

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
OF ITASCA CAPITAL LTD.**

**to be held on December 17, 2020**

**MANAGEMENT INFORMATION CIRCULAR**

**November 17, 2020**

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**ITASCA CAPITAL LTD.**

1800 – 510 West Georgia Street  
Vancouver, BC V6B 0M3

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** an annual general and special meeting (the “**Meeting**”) of shareholders of Itasca Capital Ltd. (“**Itasca**” or the “**Company**”) will be held on Thursday, December 17, 2020 in a virtual format for the following purposes:

- 1) to receive the audited consolidated financial statements of the Company for the year ended December 31, 2019 and the auditors’ report thereon;
- 2) to consider, and if thought advisable, to pass, with or without variation, an ordinary resolution to set the number of directors of the Company to be elected at the Meeting at nine (9) directors;
- 3) to elect the directors of the Company for the ensuing year;
- 4) to reappoint Baker Tilly Virchow Krause, LLP as the auditors of the Company for the year ending December 31, 2020 and to authorize the board of directors of the Company (the “**Board**”) to set the auditors’ remuneration;
- 5) to consider, and if thought advisable, to pass, with or without variation, an ordinary resolution to approve, for the ensuing year, the Company’s stock option plan as required by the TSX Venture Exchange (the “**TSXV**”), as more fully described in the accompanying management information circular (the “**Circular**”);
- 6) to consider, and if thought advisable, to pass, with or without variation, a special resolution authorizing the change of name of the Company from “Itasca Capital Ltd.” to “GreenFirst Forest Products Inc.” or such other name as the Board, in its sole discretion and subject to applicable regulatory approval, determines to be appropriate as more fully described in the Circular;
- 7) to consider, and if thought advisable, to pass, with or without variation, an ordinary resolution, as more fully described in the Circular, approving the creation of a new “Control Person” of the Company, as such term is defined in the TSXV Corporate Finance Manual, being Timber Country Investment Corporation, a corporation controlled by Mr. Rick Doman; and
- 8) to transact such other business as may properly come before the Meeting, and any postponements or adjournments thereof.

The accompanying Circular provides additional information relating to the matters to be addressed at the Meeting and is deemed to form part of this Notice of Meeting.

**Online Meeting**

In light of ongoing concerns related to the spread of COVID-19 and in order to mitigate potential risks to the health and safety of its shareholders, employees and other stakeholders, the Company is conducting the Meeting entirely online by way of live audiocast. As such, there will be no in-person component to the Meeting and shareholders who wish to attend the Meeting must do so in accordance with the directions set out in the Circular under the heading “*General Proxy Information*”.

Registered Shareholders (as defined in the Circular) and duly appointed proxyholders can attend the Meeting online at <https://web.lumiagm.com/281333941> (password: itasca2020) where they can participate, vote, or submit questions during the Meeting's live audiocast. Beneficial Shareholders (as defined in the Circular) who have not appointed themselves as proxyholders and guests can attend the Meeting online but will not be able to participate, vote or submit questions.

Beneficial Shareholders who receive these materials through their broker or other intermediary should carefully follow the instructions provided by their broker or intermediary and the instructions set out in the Circular under "*General Proxy Information*".

### **General Information**

The Board has fixed the close of business (Toronto time) on November 17, 2020 as the record date for the Meeting, being the date for the determination of the holders of common shares of Itasca entitled to receive notice of and to vote at the Meeting and any adjournment(s) or postponement(s) thereof. The Board has also fixed 12:00 p.m. (Toronto time) on Tuesday, December 15, 2020 or, in the event that the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays) before the adjourned or postponed meeting, as the time before which proxies to be used or acted upon at the Meeting or any adjournment(s) or postponement(s) thereof shall be deposited with the Company's transfer agent. Failure to properly complete and deposit a proxy may result in its invalidation. The Board may, in its sole discretion, waive the proxy cut-off or delegate such authority to the Chair of the Meeting.

Management of the Company is soliciting the enclosed form of proxy. The specific details of the foregoing matters to be put before the Meeting are set forth in the Circular accompanying this Notice of Meeting. If you are a Registered Shareholder and are unable to attend the Meeting, please date and execute the accompanying form of proxy and mail it to Computershare Investor Services Inc., Attention: Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. In order to expedite your vote, you may vote by facsimile or telephone or on the Internet as described on the form of proxy and in the Circular. If you are a Beneficial Shareholder and are unable to attend the Meeting, please carefully follow the instructions provided by your intermediary, including those regarding when and where the form of proxy or voting instruction form is to be delivered.

DATED at Vancouver, British Columbia, this 17<sup>th</sup> day of November, 2020

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*D. Kyle Cerminara*"

D. Kyle Cerminara

Chairman of the Board of Directors

## ITASCA CAPITAL LTD.

### MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Itasca Capital Ltd. (“**Itasca**”, the “**Company**”, “**we**” or “**us**”) for use at the annual general and special meeting of holders of common shares (“**Itasca Shares**”) in the capital of Itasca (“**Itasca Shareholders**”) scheduled to be held on Thursday, December 17, 2020 at 12:00 p.m. (Toronto time), including any adjournment(s) or postponement(s) thereof (the “**Meeting**”). No person (as defined below) has been authorized to give any information or make any representation in connection with any matter to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized. As used in this Circular, “**person**” includes any individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government or any other entity, whether or not having legal status.

Unless otherwise specified, all dollar amounts or references to “\$” herein are expressed in Canadian dollars. The information presented in this Circular is current as of November 17, 2020, except as otherwise noted.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

It is expected that the solicitation will be carried out primarily by mail, but proxies may also be solicited by telephone, facsimile or other electronic means, or other personal contact by the directors, executive officers, employees, and/or agents of the Company. The cost of solicitation will be borne by the Company.

The board of directors of Itasca (the “**Board**”) has fixed the close of business (Toronto time) on November 17, 2020 as the record date for the Meeting (the “**Record Date**”), being the date for the determination of the Itasca Shareholders entitled to receive notice of, and to vote at, the Meeting. Only Itasca Shareholders of record at the Record Date are entitled to vote at the Meeting.

**The persons named in the enclosed form of proxy as proxyholders (the “Management Proxyholders”) are officers and/or directors of the Company. A Registered Shareholder (as defined below) wanting to appoint some other person, who need not be an Itasca Shareholder, to represent such Registered Shareholder at the Meeting, may do so by following the directions set out below under the heading “Appointment of Proxyholders”.**

**A Registered Shareholder mailing the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate box. If the Registered Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the box opposite the item is to be left blank. The Itasca Shares represented by the proxy submitted by a Registered Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.**

The Management Proxyholders will vote Itasca Shares in respect of which they are appointed in accordance with the direction of the Itasca Shareholder appointing them. Unless directed otherwise, the Management Proxyholders intend to vote in favour of the matters to be acted upon at the Meeting as set forth below in “*Matters to be Acted Upon at the Meeting*”.

The enclosed form of proxy confers discretionary authority upon the Management Proxyholders therein with respect to amendments or variations to the matters identified in the Notice of Meeting or other matters that may properly come before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested. At the time of the printing of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the Management Proxyholders.

If you have additional questions about the Meeting, the information contained in this Circular, including the procedures for voting your Itasca Shares, please contact the Computershare Investor Services Inc. ("**Computershare**"), the transfer agent for the Itasca Shares, at 1-800-564-6253 within North America or 1-514-982-7555 outside of North America.

### **Mailing of Information**

The Circular, form of proxy, beneficial card and information regarding registration for future electronic delivery of materials (collectively, the "**Meeting Materials**") will be mailed to Itasca Shareholders beginning on or about November 20, 2020. These documents are being mailed to all Registered Shareholders, with the exception of those who declined to receive them, and to all Beneficial Shareholders (as defined below) who requested copies.

### **Registered Shareholders and Beneficial Shareholders**

Itasca Shareholders whose Itasca Shares are held in their own name are known as "**Registered Shareholders**" and will have received a form of proxy in their own name.

In many cases, Itasca Shareholders do not hold their Itasca Shares in their own name. Rather, their Itasca Shares are beneficially owned by the Itasca Shareholder (a "**Beneficial Shareholder**") but are registered either (i) in the name of an intermediary (an "**Intermediary**") that the Beneficial Shareholder deals with in respect of their Itasca Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a depository (a "**Depository**"), such as CDS Clearing and Depository Services Inc. in Canada and The Depository Trust Corporation in the United States.

Management has distributed copies of the appropriate Meeting Materials to the Intermediaries and Depositories for distribution to the Beneficial Shareholders. Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders. Intermediaries often use service companies to forward the Meeting Materials to Beneficial Shareholders. Generally, Beneficial Shareholders will either:

- (i) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Itasca Shares beneficially owned by the Beneficial Shareholder but which is otherwise not completed. In this case, a Beneficial Shareholder who wishes to submit a proxy should properly complete the form of proxy and submit it to Computershare at Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 by 12:00 p.m. (Toronto time) on December 15, 2020, or in the case of any adjournment(s) or postponement(s) of the Meeting, not less than 48 hours prior to the time of such meeting; or

- (ii) more typically, Beneficial Shareholders will receive a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Beneficial Shareholder and returned to the Intermediary or its service company, will constitute voting instructions. Beneficial Shareholders should follow the instructions provided in the voting instruction form, using one of the described voting methods provided, to vote their Itasca Shares.

The purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Itasca Shares that they beneficially own. Should a Beneficial Shareholder wish to attend and vote at the Meeting (or to have another person appointed as proxyholder to attend and vote on their behalf), the Beneficial Shareholder should strike out the names of the persons named in the form of proxy and insert the Beneficial Shareholder's or such other person's name in the blank space provided. In any case, Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the form of proxy (or any proxy authorization form) is to be delivered. Beneficial Shareholders wishing to vote online at the Meeting must also follow the steps set out below under "Appointment of Proxy Holders".

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), the Company will have distributed copies of the Meeting Materials to Intermediaries for onward distribution to Beneficial Shareholders. The Transfer Agent will distribute copies of the Meeting Materials to Registered Shareholders.

Under applicable Canadian securities laws, Beneficial Shareholders are either: (i) "objecting beneficial owners" or "OBOs", who object to the disclosure of information about their ownership in the Company by Intermediaries; or (ii) "non-objecting beneficial owners" or "NOBOs", who do not object to such disclosure.

