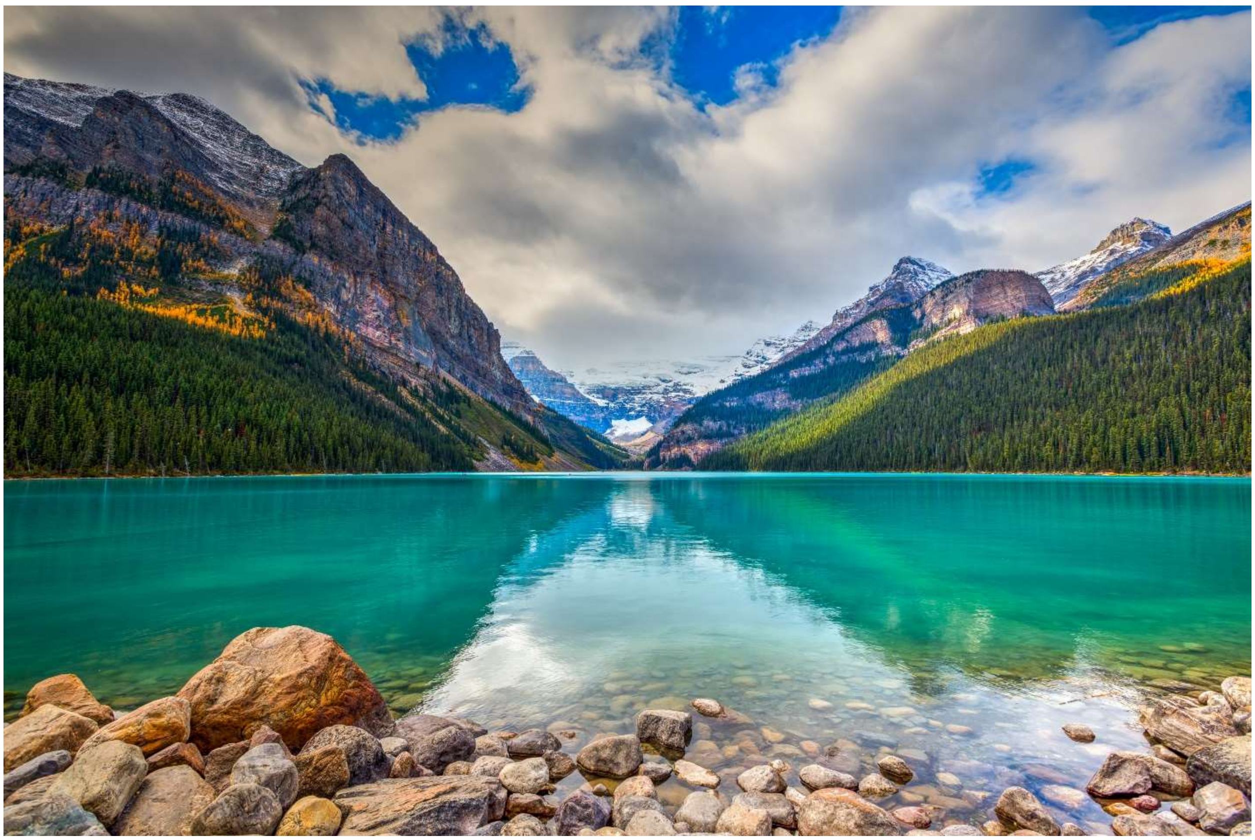
THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED



Interim Management's Discussion and Analysis

Quarterly Highlights

For the period ended March 31, 2019

Dated: May 24, 2019

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, 2018. The Corporation reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("IFRS") in Canadian dollars. The 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, 2018. The interim MD&A was prepared by management of Western and was approved by the Board of Directors on May 24, 2019. 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 May 24, 2019;

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%
Fortress Insurance Company	May 6, 2019	50.0%

Key Highlights for the period ended March 31, 2019

Going into 2019 our portfolio currently consists of four profitable companies in three of the four target industry sectors. Western has been busy partnering with each of the management teams providing governance and assistance in implementing their strategic plan. Each of the portfolio companies is aggressively paying down term loan debt and investing additional free cash flow for growth opportunities.

