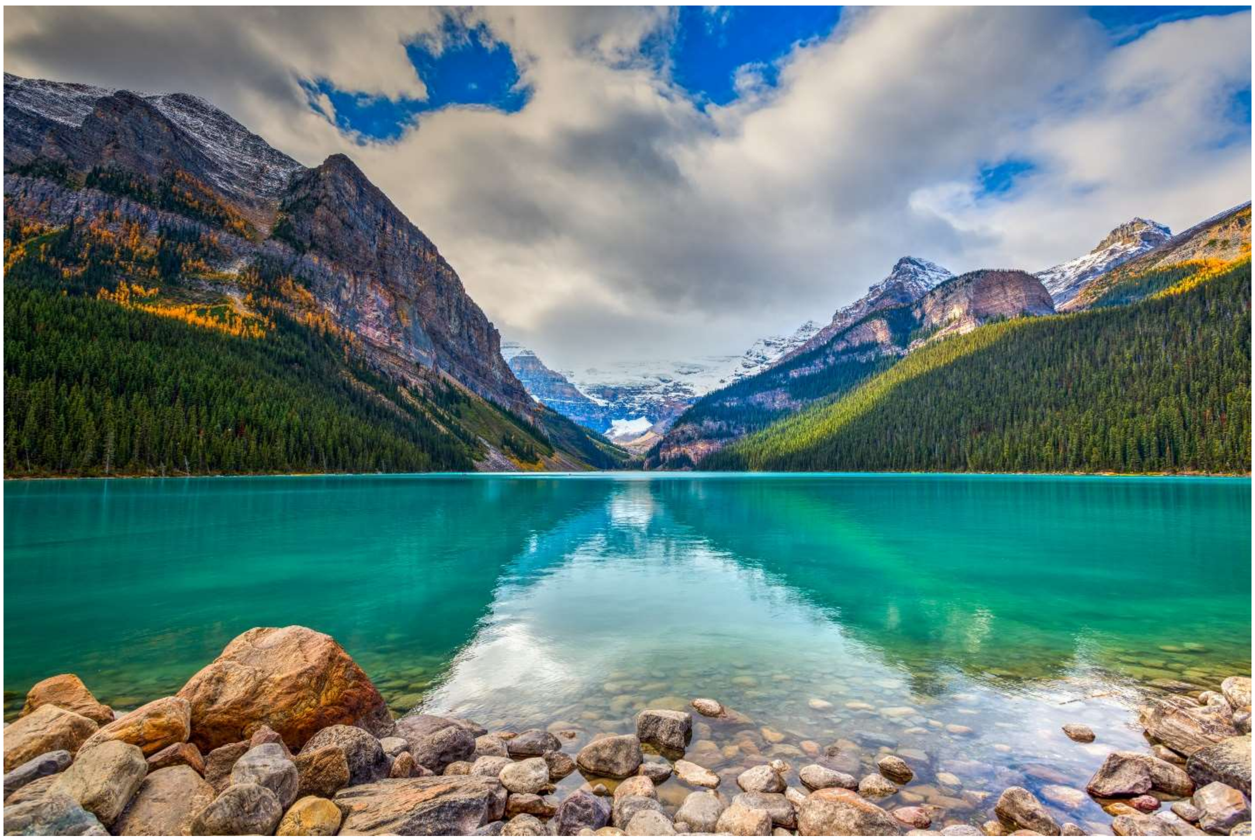
THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED



Interim Management's Discussion and Analysis

Quarterly Highlights

For the three and nine months ended September 30, 2018

Dated: November 15, 2018

Introduction

The Western Investment Company of Canada Limited ("we", "**Western**" or the "**Corporation**") is a publicly traded private equity company based in Western Canada. Our 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 diversified portfolio of strong, stable, and profitable Western-based companies while helping them to grow and prosper.** Our strategy is to use our expertise and capital to cultivate 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 and $100 million and ownership interest between 30% to 100%. Western will prospect acquisitions from: (i) director and executive networks; (ii) mid-market accounting and merger and acquisition advisors and (iii) private equity and corporate divestitures.

