.67%) of the votes cast in respect thereof by the shareholders present in person or represented by proxy at the Meeting. **Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons**

named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.

The directors know of no other matters to come before the Meeting other than those referred to in the Notice of the Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of Proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company's comparative financial statements for its most recently completed financial year. You can get a copy of these documents at your request, and at no cost, by calling 604-688-6877, by emailing info@bcaf.ca or by visiting the Company's website at www.bcadvantagefunds.com.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved, and the delivery of it to each shareholder of the Company entitled thereto and to each director and the auditor of the Company and to the appropriate regulatory agencies, has been authorized by the Board of Directors of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

B.C. ADVANTAGE FUNDS (VCC) LTD.

"Frank Holler"

Frank Holler
Chairman and Chief Executive Officer

SCHEDULE "A"

B.C. ADVANTAGE FUNDS (VCC) LTD. (THE "Company")
DISSOLUTION RESOLUTION

"RESOLVE AS ORDINARY RESOLUTIONS OF THE SHAREHOLDERS OF THE COMPANY THAT:

1. The Company is hereby authorized pursuant to paragraph 314(1)(a) of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") to apply to the Registrar of Companies (the "**Registrar**") to be dissolved under Division 2 of Part 10 of the BCBCA (the "**Dissolution**");

2. In connection with the Dissolution, the directors of the Company are hereby authorized and directed to take all such steps as they consider reasonable or appropriate to:

   (a) settle and transfer (the "**Settlement**") all of the assets of Company on and to a newly incorporated company controlled by Frank Holler (the "**Liquidation Trustee**") as trustee of a trust (the "**Trust**"), and cause the Liquidation Trustee as trustee of the Trust to assume all of the liabilities of the Company and undertake to pay and distribute all of the net assets of the Company rateably to the shareholders of the Company of record immediately before the Dissolution, all substantially on the terms described in the Information Circular of the Company dated July 7, 2016 (the "**Circular**"), and

   (b) as soon as practicable thereafter file an application for dissolution with the Registrar in the form and manner prescribed for such purposes.

RESOLVED AS SPECIAL RESOLUTIONS OF THE SHAREHOLDERS OF THE COMPANY THAT:

1. Subject to subsection 74(1.1) of the BCBCA, the Company is hereby authorized pursuant to paragraph 74(1)(b), on and in the course of the winding-up of the Company's business pursuant to the Settlement and Dissolution, to reduce the capital of the Company in respect of its issued Advantage Structured Fund 1 common shares and the Advantage Structured Fund 1 RRSP common shares immediately after the Settlement by an amount equal to the aggregate fair market value of the rights of the shareholders as beneficiaries of the Trust to receive all of the net assets of the Company as more particularly described in the Circular;

2. The disposition of all or substantially of the Company's undertaking pursuant to the Settlement is hereby authorized pursuant to subsection 301(1) of the BCBCA;

3. Notwithstanding the foregoing ordinary and special resolutions, the Company is hereby authorized to liquidate and dissolve under Part 3 of Division 10 of the BCBCA, provided that such authority shall not be effective until and unless the directors have first determined, and confirmed such determination by resolution, that liquidating and dissolving the Company under Division 3 of Part 10 of the BCBCA rather than under Division 2 of Part 10 thereof is in the best interests of the Company and its shareholders;

4. The directors of the Company are, and each of them acting severally is, hereby authorized and directed without further approval of or authorization by the shareholders to do or refrain from doing all acts and things as the directors determine to be necessary or desirable to implement, evidence or otherwise give effect to these resolutions including, without limitation, the disposition of all or substantially all of the undertaking of the Company, the payment or provision for all of the liabilities of the Company, the filing of all tax returns and the payment of all taxes, the making of each Distribution, and reduction of the capital in respect thereof, and the Dissolution; and

5. Notwithstanding that these resolutions have been passed (and the Dissolution authorized) by the shareholders of the Company, the directors are hereby authorized and empowered, in their discretion and without further approval of the shareholders of the Company, not to proceed with the Dissolution if the directors determine that the Dissolution is no longer in the best interests of the Company and its shareholders.

SCHEDULE "B"

S. 237 TO 247 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

Division 2 of Part 8 (sections 237 to 247) of The *BC Business Corporations Act*, S.B.C. 2002, c.57

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by a court order; or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at

least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if

subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.