The Company will not rely on the notice-and-access delivery procedures outlined in NI 54-101 to distribute copies of the Meeting Materials in connection with the Meeting. The Company will not pay for an Intermediary to forward the Meeting Materials to Beneficial Shareholders who are "OBOs" (as such term is defined in NI 54-101), including a voting information form and such Beneficial Shareholders will not receive the Meeting Materials unless the relevant Intermediary assumes the cost of delivery.

### **Appointment of Proxy Holders**

The Management Proxyholders named in the enclosed form of proxy are officers and/or directors of the Company. **An Itasca Shareholder has the right to appoint a person or company (who need not be an Itasca Shareholder), other than the Management Proxyholders whose names appear in the form of proxy, to attend and to act for and on behalf of such Itasca Shareholder at the Meeting and at any adjournment or postponement thereof.** To exercise this right, the Itasca Shareholder must either insert the name of the desired person in the blank space provided in the proxy and strike out the other names or submit another proper form of proxy and, in either case, deliver the completed form of proxy by post or other form of delivery to Computershare at Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1 to be received not later than 12:00 p.m. (Toronto time) on December 15, 2020 or, in the event the Meeting is adjourned or postponed, not less than 48 hours prior to the time of such adjournment or postponement. The Board may, in its sole discretion, waive the proxy cut-off or delegate such authority to the Chair of the Meeting (the "Chair").

Itasca Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting **must submit their proxy or voting instruction form (if applicable) prior to registering their proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not**

**receiving a username to participate in the Meeting. Without a username, proxyholders will not be able to vote at the Meeting.** To register a proxyholder, Itasca Shareholders **MUST** visit <http://www.computershare.com/ItascaCapital> by **12:00 p.m. (Toronto time) on December 15, 2020** and provide Computershare with their proxyholder's contact information so that Computershare may provide the proxyholder with a username via email.

If an Itasca Shareholder who has submitted a proxy attends the Meeting online and has accepted the terms and conditions when entering the Meeting, any votes cast by such Itasca Shareholder on a ballot will be counted and the submitted proxy will be disregarded. **Without a username, proxyholders will not be able to participate online at the Meeting.**

### **Manner of Voting by Proxies**

The Itasca Shares represented by an appropriate form of proxy will be voted on any ballot that may be conducted at the Meeting, or at any adjournment(s) or postponement(s) thereof, in accordance with the instructions contained on the form of proxy and, if the Itasca Shareholder specifies a choice with respect to any matter to be acted on, the Itasca Shares will be voted accordingly. **In the absence of instructions, such Itasca Shares will be voted FOR each of the matters described in the Notice of Meeting.**

**If you have appointed a person who was designated by the Company to vote on your behalf as provided in the enclosed form of proxy and you do not provide any instructions concerning any matter identified in the Notice of Meeting, the Itasca Shares represented by such proxy will be voted:**

1. **FOR** the resolution to set the number of directors of the Company to be elected at the Meeting at nine (9) directors;
2. **FOR** the election of the persons nominated for election as directors of the Company;
3. **FOR** the re-appointment of the auditors of the Company and to authorize the Board to fix the remuneration of the auditors;
4. **FOR** the continued use of the Company's stock option plan, which provides that the maximum number of Itasca Shares that may be reserved and set aside for issuance under the stock option plan shall not exceed 10% of the aggregate number of Itasca Shares outstanding;
5. **FOR** the change of name of the Company from "Itasca Capital Ltd." to "GreenFirst Forest Products Inc." or such other name as the Board, in its sole discretion and subject to applicable regulatory approval, determines to be appropriate; and
6. **FOR** the creation of a new "Control Person" of the Company, as such term is defined in the TSXV Corporate Finance Manual, being Timber Country Investment Corporation, a corporation controlled by Mr. Rick Doman.

The enclosed form of proxy, when properly signed, confers discretionary authority on the person or persons named to vote on any amendment to matters identified in the Notice of Meeting and on any other matter properly coming before the Meeting, or any adjournment or postponement thereof. Management is not aware of any such matter; however, if such matter properly comes before the Meeting, or any adjournment or postponement thereof, the proxies will be voted at the discretion of the person or persons named therein.

## How to Attend the Meeting

Registered Shareholders and duly appointed proxyholders can attend the Meeting by going to <https://web.lumiagm.com/281333941> and using the password: "itasca2020" which is case sensitive.

- Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking "**I have a login**" and entering their username and the password before the start of the Meeting.
  - Registered Shareholders – The 15-digit control number located on your form of proxy is your username and the password is "itasca2020".
  - Duly appointed proxyholders – Computershare will provide your appointed proxyholder with a username after the voting deadline has passed. The password for the Meeting is "itasca2020".
- Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Beneficial Shareholders who have not appointed themselves as proxyholder may attend the Meeting by clicking "**I am a guest**" and completing the online form.

## Participating and Voting at the Meeting

The Meeting will be hosted online by way of a live audiocast. A summary of the information Itasca Shareholders will need to attend the online Meeting is provided below. The Meeting will begin at 12:00 p.m. (Toronto time) on December 17, 2020.

- Registered Shareholders that have a 15-digit control number, along with duly appointed proxyholders who were assigned a control number by Computershare, will be able to vote and submit questions during the Meeting.
- Beneficial Shareholders who have not appointed themselves as proxyholders, or those who are not Itasca Shareholders, will only be able to attend as a guest which allows them to listen to the Meeting, however they will not be able to vote or submit questions. Please see the information above under the heading "*Registered Shareholders and Beneficial Shareholders*" for an explanation of why certain Itasca Shareholders may not have received a form of proxy.
- United States Beneficial Shareholders: To attend and vote at the Meeting, you must first obtain a valid legal proxy from your Intermediary and then register in advance to attend the Meeting. Follow the instructions from your Intermediary included with these proxy materials, or contact your Intermediary to request a legal proxy form. After first obtaining a valid legal proxy from your Intermediary, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare  
100 University Avenue  
8<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2Y1

OR

Email at [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com)

- Requests for registration must be labeled as “Legal Proxy” and be received no later than December 15, 2020 by 12:00 p.m. (Toronto time). You will receive a confirmation of your registration by email after Computershare receives your registration materials. You may attend the Meeting and vote your Itasca Shares at <https://web.lumiagm.com/281333941> (password: itasca2020) during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/ItascaCapital>.
- If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting.

### **Voting at the Meeting**

A Registered Shareholder, or a Beneficial Shareholder who has appointed themselves or a third party proxyholder to represent them at the Meeting, will appear on a list of Itasca Shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. To have their Itasca Shares voted at the Meeting, each Registered Shareholder or proxyholder will be required to enter their control number or username provided by Computershare at <http://www.computershare.com/ItascaCapital> prior to the start of the Meeting. In order to vote, Beneficial Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at <http://www.computershare.com/ItascaCapital> **after** submitting their voting instruction form in order to receive a username (please see the information under the heading “*Appointment of Proxy Holders*” above for details).

### **Revocability of Proxies**

A proxy granted pursuant to this solicitation may be revoked at any time before it has been exercised (i) by an instrument in writing executed by the Registered Shareholder or by the Registered Shareholder’s attorney authorized in writing (or, if the Registered Shareholder is a corporation, by a duly authorized officer or attorney) and deposited at the registered office of the Company (1800 – 510 West Georgia Street, Vancouver, B.C. V6B 0M3) at any time up to and including the last business day preceding the day of the Meeting, (ii) by completing and submitting a form of proxy that is dated later than the form of proxy that is being revoked and sending it to the Toronto office of Computershare so that it is received no later than 12:00 p.m. (Toronto time) on December 15, 2020, or in the event that the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays) before the adjourned or postponed meeting or (iii) in any other manner permitted by applicable law.

If you are using a 15-digit control number or a username assigned by Computershare to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you **DO NOT** wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

### **QUORUM**

The articles of the Company provide that a quorum for the transaction of business at a meeting of Itasca Shareholders is two persons who are, or who represent by proxy, Itasca Shareholders who, in the aggregate, hold at least 5% of the issued Itasca Shares entitled to be voted at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of November 17, 2020, the Company's authorized capital consisted of an unlimited number of common shares, of which 23,810,626 Itasca Shares were issued and outstanding, and 100,000,000 preferred shares without par value, of which none were issued and outstanding. Each Itasca Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the Record Date, only the following persons or companies beneficially owned, directed or controlled, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company:

Shareholder	Number of Itasca Shares <sup>(2)</sup>	Percentage of Issued Capital
Ballantyne Strong, Inc. (" <b>Ballantyne</b> ") & Fundamental Global Investors, LLC (" <b>Fundamental</b> ") <sup>(1)(2)</sup>	10,883,502	45.71%
Larry G. Swets, Jr.	3,609,947	15.16%

Notes:

- (1) Ballantyne (a reporting issuer listed on the NYSE American) directly or indirectly beneficially owns or exercises control or direction over 7,044,000 Itasca Shares through its wholly-owned subsidiary Strong/MDI Inc. Fundamental directly or indirectly beneficially owns or exercises control or direction over 3,839,502 Itasca Shares. Kyle Cerminara is the Chief Executive Officer, Co-Founder and Partner of Fundamental. Mr. Cerminara is also the Chairman of Ballantyne. Lewis Johnson is the President, Co-Founder and Partner of Fundamental, and also the Co-Chairman of Ballantyne. Fundamental, together with its affiliates, currently holds approximately 44.5% of the currently issued and outstanding Ballantyne shares. Fundamental has the shared power to direct the voting and disposition of the shares held by its funds. As the Chairman of the Board of Directors of Ballantyne and principal of Fundamental, Mr. Cerminara, and Fundamental, may be deemed to have the shared power to direct the voting and disposition of the Itasca Shares held by Ballantyne. As the Co-Chairman of the Board of Directors of Ballantyne and principal of Fundamental, Mr. Johnson, and Fundamental, may be deemed to have the shared power to direct the voting and disposition of the Itasca Shares held by Ballantyne.
- (2) Based on figures provided by Fundamental, Ballantyne and Larry Swets.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial year ended December 31, 2019, and the auditors' report thereon, will be placed before the Meeting.

