

Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to (i) units (the “**Units**”) comprised of common shares (the “**Common Shares**”) in the capital of Itasca Capital Ltd. (the “**Corporation**”) and Common Share purchase Warrants (a “**Warrant**”) and (ii) convertible debentures (the “**Convertible Debentures**”), all as more particularly described below.

The head office of the Corporation is located at:

Itasca Capital Ltd.
1800 - 510 West Georgia Street
Vancouver, British Columbia
V6B 0M3

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The occurrence giving rise to this report is the acquisition of securities of the Corporation in connection with a non-brokered private placement financing (the “**Private Placement**”) that closed on October 22, 2020.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Timber Country Investment Corporation (“**Acquiror**”)
3000, 700 - 9th Avenue SW
Calgary, Alberta
T2P 3V4

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On October 22, 2020, pursuant to the Private Placement, Acquiror acquired an aggregate of 1,000,000 Units for a purchase price of \$0.50 per Unit and 2,000 Convertible Debentures at a purchase price of \$1,000 per Convertible Debenture, for aggregate gross proceeds of \$2,500,000.

Each Unit is comprised of one Common Share and one Warrant. Each Warrant entitles the holder thereof to purchase one Common Share at a purchase price of \$0.60 until the date that is five years after the date that the Warrant is issued. Each Unit is immediately separable into one Common Share and one Warrant upon issuance.

Subject to the terms thereof, the principal amount of each Convertible Debenture will, subject to certain limitations, 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 5 years from the date of issuance of the Convertible Debentures). Accrued but unpaid interest on the Convertible Debentures will also, subject to certain limitations, automatically convert at maturity

into Units in accordance with the policies of the TSX Venture Exchange (the “TSXV”).

The conversion of the Convertible Debentures will be restricted unless and until shareholders of the Corporation approve the issuance of the Convertible Debentures in accordance with the policies of the TSXV such that the Convertible Debentures will only be convertible to the extent that the issuance of the Common 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 Common Shares of the Corporation.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

Pursuant to the Private Placement, Acquiror acquired an aggregate of 1,000,000 Common Shares, 1,000,000 Warrants exercisable for 1,000,000 Common Shares and 2,000 Convertible Debentures, convertible for 4,000,000 Common Shares and 4,000,000 Warrants exercisable for 4,000,000 Common Shares.

Prior to the completion of the Transaction, Acquiror neither owned nor controlled any Common Shares, Warrants or Convertible Debentures.

Following the Private Placement, it is expected that 23,810,626 Common Shares of the Corporation are outstanding, of which Acquiror has ownership and control over the above-mentioned 1,000,000 Common Shares, representing approximately 4.2% of the outstanding Common Shares (or 10,000,000 Common Shares, representing approximately 23.9% of the outstanding Common Shares on a partially diluted basis, assuming only the conversion of the Convertible Debentures and the exercise of the Warrants (including the Warrants underlying the Convertible Debentures) held by Acquiror).

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

Acquiror acquired ownership and control of the securities that triggered the requirement to file this report.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and

control,

See 3.1 above.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See 2.2 above.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See 2.2 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 – Purpose of the Transaction

5.1 State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) **a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) **a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) **a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) **a material change in the reporting issuer's business or corporate structure;**
- (g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

The Units and Convertible Debentures were acquired by Acquiror for investment purposes, and in the future, Acquiror may discuss with management and/or the board of directors of the Corporation any of the transactions listed in clauses (a) to (k) of item 5 of Form F1 of National Instrument 62-103 – *The Early Warning System and Related Take-over Bid and Insider Reporting Issues* and may further purchase, hold, vote, trade, dispose or otherwise deal in the securities of the Corporation, in such manner as deemed advisable to benefit from changes in market prices of the Corporation's securities, publicly disclosed changes in the operations of the Corporation, its business strategy or prospects or from a material transaction of the Corporation.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to

a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: October 23, 2020

TIMBER COUNTRY INVESTMENT CORPORATION

Per: “Jaspaul Rick Harbans Doman”
Name: Jaspaul Rick Harbans Doman
Title: Director