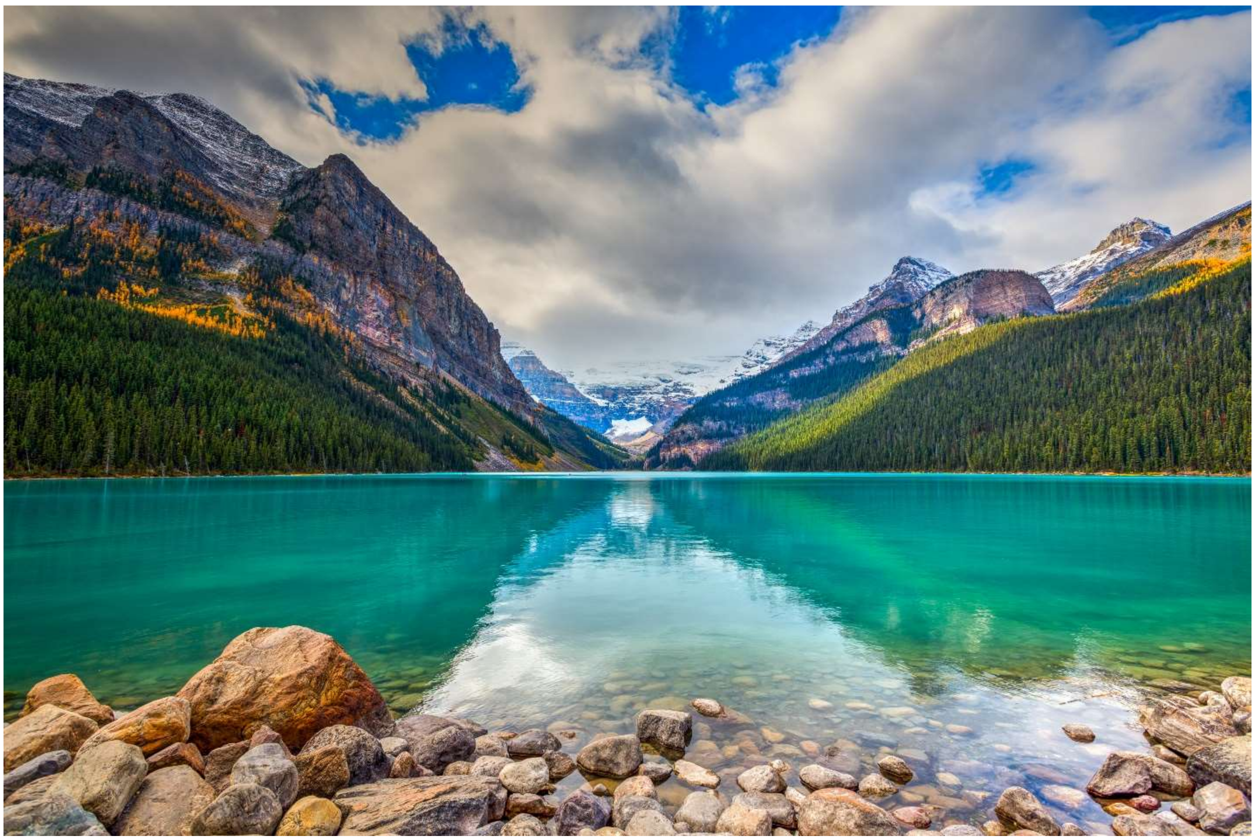
THE
WESTERN INVESTMENT
COMPANY OF CANADA LIMITED



Interim Management's Discussion and Analysis

Quarterly Highlights

For the period ended September 30, 2019

Dated: November 25, 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 unaudited interim consolidated financial statements of the Corporation for the period ended September 30, 2019 and 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 November 25, 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 November 25, 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 September 30, 2019

Western completed the acquisition of Fortress Insurance Company ("**Fortress**") 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.

Western has been actively building the business plan for Fortress and is taking a leading role in the execution of the plan. Fortress will be positioned to take advantage of a growing need for specialty insurance capacity supported by strong broker relationships. Management at Fortress has obtained regulator approval from all four western Canadian provinces (Alberta, B.C., Saskatchewan, and Manitoba) and begun writing their first policies in the third quarter of 2019. With one insurance program up and running they are aiming to have three insurance programs by the end of 2019.

