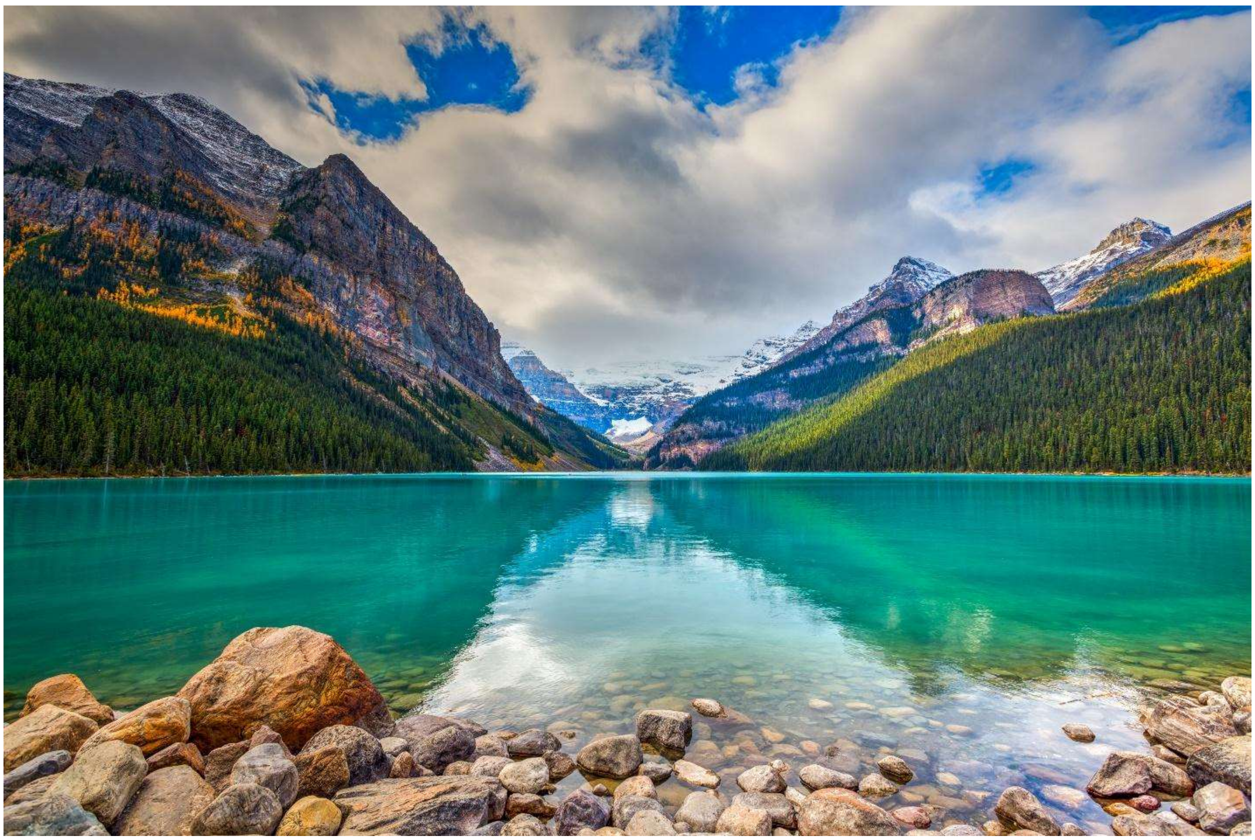
THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED



Restated Management's Discussion and Analysis

For the year ended December 31, 2021

Dated: May 19, 2023

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, with ownership interest between 25% 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, 2020. 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, 2021. The MD&A was prepared by management of Western and was approved by the Board of Directors on May 19, 2023. 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 19, 2023;

Investments	Acquisition Date	Ownership (%)
GlassMasters ARG Autoglass Two Inc.	December 16, 2016	55.3%
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	49.6%
Fortress Insurance Company	May 6, 2019	28.3%

2021 Key Highlights

2021 has been a year of stabilization and, at times, transformation. The second quarter was the best quarter Western has had in over two years and our second-best quarter to date. The third quarter of 2021 has brought in positive net income at almost all associates, with a increase in equity income recognized from the comparative year in 2020. While successful, total earnings was hampered this past quarter by supply chain issues that appear to be affecting companies across the globe. Obtaining access to inventory and raw materials has become a top priority for many of our associates. The increases experienced in inventory and shipping costs, combined with order delays and shortages, are being managed by various means, including looking for alternative sources and altering pricing strategies.

