THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED

Interim Management's Discussion and Analysis ("MD&A")

Quarterly Highlights

For the period ended September 30, 2017

Dated: November 24, 2017

Introduction

The Western Investment Company of Canada ("Western" or the "Company") is a publicly traded private equity company based in Western Canada. Its common shares trade on the TSX-V under the trading symbol WI. **Our purpose is to create long-term wealth for shareholders by building and maintaining a portfolio of strong, stable, and profitable Western-based companies and helping them to grow and prosper.** Our strategy is to use our expertise and capital to grow already great Western Canadian businesses ultimately contributing to their success and legacy over the long run.

Western's targeted industry verticals align with the industry expertise of the Board of Directors and include: (i) financial services and insurance; (ii) retail and distribution; (iii) human services; (iv) agriculture and related services; and (v) special situations. Western's ideal acquisition enterprise value is between $10 million to $100 million and it will consider equity ownership between 30% to 100%. Western will prospect acquisitions from: (i) director and executive networks; (ii) mid-market accounting and M&A advisors and (iii) private equity and corporate divestitures.

The interim MD&A provides a brief update on the Company's business activities, financial condition, financial performance and cash flow since December 31, 2016, and excludes information discussed in its most recent annual MD&A. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("IFRS") in Canadian dollars. The interim MD&A should be read in conjunction with the unaudited interim consolidated financial statements of the Company for the nine-month period ended September 30, 2017, the audited annual consolidated financial statements of the Company for the year ended December 31, 2016, and the MD&A of the Company for the year ended December 31, 2016. The interim MD&A was prepared by management of Western and was approved by the Board of Directors on November 24, 2017. Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

The following table outlines the acquisitions we have completed as of September 30, 2017;

Investments	Acquisition Date	Ownership (%)
Golden Health Care	September 1, 2017	30.0%
GlassMasters Autoglass	December 16, 2016	50.1%

Key Highlights for the period ended September 30, 2017

- Western closed its second acquisition on September 1, 2017 partnering with a seasoned management team in Saskatchewan in the health care industry. Western acquired a 30% equity investment in three senior care homes operating under Golden Health Care Inc., and a 25% interest in Golden Health Care Management Inc. together known as "Golden Health Care". The total value of the transaction is approximately $5 Million.
- Western is reporting in its third quarter, income from its equity investments that now include one month of income from Golden Health Care and a full quarter from GlassMasters Autoglass. This revenue has been offset by one-time acquistion costs incurred from the Golden Health acquisition which is fully expensed for a net loss for the

three months ended September 30, 2017 of $81,486 (-$0.003 EPS). Net Income Normalized for Portfolio Investment Operations ("NPIO") was $151,049 ($0.005 EPS). The NPIO metric removes $232,535 in after-tax expenditures from Net Income that are related to acquisition activity. Management believes NPIO provides investors with important information on the Company's ongoing operations excluding new acquisition expenses. For more information on NPIO see 'Description of Non-IFRS Measures' section of this MD&A.

- Revenue from the Company's first equity investment, a 50.1% interest in GlassMasters ARG Autoglass Two Inc. ("GlassMasters Autoglass"), has shown an increase of 7% for the nine months ended September 30, 2017 compared to the same period in 2016. EBITDA has shown an 8% increase. GlassMasters management continues to pursue expansion opportunities and plans to open at least three new retail locations in 2018.
- On September 21, 2017, Western announced its intent to acquire its third investment, a 75% interest in an Alberta based speciality retailer with operations across North America. Western is currently working on finalizing the acquisition which is scheduled to close January 1, 2018 for a total investment of $3.45 million.

Review of Western Operations and Financial Results

During the three months ended September 30, 2017 the Corporation recorded equity income of $224,756 relating to its equity investment in GlassMasters, $19,680 from its equity investment in Golden Health Care, revenue of $25,000 in management fees and $17,830 in interest income on the cash balance held in savings. For the nine months ended September 30, 2017 the Corporation recorded equity income of $563,525 relating to GlassMasters, $19,680 from Golden Health Care, $75,000 in management fees and $36,646 in interest income. No income was earned in the comparative periods in 2016 being prior to its qualifying transaction.

