Elixxer Ltd. Announces Revised Debt Settlement Transactions

MONTRÉAL, Aug. 21, 2020 -- Elixxer Ltd. (the "**Corporation**" or "**Elixxer**") (TSX-V: ELXR and OTC-QB: ELIXF) announces, further to its press release of July 24, 2020, the revised terms of its proposed debt settlement transactions. The Corporation proposes to settle a total of $7,867,620 of debt owed by the Corporation through the issuance of securities.

The debt to be settled includes $2,738,408 of principal and $880,697 of interest and fees owed to AIP Global Macro Fund LP ("**AIP**") pursuant to an existing loan agreement (the "**AIP Debt**"). The Corporation proposes to settle the AIP Debt by issuing to AIP a total of 241,273,667 common shares at a deemed issue price of $0.015 per share and 241,273,667 common share purchase warrants (the "**AIP Debt Settlement**"). Each warrant will be exercisable for a period of 60 months from the date of issuance at an exercise price of $0.05 each. AIP currently holds 8,900,000 common shares and 35,000,000 common share purchase warrants of the Corporation. The AIP Debt Settlement will result in AIP becoming a "control person" of Elixxer. Upon completion of the AIP Debt Settlement only, AIP would hold 250,173,667 common shares and 276,273,667 common share purchase warrants of the Corporation, representing approximately 31.20% of the Corporation's issued and outstanding common shares on an undiluted basis and 48.83% on a partially diluted basis. As such, the AIP Debt Settlement as proposed is subject to the Corporation obtaining shareholder approval which will be sought at the Corporation's upcoming annual and special meeting of shareholders anticipated to be held in September 2020.

The Corporation also proposes to settle a total of $3,275,123 of principal and $73,392 of interest and fees owed to Arlington Capital LP ("**Arlington**") pursuant to an existing loan agreement (the "**Arlington Debt**"). The Corporation proposes to settle the Arlington Debt by issuing to Arlington a total of 283,234,333 common shares at a deemed issue price of $0.015 per share and 283,234,333 common share purchase warrants (the "**Arlington Debt Settlement**"). Each warrant will be exercisable for a period of 60 months from the date of issuance an exercise price of $0.05 each. The Arlington Debt Settlement will result in Arlington becoming a "control person" of Elixxer. Upon completion of the Arlington Debt Settlement only, Arlington would hold 387,234,333 common shares and 283,234,333 common share purchase warrants, representing approximately 45.89% of the Corporation's issued and outstanding common shares on an undiluted basis and 59.45% on a partially diluted basis. As such, the Arlington Debt Settlement as proposed is subject to the Corporation obtaining shareholder approval which will be sought at the Corporation's upcoming annual and special meeting of shareholders anticipated to be held in September 2020. The Arlington Debt Settlement also constitutes a "related party transaction" as such term is defined in *Regulation 61-101 respecting Protection of Minority Securityholders in Special Transactions*. The Corporation relies on the exemption from the valuation requirement pursuant to subsection 5.5(b) of Regulation 61-101 as the securities of the Corporation are not listed or quoted on enumerated stock exchanges.

Upon completion of both the AIP Debt Settlement and the Arlington Debt Settlement as proposed, the Corporation will have approximately 1,085,016,032 common shares issued and outstanding with (i) AIP holding approximately 23.06% on an undiluted basis and approximately 38.67% on a partially diluted basis; and (ii) Arlington holding approximately 35.69% on an undiluted basis and approximately 49.00% on a partially diluted basis. Upon completion of both settlements, each of AIP and Arlington will have the right to nominate two members to Elixxer's Board of Directors, with at least two other members being independent.

The pricing of the common shares issuable pursuant to the debt settlements is in reliance of the temporary relief measures established by the TSX Venture Exchange (the "**TSXV**") on April 8, 2020 providing for temporary relief measures to its Policy 4.3, lowering the minimum pricing from $0.05 to $0.01 per share for shares issued pursuant to a debt settlement where the market price of an issuer's shares is not greater than $0.05. The market price of the Corporation's common shares at close of business on August 20, 2020 was $0.015.

Completion of the AIP Debt Settlement and the Arlington Debt Settlement as proposed is, in each case, subject to (i) completion of definitive agreements; (ii) approval of the TSXV; and (iii) shareholder approval as outlined above. All securities issued pursuant to the settlement of the AIP Debt Settlement and the Arlington Debt Settlement will be subject to hold period of four months and one day from the date of issuance.

About Elixxer Ltd. (www.elixxer.com)

Elixxer is a Canadian public company listed on the TSX Venture Exchange (TSX-V: ELXR) and the US OTC-QB exchange (OTCQB: ELIXF).

Through its partners, Elixxer presently has significant interests in Australia, Jamaica, Switzerland, Italy and Canada.

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Notice Regarding Forward Looking Statements

This press release may contain forward-looking statements with respect to Elixxer and its operations, strategy, investments, financial performance and condition. These statements can generally 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 Elixxer 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. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, government regulation and the factors described under “Risk Factors and Risk Management” in Elixxer’s most recent Management’s Discussion and Analysis filed on SEDAR (www.sedar.com). The cautionary statements qualify all forward-looking statements attributable to Elixxer and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and Elixxer has no obligation to update such statements, except to the extent required by applicable securities laws.