### 2. Number of Directors

The Board presently consists of nine (9) directors. It is proposed to set the number of directors for the ensuing year at nine (9), to be approved by way of an ordinary resolution of Itasca Shareholders.

### *Approval Sought*

Itasca Shareholders will be asked at the Meeting to consider, and, if thought appropriate, to pass, with or without variation, an ordinary resolution setting the number of directors to be elected at the Meeting at nine (9). Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the ordinary resolution setting the number of directors to be elected at the Meeting at nine (9).

### 3. Election of Directors

All of the nine (9) nominees are currently members of the Board and have been since the dates indicated in their respective profiles set forth below. It is contemplated that all of the nominees will be able to serve as directors. However, if a nominee should be unable to serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting or until his successor is appointed, unless his office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) and the articles of the Company.

The advance notice provisions of the Company’s articles provide timeframes in which any additional director nominations for the Meeting must have been received by the Company. At the date of this Circular, no such nominations had been received.

#### *Approval Sought*

Itasca Shareholders will be asked at the Meeting to consider, and, if thought appropriate, to pass, with or without variation, an ordinary resolution electing each of the nine (9) nominees. Unless directed otherwise, the Management Proxyholders intend to vote **FOR** the election of the proposed nominees as directors of the Company.

### 4. Appointment of Auditors

Baker Tilly Virchow Krause, LLP (“**Baker Tilly**”) has been the auditors of the Company since October 2, 2018. It is proposed that Baker Tilly be reappointed as the auditors of the Company to hold office until the next annual meeting of Itasca Shareholders and that the Board be authorized to fix their remuneration.

#### *Approval Sought*

The Board unanimously recommends that Itasca Shareholders vote **FOR** the appointment of Baker Tilly as auditors of the Company to hold office until the next annual meeting of Itasca Shareholders of the Company and to authorize the Board to fix their remuneration. Unless directed otherwise, the Management Proxyholders intend to vote **FOR** the appointment of Baker Tilly as the auditors of the Company until the next annual meeting of Itasca Shareholders and to authorize the Board to fix their remuneration.

### 5. Stock Option Plan

Itasca Shareholders are being asked to re-approve the Company’s stock option plan dated June 20, 2012, as amended (the “**Stock Option Plan**”). The Stock Option Plan is a “rolling” stock option plan and was last approved by Itasca Shareholders at the annual meeting of Itasca Shareholders held on December 11, 2019.

In accordance with the policies of the TSXV, a plan with a rolling 10% maximum must be confirmed by Itasca Shareholders at each annual general meeting. The Stock Option Plan is subject to an annual filing with the TSXV.

#### *Approval Sought*

The Itasca Shareholders will be asked to pass the following ordinary resolution at the Meeting:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of Itasca Capital Ltd. (the “**Company**”) that:

(1) the stock option plan (the “**Stock Option Plan**”) of the Company, substantially in the form attached to the Company’s Information Circular dated May 22, 2012, as amended be and is hereby ratified, confirmed and approved;

(2) any officer or director of the Company is hereby authorized to amend the Stock Option Plan should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and

(3) any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

The Board believes the passing of the above resolution is in the best interests of the Company and recommends that Itasca Shareholders vote **FOR** the resolution. Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the proposed resolution.

## **6. Name Change**

At the Meeting, Itasca Shareholders will be asked to consider, and if thought advisable, to pass, with or without variation, a special resolution to change the name of the Company from “Itasca Capital Ltd.” to “GreenFirst Forest Products Inc.” or such other name as the Board, in its sole discretion and subject to applicable regulatory approval, determines to be appropriate (the “**Name Change**”). To be effective, the special resolution must be passed by not less than two thirds of votes cast by Itasca Shareholders present in person or represented by proxy at the Meeting.

The Board believes that the new proposed name of the Company will, when implemented, more accurately reflect the nature of the Company’s evolving strategy. As outlined in the resolution below, the new name of the Company will be determined by the Board. Even if approved by the Itasca Shareholders, the Board has the discretion when to proceed with the Name Change and may determine not to proceed with the Name Change at its sole discretion.

As at the date of this Circular, the requisite regulatory approvals for the Name Change, including the approvals of the TSXV, have not been received. There can be no assurance that the applicable approvals will be obtained.

### ***Approval Sought***

Itasca Shareholders will be asked to pass the following special resolution at the Meeting:

“**BE IT HEREBY RESOLVED** as a special resolution of Itasca Capital Ltd (the “**Company**”) that:

(1) the change of the name of the Company to “GreenFirst Forest Products Inc.” or such other name acceptable to the TSX Venture Exchange (or any other stock exchange on which the Itasca Shares are listed) and as the directors of the Company in their sole discretion determine is appropriate is authorized and approved;

(2) any officer or director of the Company be and is hereby authorized and directed for and on behalf of the Company (whether under its corporate seal or otherwise) to execute, deliver and file all such documents and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this special resolution and any matters contemplated thereby; and

(3) the directors of the Company are hereby authorized and granted with absolute discretion and without further approval of the shareholders, to determine the effective date of the change of name of the Company and to revoke and rescind this resolution before it is acted upon."

The Board believes the passing of the above resolution is in the best interests of the Company and recommends that Itasca Shareholders vote **FOR** the special resolution. Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the proposed special resolution.

## 7. **Approval of Control Person**

On October 22, 2020, in connection with a private placement of units of the Company (the "**Units**") and convertible debentures of the Company (the "**Convertible Debentures**"), Timber Country Investment Corporation ("**Timber Country**"), a corporation owned and controlled by Mr. Rick Doman, acquired 1,000,000 Units and 2,000 Convertible Debentures.

Each Unit is comprised of one Itasca Share and one Itasca Share purchase warrant of the Company (a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Itasca Share at a purchase price of \$0.60 until the date that is five (5) years after the date that the Warrant is issued. Each Unit is immediately separable into one (1) Itasca Share and one (1) Warrant upon issuance.

Each Convertible Debenture is secured, and has a maturity date of two (2) years from the date of issuance. The Convertible Debentures bear interest at a rate of 4% per annum until the completion of a Qualified Investment (as defined below) and 2% per annum thereafter; provided that, if the Requisite Approval (as defined below) is not obtained on or before December 31, 2020, the interest rate increases by ten (10) percentage points in each case, to 14% and 12%, respectively. If, prior to the maturity date, Itasca closes an investment in excess of \$25,000,000 (a "**Qualified Investment**") the principal amount of each Convertible Debenture will, subject to the limitations described below, automatically convert at maturity into Units at a price of \$0.50 per Unit (provided that the term of any Warrant issued in connection therewith will be limited to five (5) years from the date of issuance of the Convertible Debenture). Accrued but unpaid interest on the Convertible Debentures will also automatically convert at maturity into Units upon a Qualified Investment in accordance with the policies of the TSXV and subject to TSXV approval.

Unless and until Itasca Shareholders approve the issuance of the Convertible Debentures in accordance with the policies of the TSXV (the "**Requisite Approval**"), the Convertible Debentures will only be convertible to the extent that the issuance of the Itasca Shares issuable on conversion of the Convertible Debentures and exercise of the associated Warrants do not result in the holder thereof holding 20% or more of issued and outstanding Itasca Shares. If the Company fails to complete a Qualified Investment prior to the date that is six (6) months following the issuance of the Convertible Debentures, the holder thereof may require Itasca to redeem and repurchase the Convertible Debentures for their face amount plus all accrued and unpaid interest.

Under the rules of the TSXV, a "Control Person" is created when a person holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

Timber Country currently holds 1,000,000 Itasca Shares, representing approximately 4.2% of the issued and outstanding Itasca Shares, 1,000,000 Warrants and 2,000 Convertible Debentures. Assuming the exercise of all Warrants and Convertible Debentures held by Timber Country, the Company would receive additional proceeds of \$3,000,000 and Timber Country would own approximately 23.9% of the issued and outstanding Itasca Shares. In such circumstance, or any other circumstances where Timber Country exercises a sufficient number of Warrants or Convertible Debentures to own 20% or more of the issued and outstanding Itasca Shares, Timber Country would become a Control Person of Itasca for the purposes of the rules of the TSXV.

In order to obtain the Requisite Approval prior to December 31, 2020 so as to avoid the increased interest payable by the Company on the Convertible Debentures and in anticipation of the possibility that Timber Country may exercise a sufficient amount of Warrants and Convertible Debentures to become a Control Person of Itasca, at the Meeting, disinterested Itasca Shareholders will be asked to consider, and if thought advisable, to pass an ordinary resolution to approve Timber Country as a new Control Person of the Company.

At the Meeting, the Itasca Shares held by Timber Country will be excluded for the purposes of determining disinterested Itasca Shareholder approval.

#### *Approval Sought*

Disinterested Itasca Shareholders will be asked to pass the following ordinary resolution at the Meeting:

**"BE IT HEREBY RESOLVED** as an ordinary resolution of the Company that:

(1) The creation of a new Control Person of the Company, as such term is defined in the policies of the TSX Venture Exchange, being Timber Country Investment Corporation, all as more particularly described in the Company's management information circular dated November 17, 2020, is hereby authorized and approved; and

(2) Any officer or director of the Company be and is hereby authorized and directed for and on behalf the Company (whether under its corporate seal or otherwise) to execute and deliver all such further agreements, documents and instruments and do all such other acts and things as such director or officer may determine to be necessary or advisable for the purposes of giving full effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or things being conclusive evidence of such determination."

The Board believes the passing of the above resolution is in the best interests of the Company and recommends that disinterested Itasca Shareholders vote **FOR** the ordinary resolution. Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the proposed ordinary resolution.

#### **8. Other Business**

Management is not aware of any other matters to come before the Meeting other than those set out in the attached Notice of Meeting. If other matters come before the Meeting, it is the intention of the Management Proxyholders to vote in accordance with their best judgment on such matters.

## ELECTION OF DIRECTORS

Each of Hassan R. Baqar, D. Kyle Cerminara, Richard E. Govignan, Lewis M. Johnson, Andrew McIntyre, R. Michael Powell, Larry G. Swets, Jr., Rick Doman and Paul Rivett (collectively, the “**Nominees**”) will be nominated for election or re-election, as applicable, as a director of Itasca at the Meeting, in each case to hold office until the next annual general meeting of Itasca Shareholders or until their successors are duly appointed or elected.