This interim Management Discussion and Analysis ("MD&A") provides an update on the Corporation's business activities, financial condition, financial performance and cash flows since December 31, 2017. The Corporation 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 audited consolidated financial statements of the Corporation, and annual MD&A for the year ended December 31, 2017 and the unaudited interim consolidated financial statements of the Corporation for the three and nine months ended September 30, 2018. The interim MD&A was prepared by management of Western and was approved by the Board of Directors on November 15, 2018. Additional information relating to the Corporation, including its Annual Information Form, is available on SEDAR at www.sedar.com.

The following table outlines the acquisitions we have completed as of November 15, 2018;

Investments	Acquisition Date	Ownership (%)
GlassMasters ARG Autoglass Two Inc.	December 16, 2016	50.1%
Golden Health Care	September 1, 2017	25.0 - 30.0%
Ocean Sales Group Ltd.	January 1, 2018	75.0%
Foothills Creamery Ltd.	February 28, 2018	50.4%

Key Highlights for the nine months ended September 30, 2018

In 2017, our management team and directors were focused on finding, reviewing and executing multiple investment deals. As at the date of this MD&A, Western's investment capital has been fully deployed. Our portfolio consists of four profitable companies in three of the four target industry sectors. Western partners with each of the management teams and provides market research, governance and continuity capital to grow each of the portfolio companies. Each of the portfolio companies are aggressively paying down term loan debt and investing additional free cash flow for growth opportunities. Management at Western continues to review potential investments looking for the next great company to add to our portfolio.

Associates and Acquisitions

- On February 28, 2018 Western closed the acquisition of a 50.4% interest in Foothills Creamery Ltd. ("**Foothills**"), one of Western Canada's premier producers of dairy products including butter and premium ice cream. Western's total equity investment in Foothills was $3.251 million. In the period from acquisition, February 28, 2018 to September 30, 2018 Foothills earned total revenue of $25.23 million and had net income of $860,240. Performance for the seven months includes approximately $500,000 in one-time, non-recurring closing costs incurred directly by Foothills. In the third quarter, Foothills also received a $1.92 million working capital adjustment on the acquisition which was paid in cash.
- On January 1, 2018, through its subsidiary Ocean Sales Group Ltd. ("**Ocean Sales**"), Western closed the acquisition of a 75% interest in the Ocean Sales group of companies, an Alberta based speciality retailer with operations across North America. Western's total equity investment in Ocean Sales was $3.45 million. Since the acquisition Ocean Sales has earned $18.65 million in revenue in the nine months ended September 30, 2018 that resulted in $739,518 of net income.
- 2018 begins Western's first full year with our 30% equity investment in three Saskatchewan 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**" or "**Golden**"). Total revenue earned by our Golden Health Care investments in the nine months ended September 30, 2018 was $6.42 million and net income for this period was $427,328.
- GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**"), an automotive glass service company, had a strong third quarter. Total revenue earned in the nine months ended September 30, 2018 was $16.29 million, a 15% increase from 2017. Total net income earned in the first nine months of 2018 was $1,043,875 versus $1,132,058 for the nine months 2017. The slight decrease is largely due to investments made in two new stores in the form of set up and carrying costs incurred prior to opening. GlassMasters now has a total of 9 retail locations with plans to open one to three new stores in 2019.

