

Headnote

The securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market - the issuer is in the process of appointing a liquidator and winding up; the issuer intends to distribute all of its assets to shareholders; the issuer has ceased all commercial activity and will be dissolved after the liquidation process is complete; shareholders voted to approve the liquidation plan and were notified of the issuer's intention to file an application to cease to report; the issuer has undertaken to provide shareholders with alternative disclosure and to notify the securities regulator if they commence an active business and no longer intend to dissolve; the order will be effective after the Filer has provided notice that the Filer has appointed a liquidator and has commenced the liquidation process

November 25, 2020

Exemption Order

British Columbia Discovery Fund (VCC) Inc.

Section 88 of the *Securities Act*, R.S.B.C. 1996, c.418

Background

- ¶ 1 British Columbia Discovery Fund (VCC) Inc. (the Filer) has applied to the British Columbia Securities Commission (the Commission) for an order under section 88 of the Act to be deemed to have ceased to be a reporting issuer.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this order, unless otherwise defined.

Representations

- ¶ 3 The Filer represents that:
1. the Filer is a corporation existing under the *Business Corporations Act* (British Columbia) (BCBCA);
 2. the Filer's head office is located in Port Coquitlam, British Columbia;
 3. the Filer is a reporting issuer in British Columbia and in no other jurisdiction; the Filer's securities have never been listed on any stock exchange;
 4. the Filer currently has approximately 4,247,814 class A common shares (Shares) issued and outstanding; the Shares are the only outstanding securities of the Filer;

5. the Filer has 2,321 registered shareholders representing an underlying 2,100 beneficial shareholders;
6. in the Information Circular dated May 22, 2020 mailed to all shareholders, the Filer disclosed its intention to wind-up the Filer and to make an application to the Commission to cease to be a reporting issuer, if approved by the shareholders at the annual and special meeting of shareholders to be held on June 24, 2020 (the Meeting);
7. at the Meeting, holders of 97.8% of the Shares represented at the meeting voted in favour of an omnibus special resolution to, among other things:
 - (a) approve the voluntary wind-up and dissolution of the Filer under subsection 319(1) of the BCBCA (the Voluntary Liquidation);
 - (b) appoint Bowra Group Inc. as liquidator (the Liquidator); and
 - (c) make an application to cease being a reporting issuer;(collectively, the Windup Resolution)
8. on June 25, 2020, the Filer filed a news release on SEDAR announcing that the Windup Resolution, the implementation of which is subject to regulatory approvals and the receipt of this order, had been approved by shareholders at the Meeting;
9. the Filer currently has a portfolio of investments in five companies (the Portfolio Assets) and anticipates that it will have five or less investments at the date of the appointment of the Liquidator;
10. immediately after the grant of the order, the Filer will finalize the commencement of the Voluntary Liquidation and the appointment of the Liquidator, at which point the Filer will have no directors and officers; it is anticipated that the Liquidation will commence within two weeks of the granting of the order;
11. from the date of the order, the Filer will not return any capital to shareholders, other than by way of liquidating distributions, nor will it repurchase any of its Shares, other than to redeem securities which were eligible for redemption on April 28, 2017 and to redeem securities upon the death of a shareholder;
12. from the date of the appointment of the Liquidator, the Filer will have ceased active business or commercial operations; the remaining activities of the Filer, as conducted by the Liquidator, will involve solely the oversight and disposition of the Portfolio Assets and the discharge of all liabilities of the Filer, contingent or actual, in furtherance of the Voluntary Liquidation of the Filer;
13. the Liquidator on behalf of the Filer will satisfy all of the Filer's liabilities and distribute all of its assets, and the Filer proposes to dissolve in accordance with the provisions of the BCBCA as approved by the shareholders of the Filer; once the

- Liquidator has liquidated all of the Portfolio Assets and satisfied all of the Filer's liabilities (including contingent liabilities), the Liquidator intends to make a final distribution of all remaining funds to the Filer's shareholders;
14. the expected time frame to dispose of all Portfolio Assets and discharge all liabilities of the Filer is anticipated to be approximately two years, at which time the Liquidator may, in its discretion, distribute all remaining assets of the Filer to the shareholders;
 15. in accordance with section 330 of the BCBCA, the Liquidator will report regularly to the shareholders, including the following:
 - (a) producing financial statements of the Filer in a form considered by the Liquidator to be appropriate at least once in every 12-month period after the Liquidator's appointment;
 - (b) annually filing with the registrar, instead of an annual report for the Filer, a liquidation report in the form established by the Liquidator containing information that is current to the most recent anniversary of the Filer's incorporation; and
 - (c) providing updates to shareholders from time to time on the progress of the liquidation and to inform them of the procedures to be followed to effect the distributions;
 16. the Liquidator will post press releases regarding the Filer on its website until the date of dissolution of the Filer;
 17. the Filer must secure tax clearance certificates from the Canada Revenue Agency before it can dissolve;
 18. all issued and outstanding securities of the Filer will be cancelled upon the dissolution of the Filer;
 19. the Filer has undertaken that:
 - (a) it will, as soon as practicable following the effective date of the order, issue a news release advising shareholders:
 - (i) that it has appointed a Liquidator and commenced the Voluntary Liquidation;
 - (ii) that it has ceased to be a reporting issuer; and
 - (iii) of the anticipated timing of its dissolution and final distribution to shareholders;
 - (b) if it has not dissolved by March 31, 2021, it will, on or about that date and thereafter on a quarterly basis until it dissolves, issue a news release regarding the status of its liquidation and anticipated timing of its dissolution;

- (c) it will immediately notify the Commission if at any time before its dissolution:
 - (i) it proposes to commence an active business or any commercial operations;
 - (ii) it proposes to undertake a public or private offering of securities in any jurisdiction; or
 - (iii) it no longer intends to dissolve; and
 - (d) as soon as practicable after the time of dissolution, it will issue a news release confirming the dissolution;
20. the Filer has no intention to seek public financing by way of offering of securities;
21. the Filer is not in default of securities legislation in any jurisdiction;
22. no securities of the Filer, including debt securities, are traded in Canada or another country on a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
23. the Filer is not eligible to voluntarily surrender its status as a reporting issuer in British Columbia under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because the Filer has more than 50 securityholders;
24. the Filer is applying for an order that it has ceased to be a reporting issuer in British Columbia which is the only jurisdiction in which it is a reporting issuer; and
25. the Filer, upon the effective date of the order, will no longer be a reporting issuer in any jurisdiction of Canada.

Order

¶ 4 Considering that it would not be prejudicial to the public interest to do so, provided that the Filer:

- (a) notifies the Director, Corporate Finance, that the Filer has appointed a Liquidator; and
- (b) notifies the Director, Corporate Finance, when the Liquidator has commenced the Voluntary Liquidation,

the Director, Corporate Finance orders that the Filer is deemed to have ceased to be a reporting issuer effective on the date of the receipt of the last notification required by (a) and (b).

John Hinze
Director, Corporate Finance

British Columbia Securities Commission