One of the most significant accomplishments for 2021 is the turn-around seen at Ocean Sales group Ltd. ("**Ocean Sales**"). Despite being affected by the ongoing Pandemic, Ocean Sales has pivoted their business over the past year to develop new revenue streams. For the year ended December 31, 2021, they are our number one contributing associate to equity income. A year ago, after the onset of the pandemic with operations ground to a halt, our investment in Ocean Sales had been written off our books. Today they are back on, and their net income for the year is the highest since acquisition. We are proud of the hard work the team has put in over the past year to keep the company going and generate positive results.

Business at our grassroots insurance company Fortress Insurance Company ("**Fortress**") has fully taken off, with gross written premiums tripled from the prior year. They added fronting to their business model and will soon have a license in Ontario, which will double their available market. Fortress is positioned to take advantage of a growing need for specialty insurance capacity supported by strong broker relationships.

GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**") recorded record revenue. They have added additional stores and warehouses in Saskatchewan and are actively looking for further avenues for expansion. Subsequent to year-end, Western participated in a transaction bringing in a new partner. The transaction price demonstrates a considerable gain in the market value of GlassMasters. Golden Health Care ("**Golden**") has successfully navigated through the COVID-19 pandemic without significant outbreaks and maintaining high occupancy rates.

Western has put a significant amount of effort over the past two years working with each associate on their strategy and ensuring we have a strong management team in place. We are now confident that we have achieved this goal. With solid management and strategic plans in place, we believe the future is bright for each one of the companies we have invested in.

Response to COVID-19

Since March of 2020, when the world was hit by a global pandemic from the virus COVID-19 (the "Pandemic"), the impact on Western businesses is varied. Management has focused on working with each of our associates to deal with the pandemic's impact. As we made our way through 2021, the operations at our associates stabilized, and 2021 was a profitable year for most. Ocean Sales has been the most impacted by the pandemic. With the cancellation of all consumer shows, the company lost its primary sources of revenue. Ocean Sales pivoted to find other avenues to sell its products, expanding its online sales channels. Thanks to their quick response in shifting their business combined with support from government assistance, 2021 has been their most profitable year since acquisition. Looking into the future, management is hoping for a return of consumer shows in 2022. Despite all the challenges faced, the company has managed cash flows and continues to operate with a positive outlook for the future.

GlassMasters operations have returned to normal, and management has restarted its search for expansion opportunities. Foothill Creamery Ltd. ("**Foothills**") struggled with changes in its product sales mix in 2020, leading to a drop in gross margins. A new management team is in place, and we saw many operational improvements there in 2021, including gains in gross margins. The course of the pandemic is highly uncertain and has negatively impacted the earnings of many of the Corporation's investees over the past two years, and it is possible to have some effect into the foreseeable future.

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 ($)	2021[1]	2020[1]	2021[1]	2020[1]
Revenue	(223,541)	173,983	648,206	(1,890,833)
Professional fees	38,900	54,071	237,604	219,168
Regulatory fees	3,360	3,953	43,011	41,984
Management salaries	93,975	84,239	383,157	411,399
Share-based compensation	-	-	64,440	62,748
Interest	159,340	146,691	606,461	556,140
Other expenses	4,320	6,344	20,777	30,140
Total expenses	299,895	295,298	1,355,450	1,321,579
Net income (loss)	(523,436)	(121,315)	(707,244)	(3,212,412)
Net income (loss) per share	(0.017)	(0.004)	(0.023)	(0.105)

	December 31, 2021	December 31, 2020[1]
Financial position ($)		
Working capital	(1,107,695)	(504,845)
Total assets	18,490,417	18,708,627
Operating loan	1,014,292	776,791
Loans and convertible debentures	4,619,991	4,395,446
Shareholders' equity	12,771,394	13,390,421

	December 31, 2021	December 31, 2020
Western Share Count Information		
Common shares issued and outstanding	30,338,756	30,460,756

1 Certain amounts from the prior year have been revised as a result of prior period adjustments recorded at our associates. Revenue, net loss, shareholders equity, and total assets reported in 2020 are affected and total assets and revenue in 2021. See note 4 to the restated 2021 financial statements for further details.

Equity income for the year ended December 31, 2021, is the second highest earned since the company's inception. The second quarter was also the second highest earning quarter to date with every associate contributing positively to our equity income. With the global pandemic still having a broad economic impact, we see this as a strong indicator of the strength of our associates and their management teams. $1,039,372 was earned in equity income, a vast improvement from the negative equity earnings in 2020. The comparative year of 2020 was dramatically impacted by a goodwill impairment loss recognized at Ocean Sales.

