



TRUSTEE UPDATE TO FORMER SHAREHOLDERS OF B.C. ADVANTAGE FUNDS

Vancouver, January 25, 2017 – 1085273 B.C. Ltd. (the “Trust”) provided today an update to the former shareholders of B.C. Advantage Funds Ltd. (the “Company”). This update is further to the news release update issued by the Trust on October 27, 2016 and the announcement by the Company on October 20, 2016 that a voluntary dissolution of B.C. Advantage Funds had been completed pursuant to Division 2 of Part 10 of the *Business Corporations Act (British Columbia)*.

Administration

With the dissolution of the Company, the shareholders of B.C. Advantage Funds ceased to be shareholders of the Company and are now beneficiaries of the Trust. Any and all distributions of the Trust will be made rateably to prior Company shareholders in satisfaction of their interests in the Trust.

During the past six months, the Company completed the transfer of all of its assets to the Trust and paid out or otherwise discharged all of its liabilities, including any tax liabilities resulting from its incorporation and operation as a venture capital corporation under the *Small Business Venture Capital Act (British Columbia)*. As per the Trust Agreement between B.C. Advantage Funds and the Trust, the trustee assumed responsibility to dispose of all portfolio investments and other assets it received from the Company, and distribute the remaining assets rateably to prior Company shareholders.

Also pursuant to the Trust Agreement, the trustee is entitled to fees for a period of six months following dissolution of the Company. Thereafter, no further fees will be paid to the trustee.

Disposition Plans for Portfolio Investments

The trustee has commenced its plans to dispose of all assets, including the remaining B.C.-based private company portfolio investments of the Company. Updates on these investment holdings and their disposition plans are discussed below.

Agreement Express – Agreement Express is a Software-as-a-Service company that markets a web-based platform for rapid customer onboarding. The company continues to rapidly grow its software services business and is expected to achieve its revenue forecast for 2016 which would see an increase in revenues to \$8.0 million, representing an increase of 47% over 2015 actual revenues. The trustee has approached the company and certain of its directors and officers regarding the purchase of the Trust’s share position.

Endurance Wind Power – Endurance Wind Power was one of B.C.’s leading clean-tech companies and in 2014 had the largest installed base of 50-100kW wind turbines in the world. Unfortunately, cuts to the UK’s feed-in tariff program and the devaluation of the pound following Brexit caused the financial collapse of the company in late 2016. UK sales accounted for approximately 90% of Endurance’s revenue in 2015 and the company was unable to develop alternative markets for its turbines. Endurance filed for bankruptcy in November 2016. A Receiver has been appointed in Canada and in the UK where the company has two subsidiaries. The trustee does not expect that there will be any recovery to the Trust from the Receiver’s sale of the company’s assets.

Methylation Sciences – MSI Methylation Sciences Inc. or MSI is a biopharmaceutical company developing a novel drug treatment known as MSI-195 for depression. In October 2016 the company announced the closing of a US \$30 million financing with Quark Venture Inc. to fund a Phase 2b clinical trial. The first tranche of the financing was advanced in late September and another tranche of the financing was scheduled to close in late November 2016. However, Quark Venture advised the company in late 2016 that it would no longer invest in MSI. The company is now evaluating its strategic alternatives. The trustee had planned to approach Quark and its principals regarding purchase of the Trust’s MSI shares but these plans are now on hold. If alternate financing cannot be arranged to fund the further development of MSI-195, it is unlikely that the trustee will be able to find a buyer for the Trust’s share position in MSI.

MTI LP – MTI LP is a limited partnership which was established when the original investment of the Company in Mobidia Technologies Inc. was sold in 2015 to App Annie, a US-based analytics and market intelligence company. MTI LP holds shares of App Annie acquired as a result of the 2015 sale. In 2016, App Annie completed a US \$63 million financing and closed the further acquisition of AppScotch, an app marketing data firm. In January 2017, Cisco (NASDAQ: CSCO) announced the acquisition of AppDynamics, an app intelligence software firm, for US \$3.7 billion. The acquisition came a day before AppDynamics was set to price the first major tech IPO of the year on NASDAQ at an expected market cap of approximately \$1.6 billion. The trustee has contacted MTI LP and its principals to discuss a disposition plan for its shares.

Redlen Technologies – Redlen Technologies is a leading manufacturer of high resolution radiation detectors which are enabling a new generation of high performance imaging equipment for medical and security applications. The company is growing rapidly and expects to achieve revenues of approximately \$13 million for 2016, an increase of more than 60% over 2015 actual revenues. Redlen is currently in discussions with existing and new investors to complete a large additional financing. The trustee has been in communication with the company and certain of its directors and officers regarding the purchase of the Trust’s share position following the closing of this financing.

The principal objectives of the trustee are (1) to achieve the disposition of assets and distribution of capital and income of the Trust to beneficiaries in a timely manner; and (2) to maximize the disposition proceeds. The trustee will continue to assess its disposition strategies and timelines in order to best balance and fulfill both of these objectives.

A further quarterly update to Trust beneficiaries will be provided in late April 2017.

About the Trustee

1085273 B.C. Ltd. is a special, single purpose corporation formed to dispose of the remaining portfolio investments and other assets of B.C. Advantage Funds Ltd (the “Company”). The Company was a venture capital corporation, formed under the *Small Business Venture Capital Act (British Columbia)*, to invest in emerging technology companies in the Province. For more information about the Trust and the Company, please visit www.bcadvantagefunds.com .

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