



**NEWS RELEASE
FOR IMMEDIATE RELEASE**

**British Columbia Discovery Fund Announces Sale of Rx Networks Inc.
- *Cash Proceeds to Fund First Distribution under New Dividend
Distribution Model***

VANCOUVER, B.C. August 24, 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 sold its Location.io business (the "Rx Transaction") to Beijing BDStar Navigation Co., Ltd. ("BDStar" – 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. The transaction has been completed on substantially the same terms as were announced by the Fund in its press release dated March 29, 2017.

The Rx Transaction was completed by the purchase of 100% of the outstanding shares of Rx Networks by BDStar for \$31 million of all cash consideration, subject to a 20% holdback of the consideration for a period of two years.

Further and as a result of the Rx Transaction, Rx Networks distributed all the common shares of wholly-owned subsidiary Fathom Systems Inc. ("Fathom") to the shareholders of Rx Networks immediately before the closing of the Rx Transaction such that the former shareholders of Rx Networks are now direct shareholders of Fathom. Fathom specializes 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. The deemed value of the common shares received by the Fund, which is the largest shareholder of Fathom, is approximately \$4.7 million.

To summarize the foregoing, the Fund received the following approximate amounts at closing:

- Cash of approximately \$5.6 million;
- A holdback receivable of approximately \$1.6 million payable two years after closing; and
- Securities in Fathom with an approximate estimated fair value of \$4.7 million.

Including income earned and paid to date on its investments in Rx Networks, the Fund received an aggregate of approximately \$13.2 million of cash and Fathom securities from its investment cost of \$5.5 million into Rx Networks.

Distribution under New Dividend Distribution Model

At the Special and Annual General Meeting of the Fund held on June 8, 2017, shareholders of the Fund approved special resolutions that convert the manner in which the Fund provides liquidity to investors to a dividend distribution model. As a result of the Rx Transaction, the Fund is pleased to announce that **it will make the first distribution under this new model in early September 2017 in the amount of \$1.10 per share**. The total amount of the distribution will be approximately \$5 million with shareholders each receiving their total pro rata share based on the number of shares held.

The distribution will be made as a return of capital in order to be tax effective. No action is required by shareholders to receive the distribution, which will be deposited into the accounts where the shares are held. The effect of the distribution will be to reduce Pricing Net Asset Value per share by \$1.10 per share on the valuation date following the distribution. The actual change in Pricing Net Asset Value per share may not be exactly this amount due to changes in other inputs into the calculation.

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 in 2015, has active investments in seven developing technology companies. To obtain further information about the Fund, please contact a registered advisor or visit www.sedar.com or 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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