To assist with the acquisition of Fortress, and to finance ongoing working capital needs of the Corporation, Western issued $4 million in convertible debentures in the second quarter of 2019. Each debenture is convertible into common shares of Western at a conversion price of $0.55 per share and will mature on March 31, 2024. Interest on the debentures is at 7.5% payable semi-annually. 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, Western may at its option, force the conversion of the debentures into Common Shares. Western may also elect to redeem all or part of the debentures at any time after March 31, 2021.

Western now has a portfolio consisting of five companies across all four of our target industry sectors. Western has been busy partnering with each of the management teams providing governance and assistance in implementing their strategic plan. The portfolio companies are aggressively paying down term loan debt and investing additional free cash flow for growth opportunities.

Associates Highlights

- Western closed the acquisition of 50.0% of the shares in Fortress Insurance Company on May 6, 2019. Fortress's main focus in the third quarter has been on completing regulatory approval for all western Canadian provinces and executing on their first insurance program which commenced on September 19, 2019. In the period from the acquisition date, May 6, 2019 to September 30, 2019 Fortress incurred a net loss of $52,816. A loss is expected in the start-up phase of the business.
- Western is now in its second year of owning 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. In the nine months ended September 30, 2019 Foothills earned total revenue of $32.7 million and had a net income of $1.0 million. Sales for the third quarter 2019 are up 3% from the same quarter in 2018.
- Western holds a 75% interest in Ocean Sales Group Ltd. ("**Ocean Sales**"), an Alberta based speciality retailer with operations across North America. In the nine months ended September 30, 2019 Ocean Sales earned $16.4 million in revenue, down 12% from 2018, and had a net income of $257,848 which is down considerably from the prior year

as the company continues to struggle in a number of areas. Over the summer months, Western became actively involved with Ocean Sales management in a restructuring of operations, executing significant cost reductions, and a refresh of Ocean's product offerings to set them up for a stronger 2020.

- 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**"). The total revenue earned by our Golden Health Care investments in the nine months ended September 30, 2019 was $6.4 million and net income for this period was $390,012. Net income is down from $427,328 in the prior year largely due to increased interest cost resulting from the refinancing of their long-term debt. Western's share of the proceeds from the refinancing is approximately $1 million and will either be reinvested in new homes at Golden health or distributed to Western.
- GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**"), an automotive glass service company, is now in its third year as part of our portfolio. The total revenue earned in the nine months ended September 30, 2019 was $17.5 million, a 7% increase from 2018. Net income for the first nine months of 2019 was down at $379,756 compared to $1,043,875 in the prior year, primarily due to a significant drop in gross margins and investments in new retail locations in Airdrie and Lethbridge which have been open for less than a year. GlassMasters has made investments in improving operations in September that have resulted in higher unit prices and lower operating costs. Management expects these changes will normalize operating income in the coming year.

Westerns Financial Highlights:

- Total income earned for the nine months ended September 30, 2019 was $1,490,484 a 20% decrease from the $1,862,818 earned in 2018. Management fees of $262,500 were earned compared to $175,000 in 2018 and equity income is down 39% at $994,730 compared to $1,639,678 in 2018. Net income for the nine months ended September 30, 2019 was $619,550 ($0.020 EPS), compared to $1,036,506 in 2018 ($0.034 EPS). Overall, results are lower than the prior year, with the significant drop-in equity income countered slightly by a bargain purchase gain recognized on the Fortress acquisition (as a result of the purchase price being below the fair value of net assets) and increased management fee revenue.
- Net Income Normalized for Portfolio Investment Operations ("**NPIO**") for the nine months ended September 30, 2019 was $454,401 ($0.015 EPS) down from $1,440,881 in 2018 ($0.047 EPS). NPIO is lower than net income this period as a result of the add-back of the Fortress purchase gain of $230,358 realized on Western's acquisition of Fortress. Acquisition costs are also low in 2019 at $65,209 for the nine-month period. The comparative period in 2018 had higher acquisition costs ($404,305) 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 September 30, 2019.

Fortress Insurance Company

On May 6, 2019 Western acquired 50% of the outstanding shares of Fortress Insurance Company for $1.69 million. The fair value of the net assets of Fortress on May 6, 2019 was higher than the price paid for the shares resulting in a purchase gain being recognized of $230,358. Western is still in the process of finalizing its valuation of these net assets and this purchase gain is still subject to change.

