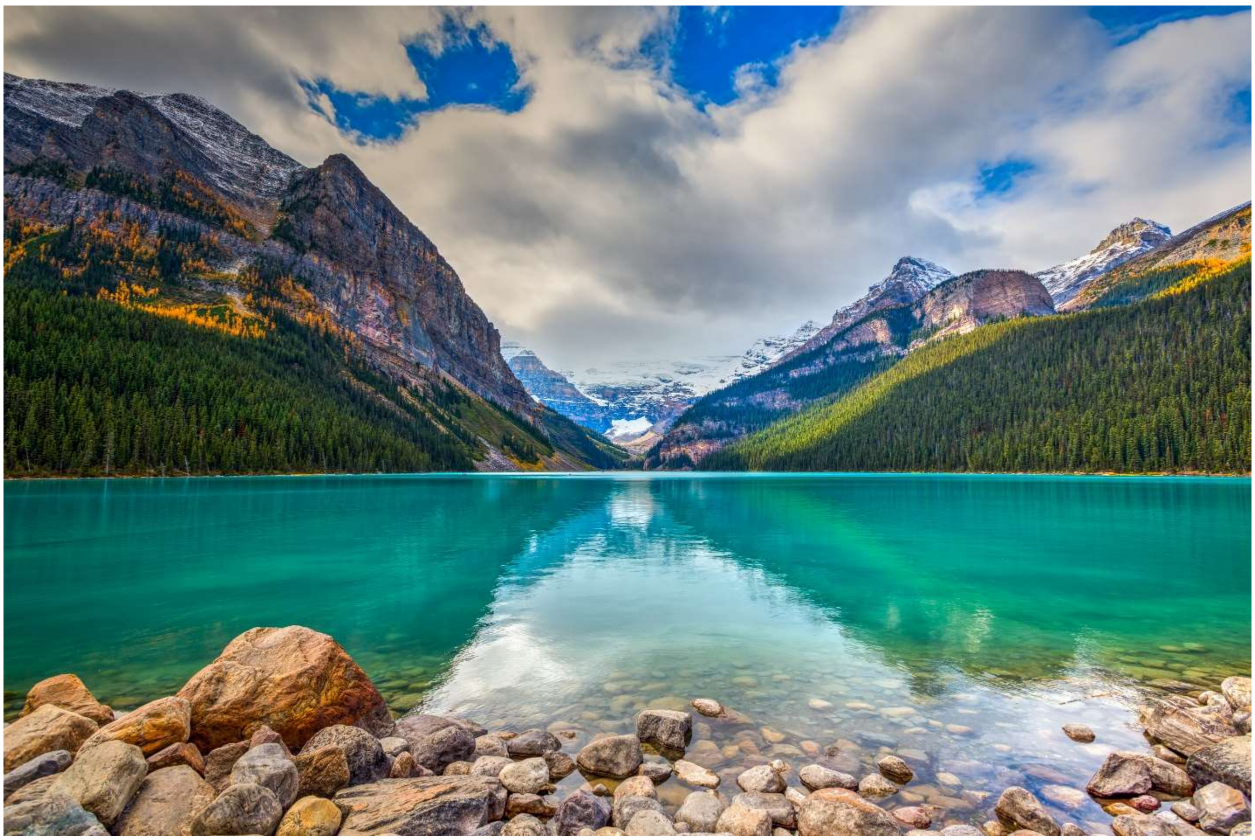
THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED



Management's Discussion and Analysis

For the year ended December 31, 2019

Dated: May 11, 2020

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 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 financial statements of the Corporation for the year ended December 31, 2019. The MD&A was prepared by management of Western and was approved by the Board of Directors on May 11, 2020. 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 11, 2020;

Investments	Acquisition Date	Ownership (%)
GlassMasters ARG Autoglass Two Inc.	December 16, 2016	61.3%
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%

2019 Key Highlights

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. We now have a rare opportunity to be part of building a very valuable financial institution.

Fortress has been actively building the business plan and management from Western are 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. Fortress now has regulator approval from all four western Canadian provinces (Alberta, B.C., Saskatchewan, and Manitoba) and began writing their first policies in the third quarter of 2019. Fortress now has 4 programs up and running and plans to have 6-8 in place by the end of 2020.