Expenditures for the three (and nine months) ended September 30, 2017 totalled $368,751 (nine months - $728,173) and included professional fees such as legal, accounting and consulting expenses of $233,895 (nine months - $420,113), regulatory fees of $4,294 (nine months - $49,695), management and directors' compensation of $90,717 (nine months - $90,717), share-based compensation of $NIL (nine months - $70,764), and other expenses of $39,845 (nine months - $96,884). Costs are relatively high in the third quarter of 2017 due to the transaction costs incurred on the acquisition of Golden Health.

Expenditures for the three (and nine months) ended September 30, 2016, totalled $73,841 (nine months - $835,396). These included net qualifying transactions costs of $37,300 (nine months - $37,300), professional fees of $24,202 (nine months - $115,808), regulatory fees of $3,497 (nine months - $17,485), directors' compensation of $NIL (nine months - $637,932) and other expenses of $8,842 (nine months - $26,871).

As at September 30, 2017, the Corporation has current assets of $6,053,077 (December 31, 2016 - $326,009) consisting primarily of cash, and non-current investments in associates of $9,358,567 (December 31, 2016 - $3,787,870) of which $4,351,395 (December 31, 2016 - $3,787,870) pertains to the Corporation's interest in GlassMasters and $5,007,172 (December 31, 2016 - $NIL) pertains to the Corporation's interests in Golden Health Care.

The Corporation will continue to incur expenses as it progresses with the pursuit of other potential assets and/or businesses for purchase.

Summary of Western's Quarterly Financial Information

in C$000s except for per share amounts	Sept 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sept 30, 2016
Total Income	$287.3	$371.3	$36.3	$0.0	$0
Operating Expenses	$368.8	$235.1	$124.4	$748.0	$73.8
Net Income (Loss) NPIO[1]	$151.0	$184.5	($88.1)	($748.0)	($73.8)
Net Income (Loss)	($81.5)	$136.3	($88.1)	($748.0)	($73.8)
Earnings (Loss) per Share NPIO[2]					
- Basic	$0.005	$0.006	($0.005)	($0.068)	($0.007)
- Diluted	$0.005	$0.006	($0.004)	($0.068)	($0.007)
Earnings (Loss) per Share					
- Basic	($0.003)	$0.004	($0.005)	($0.068)	($0.007)
- Diluted	($0.003)	$0.004	($0.004)	($0.068)	($0.007)
Total Assets	$15,411.6	$15,339.5	$15,340.3	$4,113.9	$4,279.3
Total Long-Term Liabilities	$0	$0	$0	$0	$0

Notes

1 Defined as Net Income Normalized for Portfolio Investment Operations, and excludes expenses associated with finding or executing new acquisitions such as due diligence, legal and advisory expenses. For more information see 'description of non-IFRS measures' section of this MD&A.

2 Defined as Net Income (Loss) NPIO divided by the basic or diluted number of shares outstanding

Summary of Equity Investment – Golden Health Care

On September 1, 2017 the company acquired a 30% equity interest in three Saskatchewan senior care homes and a 25% interest in Golden Health Care Management Inc. for a total value of $5,037,492. The three homes include; Hill View Manor Ltd. in Estevan, The Good Shepherd Villas Inc. in Prince Albert, and William Albert House Ltd. in the Regina suburb of Emerald Park. These homes all currently sit at 100% occupancy with significant waiting lists. Western is proud to be part of the skilled and experienced management team via Golden Health Care Management Inc. which currently provides management services to a portfolio of seven retirement communities. As part of the acquisition Western also has an option to purchase a 30% equity interest in undeveloped land in Yorkton for another multi-stage seniors housing development that is currently undergoing an assessment and feasibility study. This option, costing $50,000, expires August 31st, 2018 and as such has been recorded as a current asset.