In addition to equity income, Western earns a small amount of finance income on loans to associates and management fees of approximately $270,000 per annum. In the fourth quarter, we suspended management fees from Fortress; however, we offset this by fees of $45,000 earned from Golden, from who we expect to earn fees from time to time as declared by management. Western has agreed to suspend management from Fortress for 2022 to assist them in funding growth and expect fees earned for 2022 to be approximately $195,000.

Expenses were stable for 2021. Interest expense has increased over time; however, we expect 2022 to be similar to 2021.

A key focus over the past year has been on developing the insurance business in our newest associate, Fortress, and assisting our other associates through the pandemic. Looking forward into 2022, we expect to see steady growth in the insurance business. Many operational improvements implemented at Foothills should begin to show gains in profitability in 2022. GlassMasters is back looking for growth opportunities, and Ocean Sales should see a boost to their revenue as regular consumer shows resume. For 2022 we hope to see significant growth in income from equity investments.

Summary of Equity Investments

Below is a summary of the results of each of Western's associates for the year ended December 31, 2021. The performance of our associates is assessed based on revenues, income from operations, and EBITDA. EBITDA is a supplemental measure of operating income in which tax, depreciation and amortization, and interest are added back to the associate's net income (refer to the "Description of Non-IFRS Measures" section below for more information).

Fortress Insurance Company

Fortress is a western Canadian licensed insurance company focusing on specialty and surplus lines of business within the western Canadian insurance marketplace. Before the acquisition in 2019, 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 company's auto insurance operations, effectively immunizing it from all associated claims of this division. The principal business for Fortress now involves property insurance but Fortress also intends to offer insurance in niche products, including accident & sickness, liability, boiler & machinery, marine, fidelity, legal expense, and surety. Fortress is licensed in all four western provinces and territories and is pending approval for a licence in Ontario. The Ontario license will double the size of their current market.

Management has been actively working on developing relationships with its broker network and on negotiations for reinsurance contracts to mitigate the risk taken by Fortress. With reinsurance

Fortress essentially shares the risk of each contract with other insurance companies. Expanding the broker network allows Fortress to penetrate deeper into the market and offer greater capacity to brokers.

For the year ended December 31, 2021, Western recognized an equity loss of $84,175 from Fortress (2020 - $120,355 loss). Western earns $100,000 annually in management fees from Fortress; however, shareholders at Fortress have agreed to suspend management fees for the fourth quarter of 2021 temporarily and for 2022 to leave cash and earnings in the company for growth opportunities.

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

	Three months ended December 31,		Year ended December 31,	
Financial results ($)	2021	2020	2021	2020
Gross premiums written	1,656,669	1,116,681	5,351,219	1,780,017
Total underwriting income	300,370	296,532	1,092,140	810,937
Net underwriting income (loss)	31,947	(282,847)	(464,822)	(519,864)
Investment income	75,399	158,102	219,404	264,377
Net (loss) income	80,540	(161,469)	(168,350)	(240,709)

Management has accomplished a lot at Fortress in the two years since the business's inception. Since its first program in late 2019, Fortress has demonstrated significant growth, with consistent increases in gross premiums being written. 2021 gross premiums written tripled from the previous year. Gross premiums written include all premiums written during the year, including both earned and unearned, auto insurance premiums and fronting fees earned. In 2022 Fortress added to their property insurance programs with the addition of their first liability product. Fortress now has seven programs in place with more in development.

Fortress has now entered into fronting agreements adding an additional revenue stream to its mix. Fronting is the process where a registered insurer transfers the risk to an unlicensed third party. The fronting insurer is used to ensure the policy is issued by a locally licensed insurer with a good credit rating. Fortress intends to grow this area of the business in 2022 and believes the partnerships developed show the confidence they have in Fortress's business model.

New licenses were added in 2021, covering insurance for liability, fidelity, legal expenses and surety, giving the company more niche product offerings. The net underwriting loss improved slightly this year, becoming profitable in the fourth quarter. The company must balance expenses such as salaries required for company growth with revenue growth. Fortress is focusing on ensuring it has the right people in place for long-term success. Fortress is expecting to reach the break-even point in 2022.

The 2021 loss ratio (incurred losses over earned premium) is 36% (2020 – 11%). There is substantially more business on the books in 2021. We believe the ratio is indicative of the quality business Fortress has developed.