In the first quarter of 2019 Western's key focus has been on the due diligence and execution of our fifth equity investment, Fortress Insurance Company ("Fortress"), which closed on May 6, 2019. This acquisition marks the successful completion of management's goal to invest in the insurance industry, the last of our four target industries identified in our founding investment strategy. Since inception we have been on the lookout for our entry point into the insurance business, and we believe Fortress to be the perfect opportunity to grow a business that can seize opportunities in specialty and surplus lines of business within the western Canadian insurance marketplace. Western has been actively building the business plan and will take a leading role in the execution of the plan. Fortress will be positioned to take advantage of a growing need for specialty insurance capacity delivered by a nimble insurer with strong distribution relationships.

With the acquisition now complete at the time of issuance of this MD&A, management at Fortress is quickly moving to obtain regulator approval from the remaining three western Canadian provinces (B.C., Saskatchewan, and Manitoba) with a goal to commence expanded operations and insurance sales in July of 2019. Fortress will operate with a minimal visible footprint, but be deep in expertise through the people that will manage and operate the new vision. Distribution relationships already exist though the long-term industry experience of key people within Western.

Associates Highlights

- On February 28, 2018 Western acquired 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 original equity investment in Foothills was $3.25 million. In the three months ended March 31, 2019 Foothills earned total revenue of $9.10 million and had a net loss of $133,821. Based on seasonality, the first quarter is typically their slowest for both butter and ice cream and performance was in line with budgeted expectations.

- Western holds a 75% interest in Ocean Sales Group Ltd. ("**Ocean Sales**"), an Alberta based speciality retailer with operations across North America. In the first quarter of 2019 Ocean Sales earned $7.20 million in revenue and $360,364 of net income. These results are below earnings in the same period of 2018.

- Western's holds a 30% equity interest 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 three months ended March 31, 2019 was $2.16 million and net income for this period was $194,955. These results are consistent with the prior year.

- GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**"), an automotive glass service company, is now in its third year as part of our portfolio. Total revenue earned in the three months ended March 31, 2019 was $4.08 million, a 16% increase from 2018. The loss for the quarter was $321,346 compared to $157,279 in the prior year. In 2018 GlassMasters made investments in two new stores and they now have a total of 9 retail locations with plans to open another new store plus a new warehouse in Lethbridge in the second quarter of 2019.

Westerns Financial Results:

- The first quarter of 2019 is Western's first full quarter with the four associates. Total income earned for the three months March 31, 2019 was $163,330, a decrease from the $295,227 earned in 2018. Management fees of $65,000 were earned compared to $50,000 in 2018 and equity income was $100,823 down from $215,402 in 2018. The net loss for the three months ended March 31, 2019 was $53,691 (($0.002) EPS), compared to a loss of $28,190 in 2018 (($0.001) EPS). Overall the decline in earnings is the result of weaker results at some of our associates and the addition of Foothills to the portfolio as of February 28, 2018 which seasonally has negative income in the quarter.

- Net Income Normalized for Portfolio Investment Operations ("**NPIO**") for the three months ended March 31, 2019 was $6,308 ($0.000 EPS) down from $307,157 ($0.010 EPS) in 2018. Western's acquisition costs incurred in this period were $59,999, primarily related to the Fortress acquisition. The comparative period in 2018 had higher acquisition costs ($335,347) and higher equity income from 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.

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 March 31, 2019.

Foothills Creamery Ltd.

On February 28, 2018, Western, acquired a 50.4% interest in Foothills Creamery Ltd. for $3.25 million paid in cash and 400,000 common shares of Western with a market value at acquisition date of $0.44 per share. Western has majority ownership of Foothills however appoints only two of seven 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. 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.

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 months ended March 31, 2019 Western picked up an equity loss in the amount of $67,446 from Foothills. Prior year results include only one month from the date of acquisition, and also include significant closing costs and so are not comparative. Foothills also contributes management fee revenue of $18,750 each quarter to Western's income.

Foothills total sales for the three months ended March 31, 2019 were $9.1 million and their net loss was $133,821. This first quarter is the slowest quarter for Foothills and various producers in the dairy industry. Ice cream sales are slow through the winter months, and shoppers tend to stock up on butter during the holidays, leading to slower sales in the following months. Additionally, there is an increase in cream volume through the winter so increased production and hauling costs are incurred to process the cream. Foothills focuses in this period on filling orders and making stock of products like patties, premium butter, and salt free butter. Results for this quarter exceeded budgeted expectations.

Foothills is optimistic for growth in 2019 with the purchase of the Screamin' Brothers Company and as a result they are now able to offer a non-dairy, major allergen free, coconut cream-based product line. A major Canadian retail chain is interested in selling this new product nationally, and they have received interest from the United States ("US") as well. This product is not restricted by the Dairy Supply Management System and can cross boarders without tariffs.