The following table sets forth certain information with respect to the Nominees. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason at or prior to the Meeting or should any of the nominees withdraw their candidacy at or prior to the Meeting, the Management Proxyholders reserve the right to vote for another nominee in their discretion. The current term of each director expires immediately before the election of directors at the Meeting.

Name and Place of Residence <sup>(1)</sup>	Position(s) with Itasca	Present Principal Occupation, Business or Employment and Principal Occupation, Business or Employment During the Preceding Five Years <sup>(1)</sup>	Number of Securities of Itasca Beneficially Owned, Controlled or Directed <sup>(1)</sup>
HASSAN R. BAQAR Illinois, USA	Director, Chief Financial Officer	Managing Member, Sequoia Financial LLC since 2007.  Chief Financial Officer of FG New America Acquisition Corp. since July 2020.  Chief Financial Officer of Insurance Income Strategies Ltd. since October 2017.  Director & Chief Financial Officer of Unbounded Media Corporation since June 2019.  Vice President – Kingsway Financial Services Inc. (“KFSI”) from January 2014 to January 2019.  Vice President of KFSI subsidiary Kingsway America Inc., from 2010 to 2019.	370,000 stock options
D. KYLE CERMINARA <sup>(3)</sup> North Carolina, USA	Director, Chairman	Chairman of Ballantyne Strong, Inc. since 2015.  CEO, Co-Founder and Partner of Fundamental Global Investors, LLC since April 2012.  Co-Chief Investment Officer of Capital Wealth Advisors since December 2012.  Director & President of FG New America Acquisition Corp. since July 2020.	225,000 stock options
DR. RICHARD E. GOVIGNON, JR. <sup>(2)</sup> New Jersey, USA	Director	Pharmacist, CVS Health Corporation since January 2019.  Pharmacy Manager, Acme Markets, Inc. from 2017 to 2019.  Pharmacy Manager, CVS Health Corporation from 2013 to 2017.	70,000 stock options

Name and Place of Residence <sup>(1)</sup>	Position(s) with Itasca	Present Principal Occupation, Business or Employment and Principal Occupation, Business or Employment During the Preceding Five Years <sup>(1)</sup>	Number of Securities of Itasca Beneficially Owned, Controlled or Directed <sup>(1)</sup>
LEWIS M. JOHNSON <sup>(3)</sup> Florida, USA	Director	Co-Chairman of Ballantyne Strong, Inc. since 2016.  President, Co-Founder and Partner of Fundamental Global Investors, LLC since April 2012.  Co-Chief Investment Officer of Capital Wealth Advisors since January 2013.	145,000
ANDREW MCINTYRE <sup>(2)(3)</sup> Ontario, Canada	Director	Senior Vice President, Finance of Sofina Foods Inc. since September 2019  Vice President, Corporate Development of Samuel, Son & Co. Limited since October 2016 until August 2019.  Managing Director of Segwin Consulting Ltd. since July 2015 until October 2016.  Vice-President, Corporate Development of Vicwest Inc. from October 2007 until May 2015.	10,000 Itasca Shares  205,500 stock options
R. MICHAEL POWELL <sup>(2)</sup> Connecticut, USA	Director	Senior Managing Director of EarlyBirdCapital, Inc. since August 2010.	725,000 Itasca Shares  205,500 stock options
LARRY G. SWETS, JR. Florida, USA	Director, Chief Executive Officer	Chief Executive Officer, 1347 Property Insurance Holdings, Inc. since November 2020.  Interim Chief Executive Officer, 1347 Property Insurance Holdings, Inc. from June 2020 to November 2020.  Director & Chief Executive Officer of FG New America Acquisition Corp. since July 2020.  Managing Member, Itasca Financial LLC since 2005.  President of Itasca Golf Managers, Inc. since September 2018.  Chief Executive Officer of Kingsway Financial Services Inc. from July 2010 to September 2018.  President of Kingsway Financial Services Inc. from July 2010 to March 2017.	3,609,947 Itasca Shares  800,000 stock options
RICK DOMAN Alberta, Canada	Director	Private investor and a consultant for a major Canadian financial institution since 2014.	1,000,000 Itasca Shares  1,000,000 Warrants  2,000 Convertible Debentures  80,000 stock options

Name and Place of Residence <sup>(1)</sup>	Position(s) with Itasca	Present Principal Occupation, Business or Employment and Principal Occupation, Business or Employment During the Preceding Five Years <sup>(1)</sup>	Number of Securities of Itasca Beneficially Owned, Controlled or Directed <sup>(1)</sup>
PAUL RIVETT Ontario, Canada	Director	Co-Owner of Nordstar Capital  Chairman and Co-Proprietor of Torstar Corporation  Prior to 2020, President of Fairfax Financial Holdings Ltd and Vice President and Chief Operating Officer of Hamblin Watsa Investment Counsel Ltd	800,000 Itasca Shares  800,000 Warrants  1,600 Convertible Debentures  80,000 stock options

Notes:

- (1) The information as to province or state of residence, present principal occupation, business or employment and the number of securities of Itasca beneficially owned or controlled or directed, directly or indirectly, is, in each instance, based upon information furnished by the Nominees.
- (2) Denotes member of the Audit Committee.
- (3) Denotes member of the Compensation, Governance and Nominating Committee.

As at the date of this Circular, based on the information furnished by the Nominees, none of the securities owned by Nominees' associates or affiliates (as defined below), individually or in combination with the securities owned by the Nominees, amount to 10 per cent or more of the voting rights attached to all voting securities of Itasca or of any of its subsidiaries other than as disclosed above. As used in this Circular, "**affiliate**" has the meaning ascribed thereto under the BCBCA.

*Nominee Profiles*

Further background information with respect to the Nominees is set forth below:

**Hassan R. Baqar**

Mr. Baqar has been a director of Itasca since August 13, 2019 and Chief Financial Officer of Itasca since June 9, 2016. Mr. Baqar is the founder and Managing Member of Sequoia Financial LLC, a financial services and advisory firm. Mr. Baqar also serves as Chief Financial Officer of Insurance Income Strategies Ltd, a Bermuda based reinsurance corporation, as Chief Financial Officer of FG New America Acquisition Corp. (NYSE: FGNA), a special purpose acquisition company, as a Director of Fundamental Global Reinsurance Ltd., a Cayman Islands reinsurance company, and as Chief Financial Officer and Director of Unbounded Media Corporation. Previously, he served as Vice President of Kingsway Financial Services Inc. ("KFSI") (NYSE: KFS) from January 2014 to January 2019 and as a Vice President of KFSI's subsidiary Kingsway America Inc. from January 2010 to January 2019. Mr. Baqar also served as Chief Financial Officer and Director of 1347 Capital Corp. (NASDAQ: TFSC) from April 2014 to July 2016 when the company completed a business combination to form Limbach Holdings, Inc. (NASDAQ: LMB). Mr. Baqar has served as a member of the Board of Directors of 1347 Property Insurance Holdings, Inc. (NASDAQ: PIH), Maison Insurance Company and Maison Managers Inc.

By virtue of a management services agreement between 1347 Advisors LLC, a wholly owned subsidiary of KFSI, and United Insurance Management, L.C., he has also served as the Chief Financial Officer of United Insurance Holdings Corp. (NASDAQ: UIHC), a publicly held property and casualty insurance holding company. His previous experience also includes position of Director of Finance at Itasca Financial, LLC from 2008 to 2009 and positions held at Kemper Insurance Companies, a diversified mutual property-casualty insurance provider, from June 2000 to April 2008, where he most recently served as a senior analyst. Mr. Baqar earned a master's degree in Business Administration from Northeastern Illinois University in 2009, and a bachelor's degree in Accounting and Business

Administration from Monmouth College in 2000. He also holds a Certified Public Accountant designation.

#### **D. Kyle Cerminara**

Mr. Cerminara has been a director of Itasca since June 13, 2016 and the Chairman of the Board since June 4, 2018. Mr. Cerminara is the Chairman of the Board of Directors of Ballantyne Strong, Inc. (NYSE American: BTN), a holding company with diverse business activities focused on serving the cinema, retail, financial and government markets. Mr. Cerminara assumed responsibilities as Chairman of the Board of Directors of Ballantyne Strong, Inc. in May 2015 and as Chief Executive Officer from November 2015 to April 2020. Since April 2012, Mr. Cerminara has also served as the Chief Executive Officer, Co-Founder and Partner of Fundamental Global Investors, LLC, an SEC registered investment advisor that manages equity and fixed income funds and strategies, and is the largest stockholder of Itasca. In addition, Mr. Cerminara is Co-Chief Investment Officer of CWA Asset Management Group, LLC (d/b/a Capital Wealth Advisors), a wealth advisor and multi-family office affiliated with Fundamental Global Investors, LLC, which position he has held since December 2012. Mr. Cerminara has served as the Director and President of FG New America Acquisition Corp. (NYSE: FGNA), a special purpose acquisition company, since July 2020. Mr. Cerminara is a member of the Board of Directors of a number of publicly held companies focused in the insurance, technology and communication sectors, including Ballantyne Strong, Inc., since February 2015; BK Technologies Corporation (NYSE American: BKTI), a publicly traded manufacturer which recently reorganized into a holding company structure, since July 2015; and 1347 Property Insurance Holdings, Inc. (Nasdaq: PIH), a holding company, which, through its subsidiaries, is engaged in providing insurance and asset management services, since December 2016. Mr. Cerminara was also appointed as Chairman of the Board of Directors of BK Technologies, Inc. (now BK Technologies Corporation) in March 2017 and Chairman of the Board of Directors of 1347 Property Insurance Holdings, Inc. in May 2018. He also served on the Board of Directors of Iteris, Inc. (Nasdaq: ITI), a publicly traded, applied informatics company, from August 2016 to November 2017, and Magnetek, Inc., a publicly traded manufacturer, in 2015; Limbach Holdings, Inc. (Nasdaq: LMB), a company which provides building infrastructure services, from March 2019 to March 2020, and blueharbor bank (OTC: BLHK), a community bank from mid-2013 to January 2020. He previously served as a trustee of StrongVest ETF Trust, which was an open-end management investment company, from July 2016 until October 2019.