To help fund the acquisition of Fortress, and to finance ongoing working capital needs of the Corporation, Western issued $4 million in convertible debentures ("**the debentures**") in the second quarter of 2019, via private placement. 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.

On December 31, 2019, Western added to its investment in GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**") with the purchase of an additional 11.2% of the issued shares bringing the total equity investment to 61.3%. Our partner, ATB, also increased their interest by 11.2% effectively allowing the founder to exit the business. Western still does not control GlassMasters, and it continues to be accounted for as an equity investment.

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 economic downturn in the west has tested some of our companies in 2019 and is evident in their results. This has required significant hard work, patience, and creativity as we worked with each to navigate the difficult market conditions. Western has helped our associates with hiring, sales, strategy, banking and other operational leadership tasks and we have been rewarded as we started to see improvements in results for the first couple months of 2020. Up until the impact of the global pandemic affected western Canada in March, our associates were optomistic heading into 2020. A discussion of the impact of COVID-19 can be found in the subsequent events section of this MD&A.

Associates Highlights

- Western closed the acquisition of 50.0% of the shares in Fortress on May 6, 2019. Western has spent much of 2019 developing the business plan for the company and on obtaining regulatory approval for all western Canadian provinces. Fortress' first insurance program commenced on September 19, 2019, and management has been working on developing three more programs that are up and running as of the date of this MD&A. In the period from the acquisition date of May 6, 2019 to December 31, 2019, Fortress earned net income of $282,080. Being in the start-up phase of the business it is expected expenses will exceed revenue however, the company benefited from gains in its investment portfolio in 2019 resulting in positive net income.

- 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 year ended December 31, 2019, Foothills earned revenue of $42.0 million and had a net income of $1,127,972. In 2018 results are for 10 months from the February 28 acquisition date making comparatives difficult. Sales for the fourth quarter 2019 were consistent with the same quarter in 2018. Overall Foothills 2019 results met budgeted expectations.

- Western holds a 75% interest in Ocean Sales Group Ltd. ("**Ocean Sales**"), an Alberta based specialty retailer with operations across North America. In the year ended December 31, 2019, Ocean Sales revenue was $18.8 million, down 11% from 2018. Overall, Ocean Sales incurred a comprehensive loss of $465,959 in 2019 which is considerably worse compared to the prior year with the company struggling in a number of areas. With the diminishing returns, Western has stepped in to become actively involved, leading a restructuring of operations, including executing significant cost reductions, and a refresh of Ocean Sales' product offerings. This restructuring was in place by the end of 2019 to set them up for a stronger 2020.

- Western 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 "**Golden**"). The total revenue earned by our Golden Health Care investments in the year ended December 31, 2019, was $8.5 million and net income for the year was $370,372. Net income is down $189,359 from the prior year largely due to increased interest cost from the refinancing of their long-term debt. EBITDA is comparable between years. The debt refinancing completed in 2019 provides access cash to finance potential investments in new homes or beds. Western received $408,000 in dividends from Golden during the year, and subsequent to year-end borrowed $1.2 million from Golden in the form of a shareholder loan at an annual interest rate of 4.09%.

- On December 31, 2019, Western purchased an additional 11.2% of the outstanding shares of GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**"), an automotive glass service company. This brings our total investment to 61.3%. The total revenue earned by GlassMasters for the year ended December 31, 2019 was $22.4 million, an 8% increase from 2018. Net income, however, was down considerably at $491,302 compared to $1.2 million in the prior year, primarily due to a significant drop in gross margins and investments in new retail locations in Airdrie and Lethbridge. Western has worked intensely with GlassMasters throughout the last half of 2019 to analyze their operations and implement improvements. Significant changes have been made to operations including replacement of the general manager and CEO. Higher sale prices and lower operating costs have already demonstrated improvements to profitability.

Westerns Financial Highlights:

- Total income earned for the year ended December 31, 2019, was $2.4 million which was an 8.5% increase from income earned in 2018. Management fees of $383,333 were earned compared to $237,500 in 2018, equity income is down 59% at $766,652 compared to $1,888,816 in 2018, and net income for the year ended December 31, 2019 was $1,252,643 ($0.041 EPS), compared to $1,131,531 in 2018 ($0.037 EPS). Overall, results are similar to the prior year, with the significant drop-in equity income countered by a large bargain purchase gain of $1.2 million recognized on the Fortress and GlassMasters acquisitions (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 year ended December 31, 2019 was $111,399 ($0.004 per share) down from NPIO net income of $1,702,682 in 2018 ($0.056 per share). NPIO is lower than net income this year as a result of the add-back of the Fortress and GlassMasters' purchase gains of $329,704 and $876,749 respectively, realized on the share acquisitions. Acquisition costs are also low in 2019 at $65,209 compared to $571,151 in 2018 and the current year brings lower 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 December 31, 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 on the acquisition of $329,704.