Going forward Foothills plans to solidify their direction and grow regions where they had weak presence like Vancouver and Interior B.C. The team will focus on high margin items rather then volume which may lead to a decrease in total revenue but is expected to have a positive effect on the bottom line. Management has plans to boost the volume of soft serve mixes into restaurant chains, and move products into ethnic markets like whipped butter, and new flavours such as ube and black sesame for their ice cream.

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. Western's total investment was $3.45 million for a 75% interest in the company. 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 such, the Corporation is accounting for our investment in Ocean Sales under the equity method.

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 Costco, a major North American 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 35 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.

For the three months ended March 31, 2019 Western has recognized equity income of $270,273. With its first comparable quarter since acquisition, this compares to $323,260 earned in equity income in 2018. Ocean Sales also contributes $25,000 in management fee revenue each quarter. Ocean Sales earned $7.2 million in revenue and net income of $360,364 for the three months ended March 31, 2019. This is just slightly lower than the same quarter of 2018 which had $7.4 million in revenue and 431,014 in net income.

The first quarter of 2019 has shown improvement in sales at consumer shows across Canada which is partly attributed to participating in more consumer shows in eastern Canada. Their newest product, TumeriX, which was launched in 2018, has also helped to grow sales as they continue to build on that brand.

Ocean Sales is still facing a number of challenges concerning the Costco division of the business in both Canada and the U.S. however, they have recently received approval to launch the a new product in Costco with a projected launch date of mid July. They are confident that the new product will produce the volume of sales needed to offset the loss of another major product that was discontinued by Costco in 2018. Costco USA has also approved the launch of a new product, Woll Cookware, scheduled for August 2019. Woll Cookware is currently Ocean Sales highest selling Canadian Costco product and it is projected to produce a similarly high volume of sales in the US. This should more than offset the decrease in other product sales in Costco USA.

The wholesale department at Ocean Sales has seen an increase of sales in Canada with a nearly equivalent decrease in sales for the US resulting in overall comparable sales to the first quarter of 2018. Much of the increase and decrease are simply related to timing of container orders for some of their distributors.

Ocean Sales has recently begun focusing on increasing their online sales with the hire of a digital marketing specialist and the redesign of their website which is anticipated to launch late May 2019. Online sales are a new avenue of sales for the company and they are excited about the opportunities and the social engagement that they are receiving.

Based on the seasonality of Ocean Sales operations, readers are cautioned not to weigh quarterly financial data equally for all quarters. Ocean earns the majority of its income in the first and third quarters of the year.

Golden Health Care

Western holds a 30% equity interest in three Saskatchewan senior care homes and a 25% interest in Golden Health Care Management Inc. 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.

Golden is a stable revenue producing investment in 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 months ended March 31, 2019 Western recognized equity income from Golden of $58,862 (March 31, 2018 - $46,245). Total revenue earned by our portfolio of four Golden Companies for the three months ended March 31, 2019 was $2.16 million (March 31, 2018 - $2.14 million) and net income was $194,955 (March 31, 2018 - $194,486). Overall results are in line with expectations and with prior year as is expected for this stable business.

Regulatory changes expected in the Saskatchewan marketplace could boost the expansion potential for Golden. Management is currently evaluating expansion proposals with a goal of doubling the number of suites over the next five years. The Board of Directors has recently approved a $2.5 million expansion of the William Albert House which will add an additional 12 rooms to that home. Funding for the expansion will come from current cash on hand, the refinancing of current long-term debt.

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 were 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 and management is focused on building their account and retail customer base. The opening of new stores does have some negative impact on EBITDA and it is expected to take about 18 months for a new store to break even and begin to positively contribute to the Company's bottom line. During the second quarter of 2019 GlassMasters will be opening both a retail and a wholesale location in Lethbridge, Alberta.

GlassMasters contributed an equity loss of $160,866 to Western's results in the three months ended March 31, 2019 (March 31, 2018 - $74,161 loss). GlassMasters contributes management fee revenue of $18,750 a quarter.

