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CLIFFSIDE ANNOUNCES RIGHTS OFFERING

TORONTO, February 7, 2019. Cliffside Capital Ltd. (“**Cliffside**” or the “**Company**”) (TSXV:CEP) is pleased to announce that it will be offering rights (the “**Rights Offering**”) to holders of its common shares (the “**Common Shares**”) of record at the close of business on February 20, 2019 (the “**Record Date**”), on the basis of one Right for each Common Share held. Every three Rights will entitle the holder thereof to subscribe for one Common Share upon payment of the subscription price of \$0.165 per Common Share until 4:00 p.m. (Toronto time) on March 21, 2019 (the “**Expiry Date**”).

The Rights Offering will be conducted only in the provinces and territories of Canada (the “**Eligible Jurisdictions**”). Accordingly, Rights will not be delivered to, nor will they be exercisable by, persons resident outside the Eligible Jurisdictions unless they submit appropriate documentation to the Company confirming that the exercise of their Rights complies with the applicable laws in their jurisdiction, subject to the detailed provisions of Cliffside’s rights offering circular in respect of the Rights Offering (the “**Circular**”). Shareholders who fully exercise their Rights will be entitled to subscribe for additional Common Shares, if available, that were not subscribed for by other holders of Rights prior to the Expiry Date. The Rights will be listed for trading on the TSX Venture Exchange under the trading symbol “CEP.RT” until 12:00 p.m. (Toronto time) on the Expiry Date.

The Rights Offering is not subject to any minimum subscription level. If the Rights Offering is fully subscribed, Cliffside will issue up to 18,691,667 new common shares for total gross proceeds of \$3,084,125. There are currently 56,075,000 common shares issued and outstanding. If all Rights are exercised, the Company’s issued and outstanding shares will increase to 74,766,667. The net proceeds from the Rights Offering, after deducting estimated expenses of the Rights Offering, will be used to further invest in Cliffside’s non-prime automobile financing strategic partnerships.

The Company understands that all the directors and officers of the Company who own Common Shares intend to exercise their Rights to purchase common shares under the Rights Offering.

In connection with the Rights Offering, the Company has entered into a stand-by purchase agreement (the “**Stand-By Agreement**”) with certain insiders and other persons (the “**Stand-By Purchasers**”) who together currently own, directly or indirectly, or exercise control or direction over, approximately 40% of Cliffside’s Common Shares. Under the Stand-By Agreement, the Stand-By Purchasers have agreed to subscribe for, and the Company has agreed to issue, all of the Common Shares offered under the Rights Offering that are not otherwise purchased by shareholders. The Stand-By Agreement was approved by the independent directors of the Company. There is no fee payable by the Company to the Stand-By Purchasers in respect of the Stand-By Agreement. As consideration for acting as Stand-By Purchasers, the Company will issue non-transferable bonus warrants to the Stand-By Purchasers entitling them to purchase, in aggregate, 20% of the total number of Common Shares agreed to acquire by the Stand-By Purchasers, excluding their basic and additional subscription privileges. The bonus warrants can be exercised at a price of \$0.22 per Common Share for 3 years after the date on which performance by the Stand-By Purchasers could be required.

Complete details of the Rights Offering will be set out in the Circular and the rights offering notice (the “**Notice**”), which will be available under the Company’s profile at www.sedar.com. The Notice and accompanying rights certificate (the “**Rights Certificate**”) will be mailed to each registered shareholder (the “**Registered Shareholder**”) resident in the Eligible Jurisdiction as at the Record Date. Registered Shareholders who wish to exercise their Rights must complete and forward the Rights Certificate,

together with applicable funds, to Computershare Investor Services Inc., the depositary for the Rights Offering, on or before the Expiry Date. Shareholders who own their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in the United States or in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under securities laws of any such province, state or jurisdiction. The securities referenced herein may not be offered or sold in the United States except in transaction exempt from or not subject to the registration requirements of the *United States Securities Act of 1933*, as amended, and applicable state securities laws.

About Cliffside

Cliffside is focused on investing in strategic partnerships with 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 an investor, affording its shareholders an opportunity to invest in the growing alternative lending sector with the potential for attractive yields and minimal operational risk while earning a reliable total return. For more information, see Cliffside's filings 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 business and operations of Cliffside. 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; 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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