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 for auto liability insurance only in Alberta, and it continues to be used by the founding partner in this area solely for self-insurance purposes. A capital and cost/profit neutral structure and financial mechanism has been implemented relating to the auto insurance operations of the company which will effectively immunize Fortress from all associated claims of this division. In its new business plan Fortress writes insurance policies predominatly in property and also in accident & sickness, boiler & machinery, and marine.

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 had its first program up and running in September 2019. Operations are ramping up with three more programs running at the current date, with the goal of having an additional two to four in place by the end of 2020. A lot of work has been completed to lay the ground work for growth looking forward.

For the period from acquisition May 6, 2019 to December 31, 2019, Western recognized $100,000 in management fees and equity income of $141,040 from Fortress. With Fortress being in the start-up phase of the business it is not expected to earn significant operating income for some time. In the period from acquisition to December 31, 2019 expenses exceeded operating income as expected. Fortress's positive net income from May 6, 2019 to December 31, 2019 of $282,080 is the result of gains in their investment portfolio. With the majority of the company's assets being held in an investment portfolio, Fortress is subject to significant market risk that may be evident in 2020 with a struggling stock market effecting the market value of their portfolio.

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.

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).

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 year ended December 31, 2019, Western earned equity income of $568,496 from Foothills (2018 - $715,547). Prior year results include only ten months from the date of acquisition, and also include significant closing costs and a major rebate adjustment 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 (at 100%) are presented below:

	Three months ended December 31,		Year ended December 31,	
Financial results ($)	2019	2018	2019	2018 (10 months ended)
Revenue	9,309,577	9,070,979	42,033,195	33,894,011[3]
Gross profit	1,584,473	n/a[2]	9,617,622	7,807,949
EBITDA[1]	266,213	n/a[2]	3,045,193	3,875,412
Net income	96,819	559,495	1,127,972	1,419,735

1 Defined as earnings before interest, tax, depreciation, and amortization. For more information see 'description of non-IFRS measures' section of this MD&A
2 Due to significant year-end adjustments in 2018 related to the purchase, comparative figures are not readily available nor useful for comparative purposes.
3 Certain amounts have been reclassified in the prior year financials to conform with current year presentation. There is no impact on net income or Western's investement in this associate or the equity pick up for the period.

Revenue is consistent with budget expectations for 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 years. Product margins decreased slightly in 2019 due to changes in sales mix and an increase in butter sales, which has a low margin. Ice cream sales, a high margin product, sales are down from 2018. A new sales force has been put in place to combat this drop. There has also been increases in marketing, salaries and wages, and consultant expenditures, but this is seen as an investment in future growth of the company.

Foothills is optimistic for growth with one of its new product lines, Screamin' Brothers where it is 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. This product is not restricted by the Dairy Supply Management System and can cross borders 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 a 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 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 such as whipped butter, and new flavours such as ube and black sesame for their ice cream.

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.

Ocean Sales Group Ltd.

On January 1, 2018, Western completed the acquisition of Ocean Sales with a total investment was $3.45 million for a 75% interest in the company.

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 year ended December 31, 2019, Western recognized an equity loss of $300,639 from Ocean Sales (2018 - $403,081 equity income). Western earns $25,000 in management fee revenue each quarter from Ocean Sales.

Financial highlights for Ocean Sales (at 100%) are presented below:

	Three months ended December 31,		Year ended December 31,	
Financial results ($)	2019	2018	2019	2018
Revenue	2,447,640	2,541,956	18,817,933	21,196,260
Gross profit	1,473,080	1,971,243	10,809,700	12,581,430
EBITDA[1]	(616,235)	(309,841)	221,540	1,026,355
Net income	(650,450)	(194,199)	(400,852)	537,441

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 shifted its 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. Significant cost-cutting measures have been implemented to improve margins and EBITDA. A restructured sales management team has been tasked with opening doors in markets that have not been explored. Results for the first two months of 2020, prior to COVID-19, had shown positive results thanks to the changes implemented in 2019. See the subsequent events section for further information on COVID-19 and its effect on operations in 2020.