Financial Results:

- Total income earned for the nine months ended September 30, 2018 was $1,862,818, a 168% increase from $694,851 earned in the same period 2017. Management fees of

$175,000 were earned compared to $75,000 in 2017 and equity income was $1,639,678 up 181% from $583,205 in 2017. 3 additional equity investments have been added to Western's portfolio in the past year. Net income for the nine months ended September 30, 2018 was $1,036,506 ($0.034 EPS), compared to a loss of $33,332 for the same period in 2017 (($0.001) EPS). Net Income Normalized for Portfolio Investment Operations ("**NPIO**") for this period was $1,440,881 ($0.047 EPS) up from $247,405 ($0.009 EPS) in 2017. Western's acquisition costs incurred in this nine month period 2018 were $404,305 primarily related to the two latest acquisitions, Ocean Sales and Foothills, and includes the Corporations after-tax share of those expenses incurred directly by our associates. Management believes NPIO provides investors with important information on the Corporation's ongoing operations excluding one-time acquisition expenses. This metric provides a picture of profitability from normalized operating activities. For more information on NPIO see 'Description of Non-IFRS Measures' section of this MD&A.

- In its third quarter of 2018 Western earned total income of $1,193,905, compared to $287,266 in the same period in 2017. Management fees of $62,500 were earned compared to $25,000 in 2017, with the addition of fees earned from two new associates. Equity income of $1,113,104 compared to $244,436 in 2017 showing the significant growth of Western's portfolio of investments from the prior year. With the seasonal nature of many of our associates, the third quarter is Western's strongest. Net income for the three months ended September 30, 2018 was $943,175 ($0.031 EPS) compared to a loss of $81,486 for the same quarter in 2017 (($0.003) EPS). NPIO for this third quarter was $958,820 ($0.031 EPS) (Q3 2017 NPIO – $151,049, $0.005 EPS) The NPIO metric removes $15,645 in after-tax expenditures in Q3 related to acquisition activity (2017 - $232,535).

Management and Oversight Principles

Western provides entrepreneur friendly governance and oversight to our portfolio companies using "the Pattison Principles and Rockefeller Habits". This approach features:

- In depth quarterly meetings with each company's management team.
- Daily and weekly key performance indicators that allow us to accurately predict forward financial performance and health of the business in between financial reporting periods.
- Macro research and industry trend analysis to aid our understanding and help management with future planning.
- A program of continuing education and learning for executives at both Western and the portfolio companies.
- A simple but powerful strategic planning template that was specially designed for entrepreneurial growth companies. The plan focuses on a long term (5-10 year) measurable strategic aspiration, and one-year goals and tactics that align with progress toward long term success.

We believe this is a proven framework that will assist our associates to scale-up their businesses and grow to their full potential.

Summary of Equity Investments

Below is a summary of Western's investments in associates at September 30, 2018.

Foothills Creamery Ltd.

On February 28, 2018, Western, acquired a 50.4% interest in Foothills Creamery Ltd. for $3.25 million. The total purchase price for 100% of the Company was approximately $22.24 million plus contingent consideration and including the working capital adjustment which was settled in the current quarter. The purchase was funded through a cash equity investment by Western and its partners; 400,000 common shares of Western with a market value at acquisition date of $0.44 per share; and, senior amortizing debt comprised of a term loan and real estate loan in the amount of $17.86 million. The additional contingent consideration, up to a maximum amount of $3.5 million, may be payable by Foothills to the vendor over four years by way of a performance based earn-out. Our partner obtained 39.4% equity interest, while the founder acquired a 10.2% ownership in the business.

Western has majority ownership of Foothills however appoints only two of five directors to the board and does not have the voting authority to pass decisions without majority board approval. This gives Western significant influence over Foothills but not control. As such, the Corporation is accounting for our investment in Foothills under the equity method.

Foothills is a producer and distributor of high quality butter and ice cream products with almost 50 years of operations in Western Canada. Headquartered in Calgary, Alberta, it serves customers through a large grocery retail and food service network spanning across Western Canada, supported by two distribution facilities in Edmonton, Alberta, and Kelowna, BC. Foothills butter products are specially churned using only the freshest cream to produce a smooth textured product with exceptional taste. Target markets for its butter products include grocery retailers and the food service industry including commercial kitchens and bakeries.