Prior to these roles, Mr. Cerminara was a Portfolio Manager at Sigma Capital Management from 2011 to 2012, a Director and Sector Head of the Financials Industry at Highside Capital Management from 2009 to 2011, and a Portfolio Manager and Director at CR Intrinsic Investors from 2007 to 2009. Before joining CR Intrinsic Investors, Mr. Cerminara was a Vice President, Associate Portfolio Manager and Analyst at T. Rowe Price from 2001 to 2007 and an Analyst at Legg Mason from 2000 to 2001. Mr. Cerminara received an MBA from the Darden School of Business at the University of Virginia and a B.S. in Finance and Accounting from the Smith School of Business at the University of Maryland, where he was a member of Omicron Delta Kappa, an NCAA Academic All-American and Co-Captain of the men's varsity tennis team. He also completed a China Executive Residency at the Cheung Kong Graduate School of Business in Beijing, China. Mr. Cerminara holds the Chartered Financial Analyst (CFA) designation. Mr. Cerminara brings to the Board the perspective of Itasca's largest stockholder. He also has extensive experience in the financial industry, including investing, capital allocation, finance and financial analysis of public companies, and operational experience as a Chief Executive Officer, which qualify him to serve on our Board of Directors.

#### **Dr. Richard E. Govignon, Jr.**

Dr. Govignon has been a director of Itasca since December 11, 2019. Dr. Govignon has served as a Pharmacist with CVS Health Corporation since January 2019. Previously, Dr. Govignon was a Pharmacy

Manager at Acme Markets, Inc. from 2017 to 2019 and with CVS Health Corporation from 2013 to 2017. Prior to joining CVS, Dr. Govignon was a Pharmacist with Rite Aid Corporation. Dr. Govignon received a Doctor of Pharmacy from the University of the Sciences in Philadelphia and a Bachelor of Science in Pharmacy from the University of the Sciences in Philadelphia. Dr. Govignon was previously a Trustee of the StrongVest ETF Trust from 2017 to 2019.

### **Lewis M. Johnson**

Mr. Johnson has been a director of Itasca since June 4, 2018. Since 2012, Mr. Johnson has served as the President, Co-Founder and Partner of Fundamental Global Investors, LLC, an SEC registered investment advisor that manages equity and fixed income funds and strategies, and is the largest stockholder of Itasca. In addition, since January 2013, Mr. Johnson has served as Co-Chief Investment Officer of CWA Asset Management Group, LLC (d/b/a Capital Wealth Advisors), a wealth advisor and multi-family office affiliated with Fundamental Global Investors, LLC. Prior to co-founding Fundamental Global Investors, LLC and partnering with Capital Wealth Advisors, Mr. Johnson was a private investor from 2010 to 2012. From 2008 to 2010 Mr. Johnson served as Portfolio Manager and Managing Director at Louis Dreyfus Highbridge Energy. Previously Mr. Johnson was a Senior Vice President, Portfolio Manager and Analyst at Pequot Capital from 2006 to 2007. Prior to joining Pequot Capital, he was a Vice President and Analyst at T. Rowe Price from 2000 to 2006. He worked as an Analyst at Capital Research and Management in 1999 and a Vice President at AYSA from 1992 to 1998. Mr. Johnson received an MBA from the Wharton School of Business at the University of Pennsylvania in addition to a M.A. in Political Science and a B.A. in International Studies from Emory University, where he graduated Magna Cum Laude and was a member of Phi Beta Kappa. Mr. Johnson is a member of the Board of Directors of a number of publicly held companies, including Ballantyne Strong, Inc. (NYSE American: BTN), a holding company with diverse business activities focused on serving the cinema, retail, financial and government markets, since May 2016; BK Technologies Corporation (NYSE American: BKTI), a publicly traded manufacturer which recently reorganized into a holding company structure, since May 2016; and 1347 Property Insurance Holdings, Inc. (Nasdaq: PIH), a holding company, which, through its subsidiaries, is engaged in providing insurance and asset management services, since April 2017. Mr. Johnson was also appointed as Co-Chairman of the Board of Directors of 1347 Property Insurance Holdings, Inc. in May 2018, Co-Chairman of the Board of Directors of BK Technologies, Inc. (now BK Technologies Corporation) in June 2018, and Co-Chairman of the Board of Directors of Ballantyne Strong, Inc. in April 2019. Mr. Johnson brings to the Board the perspective of Itasca's largest stockholder. He has extensive experience in the financial industry, including asset management, capital allocation, finance and financial analysis of public companies.

### **Andrew McIntyre**

Mr. McIntyre has been a director of Itasca since June 9, 2016. In September 2019, Mr. McIntyre joined Sofina Foods Inc. as Senior Vice President, Finance. From October 2016 to August 2019, Mr. McIntyre served Samuel, Son & Co. Limited in the role of Vice President, Corporate Development. Previously, Mr. McIntyre was Managing Director of Segwin Consulting Ltd., a consultancy specializing in M&A advisory and strategy development for B2B clients in North America and Asia. Prior to his role with Segwin Consulting Ltd., Mr. McIntyre was Vice President, Corporate Development at Vicwest Inc. Previously, Mr. McIntyre served on the Boards of Directors of Burloak Technologies Inc., Pre-Insulated Metal Technologies Inc., BBi Enterprises Inc., MDS Capital Company and the Orthopaedic & Arthritic Institute. Mr. McIntyre's formal designations include ICD.D., Chartered Financial Analyst, Master of Business Administration from the Schulich School of Business and P. Eng.

## **R. Michael Powell**

Mr. Powell has been a director of Itasca since June 9, 2016. Mr. Powell serves as a Senior Managing Director and Co-head of Investment Banking at EarlyBirdCapital, Inc., where he focuses primarily on Special Purpose Acquisition Company (SPAC) IPOs and SPAC business combinations. Prior to joining EarlyBirdCapital, Mr. Powell served as Managing Director at Pali Capital, Inc., where he co-founded its investment banking department. Earlier in his career, Mr. Powell was a founding employee and served as a Managing Director at Morgan Joseph & Co., Inc. He also has previous experience in the Generalist/M&A group at ING Barings and the Energy and Natural Resource Group at UBS. Mr. Powell is a Phi Beta Kappa graduate of the University of North Carolina at Chapel Hill where he earned his Bachelor of Arts degree in Economics, Chemistry and Mathematics in 1994.

## **Larry G. Swets, Jr.**

Mr. Swets has been a director of Itasca since June 9, 2016. Mr. Swets founded Itasca Financial LLC, an advisory and investment firm, in 2005 and has served as its managing member since inception. Mr. Swets is also the founder and President of Itasca Golf Managers, Inc., a management services and advisory firm focused on the real estate and hospitality industries. Mr. Swets has served as Chief Executive Officer of Itasca Capital Ltd. (TSXV: ICL) since June 2016, as Chief Executive Officer of 1347 Property Insurance Holdings, Inc. (Nasdaq: PIH) since November 2020, after having served as Interim CEO June-November 2020, and as Chief Executive Officer of FG New America Acquisition Corp. (NYSE: FGNA), a special purpose acquisition company, since August 2020. Mr. Swets is a member of the Board of Directors of 1347 Property Insurance Holdings, Inc., FG New America Acquisition Corp., Harbor Custom Development, Inc. (Nasdaq: HCDI), Itasca Capital Ltd., Limbach Holdings, Inc. (Nasdaq: LMB), Insurance Income Strategies Ltd., Alexian Brothers Foundation, and Unbounded Media Corporation.

Previously, Mr. Swets served as the Chief Executive Officer of Kingsway Financial Services Inc. (NYSE: KFS) from July 2010 to September 2018, including as its President from July 2010 to March 2017. Prior to founding Itasca Financial LLC, Mr. Swets served as an insurance company executive and advisor, including the role of Director of Investments and Fixed Income Portfolio Manager for Lumbermens Mutual Casualty Company, formerly known as Kemper Insurance. Mr. Swets began his career in insurance as an intern in the Kemper Scholar program in 1994. He previously served as a member of the board of directors of Kingsway Financial Services Inc. from September 2013 to December 2018, Atlas Financial Holdings, Inc. (Nasdaq: AFH) from December 2010 to January 2018, FMG Acquisition Corp. (Nasdaq: FMGQ) from May 2007 to September 2008, United Insurance Holdings Corp. from 2008 to March 2012, and Risk Enterprise Management Ltd. from November 2007 to May 2012. He is a member of the Young Presidents' Organization. Mr. Swets earned a master's degree in Finance from DePaul University in 1999 and a bachelor's degree from Valparaiso University in 1997. He also holds the Chartered Financial Analyst (CFA) designation.

## **Rick Doman**

Mr. Doman has been a director of the Company since October 22, 2020. He has extensive experience in the lumber industry, including with Doman Industries (currently named Western Forest Products Inc.) where he was a director from 1988 to 2000 and the President, Chief Executive Officer and a director from 2001 to 2004. Mr. Doman also founded EACOM Timber Corporation and was the President, Chief Executive Officer and a director from 2008 to 2013 and then Chairman from 2013 to 2015. Mr. Doman is a private investor and, since 2014, Mr. Doman has been engaged by a major Canadian financial institution to conduct forest products analytics and research.

## **Paul Rivett**

Mr. Rivett has been a director of the Company since October 22, 2020. Paul C. Rivett is currently the Co-Owner of Nordstar Capital which recently acquired Torstar Corporation where he sits as Co-proprietor and Chairman. Prior to this, he was President of Fairfax Financial Holdings Ltd. and Vice President and Chief Operating Officer of Hamblin Watsa Investment Counsel Ltd. Mr. Rivett also sits on several boards, including Recipe Unlimited Corporation (TSX: RECP). He holds a Bachelor's Degree in Economics from the University of Toronto, a Master's Degree in Industrial Relations from Queen's University and a Law Degree from Queen's University. He is also a Canadian Securities Registered Portfolio Manager. Mr. Rivett resides in Toronto, Ontario, Canada.

### *Corporate Cease Trade Orders or Bankruptcies*

Other than as set forth below, to the knowledge of management of the Company, no Nominee is, at the date of this Circular, or has been, within ten years before the date of this Circular,

(a) a director, chief executive officer or chief financial officer of any company (including the Company) that:

(i) was subject to an order that was issued while the Nominee was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an order that was issued after the Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

(b) a director or executive officer of any company (including the Company) that, while such Nominee was acting in that capacity, or within one year of such Nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Nominee.

