



**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

**British Columbia Discovery Fund Announces Portfolio Company  
Transaction – Rx Networks Inc. to be Acquired**

**VANCOUVER, B.C. March 29, 2017**

**British Columbia Discovery Fund (VCC) Inc.** (the "Fund"), a venture capital investment fund managed by Discovery Capital Management Corp. ("DCMC" or the "Manager"), is pleased to announce that Rx Networks has entered into an agreement to sell its Location.io business (the "Rx Transaction") to Beijing BDStar Navigation Co., Ltd. ("BDStar" – [www.navchina.com/en/](http://www.navchina.com/en/)). BDStar is a publicly traded company founded in 2000 and based in Beijing, China with US\$235 million in annual revenue in 2016 and more than 2,500 employees.

Rx Networks is a mobile positioning technology company that has two distinct business units. Since 2006, the Location.io division of Rx Networks has been providing location assistance solutions to mobile operators and device OEMs through partnerships with leading network equipment vendors and GNSS semiconductor companies. Every day, more than a billion smartphones and mobile devices around the world rely on Location.io's technologies for the fast and efficient performance of their onboard GNSS receiver.

The second business is Fathom Systems Inc. ("Fathom"), which is a wholly-owned subsidiary of Rx Networks specializing in beacon and Bluetooth-based indoor positioning technologies, transforming stand-alone beacons into a managed proximity network. Recently commercially launched, Fathom's technology has applications in asset tracking, retail marketing and transportation among others and the Company has achieved early sales successes. Just prior to closing of the Rx Transaction, the shares of Fathom will be spun out to the existing shareholders of Rx Networks such that Rx Networks will have been re-organized to be only in the Location.io business. All Fathom assets and employees have already been segregated, and the spin out will have no effect on the ongoing operations of Rx Networks or its Location.io business.

The Rx Transaction will be completed by the purchase of 100% of the outstanding shares of Rx Networks by BDStar for \$31 million of all cash consideration, subject to customary adjustments at closing and a 20% holdback of the consideration for a period of two years. The transaction is subject to the receipt of shareholder and governmental approvals, which are expected to be obtained over the next several months, as well as other customary closing conditions. **Therefore, shareholders of the Fund are cautioned that there is a risk that the Rx Transaction may not close on the terms that have been agreed to, if at all.**

Assuming that the Rx Transaction closes on the terms that have been agreed to by the end of the summer of 2017, the Fund will have received the following approximate amounts:

- Cash of approximately \$5.6 million at closing;
- A holdback receivable of approximately \$1.4 million payable two years after closing; and
- Securities in Fathom with an approximate estimated fair value of \$4.0 million.

Including income earned and paid to date on its investments in Rx Networks, the Fund will have received an aggregate of approximately \$11.3 million of cash and Fathom securities from its investment cost of \$5.5 million into Rx Networks.

"We are extremely pleased with the results of the Rx Transaction, which is a tribute to the business leadership and innovation of the Rx management team," said Charles Cook, CFO of the Fund and a director of Rx Networks. "We are also extremely pleased that the Fund will continue to be a significant shareholder of Fathom, which we believe has the potential to also be a substantial business in the future, and from which we expect to generate further positive returns."

#### **About British Columbia Discovery Fund (VCC) Inc.**

British Columbia Discovery Fund (VCC) Inc. was established to make venture capital investments in a portfolio of small businesses in British Columbia that qualify under the *Small Business Venture Capital Act*, focusing on all of B.C.'s top internationally recognized technology clusters: information technology (software and hardware); mobile technology (wireless and networking solutions); clean technology (alternative energy and energy-saving technology solutions); new media; and health and life sciences.

Established in 2002 and managed by **Discovery Capital Management Corp.**, the Fund is focussed on making diversified investments in British Columbia with the objectives of achieving long-term capital appreciation for its shareholders and contributing to the growth in value and employment of the technology industry in British Columbia. The Fund, which raised approximately \$74 million before it stopped offering its shares for purchase, has active investments in nine developing technology companies. To obtain further information about the Fund, please contact a registered advisor or visit [www.sedar.com](http://www.sedar.com) or [www.bcdiscoveryfund.com](http://www.bcdiscoveryfund.com).

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