Western has equal ownership of Fortress with its partner and appoints two of six directors to the board. This does not give us voting authority to pass decisions without majority board approval giving Western significant influence over Fortress but not control. As such, the Corporation is accounting for our investment in Fortress under the equity method.

Fortress is a western Canadian licensed insurance company focusing on specialty and surplus lines of business within the western Canadian insurance market place. Before the acquisition Fortress was licensed only in Alberta for auto liability insurance, and was used by the parent companies solely for self-insurance purposes. A capital and cost/profit neutral structure and financial mechanism has been implemented relating to the previous auto insurance operations of the company which will effectively immunize Fortress from all associated claims of this division.

Management has been actively working on developing relationships with its broker network and on negotiations for a reinsurance contract which will partially mitigate the risk taken by Fortress. The Company now has its first program up and running with its first policies written in the quarter. Operations are ramping up with six more programs in development with a goal of having three completed by the end of the year.

For the period from acquisition May 6, 2019 to September 30, 2019 Western recognized $75,000 in management fees and an equity loss of $26,408. With Fortress being in the start-up phase of the business it is not expected to earn significant equity income for some time. Fortress has a slight loss in the period from acquisition to September 30, 2019 with expenses being mostly off-set by gains in their investment portfolio.

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 the 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 foodservice 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 foodservice 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 recently moved into a new modern production facility with surplus processing capacity.

In the nine months ended September 30, 2019 Western earned equity income of $519,701 from Foothills. Prior year results include only seven months from the date of acquisition, and also include significant closing costs and so are not considered to be comparative. Foothills contributes management fee revenue of $18,750 each quarter to Western's income.

Financial highlights for Foothills are presented below:

	Three months ended September 30,		Periods ended September 30,	
Financial results ($)	2019	2018	2019 (9 months ended)	2018 (7 months ended)
Revenue	11,632,199	11,276,340	32,723,618	25,226,629
Gross profit	3,057,390	2,447,498	8,033,149	4,917,263
EBITDA[1]	1,176,284	1,120,125	2,778,980	1,821,252
Net income	510,916	636,156	1,031,153	860,240

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

Revenue is up 3% from the prior quarter ended September 30th with an increase in both butter and ice cream sales. Year to date prior year results are difficult to compare as the acquisition occurred in the first quarter of 2018, and there have been various one-time costs and rebates that have affected both periods, including a one-time severance cost of $115,000 in 2019. There has been some increase in the cost of materials and labour in 2019. Results for this year to date have met budgeted expectations. The company has now come to the end of their busy season for 2019.

Foothills is optimistic for growth in 2020 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. The sales team has been able to get this product listed in a major Canadian retail chain that will be selling this new product nationally, as well as a grocery chain in B.C. They have also received interest from the United States ("US"). This product is not restricted by the Dairy Supply Management System and can cross boarders without tariffs providing Foothills with a potential new avenue for growth.

Going forward Foothills plans to solidify its direction and grow regions where they had weak presence in the lower mainland and Interior B.C. The team will focus on high margin items rather than volume which may lead to a decrease in total revenue but is expected to have a positive affect on the bottom line. Management has plans to boost the volume of soft serve mixes into restaurant chains, and move products into ethnic markets such as 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 Sales 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. 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.

For the nine months ended September 30, 2019 Western recognized equity income of $193,385 from Ocean Sales. This is down from $554,637 earned in equity income in the first nine months of 2018. Western earns $25,000 in management fee revenue each quarter from Ocean Sales.

Financial highlights for Ocean Sales are presented below:

	Three months ended September 30,		Nine months ended September 30,	
Financial results ($)	2019	2018	2019	2018
Revenue	6,789,012	7,969,065	16,370,283	18,654,304
Gross profit	3,994,254	4,667,986	9,336,609	10,610,188
EBITDA[1]	748,066	1,123,358	837,765	1,336,196
Net income	427,306	719,800	257,848	739,518

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

In the third quarter of 2019 the Company has shifted their operations to place more focus on sales growth and the pursuit of new retail markets both in Canada and the US. Due to a number of challenges they have been facing, they have refocussed their sales and operations. Costco Canada remains a strong focus where they are working to supplement this program with additional products. Recent product launches have shown early success coupled with continued growth of one of their newer products launched in 2018. In 2020 Ocean plans to expand its participation in the number of consumer shows and exhibitions across Canada and the US. The restructured sales management team has been tasked with opening doors in markets that have not been explored.