Financial highlights for GlassMasters are presented below:

Financial results ($)	Three months ended March 31, 2019	Three months ended March 31, 2018
Revenue	4,082,397	3,525,423
Gross profit	948,918	1,123,372
EBITDA[1]	104,531	59,818
Net income	(321,346)	(148,145)

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

Sales continue to grow during the first quarter of 2019 which up approximately 16% from the prior year due to additional wholesale business. The Saskatoon GlassMasters retail location further strengthened its customer base as they gain more brand recognition. It is anticipated this store will breakeven and begin to positively contribute to the Company's bottom line by year end. Gross profit did not grow at the same rate as sales partly due to their aggressive focus to gain external wholesale market share and a worsening Canadian dollar which increases product costs. EBITDA is affected by the new IFRS 16 lease standard which moves lease costs into amortization. Overall general and administrative expenses are down from last year with less cost incurred to open new stores.

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Last year GlassMasters paid down $1.6 million in long-term with over $2.7 million in debt repaid 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. GlassMasters earns the majority of its income in the spring and summer driving months and the first quarter is typically in a loss position.

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 March 31, 2019	Three months ended March 31, 2018
Financial results ($)		
Revenue	163,330	295,227
Acquisition related expenses	59,999	148,667
Professional fees	38,005	51,932
Regulatory fees	7,661	12,056
Management salaries	74,488	84,258
Share based compensation	-	-
Interest on operating line	23,516	5,674
Other expenses	13,352	20,830
Total expenses	217,021	323,417
Net income (loss) and comprehensive income (loss)	(53,691)	(28,190)
Net income (loss) per share	(0.002)	(0.001)
NPIO	6,308	307,157
NPIO per share	(0.000)	0.010

	March 31, 2019	December 31, 2018
Financial position ($)		
Cash	-	8,183
Bank indebtedness	(1,738,283)	(1,519,896)
Working capital	(1,716,859)	(1,516,438)
Total assets	17,912,250	17,840,759
Long term debt	-	-
Shareholders equity	15,988,091	16,165,193

	March 31, 2019	December 31, 2018
Western Share Count Information		
Common shares outstanding	30,580,756	30,703,756

For the first quarter on 2019 Western earned $100,823 in equity revenue (2018 - $215,402) and $62,500 in management fees (March 31, 2018 - $50,000). The decrease in revenue is the result of lower results for most of our associates compared to the prior year. In the fourth quarter some of our associates regularly incur a loss based on the cyclical nature of their business. Western is earning annual management fee revenue from associates totalling $250,000 annually and will add to this with the addition of Fortress in the second quarter.

Acquisition expenses are down significantly compared to the first quarter of 2018. Acquisition expenses in the comparative period 2018 related primarily to the Foothills acquisition and included compensation paid to Directors on that acquisition. Western no longer has a compensation policy related to acquisitions and there is no comparable expense in 2019. Acquisition costs for the first quarter of 2019 are low as the majority of due diligence costs on the Fortress acquisition were incurred in 2018, and the transaction costs associated with the purchase will primarily be incurred in the second quarter when the acquisition closed. The Corporation will incur these expenses as it acquires other businesses in the future and costs will be significant in any period surrounding an acquisition.

Professional fees were high in the first quarter 2018 as they included additional legal expenses associated with obtaining the operating loan facility arranged during that period. Other expenses in 2018 were also affected by this facility as they include the one-time loan application fee. Interest related to this facility is high in 2019 as we were heavily relying on the overdraft for the period.

With its capital fully deployed, the Corporation is relying on its operating loan to finance its ongoing operating expenses. As the facility is due on demand it puts the Corporation into a negative working capital position. Subsequent to March 31, 2019 the Corporation raised $4 million with the issuance of convertible debentures (see subsequent events section) and received a shareholder advance in the amount of $1.62 million from Golden. As at the release of this MD&A, our working capital position is positive.

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 was 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. Looking forward into 2019 we are excited to see where these companies are going to go as they work to implement these strategies.

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	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sept 30, 2017	Jun 30, 2017
Total income/(loss)	163.3	311.6	1,193.9	373.7	295.2	(5.4)	287.3	371.3
Operating expenses	217.0	216.6	250.7	252.2	323.4	395.7	368.8	235.1
Net income (loss) NPIO[1]	6.3	263.2	958.8	168.9	307.2	(178.7)	151.0	184.5
Net income (loss)	(53.7)	95.0	943.2	121.5	(28.2)	(401.1)	(81.5)	136.3
Earnings (loss) per share NPIO[2]								
- Basic	0.000	0.009	0.031	0.004	0.010	(0.006)	0.005	0.006
- Diluted	0.000	0.009	0.031	0.004	0.010	(0.006)	0.005	0.006
Earnings (loss) per share								
- Basic	(0.002)	0.003	0.031	0.006	(0.001)	(0.013)	(0.003)	0.004
- Diluted	(0.002)	0.003	0.031	0.006	(0.001)	(0.013)	(0.003)	0.004
Total assets	17,912.2	17,840.8	17,692.0	16,546.2	16,258.0	20,048.0	15,411.6	15,339.5
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

