

RIFCO PROVIDES UPDATE ON DISPUTE WITH ACC AND CANCAP

RED DEER, ALBERTA – July 7, 2020 – Rifco Inc. (TSXV: RFC) ("**Rifco**" or the "**Company**") announces that there have been further developments in the court proceeding among Rifco, ACC Holdings Inc. (the "**Purchaser**") and CanCap Management Inc. ("**CanCap**") in the Alberta Court of Queen's Bench (the "**Court**"). Rifco refers to its prior press releases dated May 7, 2020 and June 12, 2020.

As set out in Rifco's June 12, 2020 press release, both Rifco and ACC issued additional Statements of Claim, with Rifco seeking specific performance of the arrangement agreement among the Parties dated February 2, 2020 (the "**Arrangement Agreement**"), and ACC seeking damages for alleged breaches of the Arrangement Agreement, which breaches Rifco vehemently deny. The June 12, 2020 press release also set out that there was an application to consolidate the various proceedings.

On June 19, 2020, the Court gave further directions with respect to these proceedings. The two new actions have been consolidated, to be heard together with the Special Application for approval of the final order, and an order requiring ACC and CanCap to close the transaction under section 193(9) of the *Alberta Business Corporations Act* (the "**ABCA**").

The Court issued a new procedural order setting out a new timetable and steps to be taken in connection with the consolidated actions and Special Application hearing. The hearing for all matters will now take place by way of a two-week trial commencing November 16, 2020. Counsel for the parties are in the process of settling the specific dates for the various steps leading to the November 16 trial.

In addition, Rifco previously advised that ACC and CanCap were seeking to appeal the Court's May 6, 2020 Order, and that as a consequence, Rifco was cross-appealing parts of that May 6, 2020 Order. The June 12, 2020 Press Release also explained that ACC and CanCap were seeking to stay the May 6 Order and the Procedural Order of May 20, 2020. Since then, ACC and CanCap have advised the Alberta Court of Appeal that they are abandoning their application for a stay. As of the date of this press release, ACC and CanCap have not abandoned their appeal generally.

By way of application to the registrar of the Court of Appeal made July 6, 2020, Rifco is seeking to expedite the hearing of its cross-appeal, and to the extent necessary, ACC and CanCap's appeal.

Finally, Rifco is in the process of determining with counsel for ACC and CanCap the extent to which damages by either party will be determined in the trial. If they are, Rifco intends to claim damages in the full amount of the purchase price of the transaction, less the trading price of Rifco shares on the day before the transaction was announced. Counsel for ACC and CanCap admitted in open court that this would be an appropriate measure of damages, stating on May 1 to the Court:

[M]y friend says you can't calculate damages, well, when I look at it, I think it's pretty simple. The shares -- they agreed to pay \$1.18, if the shares are worth something less in the future, the damages are the difference.

Rifco will continue to assert that specific performance is the appropriate remedy, whether through section 193(9) of the ABCA or otherwise, and that damages are an inadequate remedy, but based on this admission by ACC and CanCap in open court, Rifco will be seeking at least this amount of damages, being the difference in the trading price before the announcement of the transaction, and the price otherwise payable under the transaction.

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, [others].

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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