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.

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.

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. Two of these homes generally operate at or near 100% occupancy, with Hill View Manor currently operating at approximately 80%. 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 all under the Golden Health Care Banner.

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.

In the year ended December 31, 2019, Western recognized equity income from Golden of $111,809 (2018 - $168,870). Western does not earn management fees from Golden. Western received $408,000 in dividends from Golden in 2019 (2018 – nil).

Financial highlights for Golden (at 100%) are presented below:

	Three months ended December 31,		Year ended December 31,	
Financial results ($)	2019	2018	2019	2018
Revenue	2,089,731	2,085,696	8,518,681	8,501,008
EBITDA[1]	369,139	412,982	1,859,347	1,819,085
Net income	(19,640)	132,403	370,372	559,731

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

Subsequent to year-end the board of Golden Health Care Management Inc. approved the expansion plans for a 12-suite addition at William Albert House in Emerald Park. The budget for this expansion is $3.2 million with construction originally scheduled to start in summer 2020. Due to COVID-19 this expansion has been postponed (see subsequent events section for more info on COVID-19). Management is currently evaluating other expansion proposals and in 2019 refinanced their debt to obtain the funds required to support expansion. The carrying cost of this debt has resulted in decreased net income in 2019. Regulatory changes expected in the Saskatchewan marketplace could boost the expansion potential for Golden.

In the first quarter of 2020 Western borrowed $1.2 million from Golden at an annual interest rate of 4.09%. This passes access cash from the refinancing not currently being used for investment at Golden on to Western to assist it in funding general operating needs. Western pay's interest on the loan monthly. The loan matures on January 31, 2021 with automatic annual renewal.

Western appoints two of five members of the board of directors of Golden Health Care 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.

GlassMasters

On December 31, 2019, the Corporation increased its investment in GlassMasters to 61.3% buying, along with our partner, the founders' final share of the business. GlassMasters is an automotive glass service company with ten retail locations providing repair and replacement of auto glass ("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.

In the third quarter of 2019, GlassMasters opened its tenth retail location in Lethbridge, Alberta. Two new stores were opened in 2018, in 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 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 summer of 2019.

GlassMasters contributed equity income of $245,946 to Western's results in the year ended December 31, 2019 (2018 - $601,318). GlassMasters is currently contributing management fee revenue of $43,750 a quarter.

Financial highlights for GlassMasters (at 100%) are presented below:

	Three months ended December 31,		Year ended December 31,	
Financial results ($)	2019	2018	2019	2018
Revenue	4,881,812	4,421,250	22,357,626	20,709,267
Gross profit	1,242,768	1,150,121	6,583,230	7,018,140
EBITDA[1]	547,789	(11,921)	2,906,648	2,246,229
Net income	111,547	157,321	491,303	1,201,194

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 2019 up approximately 8% 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 6% from the same period 2018 with increases in both labour and product costs. The company implemented a price increase near the end of 2019 to counter the increase in material costs and the market has been responding well with sales volumes remaining stable.

In the last half of 2019 GlassMasters underwent a restructuring replacing both the general manager and the CEO. With new management in place, their focus going into 2020 is to enhance operational processes, improve company culture, ensure 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 has been aggressively paying down debt with over $3 million in debt repaid since the original acquisition in 2016 with $5.3 million remaining as at December 31, 2019.

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.

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.

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 December 31,		Year ended December 31,	
Financial results ($)	2019	2018	2019	2018
Revenue	868,850	311,657	2,359,334	2,174,476
Acquisition related expenses	-	76,471	65,209	282,171
Professional fees	20,175	33,699	136,425	199,194
Regulatory fees	4,905	1,824	42,517	44,932
Management compensation	72,998	51,297	361,257	290,649
Share based compensation	-	-	74,647	74,112
Interest	119,378	23,018	372,200	66,591
Other expenses	18,301	30,325	54,436	85,296
Total expenses	235,757	216,634	1,106,691	1,042,945
Net income	633,093	95,023	1,252,643	1,131,531
Net income per share	0.021	0.003	0.041	0.037
NPIO	(343,002)	263,238	111,399	1,702,682
NPIO per share	(0.011)	0.009	0.004	0.056