Western believes Foothills has a solid and stable business model with a well recognized brand, loyal customers and a history of strong growth. Foothills is expected to benefit from current trends including "Buy Local" initiatives along with an increase in the consumption of butter. Foothills has recently moved into a new modern production facility with surplus processing capacity.

In the three and seven months ended September 30, 2018 (from the date of acquisition), Foothills has met budgeted expectations contributing equity income of $320,622 and $433,561 respectively, and management fee revenue of $18,750 and $43,750 respectively to Western's portfolio.

Foothills total sales for the three and seven months ended September 30, 2018 were $11.28 and $25.23 million respectively and net income was $636,156 and $820,240 for these same periods. Approximately $500,000 in one-time costs related directly to the acquisition are included in this period. Normalized net income before these one-time expenses was approximately $1.25 million, after tax, for the seven months ended September 30, 2018.

During the quarter Foothills settled a working capital adjustment from the acquisition of $1.92 million which was paid in cash by the previous owner. Proceeds from the working capital adjustment will be used to pay down Foothills acquisition debt and for general working capital purposes.

The two main products for Foothills are ice cream and butter. Ice cream sales are seasonal and as such, its busiest quarters occur in the spring and summer months. Based on this seasonality readers are cautioned not to weigh quarterly financial data equally for all quarters. Looking forward, Foothills is busy working on expanding its customer base and developing new products to assist with future growth. Management is focusing on profitable sales rather then volume which may lead to a decrease in total revenue but is expected to have a positive effect on the bottom line.

Ocean Sales Group Ltd.

On January 1, 2018, Western's wholly owned subsidiary, Ocean Sales Group Ltd, completed the acquisition of the Ocean Sales group of companies for a total purchase price of $9.50 million. The acquisition was funded through equity contributions from Western and the vendors, and a $5.10 million reducing term facility. Western's total investment was $3.45 million. On the acquisition date, the vendors of the acquired companies purchased a 25% interest in Ocean Sales for $1.15 million bringing Western's total interest to 75%.

Ocean Sales is a specialty retailer that imports and sells a line of specialty retail products through unique marketing channels across North America. The Company markets high-quality, innovative household products through live demonstrations at leading consumer shows and fairs throughout Canada and the US. The Company also has a strategic relationship with a major Canadian retail chain, where it demonstrates a specially selected set of products in every location in Canada and is expanding its demonstrations to locations in the US. The Company is headquartered in Calgary, Alberta and is supported by strategically located warehouses in Washington, Ontario, and Quebec. Ocean Sales has been operating for over 34 years and has a history of solid operating results and revenue growth. The addition of Ocean Sales to Western's portfolio brings a scalable business model without substantial capital requirements. This, along with expansion plans in the US brings potential for growth.

At December 31, 2017 Ocean Sales Group Ltd. was a wholly owned subsidiary of Western. As such its statement of financial position and results of operations for the year ended 2017 were included in Western's consolidated financials statements. As part of the acquisition on January 1, 2018 Western's interest in Ocean Sales was reduced to 75%. Although the majority shareholder, the terms of the shareholders agreement allow Western to appoint two of five directors giving Western significant influence over Ocean but not control. As of January 1, 2018, the Corporation is accounting for our investment in Ocean Sales under the equity method.

The business of Ocean Sales has a seasonal component to it with the third quarter historically being one of the strongest. In line with these expectations, Western has recognized equity income of $539,850 for the third quarter 2018 and $554,638 for the nine months ended September 30, 2018. To date Ocean Sales has also contributed $75,000 in management fee revenue.

In the third quarter, Ocean Sales has earned $7.97 million in revenue and $18.65 million in revenue for the nine months ending September 30, 2018. Sales at shows and exhibitions have been consistent with that of the prior year despite the effect of adverse weather and economic conditions has had on show attendance in western Canada. A new product introduced in 2018 has shown great success and the Company is working on additional distribution channels and expansion into the US market with this product. They are also working hard on the introduction of some new products in early 2019.