For the purposes of section (a) above, the term "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

### *Penalties or Sanctions*

To the knowledge of management of the Company, no Nominee has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Nominee.

## APPOINTMENT OF AUDITORS

The Board recommends approval of the reappointment of Baker Tilly as the auditors of the Company to hold office until the close of the next annual meeting of Itasca Shareholders. Baker Tilly was appointed the auditors of the Company on October 2, 2018.

The Board unanimously recommends that Itasca Shareholders vote **FOR** the reappointment of Baker Tilly as auditors of the Company to hold office until the next annual meeting of Itasca Shareholders and that the Board be authorized to fix their remuneration.

### **Audit Fees**

The aggregate fees billed by Baker Tilly for professional services rendered for the audit of the consolidated financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2019 were \$40,037. The aggregate fees billed by Baker Tilly for the audit of the Company's consolidated financial statements as of and for the year ended December 31, 2018 were \$32,754.

### **Audit-Related Fees**

The aggregate audit-related fees, including expenses reimbursed, billed by Baker Tilly were zero for fiscal years 2019 and 2018.

### **Tax Fees**

The aggregate fees, including expenses reimbursed, billed by BDO for tax compliance, tax advice and tax planning services were \$17,649 for fiscal year 2019, and \$18,078 for fiscal year 2018. No such services were provided by Baker Tilly for fiscal years 2019 and 2018.

### **All Other Fees**

The aggregate fees, including expenses reimbursed, billed by Baker Tilly and BDO for services rendered to the Company and its subsidiaries, other than the services described above, were zero for fiscal years 2019 and 2018, respectively.

The Audit Committee Charter provides for the Audit Committee to establish the auditors' fees. Such fees have been based upon the complexity of the matters in question and the time incurred by the auditors. Management believes that the fees negotiated in the past with the auditors of the Company were reasonable in the circumstances and would be comparable to fees charged by other auditors providing similar services.

## STATEMENT OF EXECUTIVE COMPENSATION

### **Named Executive Officers**

During the financial year ended December 31, 2019, Itasca had the following Named Executive Officers ("NEOs"):

- Larry G. Swets, Jr., CEO; and
- Hassan R. Baqar, CFO

## Compensation Discussion & Analysis

Pursuant to a management services agreement dated June 10, 2016, as amended, between the Company and KFSI (the “MSA”), the Company paid \$1 per annum to KFSI, located at 150 Pierce Road, 6<sup>th</sup> Floor, Itasca, Illinois, to provide management and administrative services, including services of CEO and CFO. The MSA also entitled KFSI to be reimbursed up to \$40,000 per annum for expenses in performing the services under the MSA including use of KFSI’s other staff and resources. Effective January 31, 2019, the MSA between the Company and KFSI was terminated, and on February 1, 2019 the Company entered into Executive Services Agreements directly with a wholly-owned entity of each of Larry Swets, Jr (the “Swets MSA”) and Hassan Baqar (the “Baqar MSA”). The Company paid \$3,333 to KFSI for expense reimbursement for 2019.

The Board has a Compensation, Governance and Nominating Committee (“CG&N Committee”). Given the current size and stage of the Company, the Board considers it adequate to have governance and compensation functions combined in one CG&N Committee.

## Compensation Governance and Risk Management

The Board has responsibility for the oversight of the Company’s overall human resources policies and procedures as well as the review of executive and key employee compensation and compensation of the Company’s independent directors. In this regard, the Board also relies on the CG&N Committee.

The current members of the CG&N Committee have direct experience relevant to their responsibilities regarding executive remuneration. All members hold or have held senior roles within public companies or other entities, and all current members have a good understanding of compensation programs. They also have a good financial understanding, which allows them to assess the costs versus benefits of compensation plans.

The Board did not conduct a formal evaluation of the implications of the risks associated with the Company’s compensation policies and practices. Risk management is a consideration of the Board and the CG&N Committee when implementing its compensation program, and the Board does not believe that the Company’s compensation program resulted or results in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

NEOs and directors are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

## Summary Compensation Table

Set out below is a summary of the compensation earned during the Company’s last three financial years (ended December 31, 2019, 2018 and 2017) to the Company’s NEOs:

Name and principal position	Year	Salary <sup>(5)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Larry G. Swets, Jr. <sup>(2)</sup> CEO	2019	139,472	Nil	Nil	Nil	Nil	Nil	10,000 <sup>(6)</sup>	149,472
	2018	Nil	Nil	Nil	Nil	Nil	Nil	10,000 <sup>(4)</sup>	10,000
	2017	Nil	Nil	10,833 <sup>(3)</sup>	Nil	Nil	Nil	5,000 <sup>(4)</sup>	15,833
Hassan R. Baqar <sup>(2)</sup>	2019	182,629	Nil	Nil	Nil	Nil	Nil	4,167 <sup>(6)</sup>	186,796

CFO	2018	Nil							
	2017	Nil							

Notes:

- (1) Option-based awards reflect the total fair market value on the date of grant, using the Black-Scholes option pricing model, for options granted during the year, regardless of vesting conditions.
- (2) Messrs. Swets and Baqar were appointed CEO and CFO of the Company effective June 9, 2016, respectively.
- (3) The Board approved the issuance of 80,000 stock options to each director as payment for Board fees (in lieu of cash payment) which were accrued and unpaid for the period June 1, 2016 thru June 30, 2017. \$10,833 (\$5,833 for 2016 and \$5,000 for 2017) represents the grant date fair value of the stock options awarded on September 7, 2017. The grant date fair value has been calculated using the Black-Scholes option pricing model. The primary inputs for valuation were expected term of 10 years, \$1.00 exercise price, 20.5% volatility, and underlying common stock price of \$0.68 as of the grant date.
- (4) Mr. Swets earned \$5,000 for the period July 1, 2017 thru December 31, 2017, and \$10,000 for the period January 1, 2018 thru December 31, 2018 solely for his services as a director of the Company, which was paid in 2019.
- (5) Includes reimbursement of certain administrative support and office expenses.
- (6) Mr. Swets and Mr. Baqar earned \$10,000 and \$4,167, respectively, for the year 2019 solely for their services as a director of the Company, which was paid in 2020.

### Narrative Discussion

As described above, effective January 31, 2019, the MSA between the Company and KFSI was terminated, and on February 1, 2019 the Company entered into the Swets MSA and the Baqar MSA. Additionally, Mr. Baqar has a management services agreement with 1347 Investors LLC ("**Baqar 1347 MSA**"), which became a wholly owned subsidiary of the Company in November 2019.

Pursuant to the Swets MSA, the Company paid a fee of USD \$50,000 at execution of the Swets MSA, which is payable at every subsequent renewal of the term of the Swets MSA. Itasca also pays USD \$1,666 per month for administrative support and USD \$2,500 per month as reimbursement of office expenses pursuant to the Swets MSA.

Pursuant to the Baqar MSA, the Company pays on a monthly basis i) a fee of USD \$10,416, ii) USD \$833 for administrative support, and iii) USD \$1,000 as reimbursement of office expenses. Pursuant to the Baqar 1347 MSA, the Company pays on a monthly basis USD \$2,083 for services provided.

### Outstanding Share-Based Awards and Option-Based Awards

During the financial year ended December 31, 2019, no options or share-based awards were granted to the Company's NEOs.

The following table provides details regarding the outstanding option-based awards held by the NEOs as at December 31, 2019:

<i>Outstanding share-based awards and option-based awards</i>							
Name	Option-based Awards				Share-based Awards		
	Option grant date	Number of securities underlying unexercised stock options (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options (\$) <sup>(1)(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Larry G. Swets, Jr.	September 7, 2017	80,000	1.00	September 7, 2027	Nil	N/A	N/A

(1) Stock options were fully vested upon granting.

(2) These stock options were not in-the-money on December 31, 2019 (based on the closing price of the Itasca Shares on December 31, 2019 on the TSXV of \$0.48).

### Incentive Plan Awards – value vested or earned during the year

The Company did not grant any option-based or share-based awards during the 2019 fiscal year. The stock options granted in 2017 were fully vested upon granting.

### Pension Benefits

The Company does not have any pension plans including “defined benefits” plans, “defined contribution” plans or “deferred compensation” plans that provide for payments or benefits to the NEOs at, following, or in connection with retirement.

### Termination and Change in Control Benefits

As at December 31, 2019, the Company had no employment or consulting agreements that require payments on termination or change of control.

## **DIRECTOR COMPENSATION**

As at December 31, 2019, other than Mr. Swets and Mr. Baqar, none of the directors of the Company at such time were NEOs.

### **Compensation Discussion & Analysis**

The Board is responsible for ensuring that the Company had and has appropriate procedures for reviewing executive compensation and making recommendations to the Board with respect to the compensation of the Company’s directors. In this regard, the Board has formed the CG&N Committee. The Company’s compensation of directors includes directors’ fees in the amount of \$10,000 per year and option-based awards. The Board may elect to pay the directors’ fees in cash or by issuance of stock options.

### **Director Compensation Table**

The following table sets forth the details of compensation earned by the directors, other than Mr. Swets and Mr. Baqar, during the Company’s financial year ended December 31, 2019:

<b>Name</b>	<b>Fees (\$)</b>	<b>Share- based Awards (\$)</b>	<b>Option-based Awards (\$)</b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Pension Value (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Edward H. Benford <sup>(1)</sup>	10,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	10,000
D. Kyle Cerminara	10,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	10,000
John T. Fitzgerald <sup>(1)</sup>	10,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	10,000
Lewis M. Johnson	10,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	10,000
Andrew McIntyre	10,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	10,000
R. Michael Powell	10,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	10,000
Dr. Richard E. Govignon Jr.	833 <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	833

Notes:

(1) Messrs. Benford and Fitzgerald did not seek re-election at the previous annual general meeting of Shareholders and ceased to be directors as of December 11, 2019.

- (2) Messrs. Benford, Cerminara, Fitzgerald, Johnson, McIntyre, and Powell earned \$10,000 for the period January 1, 2019 thru December 31, 2019 for their services as a director of the Company, which was paid in 2020.
- (3) Dr. Richard E. Govignon Jr. was elected to the Board on December 11, 2019 and earned \$833 for the month of December 2019 for his services as a director of the Company, which was paid in 2020.
- (4) Messrs. Rivett and Doman were appointed to the Board on October 22, 2020 and therefore did not receive any compensation during the Company's fiscal year ended December 31, 2019.

