

Captor Capital Corp. to Significantly Expand Presence in Los Angeles Area Cannabis Market

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TORONTO, April 03, 2018 - [Captor Capital Corp.](#) ("Captor" or the "Company") (CSE:CPTR) (FRANKFURT:NMV) announced today that it entered into a non-binding term sheet with leading California cannabis company, Growth Network Holdings, Inc. ("Growth Network") to acquire 30 per cent of its issued and outstanding equity securities for a purchase price of US\$14,632,500 (the "Investment"). In accordance with the term sheet, Captor will also be granted an option exercisable for up to 12 months after closing to acquire the remaining issued and outstanding equity securities of Growth Network for USD\$34,142,500.

Growth Network is a seed to sale cannabis company focusing on cultivation, extraction, distribution and retail sales. Growth Network owns 29.5 acres of land in California City for the purpose of developing a state-of-the-art cannabis business park that will include a cultivation centre with 500,000 square feet of canopy space, making it one of the largest indoor cultivation facilities in California. The cannabis business park, scheduled to break ground in the second quarter of 2018, will also include an extraction and manufacturing facility, a packaging and distribution centre, and an independent testing laboratory. Growth Network also owns and operates a licensed cultivation facility in Los Angeles with 45,000 square feet of indoor cultivation space.

Growth Network also operates two retail dispensaries in the Los Angeles area, including the upscale neighbourhood of Culver City, which is home to corporate offices for Facebook and Sony amongst others. Additionally, Growth Network has three more Los Angeles area dispensaries in the planning stages and expects to open these retail stores sometime in 2018.

"We are very pleased to have reached this agreement in principle with Captor and we are excited to be working with investors that understand not only us and our business, but our market," said Growth Network Solutions founder and CEO, John Jezzini. "By having all of these facilities under one roof, our business park will provide every service required from seed to retail sale," Jezzini continued.

"With our investment and support, Growth Network will be able to take full advantage of the incredible assets John Jezzini has built on both the production and retail ends."

Under the terms of the proposed Investment, Captor would acquire the 22.25 per cent of the issued and outstanding equity securities of Growth Network (calculated on a post-purchase basis) from the sole shareholder of Growth Network, John Jezzini, for a purchase price of USD\$10,857,500 (the "Share Purchase"). The purchase price will be satisfied in common shares of Captor at a deemed issue price of the lesser of (a) CDN\$0.30; and (b) the prevailing market price of Captor shares on the date a definitive share purchase agreement. Captor will also acquire 7.75% per cent of the issued and outstanding equity securities of Growth Network directly from treasury for a cash purchase price of USD\$3,775,000 (the "Equity Contribution"). After completion of the Share Purchase and the Equity Contribution, Captor will own 30 per cent of Growth Network.

In accordance with the term sheet, John Jezzini, the sole shareholder of Growth Network, will also grant an option to Captor to acquire the remaining issued and outstanding equity securities of Growth Network for USD\$34,142,500 for common shares of Captor at a deemed issue price equal to the market price of Captor's common shares at the time the option is exercised. The option shall be exercisable for 12 months and may be extended for a further 12 months if Growth Network has not received all of its remaining cultivation licenses and permits.

Concurrent with the completion of the Share Purchase and the Equity Contribution, Captor will enter into a shareholder agreement with John Jezzini pursuant to which, among other things, Captor will agree to provide debt financing of up to USD\$27,875,000 to Growth Network to fund its cultivation and retail dispensary operations. These funds will be lent to Growth Network based on a drawdown schedule conditional upon the achievement of certain milestones to be agreed between Captor and Growth Network.

Upon completion of the Share Purchase, a nominee of Captor will be appointed to the board of directors of Growth Network and, subject to CSE approval, John Jezzini will be added to the board of directors of Captor.

Completion of the Investment is subject to a number of conditions, including but not limited to due diligence

and entering into definitive agreements. There can be no assurance that the Investment will be completed on the terms described above or at all.

For further information, please contact

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Forward-Looking Statements

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This press release contains or refers to forward-looking information, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to availability of investment opportunities, economic circumstances, market fluctuations and uncertainties, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, and the other risks involved in the investment industry and junior capital markets. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances other than as required by law.

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