Certain of the Corporation's associates experience seasonal fluctuations in activity and financial performance. For many of our associates the second and third quarter are when they earn the majority of their income. Furthermore, the timing of the acquisitions of Golden (September 2017), Ocean (January 2018), and Foothills (February 2018), have impacted the quarterly results following their acquisition date. As such, the prior periods shown in the above table are not necessarily comparable and should not be relied upon as an indication of future performance.

The first quarter of 2019 is in line with expectations being the slowest for two of our four equity investments. Both typically operate in a loss position for this period. For a detailed discussion on the results of each associate see the "Summary of Equity Investments" section above.

Liquidity and Capital Resources

The following table is a summary of our consolidated statement of cash flow:

$	Three months ended March 31, 2019	Three months ended March 31, 2018
Cash used in operating activities	(180,662)	(175,249)
Cash used in investing activities	-	(3,102,423)
Cash provided by financing activities	172,479	1,170,371
Increase (decrease) in cash	(8,183)	(2,107,301)
Cash, beginning of period	8,183	2,130,300
Cash, end of period	-	22,999

The net cash used by operating activities for the quarter ended March 31, 2019, was primarily related to cash flow required to fund operations including general and administrative costs, professional fees, salaries, as well as some acquisition related activity. Operating cash used in 2019 was comparable to 2018 as there was a similar level of activity during the period. Operating expenditures are partially offset by cash received for management fees from associates.

The cash used in investing activities for the three months ended March 31, 2018, related to the acquisition of Foothills. No investment activities occurred in the current quarter.

For the comparative three months ended March 31, 2018 cash provided from financing activities was primarily related to the operating line of credit obtained starting in February 2018 and drawn upon with the acquisition of Foothills. Cash provided by financing activities for the current three months ended March 31, 2019, also relates to draws on our operating loan to fund working capital.

Our capital structure is composed of shareholders equity, and borrowings, less cash. The following table summarizes our capital structure:

$	March 31, 2019	December 31, 2018
Demand revolving operating loan facility	1,738,283	1,519,896
Less: cash and cash held in trust	-	(8,183)
Net loans (cash)	1,738,283	1,511,713
Shareholders' equity	15,988,091	16,165,193

The corporation is currently relying on its operating loan facility to fund daily operations. This facility is a demand revolving operating loan obtained on February 20, 2018 to the maximum amount of $2,000,000. 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 March 31, 2019 $1,738,283 was drawn on the facility (December 31, 2018 - $1,519,896).

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. Subsequent to year-end the company raised additional capital through the issuance of convertible unsecured debentures as described below in subsequent events.

Outstanding Share Data

No shares were issued in the three months ended March 31, 2019. In the comparative period 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 three months ended March 31, 2019, 123,000 shares were repurchased by the Corporation in conjunction with its normal issuer bid (March 31, 2018 – 14,000 shares repurchased). This bring the total common shares outstanding at March 31, 2019, to 30,580,756 (December 31, 2018 – 30,703,756). As of the date of this MD&A the total common shares outstanding was 30,580,756.

In the period ended March 31, 2019 no stock options were issued (March 31, 2018 – nil). The total amount of stock options outstanding as at March 31, 2019 were 1,430,000 (December 31, 2018 – 1,430,000) 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 is renewed annually. In the period ended March 31, 2019, a total of 123,000 shares have been repurchased for a total cost of $45,908 (March 31, 2018 – 14,000 shares repurchased for $6,764).

Off-Balance Sheet Arrangements

As at March 31, 2019, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

Related Party Information

In accordance with the terms of a management fee agreement, Western earns an annual management fee from many of its associates, payable on a quarterly basis. For the three months ended March 31, 2019 the Corporation earned $62,500 in management fees from its associates (March 31, 2018 - $50,000). As at March 31, 2019, $170,625 was receivable in respect to management fees (December 31, 2018 - $124,793).

No dividends were received in the current quarter. $45,705 in dividends on preferred shares was earned in the three months ended March 31, 2018. On September 30, 2018 all preferred shares held, were exchanged on a tax deferred basis, for Class A Common Shares and thus the Corporation no longer earns dividends on preferred shares.