### Outstanding Share-Based Awards and Option-Based Awards

During the financial year ended December 31, 2019, no options or share-based awards were granted to the Company's directors.

The following table provides details regarding the outstanding option-based awards held by the directors, other than Mr. Swets and Mr. Baqar, as at December 31, 2019:

<i>Outstanding share-based awards and option-based awards</i>							
Name	Option-based Awards					Share-based Awards	
	Option grant date	Number of securities underlying unexercised stock options (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options (\$) <sup>(1)(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Edward H. Benford <sup>(3)</sup>	September 7, 2017	80,000	1.00	September 7, 2027	Nil	N/A	N/A
D. Kyle Cerminara	September 7, 2017	80,000	1.00	September 7, 2027	Nil	N/A	N/A
John T. Fitzgerald <sup>(3)</sup>	September 7, 2017	80,000	1.00	September 7, 2027	Nil	N/A	N/A
Andrew McIntyre	September 7, 2017	80,000	1.00	September 7, 2027	Nil	N/A	N/A
R. Michael Powell	September 7, 2017	80,000	1.00	September 7, 2027	Nil	N/A	N/A

- (1) Stock options were fully vested upon granting.
- (2) These stock options were not in-the-money on December 31, 2019 (based on the closing price of the Itasca Shares on December 31, 2019 on the TSXV of \$0.48).
- (3) Messrs. Benford and Fitzgerald did not seek re-election at the previous annual general meeting of Shareholders and ceased to be directors as of December 11, 2019.
- (4) Messrs. Rivett and Doman were appointed to the Board on October 22, 2020 and therefore did not receive any compensation during the Company's fiscal year ended December 31, 2019.

### Incentive Plan Awards – value vested or earned during the year

The Company did not grant any option-based or share-based awards during fiscal 2019. The stock options granted in 2017 were fully vested upon granting.

### **EQUITY COMPENSATION PLAN INFORMATION**

The following table provides details of the Company's equity compensation plans as at December 31, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	480,000	\$1.00	1,701,062

Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
Total	480,000		1,701,062

### STOCK OPTION PLAN

The Stock Option Plan was last approved by Itasca Shareholders at the last annual meeting of Itasca Shareholders held on December 11, 2019. The following is a summary of the terms of the Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan. The Company is seeking a renewal of the Stock Option Plan at the Meeting.

The maximum number of Itasca Shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding Itasca Shares at the time of grant, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the closing price of the Itasca Shares traded through the facilities of the TSXV on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the TSXV or, if the Itasca Shares are no longer listed for trading on the TSXV, then such other exchange or quotation system on which the Itasca Shares are listed or quoted for trading.

All options granted pursuant to the Stock Option Plan will be subject to such vesting requirements as may be required by the TSXV or imposed by the Board. The Stock Option Plan does not permit the Board to grant options to any one person in any 12 month period which, when exercised, will exceed 5% of the issued and outstanding Itasca Shares or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding Itasca Shares.

The Stock Option Plan is a rolling stock option plan and upon expiry of an option, or if an option is otherwise terminated for any reason, the number of Itasca Shares in respect of the exercised or terminated option shall again be available for the purposes of the Stock Option Plan. Options granted under the Stock Option Plan may not have an expiry date exceeding 10 years from the date on which the Board grants and announces the granting of the options. The Stock Option Plan provides for specific expiry terms if an option holder ceases to hold his or her position with the Company, including as a result of death, disability or other reasons.

Pursuant to the Stock Option Plan, options may be exercised only by the option holder or the personal representative of any option holder. The Board (or a committee of the Board) may from time to time amend any existing option or the Stock Option Plan or the terms and conditions of any option thereafter to be granted provided that where such amendment relates to an existing option and it would: (a) materially decrease the rights or benefits accruing to an option holder; or (b) materially increase the obligations of an option holder, then, unless otherwise excepted by a provision of the Stock Option Plan, the written consent of the option holder must be obtained.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company or its subsidiaries, or their respective associates or affiliates, are or have been indebted to the Company or its subsidiaries since the beginning of the last completed financial year of the Company.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed in this Circular, no director or executive officer of the Company holding such position since the beginning of the Company's last financial year, nor any proposed nominee for director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set forth below, none of the Nominees or persons who were directors or executive officers of the Company or a subsidiary of the Company at any time since the beginning of Company's most recently completed financial year, or to the knowledge of the Company, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Itasca Shares, nor any associate or affiliate of those persons, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

Pursuant to the MSA described above, the Company paid \$1 per annum to KFSI (formerly a holder of greater than 10% of Itasca Shares) to provide management and administrative services, including services of CEO and CFO. The MSA also entitled KFSI to be reimbursed up to \$40,000 per annum for expenses in performing the services under the MSA including use of KFSI's other staff and resources. The Company paid \$3,333 to KFSI for such expense reimbursement for 2019. Effective January 31, 2019, the MSA between the Company and KFSI was terminated, and on February 1, 2019 the Company entered into the Swets MSA and the Baqar MSA as well as the Baqar 1347 MSA in November 2019, as described above.

## AUDIT COMMITTEE

### Overview

The Company is required to have an Audit Committee comprised of not less than three (3) directors, all of whom are, subject to certain exceptions, independent and financially literate (as such terms are defined in National Instrument 52-110 - *Audit Committees* ("NI 52-110")).

The purpose of the Audit Committee is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving:

- accounting and financial reporting processes;
- audits of the Company's annual financial statements;
- the integrity of financial statements;
- compliance with legal and regulatory requirements;
- the qualification and independence of the external auditor; and
- the performance of the external independent auditor.

It is the objective of the Audit Committee to maintain a free and open means of communication among the members of the Board, the auditor and the management.

To satisfy such purposes and objectives, the Audit Committee is responsible for:

- recommending to the Board an external auditor to be nominated for election by the Itasca Shareholders at each annual general meeting and approving the compensation of such external auditor;
- overseeing the work of the external auditor, including the resolution of disagreements between the auditor and the management regarding the Company's financial reporting;
- pre-approving all non-audit services to be provided to the Company and its subsidiaries by the auditor;
- reviewing the Company's annual and interim financial statements, management discussion and analysis ("MD&A") and press releases regarding earnings before they are submitted for review and approval by the Board and publicly disseminated by the Company; and
- reviewing and approving the Company's hiring policies regarding current and former partners and employees of the Company's current and former auditors.

The Company's auditor reports directly to the Audit Committee.

#### **Audit Committee Charter**

The Board has adopted a charter for the Audit Committee which sets out the committee's mandate, organization, powers and responsibilities. The text of the Audit Committee's charter is attached as Appendix "A" to this Circular.

#### **Composition of Audit Committee and Independence**

NI 52-110 requires that an audit committee consist of a minimum of three (3) members. The Audit Committee consists of Andrew McIntyre (Chairman), R. Michael Powell and Dr. Richard E. Govignon Jr.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. In the Board's opinion, all three (3) members of the Audit Committee are independent.

#### **Financial Literacy, Relevant Education and Experience**

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. In the Board's opinion, all three members of the Audit Committee are financially literate for the following reasons:

Mr. McIntyre is the Senior Vice President, Finance of Sofina Foods Inc. Mr. McIntyre has a Master of Business Administration from the Schulich School of Business and P. Eng, and holds the Chartered Financial Analyst designation.

Mr. Powell is the Managing Director in the Investment Banking Department at EarlyBirdCapital, Inc., and has significant experience as an investment banker.

Dr. Richard E. Govignon Jr. was previously a Trustee of the StrongVest ETF Trust from 2017 to 2019.

In these positions, each member of the Audit Committee has been responsible for receiving financial information relating to the various companies for which they have acted. Additionally, each member has obtained an understanding of financial position statements, comprehensive income statements and statements of cash flows and how these statements are integral in assessing the financial position of the Company and its operational results. Each member of the Audit Committee has an understanding of the business in which the Company is engaged in and has an appreciation for the relevant accounting principles for the business of the Company.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's last financial year, the Company has not relied on the exemptions in:

- (a) section 2.4 (*De Minimis Non-audit Services*) of NI 52-110;
- (b) subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*) of NI 52-110;
- (c) subsection 6.1.1(5) (*Events Outside the Control of Member*) of NI 52-110; or
- (d) subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110.

The Company has also not relied on any exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*). The Company is relying upon the exemption under section 6.1 of NI 52-110.

### **Audit Committee Oversight**

Since the commencement of the Company's last financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

### **Pre-Approval Policies and Procedures**

A policy of pre-approving the engagement of any non-audit services with the Company's auditor has been adopted by the Audit Committee. The Audit Committee pre-approves the engagement of non-audit services prior to such services being provided.

### **Audit Fees**

See discussion in "Appointment of Auditors" above.

### **Complaints**

The Audit Committee has established a written "Whistleblower Policy" which creates procedures for the confidential and anonymous submission by employees of complaints and concerns regarding the

Company’s accounting, auditing and financial reporting procedures and obligations, without fear of retaliation of any kind.

The policy provides that if an employee has any information, complaints or concerns regarding such matters being questionable, incorrect, misleading or fraudulent they are urged under the Whistleblower Policy to present such information, complaints or concerns to the Audit Committee, without regard to the position of the persons responsible for the subject matter of the information, complaint or concern. Promptly following the receipt of any information, complaints and concerns submitted to it, the Audit Committee will investigate each matter and take appropriate corrective actions.

The Audit Committee will retain, as part of its records, any information, complaints or concerns received. Furthermore, it will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.

### **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines adopted in National Policy 58-201 *Corporate Governance Guidelines* (the “**Guidelines**”). These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company’s approach to corporate governance is set out below.

#### **The Board of Directors**

The Board has responsibility for the stewardship of the Company, specifically to oversee the operation of the Company and to supervise the management. The actions of the Board are governed by the requirements under the BCBCA to act honestly, in good faith and in the best interests of the Company and to exercise care, diligence and skill in doing so. The Board endeavors to ensure that its composition complies with the Company’s constating documents, the BCBCA, applicable securities legislation of the provinces and territories of Canada, and the policies of the TSXV.

