

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Itasca Capital Ltd. (the **Company**)
1800 – 510 West Georgia Street
Vancouver, BC V6B 0M3

Item 2 Date of Material Change

July 13, 2018

Item 3 News Release

The news release attached hereto as Schedule "A" was disseminated by the Company on July 13, 2018 through the facilities of Cision Newswire (formerly, CNW Newswire) and was subsequently filed on SEDAR.

Item 4 Summary of Material Change

On July 13, 2018, the Company announced that its board of directors declared a special cash dividend of \$0.15 per common share to be paid on August 10, 2018 to shareholders of record on July 25, 2018.

Item 5 Full Description of Material Change

Please refer to the attached Schedule "A" for a copy of the news release issued on July 13, 2018.

Item 6 Reliance on Section 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Larry G. Swets, Jr.
Chief Executive Officer
Tel: 630-290-2432

Item 9 Date of Report

July 19, 2018

SCHEDULE "A"

News Release dated July 13, 2018

Itasca Capital Files Second Quarter Financial Statements for the Period Ended June 30, 2018 and Declares Special Dividend

VANCOUVER, July 13, 2018 /CNW/ - Itasca Capital Ltd. (TSX-V: ICL) ("Itasca" or "Company") today filed its unaudited interim financial statements for the six months ended June 30, 2018 and the related management discussion & analysis, both of which are available under Itasca's profile on SEDAR at www.sedar.com. All amounts are in Canadian dollars unless indicated otherwise.

The Company reported net loss attributable to common shareholders of \$0.1 million, or \$0.005 loss per share in the second quarter of 2018, primarily due \$0.5 million unrealized loss incurred on the Company's investment in 1347 Investors LLC, partially mitigated by a foreign exchange gain of \$0.4 million. Itasca incurred net loss attributable to common shareholders of \$3.9 million, or \$0.18 loss per share in the second quarter of 2017.

As of June 30, 2018, Itasca reported total shareholders' equity of \$21.2 million with a book value per share of \$0.97 based on the 21,810,626 issued and outstanding common shares.

The Company is also pleased to announce that its Board of Directors declared today a special cash dividend of \$0.15 per common share to be paid on August 10, 2018 to shareholders of record on July 25, 2018.

Management Comments:

Larry G. Swets, Jr., Chief Executive Officer and Director, stated, "We are pleased to announce the special dividend, which is a result of gains we have generated from our investment in 1347 Investors LLC. We continue to analyze further value-enhancing opportunities for our Company and shareholders."

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

CAUTIONARY NOTE

Book value per share is a non-IFRS measure calculated as the total of shareholders' equity divided by the issued and outstanding shares of Itasca. The term "book value per share" does not have any standardized meaning according to IFRS and therefore may not be comparable to similar measures presented by other companies. There is no comparable IFRS measure presented in Itasca's audited consolidated financial statements and thus no applicable quantitative reconciliation for such non-IFRS financial measure. Itasca believes that book value per share can provide information useful to its shareholders.

This news release contains certain forward-looking information and statements which can be identified by termination such as "to be" and similar expressions. In particular this news release contains forward-looking statements and information relating to a future dividend to be paid on the Company's common shares, the dividend payment and the receipt of cash dividends. Forward-looking statements are not guarantees of future performance and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking information. No assurance can be given that this information will be prove to be correct and such forward looking information included in this news release should not be unduly relied upon. With respect to forward looking information contained in this news release, assumptions have been made regarding, among other things, the Company's ability to complete the dividend payment on the payment date set forth

above. The forward looking information included in this news release is expressly qualified by this cautionary statement and is made as of the date of this news release. The Company does not undertake any obligation to publicly update or review any forward looking information except as required by applicable securities.

SOURCE Itasca Capital Ltd.

View original content: <http://www.newswire.ca/en/releases/archive/July2018/13/c8391.html>

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For further information: Larry G. Swets, Jr., 630-290-2432

CO: Itasca Capital Ltd.

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