In 2018, Oceans Sales expanded their relationship with a major North American retailer in the US market. Select product is being sold in a number of locations in the US and results have exceeded expectations. Management is confident that this is setting the stage for future growth of US operations in 2018 and beyond.

Results for the same period in 2017 require substantial normalizations and as a result are not suitable for comparison. Based on the seasonality of Ocean Sales operations, readers are cautioned not to weigh quarterly financial data equally for all quarters.

Golden Health Care

On September 1, 2017 the Corporation acquired a 30% equity interest in three Saskatchewan senior care homes and a 25% interest in Golden Health Care Management Inc. for a total consideration of $4.94 million. 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 generally operate at or near 100% occupancy with waiting lists. Western is pleased to be part of the skilled and experienced management team at Golden Health Care Management Inc. which provides management services to a portfolio of seven retirement communities and approximately 457 retirement suites.

This acquisition brings a stable revenue producing investment to Western's portfolio, with the opportunity for future expansion as Golden is uniquely positioned to meet the needs of a growing health care segment. Golden Health Care is the largest full-service retirement operator in Saskatchewan. They have a unique model of "aging in place" where Golden's care homes adapt to the needs of individual residents from assisted living up to long term care in each facility, maintaining a family environment rather than an institutional, one regardless of the level of care required.

Western appoints two of five members of the board of directors of Golden Healthcare Management Inc., the company that overseas the operating companies. Through our share ownership and appointments to the board of directors, the Corporation can exercise significant influence over the investment in Golden and accordingly, the Corporation is using the equity method to account for its investment in Golden.

In the three and nine months ended September 30, 2018 Western has recognized equity income from Golden of $25,562 and $128,916 respectively. Western records a depreciation adjustment of $13,133 to its share of income earned in each quarter and will continue to do so going forward as a fair value adjustment on the land and buildings associated with the Golden homes. The expense is the result of a difference in valuation between an independent valuation of the land and buildings as of the acquisition date of September 1, 2017 and the carrying value on Golden's financial statements.

Dividends were declared on preferred shares of $18,282 for the three months ended September 30, 2018 and $45,705 for the nine months ended September 30, 2018. On September 30, 2018 all preferred shares were exchanged on a tax deferred basis for Common shares. This has had no effect on Western's ownership percentage or carrying value of the investment.

Total revenue earned by our portfolio of four Golden Companies in the three and nine months ended September 30, 2018 was $2.13 million and $6.42 million respectively and net income was $130,330 and $558,662 for those same periods. This is before Western's adjustment for the depreciation on the fair value adjustment on the land and buildings on acquisition which would reduce net income by $131,334 in the nine months ending September 30, 2018 ($43,778 per quarter).

Regulatory changes expected in the Saskatchewan marketplace could boost the expansion potential for Golden. Management is currently evaluating expansion proposals with a goal of tripling the number of suites over the next five years.

Current expansion plans include an extension of William Albert House and a new 80-suite home development. Western intends to maintain its 30% ownership in each expansion project. Funding for the expansion will come from current cash on hand, the refinancing of William Albert House and Hill View Manor House and external equity from shareholders.

GlassMasters

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

Western has significant influence over GlassMasters given Western appoints two of six directors, however this does not give Western control of GlassMasters. As such, the Corporation has accounted for our investment in GlassMasters under the equity method.

Two new stores have now been opened in 2018, including Saskatoon, Saskatchewan in March and Airdrie, Alberta, in July. Business at these new stores has been gaining traction in the marketplace. GlassMasters continues to seek additional retail locations in Alberta, BC, and Saskatchewan and expects to open up to three new retail locations in 2019.

