

WESTERN INVESTMENT COMPANY OF CANADA LIMITED

MANAGEMENT DISCUSSION & ANALYSIS
for the three months ended March 31, 2016

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Corporation's unaudited interim financial statements and notes thereto for the period ended March 31st, 2016 (the "interim financial statements") as well as the financial statements for the period ended December 31, 2015. This MD&A was prepared by management of The Western Investment Company Of Canada Limited (the "Corporation"), and was approved by the Board of Directors on May 27, 2016. Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

BASIS OF PRESENTATION

This MD&A and the financial statements have been prepared in Canadian dollars, unless otherwise indicated, and in accordance with International Financial Reporting Standards ("IFRS").

FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute "forward-looking information". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking information. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to **reflect** future results, events or developments unless required by law.

OVERALL PERFORMANCE

BUSINESS OF THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED

The Western Investment Company Of Canada Limited was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on October 28, 2015. On February 24, 2016, the Corporation completed its initial public offering ("IPO") raising gross proceeds of \$4,500,000, pursuant to a financial prospectus dated January 29, 2016. The principal business of the Corporation is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a qualifying transaction. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction under the TSX Venture Exchange (the "Exchange") rules.

SELECTED ANNUAL FINANCIAL HIGHLIGHTS

The financial results of the Corporation for the financial period ended December 31, 2015 are summarized as follows:

For the period from October 28 to December 31 (in Canadian \$ thousands except for per share amounts)	2015	2014	% Change
Total Revenue	\$0	n/a	n/a
Operating Expenses	\$34.9	n/a	n/a
Net Income (Loss)	(\$34.9)	n/a	n/a
Earnings (Loss) per Share - Basic	(\$0.02)	n/a	n/a
Earnings (Loss) per Share - Diluted	(\$0.02)	n/a	n/a
Total Assets	\$476.9	n/a	n/a
Total Long Term Liabilities	\$0	n/a	n/a

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SUMMARY OF QUARTERLY RESULTS

The financial results of the Corporation for the quarter ended March 31, 2016 are summarized as follows:

<i>in Canadian \$ thousands except for per share amounts</i>	Three Months ended March 31, 2016	Period ended December 31, 2015	% Change
Total Revenue	\$0	\$0	0%
Operating Expenses	\$655.6	\$34.9	1779%
Net Income (Loss)	(\$655.6)	(\$34.9)	1779%
Earnings (Loss) per Share - Basic	(\$0.12)	(\$0.02)	200%
Earnings (Loss) per Share – Diluted	(\$0.09)	(\$0.02)	200%
Total Assets	\$4,407.8	\$476.9	824%
Total Long Term Liabilities	\$0	\$0	0%

DISCUSSION OF OPERATIONS

During the three months ended March 31, 2016, the Corporation had a net loss of \$655,574 consisting of share based payment expense of \$574,176 for the share options granted to directors and officers, legal and accounting fees of \$68,178, agency fees of \$11,660 and office expense of \$1,560. The Corporation raised gross proceeds of \$4,500,000 through the IPO and after certain expenses were paid, ended the period with a cash position of \$4,407,857. Currently there are no assets of the Corporation except cash.

The Corporation will continue to incur expenses as it continues to identify and evaluate potential companies, assets or business for the Qualifying Transaction.

DISCLOSURE OF OUTSTANDING SHARE DATA

On February 24, 2016, the Corporation completed its initial public offering of 9,000,000 common shares without par value, bringing the total issued and outstanding of the Corporation from 2,000,000 to 11,000,000 common shares without par value. As at the date of this MD&A, the following is a description of the outstanding securities of the Corporation:

	<u>Authorized</u>	<u>Outstanding</u>
Common shares, without par value	Unlimited common shares	11,000,000
Preferred shares, without par value	Unlimited preferred shares	Nil
Share options convertible into common shares	Options granted to Directors, Officers, employees and consultants of the Corporation up to acquire up to 10% of the issued and outstanding common shares	Directors' and Officers' options to acquire up 960,000 common shares at an exercise price of \$0.50 for a period of 10 years Directors' options to acquire up to 140,000 common shares of the Corporation at an exercise price of \$0.56 for a period of 10 years Agent options to acquire up to 900,000 common shares at an exercise price of \$0.50 for a period of two years

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LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2016, the Corporation had cash of \$4,407,857 and net working capital of \$4,368,054.

<i>in Canadian \$ thousands except for per share amounts</i>	Three Months ended March 31, 2016	Period ended December 31, 2015
Cash Flows from Operating Activities	(\$85.4)	(\$5.3)
Cash flows from Financing Activities	\$4,016.4	\$382.2
Increase (decrease) in Cash and Cash Equivalents	\$3,931.0	\$376.9
Cash and Cash Equivalents - Beginning of Period	\$476.9	\$100.0
Cash and Cash Equivalents - End of Period	\$4,407.9	\$476.9

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2016, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

As at March 31, 2016, and up to the date of this MD&A, the Corporation had no related party transactions.

PROPOSED TRANSACTIONS

As at March 31, 2016, and up to the date of this MD&A, there were no proposed transactions of the Corporation, other than as disclosed herein.

CRITICAL ACCOUNTING ESTIMATES & CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

As at March 31, 2016, the Corporation was a "venture issuer" as that term is defined in National Instrument 51-102 Continuous Disclosure Obligations, and as such is not required to provide the information pertaining to the critical accounting estimates of the Corporation.

For a detailed summary of the Corporation's accounting policies, the reader is directed to Note 4 of the Notes to the unaudited financial statements of the Corporation for the period ended March 31, 2016 available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from financial instruments.

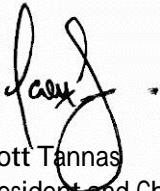
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RISKS AND UNCERTAINTIES

The Corporation is a Capital Pool Corporation as that term is defined in Policy 2.4 of the Exchange. If the Corporation fails to complete its Qualifying Transaction within 24 months from February 24, 2016, the Exchange could suspend or delist the common shares of the Corporation. In the event that the Corporation does not complete its Qualifying Transaction within the time specified by the Exchange, an interim cease trade order may be issued against the Corporation's securities by the securities regulatory authorities and the Corporation's securities may be suspended from trading on, or delisted from, the Exchange. Although management of the Corporation is working to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed within the specified time, or at all.

On behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read "Scott Tannas", is written over a light grey rectangular background.

Scott Tannas
President and Chief Executive Officer
High River, Alberta
May 16, 2016