Financial position ($)	December 31, 2019	December 31, 2018
Cash	149,868	8,183
Operating loan	(1,188,679)	(1,519,896)
Working capital	(576,122)	(1,516,438)
Total assets	22,576,851	17,840,759
Convertible debentures	3,003,866	-
Shareholders equity	18,221,126	16,165,193

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

While 2019 did not bring in the results we had hoped for, income overall was up slightly from the prior year thanks to the bargain purchase gains earned on the acquisitions of Fortress and GlassMasters. Management fees are up as a result of our expanded portfolio of investments but this is countered by a significant drop in equity revenue which is down 59% from 2018. The decrease in equity income is the result of significantly lower results for two of our associates, GlassMasters' where investment in new stores, along with a drop in gross margin, contributed to lower results, and Ocean Sales, which has experienced various challenges in their business overall. Golden operates in a relatively stable environment, and Foothills is meeting expectations. Western is now earning annual management fee revenue from associates totaling $450,000 based on all agreements in place as at the date of this MD&A.

Acquisition expenses are down compared to 2018. Acquisition expenses in 2018 related primarily to the Foothills acquisition. Acquisition costs for 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 investments in the future and costs will be significant in any period surrounding an acquisition.

Professional fees were lower in 2019 as they did not include additional legal expenses associated with obtaining the operating loan facility arranged in 2018. 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 along with interest on other borrowed funds including the operating line and a shareholder loan advanced to Western in 2020.

Additional cash was obtained from the debenture financing, which has been used to invest in Fortress and GlassMasters, repay a shareholder loan, 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. Both GlassMasters and Ocean Sales are offside on their bank covenants and we are working with these associates to improve profitability and to adjust the financing terms but we do not expect to collect fees in 2020. Western is also supporting these companies with additional shareholder loan advances in 2020, to assist them through the COVID-19 pandemic (see subsequent event note).

Western's focus for 2019 has been on the development of the insurance business in our newest associate Fortress, as well as on improving the profitability of GlassMasters and Ocean Sales. A significant amount of time and energy has gone into these three associates and all were showing positive results going into 2020. The global pandemic COVID-19 has however significantly affected both GlassMasters and Ocean Sales near the end of the first quarter in 2020. See the COVID-19 section at the end of this MD&A for further details.

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	Dec 31, 2019	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018
Total income/(loss)	868.9	606.1	721.10	163.3	311.6	1,193.9	373.7	295.2
Operating expenses	235.8	315.7	338.2	217.0	216.6	250.7	252.2	323.4
Net income (loss) NPIO[1]	(343.0)	290.4	157.7	6.3	263.2	958.8	168.9	307.2
Net income (loss)	633.1	290.4	382.9	(53.7)	95.0	943.2	121.5	(28.2)
Earnings (loss) per share NPIO[2]								
- Basic and diluted	(0.011)	0.009	0.005	0.000	0.009	0.031	0.004	0.010
Earnings (loss) per share								
- Basic and diluted	0.021	0.009	0.013	(0.002)	0.003	0.031	0.006	(0.001)
Total assets	22,576.9	20,545.8	21,806.9	17,912.2	17,840.8	17,692.0	16,546.2	16,258.0
Total long-term liabilities	3,003.9	2,884.7	2,910.9	-	-	-	-	-

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 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 $793,815 (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:

$	Year ended December 31, 2019	Year ended December 31, 2018
Cash used in operating activities	(771,792)	(709,135)
Cash used in investing activities	(2,195,208)	(2,923,864)
Cash provided by financing activities	3,108,685	1,510,882
Increase (decrease) in cash	141,685	(2,122,117)
Cash, beginning of year	8,183	2,130,300
Cash, end of year	149,868	8,183

The net cash used by operating activities for the year ended December 31, 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 fairly comparable to 2018. Less was spent on acquisition activity and additional management fees were received with the addition of Fortress, but this is countered by an increase in working capital costs with Western's increasing related party receivables. Operating expenditures are only partially offset by cash received for management fees from associates.

$2,290,000 in cash was used for investing in 2019 with the acquisition of Fortress and additional GlassMasters shares and $313,208 in cash advances to associates. $408,000 in dividends were received on our investment in Golden Health Care. 2018 investing activities related to the $3,075,000 acquisition of Foothills and $151,136 in dividends received.