GlassMasters' business is subject to seasonality with the majority of its business occurring in the spring and summer driving months. After a slightly slower then expected first quarter due to an unusually cold and long winter in Western Canada, the Company has been busy addressing the pent-up demand through the spring and summer season. In the third quarter GlassMasters contributed $227,069 (2017 - $224,756) in equity income to Western's results bringing the total equity income earned from GlassMasters to date for the nine months ended September 30, 2018 to $522,564 (2017 - $563,525). Western also earned management fee revenue from GlassMasters of $56,250 ($18,750 per quarter) in the nine months ending September 30, 2018 (2017 - $75,000).

Financial highlights for GlassMasters is presented below:

	Three months ended September 30,		**Nine months ended September 30,**	
Financial results ($)	2018	2017	2018	2017
Revenue	6,182,944	5,396,604	16,288,018	15,344,578
Gross profit	2,203,553	1,942,401	5,868,404	5,365,062
EBITDA[1]	901,739	896,212	2,258,775	2,358,291
Net income	454,131	452,056	1,043,875	1,132,058

1 Defined as earnings before interest, tax, depreciation, and amortization. For more information see 'description of non-IFRS measures' section of this MD&A

Now at the end of its busy season GlassMasters is showing significant growth. Revenue for the third quarter was up approximately 14.6% from the prior year and 6.2% for the nine months ended September 30, 2018. This carries through to similar results in Gross Profit with an increase from 2017 of 13.4% for the quarter and 9.4% for the nine months ended September 30, 2018. EBITDA and net income have come out in line with the previous period as they include additional expenses this year relating to the opening of stores and their associated carrying costs incurred prior to their opening. This and other investments made in infrastructure improvements is leading the way for continued future growth.

GlassMasters has paid off over $2.1 million in debt since the acquisition. Looking forward, they plan to continue to aggressively pay down debt and to look for opportunities for expansion while making investments to support this expansion. Based on the seasonality of GlassMasters' operations, readers are cautioned not to weigh quarterly financial data equally for all quarters.

Summarized financial information about Western's associates and investments in these associates is disclosed in the notes to the financial statements.

Review of Westerns Operations and Financial Results

The financial highlights of the Corporation are:

	Three months ended September 30,		Nine months ended September 30,	
Financial results ($)	2018	2017	2018	2017
Revenue	1,193,905	287,266	1,862,818	694,851
Acquisition related expenses	9,669	232,535	205,706	280,727
Professional fees	38,075	62,823	165,495	209,833
Regulatory fees	2,620	4,294	43,109	49,695
Management salaries	89,797	47,738	239,352	47,738
Share based compensation	74,112	-	74,112	70,764
Interest on operating line	21,032	-	43,572	-
Other expenses	15,425	21,362	54,966	69,416
Total expenses	250,730	368,752	826,312	728,173
Net income and comprehensive income	943,175	(81,486)	1,036,506	(33,322)
Net income per share	0.031	(0.003)	0.034	(0.001)
NPIO	958,820	151,049	1,440,811	247,405
NPIO per share	0.031	0.005	0.047	0.009

	September 30, 2018	December 31, 2017
Financial position ($)		
Cash	8,171	2,130,300
Bank indebtedness	(1,578,457)	-
Working capital	(1,513,461)	9,989,612
Total assets	17,692,003	20,048,024
Long term debt	-	4,540,000
Shareholders equity	15,998,360	14,720,756

	September 30, 2018	December 31, 2017
Western Share Count Information		
Common shares outstanding	30,703,756	30,317,756

2018 brings in the results of Western's two newest associates, Ocean Sales, and Foothills. In addition to equity income, Western is now earning annual management fee revenue from associates totalling $250,000 annually.

With its capital fully deployed, the Corporation obtained an operating loan to facilitate the acquisition of Foothills, and to finance its ongoing operating expenses. As the facility is due on demand it puts the Corporation into a negative working capital position until it raises additional capital.