Golden Health Care ("Golden") is the largest full-service retirement operator in Saskatchewan. They have a unique model of "aging in place" where residents live in an environment that is as close to home as possible, where they have the comfort of knowing they do not have to move with changes in the level of care they require. Golden's care homes adapt to the needs of each individual resident, maintaining a family environment rather then an institutional one regardless of the level of care required. It is a holistic care model rather then the traditional medical model and it is a philosophy that Western truly believes in. This acquisition brings a solid consistent revenue producing group of companies to Western's portfolio, with the opportunity for future growth as Golden is uniquely positioned to meet the needs of a growing health care segment. Western and Golden Health Care are committed to work together in the coming year to develop and implement a planning and governance framework to support future growth. Western will bring experience and resources to support the vision of Golden Health Care's management team as they explore the potential for expansion of the organization both at current sites and into new communities.

Summary of Equity Investment – GlassMasters

The Corporation has a 50.1% equity investment in GlassMasters ARG Autoglass Two Inc. ("GlassMasters"). GlassMasters is an automotive glass service company with seven retail locations providing repair and replacement of autoglass ("Service Division") and two automotive glass warehouses that import to sell wholesale a full line of quality aftermarket glass parts and materials at competitive prices ("Wholesale Division"). GlassMasters' current principal markets are the Calgary, Edmonton and Red Deer regions.

Western has significant influence over GlassMasters given Western appoints two of seven directors, however this does not give Western control of GlassMasters. As such, the Corporation has accounted for its investment in GlassMasters under the equity method. Summarized financial information of GlassMasters (100%) and the Corporation's investment in GlassMasters have been disclosed in the notes to the financial statements for the period ended September 30, 2017.

During the first nine months of 2017, GlassMasters' revenue and EBITDA increased 7% and 8% respectively compared to the same period last year, largely as a result of strong management leading to increased volume and a moderately stronger Alberta economy. GlassMasters' management continues to pursue its expansion plans to open new locations within the Western Canadian region. This quarter GlassMasters has relocated their Edmonton warehouse operations to a new 25,000 square foot location adding significant inventory capacity to service Northern Alberta. It is expected this warehouse will assist in lowering cost of sales and will increase sales in the wholesale division. Its Edmonton west location relocated as well to a 10,000-square foot state of the art store with cutting edge glass bays. GlassMasters management is actively seeking additional retail locations to expand throughout Alberta, BC, and Saskatchewan and expects to open up to three new retail locations in 2018. GlassMasters' business is seasonal and peaks during the spring and summer driving months. Based on the seasonality of GlassMasters' operations, readers are cautioned not to weigh quarterly financial data equally for all quarters.

Liquidity and Capital Resources

As at September 30, 2017, the Corporation had cash and cash equivalents of $5,947,764 (December 31, 2016 - $45,067) and working capital of $5,862,800 (December 31, 2016 - $3,639) available to fund investment opportunities. Being in its inception phase, the Corporation currently generates cash from management fees and dividends from its portfolio investments.

Western intends to raise equity capital where necessary to fund its planned portfolio expansion. The Corporation believes it can continue to raise any necessary capital to fund this growth.

In the nine months ended September 30, 2017 the company used $447,185 (September 30, 2016 - $233,162 used) in cash in operating activities, and raised $11,387,374 (September 30, 2016 - $4,016,392 raised) in cash from financing activities which related primarily to the issuance of shares. $5,037,492 in cash was used in investing activities (September 30, 2016 - $NIL) to acquire its investment in Golden Health Care.

Outstanding Share Data

On February 22, 2017, the Corporation issued a total of 19,107,250 common shares, bringing the total amount issued and outstanding from 11,443,000 to 30,550,256. The common shares were issued at a price of $0.65 per share, for aggregate gross proceeds of $12,419,713 excluding underwriters' commission and expenses. In the three months ended September 30, 2017, 68,500 shares have been repurchased by the Corporation, and 8,000 new shares were issued bringing the total common shares outstanding at September 30, 2017 to 30,489,756.

For the nine months ended September 30, 2017, 210,000 stock options with an exercise price of $0.65 were issued to directors as part of the Company's incentive stock option plan. This brings the total amount of stock options outstanding as at September 30, 2017 to 2,210,000 with exercise prices ranging from $0.50 to $0.65. Of the total stock options issued, 900,000 options were issued to the Corporation's agent as part of its IPO. The remaining balance has been issued to the Corporation's directors in lieu of cash compensation.

