



**NEWS RELEASE
FOR IMMEDIATE RELEASE**

British Columbia Discovery Fund - Conversion to Dividend Distribution Model Approved by Shareholders

VANCOUVER, B.C. June 13, 2017

At the Annual General and Special Meeting of the **British Columbia Discovery Fund (VCC) Inc.** (the "Fund") held on June 8, 2017 (the "Meeting"), shareholders of the Fund approved special resolutions that convert the manner in which the Fund provides liquidity to investors to a dividend distribution model. Details were provided in the information circular of the Fund for the Meeting dated April 28, 2017 (the "Circular"), which was mailed to shareholders in advance of the Meeting.

The key elements of the dividend distribution model are summarized below:

- The Fund will no longer be making new redemption offers to shareholders. Shareholders, by approval of approximately 94% of Shareholders voting in person or by proxy at the Meeting, approved a special resolution (the "Amendment of Articles Resolution") that amends the articles of the Fund to delete the redemption rights the Class A Shares, except in the case of: (i) the death of a shareholder; (ii) the death of the annuitant of an RRSP or RRIF account that is a shareholder; or (iii) the death of the original purchaser of an RRSP or RRIF under which the original purchaser of those shares or his spouse or common law partner is the annuitant.
- Notwithstanding the approval of the Amendment of Articles Resolution, holders of Class A Shares who hold their Class A Shares coded as DCC400 shares on the FundSERV network can continue to fulfill a redemption at any time, which will be processed through the FundSERV network. The Fund retains sufficient funds to satisfy redemptions of all outstanding DCC400 shares.
- The Shareholders also approved a reduction of the capital of the Fund. This will permit the Fund to make distributions by way of a tax-free return of capital to the extent possible rather than by taxable dividends.

It is the intention of the Fund to make distributions to shareholders as and when it realizes on its investments, subject to retaining sufficient funds to operate the Fund and make follow-on investments as required. While the Fund will no longer make any new investments, it may be required to make follow-on investments into existing portfolio companies in certain circumstances. The Fund cannot predict the amount or timing of future returns of capital and cash dividends to Shareholders. Distributions will depend on the timing and realizations of exits from existing portfolio investments, which is largely beyond the control of the Fund and, therefore, difficult to predict. As such, the Fund cannot give any assurance as to the timing or amount of any returns of capital or cash dividends to Shareholders.

If you have any questions about this conversion, please contact Charles Cook, CFO of the Fund, at (604) 683-3000 or at ccook@discoverycapital.com.

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 eight developing technology companies. To obtain further information about the Fund, please contact a registered advisor or visit www.sedar.com or www.bcdiscoveryfund.com.

-30-

John McEwen
CEO, B.C. Discovery Fund (VCC) Inc.

Harry Jaako
President, B.C. Discovery Fund (VCC) Inc.

This press release is not an offer to sell or a solicitation of an offer to buy common shares. 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.

BRITISH COLUMBIA DISCOVERY FUND (VCC) INC.
#43 - 1238 Eastern Drive, Port Coquitlam, BC V3C 6C5
Telephone: (604) 683-3000 Fax: (604) 941-0010
Contact: Charles Cook, CFO - (604) 683-3000
www.bcdiscoveryfund.com info@discoverycapital.com