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

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 are: 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 oversees the operating companies. Through our shared 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 nine months ended September 30, 2019 Western recognized equity income from Golden of $117,947 (September 30, 2018 - $128,916). Western does not earn management fees from Golden.

Financial highlights for Golden are presented below:

	Three months ended September 30,		Nine months ended September 30,	
Financial results ($)	2019	2018	2019	2018
Revenue	2,120,243	2,126,822	6,428,950	6,415,312
EBITDA[1]	450,439	432,657	1,490,208	1,406,103
Net income	102,170	86,552	390,012	427,328

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

Regulatory changes expected in the Saskatchewan marketplace could boost the expansion potential for Golden. Management is currently evaluating expansion proposals and has recently refinanced their debt to obtain the funds that would be required should an appropriate opportunity present itself.

GlassMasters

The Corporation has a 50.1% equity investment in GlassMasters which is an automotive glass service company with ten 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, Lethbridge 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.

In the third quarter of 2019, GlassMasters opened its tenth retail location in Lethbridge, Alberta. Two new stores were opened in 2018, including Saskatoon, Saskatchewan and Airdrie, Alberta. 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 a negative impact on EBITDA and it is expected to take about 18 months or longer for a new store to break even and begin to positively contribute to the Company's bottom line. Saskatoon, the first new store to open, achieved break-even during the current quarter.

GlassMasters contributed equity income of $190,105 to Western's results in the nine months ended September 30, 2019 (September 30, 2018 - $522,564). GlassMasters contributes management fee revenue of $18,750 a quarter.

Financial highlights for GlassMasters are presented below:

	Three months ended September 30,		Nine months ended September 30,	
Financial results ($)	2019	2018	2019	2018
Revenue	6,656,033	6,182,944	17,475,814	16,288,018
Gross profit	2,064,123	2,202,826	5,340,467	5,868,019
EBITDA[1]	921,747	900,772	2,207,813	2,258,150
Net income	256,200	454,131	379,756	1,043,875

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 continued to grow throughout the first nine months of 2019 up approximately 7% from the prior year due primarily to gains in external wholesale market share. The Saskatoon GlassMasters retail location further strengthened its customer base as they gain more brand recognition and the newest location in Lethbridge is off to a strong start. Gross profit for the year to date is however down 9% from the same period 2018 with increases in both labour and product costs. The company has recently implemented a price increase to counter the increase in material costs.

In the current quarter GlassMasters has undergone a restructuring replacing both the general manager and the CEO. Approximately $131,000 was incurred in severance costs related to the restructuring affecting EBITDA. With new management in place their focus going into the fourth quarter is to focus on enhancing operational processes, improve company culture ensuring the right individuals are in place for success, and to identify additional opportunities for expansion. At this time no new expansion locations are planned. GlassMasters continues to aggressively pay down debt with over $3 million in debt repaid since the acquisition with $5.7 million remaining to be paid.

GlassMasters earns the majority of its income in 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.

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 ($)	2019	2018	2019	2018
Revenue	606,139	1,193,905	1,490,484	1,862,818
Acquisition related expenses	-	9,669	65,209	205,706
Professional fees	36,920	38,075	116,250	165,495
Regulatory fees	5,635	2,620	37,612	43,109
Management compensation	72,182	89,797	288,260	239,352
Share based compensation	74,647	74,112	74,647	74,112
Interest	116,825	21,032	252,821	43,572
Other expenses	9,540	15,425	36,135	54,966
Total expenses	315,749	250,730	870,934	826,312
Net income	290,390	943,175	619,550	1,036,506
Net income per share	0.009	0.031	0.020	0.034
NPIO	290,390	958,820	454,401	1,440,811
NPIO per share	0.009	0.031	0.015	0.047

	September 30, 2019	December 31, 2018
Financial position ($)		
Cash	193,111	8,183
Operating loan	-	(1,519,896)
Working capital	332,839	(1,516,438)
Total assets	20,545,840	17,840,759
Convertible debentures	2,884,696	-
Shareholders equity	17,549,110	16,165,193

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

For the first nine months of 2019 Western earned $994,730 in equity revenue (2018 - $1,639,678) and $262,500 in management fees (2018 - $175,000). The decrease in revenue is the result of lower results for two of our associates compared to the prior year. GlassMasters' investment in new stores along with a drop in gross margin contributed to lower results while Ocean Sales has experienced challenges in their businesses as discussed above. Golden operates in a relatively stable environment, and Foothills is meeting expectations. The drop-in equity income has been partially offset with the help of the bargain purchase gain earned from Fortress acquisition. Western is now earning annual management fee revenue from associates totalling $350,000 annually.