Cash provided by financing activities for the year ended December 31, 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 year ended December 31, 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:

$	December 31, 2019	December 31, 2018
Demand revolving operating loan facility	1,188,679	1,519,896
Convertible debentures	3,003,866	-
Less: cash	(149,868)	(8,183)
Net loans	4,042,677	1,511,713
Shareholders' equity	18,221,126	16,165,193

During the second quarter of 2019, 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 with $4,150,000 payable on March 31, 2024. This financing was used to repay other loans, acquire additional investments and for general working capital needs.

The corporation also has a demand revolving operating loan facility available 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 with respect to the Corporation's interest in some of its associates. At December 31, 2019 $1,188,679 was drawn on the operating loan facility (December 31, 2018 - $1,519,896).

In the first quarter of 2020, the Corporation borrowed $1.2 million from its associate Golden in the form of a shareholder loan to assist with general operating needs. This loan bears interest at 4.09% annually payable monthly and matures on January 31, 2021, with an automatic annual renewal if not in default (all interest is being paid).

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 year ended December 31, 2019. In the comparative year 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 in 2018 to $176,000 before issuance costs. During the year ended December 31, 2019, 123,000 shares were repurchased by the Corporation in conjunction with its normal issuer bid (December 31, 2018 – 14,000 shares repurchased). This brings the total common shares outstanding at December 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 30,520,756.

In the year ended December 31, 2019, 294,000 stock options were issued (December 31, 2018 – 320,000). The total amount of stock options outstanding as at December 31, 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 year ended December 31, 2019, a total of 123,000 shares have been repurchased for a total cost of $45,908 (December 31, 2018 – 14,000 shares repurchased for $6,764).

Off-Balance Sheet Arrangements

As at December 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 most of its associates. For the year ended December 31, 2019, the Corporation earned $383,333 in management fees from its associates (December 31, 2018 - $237,500). As at December 31, 2019, $289,271 was receivable in respect to these management fees (December 31, 2018 - $124,793). Due to restrictions placed on some of our associates who are offside on their bank covenants, amounts receivable from them of $313,208 have been recorded as long-term.

In the current year, $408,000 in dividends were received and paid from our investment in Golden Health Care. In the year ended Decemeber 31, 2018, $151,136 in dividends was received and paid from our investment in Foothills, and $45,705 in dividends on preferred shares was earned from Golden Health. On December 31, 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 2019 $399,882 was paid to members of key management (December 31, 2018 - $407,899). 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 year ended December 31, 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 following is a brief discussion of the factors which may have a material impact on our future business or financial performance.

Public Health Crises

The Corporation's financial and operating performance, and that of its associates, could be materially adversely affected by the outbreak of public health crises, epidemics, pandemics or outbreaks of new infectious diseases or viruses, such as the recent global outbreak of a novel coronavirus (COVID-19). Such public health crises, including COVID-19, can result in volatility and disruption to global supply chains, trade and market sentiment, mobility of people, and global financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions and results of operations, and other factors relevant to Western. The risks to Western of such public health crises, including the ongoing COVID-19, also include risks to employee health and safety, a slowdown or temporary suspension of operations in locations impacted by an outbreak and could negatively impact Western's business, financial condition and results of operations.

Investment in associates

The Corporation's investments in associates are operated by independent management teams. The business success of these investments is to some extent dependent on the expertise and ability of the investment's management team to successfully operate the underlying businesses. While we rely on the judgment and operating expertise of the management of the investments, we mitigate this risk by exercising prudent management oversight through our Board representation and relying on an operator that has a proven track record of operating the business.

Short operating history

We have only a short record of operating as an investment issuer and as such, we are subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that we will not achieve our financial objectives as estimated by management. Furthermore, past successes of management or the Board does not guarantee future success.

Available opportunities and competition for investments

Our business plan depends upon, among other things: (i) the availability of appropriate investment opportunities: (ii) our ability to identify, select and acquire successful investments; and (iii) our ability to generate or obtain funds for future investments. We expect to encounter competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as us, will likely have a longer operating history, may be better capitalized, have more personnel and have different return objectives. As a result, we may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing, which may further limit our ability to secure investments on acceptable terms or to generate desired returns.

There can be no assurance that we will have access to a sufficient number of suitable investment opportunities or that such investments can be made within a reasonable period of time. There can also be no assurance that we will be able to complete investments at acceptable prices or terms. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns will be diminished to the extent that we are unable to find and make a sufficient number of investments.

