



## Captor Capital Announces Letter of Intent to Acquire Premiere THC Manufacturing Facility from People's Holdings

TORONTO, March 29, 2019 -- **Captor Capital Corp. (CSE: CPTR; FRANKFURT: NMV; STUTTGART: NMVA; USOTC: CPTRF), ("Captor" or the "Company")**, a vertically integrated cannabis-focused investment company, is pleased to announce that a wholly owned subsidiary of the Company has entered into a Letter of Intent ("LOI") to acquire 100 per cent ownership of a Type 7 Volatile Solvent Extraction facility based in California from People's Holdings, one of the largest manufacturers of THC concentrates in the state.

In operation since January 2019 and holding an annual license for volatile manufacturing from the Bureau of Cannabis Control of California, the facility has experienced rapid revenue growth and is currently on a run rate track of \$15mm in revenue for 2019. At maximum operating capacity, the facility could generate north of \$45mm USD in annual revenues at current pricing.

"Presently, only a few facilities have received their annual licenses within the State of California, and we are excited to acquire one. Concentrates are a growing market in California for both adult and medicinal use. Together with our Mellow Extract Facility, which will be producing high end THC and CBD infused gummies, Captor hopes to become a significant player in the edibles and concentrates market," said Captor Capital CEO John Zorbas.

The facility is 4,000 square feet with trim supplier and distribution agreements in place producing AA-AAA quality THC distillate oil with a 90-95% cat3 pass rate.

"We are very excited to add another manufacturing operation to our Company which will provide us with substantial production capacity as we enter the highly lucrative branded product market," said Captor Capital CEO John Zorbas. "Given Captor's growing retail presence under the Chai brand, we are in a strong position to manufacture and sell our own products which will materially improve our operating margins and EBITDA growth. Furthermore, with the substantial productive capacity of the facility we do not estimate any further significant capital expenditures in the near to medium term."

The terms of the LOI provide for Captor to acquire full interest of the issued and outstanding units of the manufacturing lab from People's Holdings LLC. In addition, the LOI provides for People's Holdings to continue to manage the manufacturing plant for a period of 12 months on behalf of Captor. The parties are working towards completion of definitive legal agreements. Completion of the acquisition is pending regulatory approval for local and state licenses and permits, agreement of a comprehensive management contract, agreeing a new lease or obtaining consent of the landlord, and completion of facility renovations (if any). Captor has agreed to pay an exclusivity fee of US\$75,000 for 75 days of exclusivity whilst the Company conducts its due diligence process and negotiates the terms of the management contract and lease agreement.

### **About Captor Capital Corp.**

*Captor Capital Corp. is a Canadian investment firm focused on the cannabis sector listed on the Canadian Securities Exchange, the OTC, and the Frankfurt and Stuttgart stock exchanges. A vertically integrated cannabis company, Captor provides recreational and medical marijuana-based products to consumers via its leading brands and dispensary locations. Captor owns and operates advanced growing facilities, which produce consistent high-quality contaminant free marijuana for its customers, as well as other high demand cannabis-based goods for consumption. The Company follows a strategy of acquiring cash flowing established companies and organizations with growth potential that require capital to scale. Captor currently has a number of revenue generating cannabis investments including the CHAI Cannabis Co. dispensaries in Santa Cruz and Monterey. The Company also owns Mellow Extracts, a highly regarded producer of cannabis extracts based in Costa Mesa, CA.*

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### **Forward-Looking Statements**

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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.