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. $102,988 for the three months ended March 31, 2019, (March 31, 2018 - $125,008) was paid or payable to members of key management. $69,000 was paid to directors as part of the Corporation's time and expense policy in the comparative period ended March 31, 2018. There was no director compensation paid in 2019.

Subsequent to March 31, 2019 the Corporation received a shareholder advance from Golden in the amount of $1.62 million. The loan is unsecured, non-interest bearing and has no specified terms of repayment. Management does expect to repay the loan at some unspecified date in the future to be used by Golden for expansion of on their existing homes.

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

Risks and Uncertainties

The Corporation and its associates are subject to a number of risks as they relate to the organizational structure and the operations of each company. When reviewing forward-looking statements and information contained within this report, investors and others should carefully consider these factors, as well as other uncertainties, potential events and industry and company-specific factors that may adversely affect future results of each company. The environment the Corporation and its associates operate in is highly competitive and it is not possible for management to predict all risk factors or their impact these risks may have on the businesses. The annual MD&A sets out a brief 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

Acquisition of Fortress

On May 6, 2019, Western completed the acquisition of a fifty percent interest in Fortress Insurance Company ("Fortress") for a total investment of $1.69 million. Fortress is an Alberta registered and regulated insurance company, which Western intends to transform from its current narrow scope into specialty and surplus lines of business within the western Canadian insurance market place.

At the date of issuance of this MD&A, the Corporation was in the process of determining the accounting for the transaction. The Corporation has two of six directors appointed to the board of directors giving it the ability to exercise significant influence but not control over Fortress and accordingly, the Corporation will be using the equity method to account for this investment.

Convertible Unsecured Debentures

On April 9, 2019 the Corporation closed its offering of subscription receipts for an aggregate gross principal amount of $4 million (the "Financing"). Subsequent to the closing of the acquisition of Fortress, on May 9, 2019, the subscription receipts were converted into unsecured convertible debentures ("Debentures") each with a principal value of $1,000 each. The proceeds of the Financing are being used to finance Western's acquisition of Fortress Insurance Company and for general working capital purposes.

Each Debenture will be convertible into common shares of Western ("Common Shares") at a conversion price of $0.55 per share. The Debentures will mature on March 31, 2024 and bear interest at the rate of 7.5% per annum, payable semi-annually at the end of March and

September. If after March 31, 2021, the closing price of the Common Shares on the TSX Venture Exchange is $0.65 or greater for 20 consecutive trading days, WICC may, at its option, force the conversion of the Debentures into Common Shares.

Western may elect, at its option, to redeem all or part of the Debentures at any time after March 31, 2021 at the redemption price set fourth below plus accrued and unpaid interest, if redeemed during the calendar year upon 45 days written notice by Western:

2021 – 107.5%
2022 – 105.0%
2023 – 102.5%
2024 – 100%

In connection with the Financing, the lead agent is entitled to receive (i) a cash commission equal to 6% of the aggregate proceeds of the portion of the Financing sold to subscribers sourced by the lead agent, and (ii) broker warrants equal to 6% of the Financing, with each broker warrant exercisable into one Common Share at an exercise price of $0.55 that expire 24 months from the Closing date.

Proposed transactions

As at March 31, 2019 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 and Accounting Policies

Effective January 1, 2019 the Corporation adopted IFRS 6 "Leases". The adoption of this new standard did not materially impact the carrying amounts of the financial instruments, or the timing and measurement of expenses. For a detailed summary of these changes, along with a description of the Corporation's accounting policies, the reader is directed to the notes to the interim financial statements of the Corporation for the three months ended March 31, 2019 available on SEDAR at www.sedar.com

Financial Instruments and Risk Management

The Corporation, as part of its operations, is exposed in varying degrees to a variety of risks from the use of financial instruments, which mainly include cash, amounts due from related parties, accounts payable and accrued liabilities, and loans and borrowings. Risk management strategies are established to identify and analyze risks faced, and to ensure our risks and related exposures are consistent with our business objectives and risk tolerance levels. As a result of the use of the above mentioned financial instruments, we are exposed to risks that arise from their use, including market risk, credit risk and liquidity risk. A detailed assessment of each of these risks is presented in the notes to the financial statements for the period March 31, 2019 to be read in conjunction with this MD&A.

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 March 31, 2019	Three months ended March 31, 2018
Net loss - per IFRS	(53,691)	(28,190)
Acquisition related expenses (after tax)	59,999	335,347
NPIO	6,308	307,157

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.