Acquisition expenses are down compared to the comparative period 2018. Acquisition expenses in 2018 related primarily to the Foothills acquisition. Acquisition costs for the year to date 2019 relate to Fortress and are low as the majority of due diligence costs on this acquisition were incurred in 2018. 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. It is not expected there to be any acquisition expenses in the last quarter of 2019.

Professional fees were high in 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 the first quarter of 2019 as we were relying on the facility until the proceeds of the debenture financing were received in the third quarter. Going forward interest on these debentures will be a significant expense.

Additional cash is on hand with the proceeds from the Debenture financing, and a dividend received from Golden Health puts the Corporation in a positive working capital position. This cash has been used to invest in Fortress, repay our operating line, and to fund ongoing operations. Amounts due from related parties are growing as a result of management fees receivable from associates who are unable to pay out amounts to shareholders due to restrictions currently imposed from their bank covenants.

Western's current focus for the remainder of 2019 is on the development of the insurance business in our newest associate Fortress, as well as on improving the profitability of GlassMasters and Ocean Sales.

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, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
Total income/(loss)	606.1	721.10	163.3	311.6	1,193.9	373.7	295.2	(5.4)
Operating expenses	315.7	338.2	217.0	216.6	250.7	252.2	323.4	395.7
Net income (loss) NPIO[1]	290.4	157.7	6.3	263.2	958.8	168.9	307.2	(178.7)
Net income (loss)	290.4	382.9	(53.7)	95.0	943.2	121.5	(28.2)	(401.1)
Earnings (loss) per share NPIO[2]								
- Basic and diluted	0.009	0.005	0.000	0.009	0.031	0.004	0.010	(0.006)
Earnings (loss) per share								
- Basic and diluted	0.009	0.013	(0.002)	0.003	0.031	0.006	(0.001)	(0.013)
Total assets	20,545.8	21,806.9	17,912.2	17,840.8	17,692.0	16,546.2	16,258.0	20,048.0
Total long-term liabilities	2,884.7	2,910.9	-	-	-	-	-	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 third quarter is when they earn the majority of their income. Furthermore, the timing of the acquisitions of Golden (September 2017), Ocean Sales (January 2018), Foothills (February 2018), and Fortress (May 2019) 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.

Convertible Unsecured Debentures

On May 9, 2019 the Corporation issued $4 million of unsecured convertible debentures each with a principal value of $1,000 per debenture. Each debenture is convertible into common shares of Western at a conversion price of $0.55 per share. The debentures 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, Western may, at its option, force the conversion of the debentures into Common Shares. Western may also elect, at its option, to redeem all or part of the debentures at any time after March 31, 2021 at the redemption price set forth 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 – 100.0%

The Corporation incurred underwriting fees and issuance costs of $400,742, including 425,454 broker warrants valued at $29,566. The warrants are exercisable into one Common Share per warrant at an exercise price of $0.55 and expire 24 months from the Closing Date. These costs are allocated to the carrying value of the liability and equity components of the debentures.

The debentures are a compound financial instrument containing both a liability and equity component. The liability component represents the present value of future payments made over the life of the financial instrument discounted at 13.9% which was the approximate market rate available to the Corporation for similar debt without a conversion feature. The residual value of $793,814 (net of issuance costs) was allocated to the equity component. The liability will be accreted to the principal value using an effective rate of 16.5%.

Liquidity and Capital Resources

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

$	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Cash used in operating activities	(453,080)	(616,572)
Cash used in investing activities	(1,282,000)	(3,075,000)
Cash provided by financing activities	1,920,008	1,569,443
Increase (decrease) in cash	184,928	(2,122,129)
Cash, beginning of period	8,183	2,130,300
Cash, end of period	193,111	8,171

The net cash used by operating activities for the period ended September 30, 2019, was primarily related to cash flow required to fund operations including general and administrative costs, professional fees, salaries, as well as changes in working capital. Operating cash used in 2019 was lower than 2018 as there was less acquisition activity and additional management fees were received with the addition of Fortress. Operating expenditures are partially offset by cash received for management fees from associates.