Concentration of investments

Other than as described herein, there are no restrictions or limits on the amount or proportion of our funds that may be allocated to any particular investment. We may participate in a limited number of investments and, as a consequence, our financial results may be substantially adversely affected by the unfavourable performance of a single investment. Completion of one or more investments may result in a highly-concentrated investment in a particular company, geographic area or industry resulting in the performance of Western depending significantly on the performance of such company, geographic area or industry. Currently, Western has five equity investments across four industry verticals and is are working to further diversify as we grow to reduce this risk.

Cash flow from associates

Western is entirely dependent on the operations of its associates to generate income and support its ability to make interest payments on the convertible debentures, other loans outstanding and to pay corporate operating expenses. Western's ability to generate income is affected by the profitability, fluctuations in working capital, margin sustainability and capital expenditures of its associates. Although Western's associates intend to distribute some amount of their cash available for distribution in any, there can be no assurance regarding the amounts of income and cash flow to be generated by them and the amounts to be paid to Western. The failure of any associate to make anticipated distributions could adversely impact Western's financial condition and cash flows and, consequently, payments to holders of convertible debentures, as well as the ability to declare and pay dividends in respect of the Common Shares.

Ability to secure adequate financing

We will have ongoing requirements for capital to support our growth and operations and may seek to obtain additional funds for these purposes through public and private equity or through the incurrence of indebtedness. There are no assurances that we will be able to secure additional funding at all, on acceptable terms or at an acceptable level. Western is exposed to the risk that it may not be able to meet its financial obligations when they come due. Our liquidity and operating results, and our ability to make additional investments, may be adversely affected if our access to capital markets or other sources of financing is hindered, whether as a result of a downturn in market conditions generally or to matters specific to us.

Dependence on management and directors

We will be dependent upon the efforts, skill and business contacts of key members of management and the Board for, among other things, the information and investment opportunities they are able to generate. Accordingly, our success may depend upon the continued service of these individuals to our business. The loss of the services of any of these individuals could have a material adverse effect on our revenues, net income, and cash flows and could harm our ability to secure investments, maintain or grow our assets and raise funds.

Investment evaluation

The due diligence process undertaken by Western in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, we will conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment and will be required to rely upon the accuracy and completeness of information supplied by potential investees. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment and we will be required to rely in part on such advisors' assessment of potential liabilities and risks associated with each investment. The due diligence investigation that is carried out by Western and our advisors with respect to any investment opportunity may not reveal or highlight all relevant risks or liabilities associated with the investment. Unforeseen risks or liabilities may have a material and adverse impact on our liabilities, profitability, results of operations and financial condition.

Trading volatility of common shares

Management of the Corporation cannot predict at what price its common shares will trade and there can be no assurance that an active trading market for the common shares will be sustained. The market price of the common shares could be subject to significant fluctuations in response to variations in financial results, general trends in the industry and other factors, including extreme price and volume fluctuations which have been experienced by the securities markets from time to time. The illiquidity and fluctuation in market price may adversely affect our ability to raise additional funds through the issuance of common shares, which could have a material and adverse impact on our profitability, results of operations and financial condition.

Risks relating to our investments

Given the nature of our investment activities, the results of operations and our financial condition are dependent upon the financial condition and performance of the businesses comprising our investments. The performance of our associates can be affected by a variety of general economic conditions or by specific factors, such as weather, that may individually impact each business. Western's ability to generate income is affected by the profitability, fluctuations in working capital, and cash flow of its associates. There can be no assurance regarding the amounts of income and cash flow to be generated by them and the amounts to be paid to Western.

Convertible Debentures

The convertible debentures will mature on March 31, 2024. Western may not be able to refinance the principal amount of the Debentures in order to repay the principal outstanding or may not have generated enough cash from operations to meet these obligations. There is no guarantee that Western will be able to repay the outstanding principal amount upon maturity.

Western may, at its option, force the conversion of the Debentures into common shares, on or after March 31, 2021, if the market price of the Common Shares is $0.65 or greater for 20 consecutive trading days. This will affect the overall numbers of common shares outstanding and could result in the dilution of earnings per share.

The Debentures may also be redeemed, at the option of Western, on or after March 31, 2021, upon payment of the principal at the redemption price specified, together with any accrued and unpaid interest. Western my exercise this redemption option if it is able to refinance at a lower interest rate or it is otherwise in the interest of Western to redeem the Debentures.

