



December 11, 2013

Audit Committee of Board of Directors
B.E.S.T. Discoveries Fund Inc.
20 Adelaide St. East, Suite 400
Toronto, ON M5C 2T6

Dear Sirs/Mesdames:

Subject: Valuation of Venture Investments

Introduction

PricewaterhouseCoopers LLP ("PwC") is the independent auditor of B.E.S.T. Discoveries Fund Inc. (the "Fund"). PwC, as part of its audit of the September 30, 2013 financial statements, performed certain procedures on the value of the Fund's investments for which there does not exist a published market ("Venture Investments") as at September 30, 2013 (the "Valuation Date"), as explained below under the heading "Scope of Work Performed".

The persons responsible for preparing this report have no present or prospective financial interest in the securities that are the subject of this report. Further, the fees to be received by PwC for the completion of this report are not contingent on the conclusions reached.

We understand that the Fund intends to use this report to satisfy the requirements of National Instrument 81-106.

Fair Value Definition

In carrying out our procedures, we have utilized the concept of fair value, which represents the "amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act". This definition is consistent with the Fund's valuation policies.

Qualifications of PwC

Senior personnel responsible for preparing this report are members in good standing with the Canadian Institute of Chartered Business Valuators ("CICBV") and have experience in valuing both private and public companies.

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Nature of the Venture Investments

The Fund's Venture Investments consist of various debt and equity interests in privately owned Canadian businesses.

Alternative valuation approaches, based on income expectations, market transactions, or other methods are applied to the Venture Investments by Fund management ("Management") to determine value as appropriate. The valuation policies for the Venture Investments are as stated in the notes to the September 30, 2013 audited financial statements.

Scope of Work Performed

As part of the audit, we performed certain procedures on the valuation of the Venture Investments and the results of our analysis were considered in the preparation of PwC's audit opinion dated December 11, 2013.

We assessed a sample of Venture Investment valuations prepared by Management that provided a coverage ratio of 100% of the total fair value of the Venture Investments. For the Venture Investments held by the Fund that were assessed, we performed the following procedures:

- Obtained the Fund's Venture Investment valuation memoranda and related information, including the valuation analysis as prepared by Management for purposes of the Fund's Board of Directors' determination of investment carrying values;
- Assessed supporting documentation and information for each Venture Investment, including where available and as appropriate:
 - Latest full year and interim financial statements;
 - Budgets and forecasts of future operating results;
 - Recent financing arrangements and/or term sheets regarding the equity and debt securities of the investee companies;
 - Offers for the business, letters of intent and/or purchase and sale agreements;
 - Third party valuations;
 - Our own research into the Investee company operations and the industry in which it operates; and
 - Investment monitoring reports prepared by Management.



- Considered the appropriateness of valuation approaches and consistency with Fund policies, conducted independent procedures to assess the reasonability of Management's values, conducted follow up enquiries and held discussions with Management; and
- Attended the Fund's Board of Directors meeting on September 27, 2013 at which time the Board of Directors reviewed the carrying values for the Venture Investments held by the Fund as at September 30, 2013.

Given the nature of the Venture Investments, the process of valuing these investments is inevitably based on inherent uncertainties and the resulting values will differ, perhaps materially, from the amounts ultimately realized. Also, because the Venture Investments have generally been valued on a going concern basis, the values may differ materially from those realized on forced sale or liquidation.

These procedures do not constitute an independent valuation (i.e., a comprehensive valuation, estimate of value or calculation of value in accordance with the standards of the Canadian Institute of Chartered Business Valuators) of the Fund, the net assets of the Fund or the individual investments of the Fund, nor do they constitute a "valuation service" as defined in the Canadian Institute of Chartered Accountants Independence Requirements.

It is the responsibility of the Board of Directors of the Fund to set appropriate valuation policies, to ensure compliance with applicable legislation and regulation, to determine the value of the Fund's assets, the net asset value of the Fund and the net asset value of the outstanding shares of the Fund.

Conclusion

Based on the results of the above procedures performed as part of the audit of the financial statements of the Fund as at the Valuation Date, the information reviewed and relied upon by us, including representations by Management, and subject to our limiting conditions, Management's valuation of the Fund's Venture Investments of \$29,433,533 as at the Valuation Date is reasonable, in all material respects, within the context of the financial statements taken as a whole.

Limitation on Use

This letter is provided solely for the purpose of assisting the Audit Committee of the Board of Directors of the Fund in discharging their responsibilities and shall not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter. Further, nothing in this report should be considered as a recommendation to buy or sell units in the Fund.



We agree to the filing of this letter with the securities regulatory authorities.

Yours very truly,

(Signed) "PricewaterhouseCoopers LLP"

Sean Rowe, CPA, CA, CBV
Partner
Consulting and Deals
Valuations, Modelling and Disputes