Transaction costs incurred on the acquisition of Ocean Sales and Foothills are included in their net income which carries down into Western's equity income, along with acquisition costs incurred by Western. The Corporation will incur these expenses as it acquires other businesses in the future and will be significant in any period surrounding an acquisition. Other significant costs incurred in 2018 include additional legal expenses associated with obtaining the operating loan facility arranged during the period.

Western continues to maintain low overhead and internal operation costs in line with its Western Sensibility Principles of ensuring 1) a sustainable but flexible workforce of part-time employees and contractors that expands and contracts to the needs of the Corporation 2) compensation of directors through a modest option program and 3) collecting management fees from portfolio companies to offset increased general and administration costs.

Throughout 2018, Western is working with the management of each of our portfolio companies to implement the Pattison Principles and Rockefeller Habits. We are working closely with our partners to ensure the long-term success and sustainability of each company.

Summary of Western's Quarterly Financial Information

Selected unaudited financial data for our operations during the last eight quarters are as follows:

in C$000s except for per share amounts	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sept 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016
Total income/(loss)	1,193.9	373.7	295.2	(5.4)	287.3	371.3	36.3	0.0
Operating expenses	250.7	252.2	323.4	395.7	368.8	235.1	124.4	748.0
Net income (loss) NPIO[1]	958.8	168.9	307.2	(178.7)	151.0	184.5	(88.1)	(748.0)
Net income (loss)	943.2	121.5	(28.2)	(401.1)	(81.5)	136.3	(88.1)	(748.0)
Earnings (loss) per share NPIO[2]								
- Basic	0.031	0.004	0.010	(0.006)	0.005	0.006	(0.005)	(0.068)
- Diluted	0.031	0.004	0.010	(0.006)	0.005	0.006	(0.005)	(0.068)
Earnings (loss) per share								
- Basic	0.031	0.006	(0.001)	(0.013)	(0.003)	0.004	(0.005)	(0.068)
- Diluted	0.031	0.006	(0.001)	(0.013)	(0.003)	0.004	(0.004)	(0.068)
Total assets	17,692.0	16,546.2	16,258.0	20,048.0	15,411.6	15,339.5	15,340.3	4,113.9
Total long-term liabilities	-	-	-	4,540	-	-	-	-

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

Liquidity and Capital Resources

As at September 30, 2018, the Corporation, had cash on hand of $8,171 (December 31, 2017 - $2,130,300 cash). Capital used to fund investments and working capital is now in a negative position of ($1,513,461) (December 31, 2017 - $9,989,612 positive). This includes the Corporation's demand revolving operating loan facility, drawn upon in February 2018.

On February 20, 2018 the Corporation obtained this loan facility to the maximum amount of $1,500,000, with an additional $500,000 available as at June 12, 2018, bringing the total facility available to a maximum of $2,000,000 as at September 30, 2018. The facility bears interest at the bank's prime rate plus 2% per annum and carries a standby fee of 0.2% per annum on the unused portion. The line was obtained firstly to fund the purchase of Foothills and secondly to fund general corporate operating needs. Security includes a share pledge agreement in respect to the Corporation's interest in its subsidiaries. At September 30, 2018 $1,578,457 was drawn on the facility (December 31, 2017 - $nil).

The Corporation generates operating cash from management fees and dividends from its portfolio investments. Western intends to raise equity capital when necessary to fund its expansion. The Corporation believes it can raise capital to fund this growth.

In the nine months ended September 30, 2018 the Corporation used $616,572 (September 30, 2017 - $447,185) in cash from operating activities and raised $1,569,443 (September 30, 2017 - $11,387,374) in cash from financing activities. The funds raised in the comparative period September 30, 2017 related to its common share offering on February 22, 2017. In the current nine month period $3,075,000 in cash was used in investing activities to acquire its investment in Foothills (September 30, 2017 - $5,037,492).