The cash used in investing activities for the nine months ended September 30, 2019 on the acquisition of Fortress was offset by an advance received from Golden. 2018 investing activities related to the acquisition of Foothills. The Corporation also received $408,000 in dividends for its investment in Golden Health Care.

Cash provided by financing activities for the nine months ended September 30, 2019, is the result of proceeds received, net of issuance costs, on the debenture financing. A portion of these proceeds was used to repay our line of credit. For the comparative nine months ended September 30, 2018 cash provided from financing activities related to the operating line of credit obtained starting in February 2018 and drawn upon with the acquisition of Foothills.

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

$	September 30, 2019	December 31, 2018
Demand revolving operating loan facility	-	1,519,896
Convertible debentures	2,884,696	-
Less: cash	(193,111)	(8,183)
Net loans (cash)	2,691,585	1,511,713
Shareholders' equity	17,549,110	16,165,193

During the quarter the Corporation issued $4 million of unsecured convertible debentures to assist with the acquisition of Fortress and to fund daily operations. The debentures bear interest at 7.5% which will result in $300,000 in annual interest payments paid semi-annually. If not converted, the debentures will mature and be payable March 31, 2024.

With this financing, Western is no longer drawn on its demand revolving operating loan facility. This facility remains available for future needs 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. Security includes a share pledge agreement in respect to the Corporation's interest in its subsidiaries. At September 30, 2019 $nil was drawn on the operating loan 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.

Outstanding Share Data

No shares were issued in the nine months ended September 30, 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 nine months ended September 30, 2019, 123,000 shares were repurchased by the Corporation in conjunction with its normal issuer bid (September 30, 2018 – 14,000 shares repurchased). This brings the total common shares outstanding at September 30, 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 September 30, 2019 294,000 stock options were issued (September 30, 2018 – 320,000). The total amount of stock options outstanding as at September 30, 2019 were 1,724,000 (December 31, 2018 – 1,430,000) with exercise prices ranging from $0.40 to $0.65. On April 9, 2019 425,454 warrants were granted for broker compensation in line with the Debenture financing. These warrants have a two-year term and an exercise price of $0.55.

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 September 30, 2019, a total of 123,000 shares have been repurchased for a total cost of $45,908 (September 30, 2018 – 14,000 shares repurchased for $6,764).

Off-Balance Sheet Arrangements

As at September 30, 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 most of its associates, payable on a quarterly basis. For the nine months ended September 30, 2019 the Corporation earned $262,500 in management fees from its associates (September 30, 2018 - $175,000). As at September 30, 2019, $236,250 was receivable in respect to these management fees (December 31, 2018 - $124,793).

In the current quarter and year to date $408,000 in dividends were received and paid from our investment in Golden Health Care. $27,423 in dividends on preferred shares was earned in the nine months ended September 30, 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. For the nine months ended $326,885 was paid or payable to members of key management (September 30, 2018 - $310,602). There was no director compensation paid in 2019. $69,000 was paid to directors as part of the Corporation's time and expense policy in the comparative period ended September 30, 2018.

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

No subsequent events have occurred up to the date of this report other then as outlined below in proposed transactions.

Proposed transactions

On October 21, 2019 the Corporation signed a share purchase agreement to purchase an additional 1,799,750 Class A Voting Common shares of Glass Masters for a purchase price of $1,200,000. This represents 22.5% of the outstanding shares of GlassMasters which would bring Western's ownership up to 72.6%. Western is in negotiations with another shareholder to split the acquisition of these shares. As such, the final number expected to be acquired is not determinable. The closing date of the acquisition is set to be no later than January 16, 2020.

Critical Accounting Estimates and Accounting Policies

Effective January 1, 2019 the Corporation adopted IFRS 16 "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 nine months ended September 30, 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 December 31, 2018 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 September 30,		Nine months ended September 30,	
$	**2019**	**2018**	**2019**	**2018**
Net income - per IFRS	290,390	943,175	619,550	1,036,506
Acquisition related income	-	-	(230,358)	-
Acquisition related expenses (after tax)	-	15,645	65,209	404,305
NPIO	290,390	958,820	454,401	1,440,811

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.