

RIFCO PROVIDES UPDATE ON COURT OF QUEEN'S BENCH PROCEEDINGS

RED DEER, ALBERTA – May 7, 2020 – Rifco Inc. (TSXV: RFC) ("**Rifco**" or the "**Company**") announces that the Court of Queen's Bench of Alberta (the "**Court**") has provided a procedural ruling ("**Ruling**") to Rifco, ACC Holdings Inc. (the "**Purchaser**") and CanCap Management Inc. ("**CanCap**") in connection with the proceedings to determine certain issues in dispute between Rifco, the Purchaser and CanCap (collectively the "**Parties**") in connection with the previously disclosed arrangement between the Parties.

The Ruling provides for the following:

- Rifco was successful in defeating the Purchaser and CanCap's procedural objection that the validity of the Purchaser's termination of the Arrangement Agreement could not be determined in the proceeding brought under the Alberta *Business Corporations Act* ("**ABCA**").
- Rifco was successful in defeating the Purchaser and CanCap's arguments that merely delivering a notice of termination was sufficient to form the basis for a dismissal of an application for an order under section 193(9) of the ABCA.
- The Court was satisfied that it was potentially within its power under section 193(9) of the ABCA to require the Purchaser to complete the Arrangement through specific performance, although that issue would be finally determined at a later date.
- Additional evidence would be required to determine the validity of the Purchaser's purported termination of the Arrangement Agreement based on the alleged occurrence of a material adverse effect. The Court specifically noted that the Purchaser led limited evidence in support of their assertions that the Arrangement Agreement was validly terminated.
- A lengthy trial process of the kind requested by the Purchaser and CanCap, which could take years to determine, is not required by the Alberta courts. There are other more streamlined and expedited procedures that the Court could endeavour to fashion to ensure this matter is resolved in a timely manner. The Court acknowledged the Purchaser's undertaking to not rely on the Outside Date (as defined in the Arrangement Agreement) (currently set to be May 7, 2020) to terminate the Arrangement Agreement.
- The procedure for having that evidence heard and the remaining issues determined would be the subject of a further case conference to be held on May 8, 2020.

As set out above, the Ruling did not determine the merits of the purported termination of the Arrangement Agreement by the Purchaser and CanCap, other than to determine that the mere delivery of a notice is insufficient to prove that claim.

Rifco will continue to pursue all remedies reasonably available against the Purchaser and CanCap for their failure to close the Arrangement in accordance with its terms.

Rifco will release updated information on the above noted proceedings as forthcoming decisions and related information become available.

About Rifco Inc.

Rifco Inc. is focused on being the best alternative auto finance company through its wholly owned subsidiary Rifco National Auto Finance Corporation. Our mission is to help deserving Canadians own automobiles.

Rifco seeks to create sustainable long-term competitive advantages through personalized partnerships with dealers, innovative products, the use of industry-leading data and analytics, and leading collections practices. Rifco's corporate culture fosters employees that are highly engaged innovative and performance driven.

More information regarding the Arrangement and Arrangement Agreement can be found in the management information circular of Rifco dated February 26, 2020 (the "**Circular**"), available on Rifco's SEDAR profile at www.sedar.com.

Caution Regarding Forward-Looking Information

This press release may contain forward-looking statements with respect to the Company, its products and operations, Court proceedings and the Arrangement. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of the Company discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: Rifco pursuit of remedies available, Rifco's intent to proceed with Court proceedings and other matters determined from the Ruling.

Although the forward-looking statements contained in this news release are based upon factors and assumptions which management of the Company believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, the purported termination of the Arrangement Agreement, future impacts of the pandemic on the Company's business, competition, changes in government regulations, and the factors described under "Risk Factors" in the Management's Discussion and Analysis of the Company and the Circular, both of which are incorporated by reference herein and are available at www.sedar.com.

The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements other than in accordance with applicable securities laws.

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