The Corporation has regulatory approval to proceed with a normal course issuer bid whereby Western may purchase up to 1,500,000 common shares in the capital of the Corporation representing approximately 4.9% of the total issued shares. The bid commenced in June 2017 and as at September 30, 2017, 105,000 shares have been repurchased for a total of $41,345.

Related Party Information

In the nine months ended September 30, 2017 the Corporation earned $75,000 in management fees from GlassMasters. Share based compensation valued at $70,764 was awarded to the six directors of the Corporation and $8,000 in common shares was issued to a consultant of the Corporation in lieu of consulting fees.

Related party transactions are in the normal course of operations and are recorded at fair value.

Risks and Uncertainties

The Annual MD&A sets out a brief summary of certain risk factors that may have a material impact on the Company's future financial performance. No significant changes to those risk factors have occurred to the date of this report.

Proposed Partnership with the Specialty Retailer

On September 22, 2017, Western announced it has signed a Letter of Intent ("LOI") to enter into a strategic partnership with a specialty retailer that imports and sells a line of specialty retail products through unique marketing channels. The LOI outlines the terms for the purchase of a

75% interest in the retailer. The total value of the transaction is approximately $9.5 million, with Western contributing $3.45 million in cash, with the current owners retaining $1.15 million, with the balance in term debt provided by a Canadian financial institution.

The LOI contains a number of conditions to closing, including approvals from the board of directors of both parties, the completion of due diligence, entering into a mutually acceptable purchase and sale agreement, and all regulatory approvals including the approval of the TSX Venture Exchange. The parties have agreed to work toward a closing of January 1, 2018.

Proposed Partnership with the Agri-Food Processor

On November 16, 2017, Western, along with a partner, announced they had signed a Letter of Intent ("LOI") to acquire 90% of an agri-food processor in Western Canada. The LOI establishes the purchase price for the Agri-food Processor of approximately $25.5 million including the estimated market value of real estate which will be valued by a third party before closing. $22 million of the purchase price shall be paid upon the closing of the transaction, while up to another $3.5 million may be paid over four years by way of a performance based earn-out. On closing, Western will own approximately 50% and its partner approximately 40%, while the current owner will retain 10% ownership in the business. The transaction will be funded through a cash equity investment, 400,000 common shares of Western with a deemed value of $0.625 per share and senior amortizing debt. Western does not anticipate requiring more equity financing to complete the transaction. The LOI outlines a number of conditions to be removed prior to the planned closing date of January 31, 2018

Cautionary Note Regarding 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.

Description of Non-IFRS Measures

The Company uses accounting principles that are accepted in Canada under the International Financial Reporting Standards ("IFRS"). Certain supplementary measures in this document do not have any standardized meaning as prescribed by IFRS, including the non-IFRS measures "Net Income (Loss) Normalized for Portfolio Investment Operations" (NPIO), "Earnings Per Share Normalized for Portfolio Investment Operations" and “EBITDA”.

EBITDA for both our corporate head office and investees is defined as earnings before interest, taxes, and non-cash items such as depreciation and amortization. NPIO removes from Net Income certain after-tax expenses incurred by the Company that relate directly to the finding and executing of new acquisitions. Western is currently not taxable and as such no adjustment in tax was recorded to NPIO however this will change in the future once Western becomes profitable. A reconciliation of the Company's Net Income to NPIO is as follows:

in C$000s	Three Months ended September 30, 2017		Nine Months ended September 30, 2017	
Net Income - per IFRS	$	(81.5)	$	(33.3)
Acquisition related expenses (after tax)	$	232.5	$	280.7
Net Income NPIO	$	151.0	$	247.4

The Company's method of calculating these non-IFRS measures may differ from other issuers, and therefore may not be comparable to similar measures presented by other reporting issuers. These non-IFRS financial measures are included because management uses this information to analyze operating performance. Readers are cautioned that these non-IFRS financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.