Outstanding Share Data

On February 28, 2018, in line with its acquisition of Foothills, the Corporation issued a total of 400,000 common shares to the vendor of Foothills. The market value of the shares at the time of acquisition was $0.44 per share bringing the total fair value of the shares issued to $176,000 before issuance costs. During the nine months ended September 30, 2018, 14,000 shares were repurchased by the Corporation in conjunction with its normal issuer bid. These events bring the total common shares outstanding at September 30, 2018, to 30,703,756 (September 30, 2017 – 30,489,756).

In the three and nine months ended September 30, 2018, 320,000 stock options were issued at a value of $74,112 (September 30, 2017 – 210,000 at a value of $70,764). In the nine months ended September 30, 2018, 900,000 agent options expired and 200,000 options were forfeited (September 30, 2017 - nil and nil, respectively) leaving the total amount of stock options outstanding as at September 30, 2018 at 1,430,000 (September 30, 2017 – 2,210,000) with exercise prices ranging from $0.50 to $0.65.

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 originally commenced May 23, 2017, for a one-year term and was renewed for another year on June 5, 2018. As at September 30, 2018, a total of 254,500 shares have been repurchased to date for a total cost of $147,644. Of these 14,000 shares at a cost of $6,764 were repurchased in the nine months ending September 30, 2018 (September 30, 2017 – 68,500 shares).

Off-Balance Sheet Arrangements

As at September 30, 2018, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

Related Party Information

In the three and nine months ended September 30, 2018 the Corporation earned $62,500 and $175,000 respectively in management fees from its associates (September 30, 2017 - $25,000 and $75,000) and $18,282 and $45,705 respectively in dividends on preferred shares (September 30, 2017 - $nil). As at September 30, 2018, $105,000 was receivable in respect to these management fees (December 31, 2017 - $26,250) and $45,705 is due from an associate in respect to the dividends (December 31, 2017 - $nil).

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. $89,797 for the three months ended September 30, 2018, (2017 - $99,413) and $310,602 for the nine months ended September 30, 2018, (2017 - $123,413) was paid or payable to members of management. $nil for the three months ended September 30, 2018, (2017 - $42,979) and $69,000 for the nine months ended September 30, 2018, (2017 - $42,979) was paid to directors as part of the Corporation's time and expense policy. In the three and nine months ended September 30, 2018, 320,000 stock options were issued to management and directors, at a fair value of $74,112 (nine months ended September 30, 2017 –210,000 at a fair value of $70,764, three months ended September 30, 2017 - $nil).

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 summary of certain risk factors that may have a material impact on the Corporation's future financial performance. No significant changes to those factors have occurred to the date of this report.

Subsequent Events

No subsequent events have occurred up to the date of this report.

Proposed transactions

During the third quarter Western has made significant progress toward a new and transformative transaction which will launch us into the insurance business. To date Western has made no commitments in regards to this transaction however we expect to be reporting further developments on this in the coming weeks.

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 Corporation 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") and "earnings before interest, taxes, and depreciation and amortization" ("EBITDA").

NPIO removes from net income certain after-tax expenses incurred by the Corporation and its associates that relate directly to the finding and executing of new acquisitions. Western is currently not taxable and as such no adjustment in tax is recorded to NPIO on expenditures directly incurred by the Corporation until Western becomes profitable. Where one-time acquisition related expenses are incurred by the Corporation's associates, those costs are adjusted for tax and Western's equity share of these expenses is added back to Net Income in determining NPIO. EBITDA is used primarily in relation to our analysis of results of the Corporation's associates.

A reconciliation of the Corporation's Net Income to NPIO is as follows:

	Three Months ended September 30,		**Nine Months ended September 30,**	
$	**2018**	**2017**	**2018**	**2017**
Net income - per IFRS	943,75	(81,486)	1,036,506	(33,322)
Acquisition related expenses (after tax)	15,645	232,535	404,305	280,727
NPIO	958,820	151,049	1,440,811	247,405

The Corporation'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.