

Kingsway Sells Common Shares of Itasca Capital Ltd.

FOR IMMEDIATE RELEASE – August 7, 2018 — On August 7, 2018 Kingsway Financial Services Inc. (**Kingsway**) sold and disposed of ownership and control of a total of 1,813,889 common shares (the **Shares**) of Itasca Capital Ltd. (**Itasca**) at a price of CDN\$0.72 per share pursuant to a private agreement for total gross proceeds of CDN\$1,306,000.

The Shares represent approximately 8.32% of the total issued and outstanding common shares of Itasca, assuming 21,810,626 common shares outstanding, as disclosed in Itasca's most recently filed interim financial statements for the six month period ended June 30, 2018.

Before the sale, Kingsway held 6,799,449 common shares representing approximately 31.17% of the total issued and outstanding common shares of Itasca. Following the sale, Kingsway holds 4,985,560 common shares representing, approximately 22.86% of the outstanding common shares of Itasca.

Kingsway sold the Shares as part of its ongoing portfolio management. Depending on market and other conditions, Kingsway may take such actions in respect of its holdings in the future as it deems appropriate in light of the circumstances then existing.

Itasca's head office is located at: 1800 - 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3.

Additional Information

Kingsway's address and other contact information is set forth below. For further information, including to obtain a copy of the "early warning" report required to be filed in accordance with applicable Canadian securities laws, contact Kingsway at the address specified below.

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