The Board is comprised of nine (9) directors all of whom are considered independent, except Larry G. Swets, Jr., who is also the CEO of Itasca, and Hassan R. Baqar, who is also the CFO of Itasca. A director is “independent” if the director has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its exercise of independent supervision over the management through periodic meetings of the Board.

#### **Directorships**

The following table identifies the name of each director of the Company and any company, which is a reporting issuer in Canada or the United States, and for which such director currently serves as a director:

Director	Other Issuers
Hassan R. Baqar	N/A
Edward H. Benford <sup>(1)</sup>	N/A

D. Kyle Cerminara	Ballantyne Strong, Inc. BK Technologies Corporation FG New America Acquisition Corp. 1347 Property Insurance Holdings, Inc.
Dr. Richard E. Govignon Jr.	N/A
John T. Fitzgerald <sup>(1)</sup>	Atlas Financial Holdings, Inc. Kingsway Financial Services Inc.
Lewis M. Johnson	Ballantyne Strong, Inc. BK Technologies Corporation 1347 Property Insurance Holdings, Inc.
Andrew McIntyre	N/A
R. Michael Powell	N/A
Larry G. Swets, Jr.	Limbach Holdings, Inc. 1347 Property Insurance Holdings, Inc. Harbor Custom Development Inc. FG New America Acquisition Corp.
Paul Rivett	Recipe Unlimited Corporation Fairfax Africa Holdings Corporation
Rick Doman	N/A

(1) Messrs. Benford and Fitzgerald did not seek re-election at the previous annual general meeting of Shareholders and ceased to be directors as of December 11, 2019.

## Board Mandate

Every director takes part in the process of establishing policies for the Company. The Board has assumed the responsibility for developing the Company's approach to governance and responding to current governance guidelines. To that end, the Board has adopted the following mandate and objectives:

(a) *The Strategic Planning Process*

The Board participates in the Company's strategic planning by considering and, if deemed appropriate, adopting plans as proposed and developed by the management, with the management having the primary responsibility for initially developing a strategic plan.

(b) *Principal Risks*

The Board considers the risks inherent in the business and receives periodic assessments from the management and others as to these risks and the Company's strategies to manage those risks.

(c) *Policies*

The Board reviews and approves key policy statements, codes of conduct or practices developed by the management to promote ethical business conduct, regulatory compliance and public disclosure practices, among others, and monitors or oversees compliance with those policies, codes or practices.

(d) *Committees*

The Board is responsible for appointing and reviewing the mandate and composition of any committee of the Board and considering and approving any changes to the composition, charter or mandate of any committee of the Board.

(e) *Independence*

The Board is responsible for establishing appropriate structures and procedures so that the Board and its committees can function independently of the management.

(f) *Compensation Practices*

The Board will review the Company's compensation practices including stock option grants.

(g) *Material Agreements and Documents*

The Board will approve or ratify significant projects, investments, dispositions, acquisitions or other material agreements proposed to be entered into by the Company and review and approve all documents required by law to be reviewed and approved by the Board, including annual audited financial statements, MD&A, information circulars to be disseminated in connection with any meeting of Itasca Shareholders and any prospectus, registration statement or other similar documents.

(h) *Succession Planning*

The Board reviews the personnel needs of the Company from time to time, having particular regard to succession issues relating to the management. The training and development of personnel is generally left to the management. The Board appoints the CEO and Chairman, as well as the other officers of the Company.

(i) *Communications Policy*

The Board assesses the effectiveness of the Company's communications with Itasca Shareholders and has established a Corporate Disclosure and Insider Trading Policy to ensure that material matters are disseminated in a timely manner.

(j) *Integrity of Internal Controls*

The Board, through the Audit Committee and in conjunction with its auditor, assesses the adequacy of the Company's internal control systems and has instituted the controls. The Audit Committee also reviews and assesses the financial statements on a quarterly basis and reviews the adequacy of the Company's Corporate Disclosure and Insider Trading Policy as needed.

(k) *General*

The Board will generally assume such responsibility and authorities as the Board deems consistent with its duties and responsibilities to the Company and the Itasca Shareholders.

In order to foster a corporate culture of excellence, the Board has also adopted a written Code of Business Conduct and Ethics (the "**Code**") applicable to all directors, officers, employees, and consultants. The Board has also adopted a written mandate for its Audit Committee.

The Board has not adopted a formal system that would enable an individual director to engage an outside advisor at the expense of the Company. If such an engagement were deemed appropriate, it is anticipated that such a request would be brought by the particular director to the Board or Audit Committee for consideration.

### **Position Descriptions**

The Company has not formally developed position descriptions for the directors, Chairman of the Board, the Chairman of each standing committee of the Board or the CEO. However, the Board is satisfied that the directors and the management are fully aware of their responsibilities and those matters that are within their authority.

### **Orientation and Education of Directors**

The Company does not have a formal process of orientation and education for new members of the Board. The independent Board members currently have considerable experience as members of the boards of other public and non-public companies. The management regularly provides updates to all directors on material developments in the Company's business.

### **Ethical Business Conduct**

The Board has adopted a written Code and a Whistleblower Policy.

When any director has an interest, direct or indirect, in a material contract or material transaction relating to the Company, the BCBCA requires that the director disclose his or her interest to the Board in advance and thereafter abstain from voting as a director on that matter. The Code adopted by the Board goes further by imposing more stringent disclosure and approval requirements than those imposed under the BCBCA.

When a director has a material interest in a transaction or agreement concerning the Company, the Board takes such steps as may be prudent to isolate and eliminate or reduce the potential for such a conflict of interest to interfere with the Board's exercise of independent judgment. This may include requiring the director to excuse himself or herself from deliberations of the Board or referring that matter for consideration by a committee of independent directors of the Board.

### **Nomination of Directors & Compensation**

The Board has constituted the CG&N Committee. The CG&N Committee has not adopted a written charter and its function is to propose new nominees to the Board, assess directors' performance, and address compensation matters. When necessary, the CG&N Committee recommends director candidates to the Board after carefully reviewing and assessing the professional qualifications and skills, personality and other qualifications of each candidate, including the time and energy that such candidate is able to devote to the task and the contribution he or she can make to the Board.

The CG&N Committee members are Messrs. Cerminara, Johnson and McIntyre. All members of the CG&N Committee are independent within the meaning of NI 52-110.

### **Other Board Committees**

Other than the Audit Committee and the CG&N Committee, the Board has no other standing committees.

## Assessments

The Chairman of the Board is responsible for ensuring the effective operation of the Board and its committees and for ensuring the Board's directors are performing effectively.

### WHERE YOU CAN FIND ADDITIONAL INFORMATION

Information contained in this Circular is given as of November 17, 2020, except as otherwise noted and except that information incorporated by reference in this Circular is given as of the date noted therein.

Additional information relating to the Company may be found on the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators ("SEDAR") at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided by the Company's audited annual consolidated financial statements as at the financial year ended December 31, 2019, a copy of which, together with the MD&A thereon, can be found on SEDAR at [www.sedar.com](http://www.sedar.com). To request copies of the Company's financial statements and MD&A and any document to be approved at the Meeting, Itasca Shareholders may contact the Company as follows:

E-mail:  
[hbaqar@sequoiafin.com](mailto:hbaqar@sequoiafin.com)

Telephone:  
(+1) 847-791-6817

Mail: 1800 – 510 West Georgia Street, Vancouver, British Columbia V6B 0M3, Canada

### INFORMATION CONTAINED IN THIS CIRCULAR

Itasca Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

### DIRECTORS' APPROVAL

The contents of this Circular and the sending thereof to the Itasca Shareholders have been approved by the Board this 17<sup>th</sup> day of November, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) *"D. Kyle Cerminara"*

D. Kyle Cerminara  
Chairman of the Board of Directors

## APPENDIX A – AUDIT COMMITTEE CHARTER

(Updated as of November 19, 2013)

### A. Mandate

The Board of Directors of the Company has an overall responsibility to oversee the affairs of the Company for the benefit of the shareholders. The Audit Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. The Audit Committee has been established (within the meaning of section 3(a)(58)(A) of the Securities Act of 1934) with the following duties and responsibilities:

- Ensure the effectiveness of the overall process of identifying and addressing principal business risk and the adequacy of the related disclosure
- Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting and legal compliance
- Monitor the independence and performance of the Company's independent auditors
- Provide an avenue of communications among the independent auditors, management and the Board of Directors
- Encourage adherence to, and continuous improvement of, the Company's policies, procedures and practices at all levels

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

### B. Composition and Meetings

Audit Committee members shall meet the requirements of the TSX Venture Exchange. The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent non-executive directors, free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Committee shall have accounting or related financial expertise.

Audit Committee members shall be appointed by the Board. If the Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet, at least annually, with management, the independent auditors and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed. In addition, on a quarterly basis, the Committee or its Chair, should communicate with management the Company's financial statements and any significant findings based upon the Auditors limited review procedures, if any.

## **C. Responsibilities and Duties**

### **ARTICLE I. REVIEW PROCEDURES**

1. Review the Company's annual audited financial statements and management discussion and analysis prior to filing or distribution. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments.
2. In consultation with management and the independent auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the independent auditors together with management's responses.
3. In consultation with management, review the Company's quarterly financial results and management discussion and analysis prior to the release of earnings. Discuss any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors.

### **ARTICLE II. INDEPENDENT AUDITORS**

4. The independent auditors are directly accountable to the Audit Committee. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.
5. Approve the fees and other significant compensation to be paid to the independent auditors, and pre-approve any non-audit services that the auditor may provide.
6. On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Company or any member of management that could impair the auditor's independence.
7. Review the independent auditors audit plan and engagement letter.
8. Discuss the year end results with the Committee before releasing.
9. The Committee shall consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

### **ARTICLE III. RESPONSIBILITIES**

10. At least on an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
11. The Chairman, with the assistance of the entire Committee, shall annually produce a report to shareholders to be included in the Company's information circulars. The Chairman of the Audit Committee will review all disclosure documents to be issued by the Company relating to financial matters, including news releases, any financial documents submitted to the TSX Venture

Exchange in Canada or the Securities and Exchange Commission in the United States and information circulars.

12. Oversee the establishment and implementation of the Company's Code of Business Conduct and Ethics and Whistle-Blower Policy and Procedures.

