



**NEWS RELEASE
FOR IMMEDIATE RELEASE**

British Columbia Discovery Fund (VCC) Inc. (which is changing its name to British Columbia Discovery Fund Inc.) Announces Commencement of Voluntary Liquidation

VANCOUVER, B.C. December 1, 2020

British Columbia Discovery Fund (VCC) Inc., (which is changing its name to British Columbia Discovery Fund Inc.) (the "**Fund**"), is pleased to announce that effective December 1, 2020 (the "**Commencement Date**"), the Board of Directors of the Fund is giving effect to various resolutions which were approved by shareholders of the Fund at a meeting of the shareholders held on June 24, 2020 in the manner as set out in the information circular of the Fund dated May 22, 2020 (the "**Information Circular**").

The Fund has now commenced the voluntary liquidation and dissolution of the Fund pursuant to Part 10 of the *Business Corporations Act* (British Columbia) ("**BCBCA**") (the "**Voluntary Liquidation**"). In connection with the Voluntary Liquidation, the Fund has appointed The Bowra Group Inc. as liquidator (the "**Liquidator**"). Effective as of the Commencement Date, the Liquidator will take control of the Fund, conduct the Voluntary Liquidation, and oversee the settlement of the Fund's obligations, the disposition of the Fund's remaining assets and the making of final distributions to shareholders. Updates on the status of the Voluntary Liquidation will be available on the Liquidator's website at www.bowragroup.com.

The Fund also confirms that it has received an order from the British Columbia Securities Commission (the "**BCSC**") effective on the Commencement Date providing that the Fund has ceased to be a reporting issuer in British Columbia, the only jurisdiction in which it is a reporting issuer. Now that the Fund has ceased to be a reporting issuer, shareholders of the Fund will no longer receive the financial statements or other continuous disclosure documents that reporting issuers are required by securities regulatory authorities to provide to securityholders. Shareholders will no longer receive the benefits of continuous disclosure from the Fund or other regulatory protections afforded shareholders of reporting issuers. As a result of the Fund ceasing to be a reporting issuer, securities of the Fund will no longer be freely tradeable; however, certain exemptions may be available for individual shareholders who wish to transfer their securities between such individual or an associate of the individual, and a RRSP, RRIF, or TFSA established for or by the individual, or under which the individual is a beneficiary.

The Fund has cancelled its registration under the *Small Business Venture Capital Act* (British Columbia) (the "**SBVCA**") and is no longer a venture capital corporation pursuant to such Act. As a result, the Fund will no longer be regulated or overseen by the Administrator of the SBVCA.

The Fund also confirms that, after satisfying all of its current obligations and liabilities, and after establishing a reserve for the estimated ongoing expenses and obligations of the Fund during the term of the Voluntary Liquidation, it is distributing its residual funds of the Fund to the Fund's shareholders of record on November 30, 2020 by way of a reduction of capital in the approximate amount of \$213,000 (\$0.05 per Class A Share).

In accordance with the steps for the Voluntary Liquidation as approved by shareholders in the Information Circular, the Liquidator will liquidate the portfolio assets of the Fund upon the occurrence of liquidity events or secondary trading opportunities in the underlying portfolio

companies. If the liquidation process extends beyond two years, the Liquidator retains the discretion to accelerate dissolution of the Fund through a forced sale or distribution in kind of the residual portfolio assets to the shareholders.

Concurrently with the Liquidator taking control of the Fund and having conduct of the Voluntary Liquidation, both the Fund's board of directors (Harry Jaako, John A. McEwen, Neal Clarence, and Derek Spratt) and its officers (Harry Jaako, John A. McEwen, Neal Clarence and Charles Cook) have resigned effective as of the Commencement Date. As well, the management agreement between the Fund and Discovery Capital Management Corp. has been terminated and the applicable severance fee payable thereunder has been authorized to be paid.

Risk Factors and Forward-Looking Information

This news 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 the control of the Liquidator.

Certain risks include, but are not limited to: the Fund cannot assure its shareholders of the timing or amount of any liquidation distributions. The timing of liquidation of the Fund's portfolio assets depends on the timing of occurrence of liquidity events in the underlying portfolio companies and the amount of such distributions depends on the proceeds realized from such dispositions which in turn will depend on the many factors that impact the value of the portfolio companies. The Fund will continue to incur expenses that will reduce the value of any liquidation distributions; if the Fund fails to retain sufficient funds to pay the expenses and liabilities actually owed to the Fund's creditors, each shareholder receiving liquidation distributions could be held liable for payment to the Fund's creditors, of his, her or its pro rata share of any shortfall, up to the amount actually distributed to each shareholder; the Fund will cease to be a reporting issuer and the Fund's shareholders will no longer receive the annual and continuous disclosure required to be disseminated to shareholders of reporting issuers; and their Class A Shares will be subject to trading restrictions; if, at the time of a distribution to shareholders, the Fund cannot pass statutory solvency tests, the distribution may be prohibited; there are no assurances that the Liquidator will achieve the same financial results that management might achieve if it had continued as the manager of the Fund pursuant to the Management Agreement; the tax treatment of liquidation distributions may vary from shareholder to shareholder, and shareholders should consult their own tax advisors; and the Class A Shares may, in certain circumstances, cease to be "qualified investments" for "registered plans" for the purposes of the *Income Tax Act* (Canada).

See "Risk Factors" in the Information Circular and available on www.sedar.com.

Additional Information

Additional information relating to the Voluntary Liquidation and associated matters is contained in the Information Circular, which is available on SEDAR at www.sedar.com.

The Bowra Group is a boutique financial advisory firm with offices in Vancouver, British Columbia and Edmonton, Alberta. The Bowra Group specializes in insolvency and restructuring and services offered include business restructurings, business viability and performance improvement assessments and turnaround management. The Bowra Group is a Licensed Insolvency Trustee and acts formally as Trustee, Monitor, Receiver and Liquidator in engagements across a variety of industries.

Further information about The Bowra Group and updates to shareholders and information on the Voluntary Liquidation of the Fund can be found at www.bowragroup.com.

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