Subsequent Events

Golden shareholder loan

On January 31, 2020, the Corporation received a $1.2 million shareholder loan from Golden. The loan bears interest at 4.09% per annum, payable monthly and matures on January 31, 2021, with an automatic annual renewal if not in default. The Corporation is using the funds from this loan to finance working capital needs and to support the needs of its associates.

Effective January 1, 2020 amounts payable from GlassMasters to the Corporation will be subject to 12% interest per annum compounded monthly. Interest shall accrue on all amounts owing to Western including management fee's and any cash advances that may be made to GlassMasters. From January 1, 2020 to the date of of this report Western has advanced an additional $300,000 to GlassMasters to assist them during the COVID-19 pandemic (see below).

In the first quarter of 2020 Western provided assistance to Ocean by purchasing inventory on their behalf. The intention was to sell the inventory back to Ocean once cash was available from the sale of this inventory. Due to COVID-19 (see below) Ocean's operations were impacted and as of the date of these financials Western continues to own $300,767 in inventory on behalf of Ocean.

COVID-19

In the first quarter of 2020, the world was hit by a global pandemic from the virus COVID-19. The resulting effects of this pandemic have reached far and wide in the world's businesses and there are no exceptions for Western's associates. The resulting effect COVID-19 will have on each of Western's businesses is unknown at this time and each company is currently working to combat the economic impact. It is impossible to predict the overall outcome COVID-19 will have on our results in 2020 but it is certain there will be an effect.

GlassMaster's and Ocean Sales have been dramatically impacted by COVID-19, both having seasonal retail operations at the beginning of their busy seasons and correspondingly high inventory levels. GlassMasters experienced a dramatic reduction in sales volume starting in the middle of March. While sales have slowed considerably, all stores but one are currently open, and the company is working to ensure the safe delivery of windshield replacements to clients including now offering free mobile replacement. The effect on Ocean Sales has been even more significant, with the cancelation of all spring shows, the company has lost one of its major sources of revenue until such a time when events will be allowed to resume and consumers confidence in their safety returns. Ocean has been working to find other avenues to sell their products such as expanding their on-line sales, however this is not expected to make up for the significant loss in revenue they have experienced. Both companies have been forced to make major cuts in operating expenses including implementing major employee layoffs. Crisis management initiatives being undertaken include working with suppliers and banks to defer expense and principal payments, government assistance, and looking to obtain additional sources of financing to maintain liquidity through the crisis. Liquidity has become a major concern for these companies and is being monitored daily.

COVID-19 has slowed the development of the insurance business at Fortress in regards to the development of new insurance products while the company's broker network deals with more immediate needs. It remains to be seen how the pandemic will effect the insurance industry, however management continues to work on participating in new programs. The pandemic has not yet had a significant effect on Foothills Creamery. While butter sales to restaurants are down, retail grocery sales are up. The dairy industry has mechanisms in place to protect suppliers from changes in demand. Foothills is working diligently to ensure the safety of its workers and protecting its operations. If the pandemic continues to effect the economy come summer, Foothills main season for ice cream sales, revenue could be impacted. Management is planning for this scenario. Our senior care homes in Saskatchewan are taking serious steps to protect the lives of their residents and staff and have plans in place to address the effects this virus could have on their ability to operate should the homes be impacted.There may be an impact on future demand and occupancy rates in the future.

Proposed transactions

As at December 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 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 financial statements of the Corporation for the year ended December 31, 2019, available on SEDAR at www.sedar.com.

Financial Instruments and Risk Management

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Upon initial recognition, all financial instruments are recognized on the statement of financial position at fair value. Subsequently, all of Western's financial instruments, which include cash, amounts due from related parties, accounts payable and accrued liabilities, and loans and borrowings are measured at amortized cost.

The Corporation, as part of its operations, is exposed in varying degrees to a variety of risks from the use of financial instruments. 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 year December 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 December 31,		Year ended December 31,	
$	2019	2018	2019	2018
Net income - per IFRS	633,093	95,023	1,252,643	1,131,531
Gain on acquisition	(976,095)	-	(1,206,453)	-
Acquisition related expenses (after tax)	-	168,215	65,209	571,151
NPIO	(343,002)	263,238	111,399	1,702,682

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.