



**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

**British Columbia Discovery Fund to Redeem \$3.0 million of Shares**

**VANCOUVER, B.C. December 7, 2016**

**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 a \$3.0 million redemption of its Class A Shares. The Fund has identified those shares eligible to be redeemed by designating them as DCC400 shares. The procedures for processing redemptions are outlined further below in this press release. This redemption has been funded primarily by the recent disposition of 200,000 shares of Avigilon Corporation by the Fund – the Fund continues to hold a further 200,000 shares of Avigilon.

**Cautionary Note:** The Fund is not making any recommendation to its shareholders regarding the timing of placing a redemption order and is not making any representation as to the future Pricing Net Asset Value of the Fund. Shareholders considering the timing of a redemption order should consider that the future Pricing Net Asset Value per Share of the Fund ("Pricing NAV per Share") will vary over time. Under its Valuation Policies and Procedures, the Fund adjusts the Pricing NAV per Share upward where, among other things, a *bona fide* enforceable offer or transaction demonstrates an increase in value of a portfolio company and downward, among other things, where a portfolio company performs adversely relative to expectations and the Manager considers that a write-down of its investment is appropriate. Pricing NAV per Share is also impacted by changes in the stock market trading prices of the public portfolio companies of the Fund and by the ongoing expenses of the Fund.

Shareholders currently considering the redemption of their redeemable DCC400 shares as a result of this redemption offer should be aware that one of the Fund's private portfolio companies' is currently in the process of negotiating a sale transaction where it would be acquired at a price which would result in a material increase to Pricing NAV per Share. A definitive purchase agreement has been executed but it contains significant conditions to closing. There is no assurance that the proposed transaction will be completed. A successful closing of the transaction, which is still uncertain, would have a material favorable impact on Pricing NAV per Share and would also result in cash proceeds that would allow the Fund to process a further redemption after closing. Other future developments with respect to portfolio investments of the Fund could result in future positive or negative adjustments to the Pricing NAV per Share.

**Redemption Eligibility and Pricing**

Those shareholders who:

- (a) had held their shares for the minimum required five-year hold period when they initially requested redemption; and
- (b) are currently on the redemption "waiting list" of the Fund,

will have the opportunity to have their redemption requests fulfilled based on their position on the list. Redemptions will be available to those persons on the waiting list in the order in which their names were placed on the list until the current \$3.0 million redemption amount is

exhausted. However, those persons must also make **new redemption request orders** using only DCC400 coded shares, as outlined below.

The Fund will continue to maintain its waiting list of unfilled redemption requests and will process them as and to the extent it is able to do so in the future.

Starting December 19, the Fund will contact all brokerage firms representing shareholders whose eligible redemption requests are already on the waiting list to advise them as to their eligibility to submit a **new** redemption order to be processed in this current \$3.0 million redemption. Procedures for submitting orders are outlined below and will be further detailed in the "Dealer Advisement" notices sent to the relevant brokerage firms.

**The redemption price to be paid will be the weekly Pricing NAV per Share calculated by the Fund for the week in respect of which the new redemption orders are received by the Fund.**

### **Procedures**

1. DCC100 and DCC101 shares that are eligible for redemption will be converted into **DCC400** shares. "Re-org" files will be sent to all relevant brokerage firms to show this conversion – this process may take several days before being reflected on firm systems. Because of different Fund share purchases at different times, a shareholder may hold DCC100, DCC101 and DCC400 shares. **Only DCC400 shares may be redeemed at this time. Sell orders should not be placed for any DCC100 and DCC101 shares, as they will be rejected.**
2. **New** redemption orders for DCC400 shares are requested to be placed through the brokerage accounts holding the DCC400 shares.
3. In the case of shareholders holding shares in a direct investing or discount brokerage account, the **new** redemption order must be placed through their discount brokers. Manual requests will not be accepted by the Fund.

### **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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This press release may include statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. The issuer cautions that actual performance will be affected

by a number of factors, many of which are beyond its control. Future events and results may vary substantially from what the issuer currently foresees.

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