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CLIFFSIDE CAPITAL LTD. ANNOUNCES SECOND INVESTMENT

TORONTO, December 5, 2016 /CNW/ - Cliffside Capital Ltd. ("**Cliffside**" or the "**Company**") (TSXV:CEP) is pleased to announce that it has entered into a letter of intent (the "**LOI**") with AutoCapital Canada Management Inc. ("**ACCMI**") for a proposed transaction that will result in Cliffside acquiring a 60% limited partnership interest in a new limited partnership ("**New LP**") holding automobile loans originated and serviced in Canada. The LOI will be superseded by definitive documentation between Cliffside, New LP and ACCMI that includes customary representations, warranties, conditions and covenants for transactions of this nature. Subject to approval of the TSX Venture Exchange (the "**Exchange**"), the proposed transaction will constitute Cliffside's Second Investment as required pursuant to an undertaking given to the Exchange in relation to Cliffside's Qualifying Transaction.

Pursuant to the LOI, New LP will acquire automobile loans originated in Canada, with an aggregate principal balance of approximately \$1.5 million, on a fully-serviced basis. Cliffside will acquire a 60% limited partnership interest in New LP in consideration for \$900,000 in cash, based on the book value of the loans held by New LP at cost, with ACCMI acquiring a 40% limited partnership interest in New LP in consideration for cash. The automobile loans will continue to be serviced by ACCMI through a service agreement between New LP and ACCMI, on customary market terms.

Closing of the transaction is subject to execution of definitive transaction documents, receipt of all requisite approvals, including approval of the Exchange, as well as satisfaction of all other conditions including completion of due diligence, accuracy of representations and warranties, compliance with covenants and satisfaction of conditions precedent. There can be no assurance that the proposed transaction will be completed as proposed, or at all.

Michael Stein is Chairman of Cliffside and holds 16,062,600 common shares, representing 29.2% of the issued and outstanding shares of the Company. The Chairman of Cliffside also controls indirectly 50%, and is the Chairman, of ACCMI. In addition, Fern Glowinsky, Cliffside's CEO and a member of Cliffside's Board, is the Chief Corporate Development Officer of ACCMI. Accordingly, the proposed transaction constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"). As the Company's common shares are only listed on the Exchange, the proposed transaction is exempt from the formal valuation requirement of MI 61-101. In addition, as neither the fair market value of the 60% limited partnership interest in New LP to be acquired by the Company, nor the fair market value of the consideration to be paid by the Company, exceeds 25% of the Company's market capitalization, the proposed transaction is exempt from the minority shareholder approval requirement of MI 61-101.

About Cliffside

Cliffside is focused on investing in strategic partnerships with third parties who have specialized expertise and a proven track record in originating and servicing loans and similar types of financial assets. Cliffside's strategy is to generate revenue as a passive investor, affording its shareholders an opportunity to invest in the growing alternative lending sector with the potential for attractive dividend yields and minimal operational risk while earning a reliable total return. For more information, see Cliffside's management information circular dated May 25, 2016 filed on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions, timing, status and/or completion of the proposed transaction; use of funds; and the business and operations of Cliffside before and/or after completion of the proposed transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; the results of operations; potential for conflicts of interests; as well as volatility of Cliffside's common share price and volume. There can be no assurance that such statements will prove to be accurate or complete, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Cliffside disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this release. Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

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