



Captor Enters Into Joint Venture with California based Cannabis Retail Chain and Obtains a 51% Interest in a Total of 9 Cannabis Dispensaries in Northern California

TORONTO, Aug. 10, 2020 -- **Captor Capital Corp. (CSE: CPTR; FRANKFURT: NMV; STUTTGART: NMVA; USOTC: CPTRF), ("Captor" or the "Company")** today announced that it entered into a joint venture (the "**Joint Venture**") with California based Three Habitat Consulting Holdco Inc. ("**Three Habitat**"), which owns and operates a retail chain of dispensaries in California under the brand One Plant[®]. Captor and Three Habitat have set up a joint venture company called Captor Retail Group Inc. ("CRG"), which will be owned 51% by Captor and 49% by Three Habitat. Under the terms of a contribution agreement entered into between Captor and Three Habitat (the "**Contribution Agreement**"), Captor will contribute \$2mm in cash along with its two Chai branded dispensaries in Santa Cruz and Castroville in exchange for its 51% interest in CRG. Three Habitat will contribute its seven One Plant dispensaries to CRG in exchange for its 49% interest in CRG. Of the seven dispensaries being contributed to the Joint Venture by Three Habitat, the retail dispensaries in Salinas, Atwater, and El Sobrante are licenced and open for business. The locations in Antioch, Goleta, Lompoc, and Palm Springs are currently under construction and are expected to be operational soon.

Adam Wilks, COO of Three Habitat, will assume the role of CEO of Captor Retail Group and will manage the day-to-day operations of all nine dispensaries, as well as oversee the transfer of the dispensary licences to CRG, as well as the construction and licencing of the four One Plant dispensaries that are currently under construction. Mr. Wilks brings more than a dozen years of experience, in the quick service restaurant (QSR) industry having worked with brands including Yogen Früz[®], Pinkberry[®], Cold Stone Creamery[®] and Buy N Bulk[®]. Mr. Wilks currently oversees Three Habitat's chain of dispensaries and real estate portfolio in California.

"We are thrilled to join forces with such a strong partner that shares our corporate culture. Our focus remains on profitability as well as sustainable growth, as we continue to connect to our customers in a meaningful way," said Captor Retail Group CEO, Adam Wilks.

Once all dispensaries become operational and CRG holds all of the requisite regulatory licences, Captor will hold an interest in 51% of 9 operating cannabis dispensaries in northern California. To the extent that any dispensary licence is unable to be successfully transferred to CRG, the party who was supposed to contribute the relevant dispensary to CRG under the Contribution Agreement will have their equity ownership in CRG scaled back on a proportionate basis. There can be no assurance that the requisite regulatory approval will be received to permit the transfer of all nine dispensary licences to CRG.

"The acquisition is in line with Captor's strategy of building a leading cannabis retail, e-commerce, and delivery hub in the lucrative, but less competitive and costly Northern California market. The resulting retail footprint of nine stores will make Captor one of the largest retailers in Northern California," said Captor Capital CEO, John Zorbas. "We are confident that with Adam Wilks leading our fantastic operations, this acquisition will strengthen Captor's position as one of California's leading cannabis retailers."

Upon Captor and Three Habitat making their contributions in accordance with the Contribution Agreement, Captor intends to move its Mellow Extracts business into the One Plant location in Antioch, California. As such, the licencing efforts in Costa Mesa, California, the current location of Mellow Extracts have been abandoned. It is intended that all extraction and edible making equipment that belongs to Mellow Extracts will be moved into a 10,000 sq ft. space attached to the One Plant location in Antioch. That location is currently zoned to allow cannabis manufacturing and processing, and Captor will commence the licencing application process once the extraction and edible making equipment has been moved to Antioch. Captor will retain 100% ownership of Mellow Extracts and its ownership will not be transferred to CRG as part of the Joint Venture.

CEO of Captor, John Zorbas, stated, "The decision to move Mellow Extracts to Antioch is a strategic one. We wanted to create a centralized hub for retail, manufacturing and distribution that is within a 90-minute drive to majority of the future CRG dispensary locations. We intend Mellow to be a main supplier of oils, concentrates, and edibles to all of our dispensaries and it made sense for us to move Mellow from southern to northern California."

There can be no assurance of when the manufacturing and processing licences will be received by Mellow Extracts, or if they will be received at all.

About Captor Capital Corp.

Captor Capital Corp. is a Canadian cannabis company listed on the Canadian Securities Exchange, the OTC, and the Frankfurt and Stuttgart stock exchanges. Captor provides recreational and marijuana-based products to consumers, 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 assets including the CHAI Cannabis Co. dispensaries in Santa Cruz and Monterey, CA. The Company also owns Mellow Extracts, based in Costa Mesa, CA (launch date to be determined).

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Forward-Looking Statements

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