Thanks to their strong underwriting performance to date, Fortress and their reinsurer increased Fortress' insurance capacity in September 2021. This enables Fortress to take a greater percentage of each policy written, increasing the potential for revenue growth. Looking forward, management is seeing rising premiums in the insurance market resulting from an ongoing shortage of capacity and deeper relationships with brokers. Several foreign players have recently exited the Canadian market providing more opportunities for domestic incumbents. Management is busy working on new programs and conservatively managing growth. In 2022 Fortress is looking to raise up to $5 million in capital. The capital will be used to execute the expansion into Ontario, which will double the size of their market, and to increase capacity on their existing programs.

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

Foothills Creamery Ltd.

Western holds a 50.4% interest in Foothills Creamery Ltd. ("**Foothills**"), a producer and distributor of high-quality butter and ice cream products with 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, with the busiest quarters occurring in the spring and summer months. Based on this seasonality, readers are cautioned not to weigh quarterly financial data equally for all quarters.

In the year ended December 31, 2021, Western recorded an equity loss of $314,331 from Foothills (2020 – equity loss $148,957, revised for prior period adjustments). Western earns annual management fees of $75,000 from Foothills.

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

	Three months ended December 31,		Year ended December 31,	
Financial results ($)	2021	2020[2]	2021	2020[2]
Revenue	8,488,374	10,035,169	42,630,613	45,036,229
Gross profit[1]	438,605	880,950	5,283,452	3,780,262
EBITDA	(350,412)	(91,476)	1,211,934	713,439
Net income	(806,565)	(291,533)	(623,672)	(295,686)

1 Prior year numbers have been restated to conform with the current year classification. This includes the reclassification of certain expenses, such as direct labour reclassified to cost of sales.

2 A prior period adjustment has been made to account for a cut-of error identified, affecting cost of sales in 2020 and 2019, and to account for errors identified in the 2020 milk rebate claimed. The net effect on 2020 net income after tax effect was a reduction of $612,767

Revenue for 2021 came in 9% below budget, primarily due to significant cream constraints leading to the inability to fulfill orders. Adverse market conditions affecting the supply of its key input, cream, meant that Foothills could not produce the amount of product it could have sold. In anticipation of significant price increases on dairy, suppliers began aggressively hoarding butterfat to build up inventory. This resulted in butter revenue of $2.5 million below budget from unfulfilled orders. Ice cream revenue exceeded budget thanks to strong July scoop shop performance; however, revenue lagged in August and September again as a result of stock shortages resulting from cream supply shortages and also an equipment breakdown that occurred. Limitations on raw material supply meant that Foothills could not meet demand, despite utilizing every drop of cream they could obtain.

Despite the drop in revenue, gross margin has improved from the prior year to date. This is primarily the result of a focus on higher margin products and improvements to the contract pricing on butter. Foothills continues to take active steps to improve the gross margin percentage even further, focusing on the more profitable products. With impending price increases looming on the cost of cream, management is planning to add these additional costs into their 2022 pricing strategy.

We were pleased to start off the year with the appointment in March of Bill Mckenzie as the new CEO at Foothills. Bill brings with him a solid background and depth of experience, and he has dived right in to get a handle on the various issues being encountered by the company. Critical areas of attention have been identified and a plan is in place to address the problems. Under his guidance, the sales and marketing team has started to shift the business towards higher-margin products and are building relationships to yield opportunities and excitement for their brands and future partnerships. With new management also heading the finance team, reporting practices have been improved to allow for more informed decisions that will help shape the company's future. The operations team is working hard to keep up with growth and managing through a hectic and, at times, chaotic supply chain.

In 2021 the company grew EBITDA despite a decrease in sales. The net loss, while disappointing, resulted mainly from one-time items such as write-downs and adjustments to correct past accounting errors and severance payments made as the company adjusted its management team. Management views 2021 as a year of transformation for the company. With a new team in place that now has a solid understanding of the business, their focus in 2022 will be on a shift in product mix, higher margins and a focus on quality over quantity. The plan is to transform Foothills into a more premium ice cream and butter products supplier. Priorities include securing a consistent supply of cream, investing in critical equipment repairs and plant improvements, and growing revenue on higher-margin products such as 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 but not control over the company. As such, the Corporation is accounting for our investment under the equity method.

Ocean Sales Group Ltd.

Western holds a 75% equity interest in Ocean Sales, 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 and through 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 also operates online sales channels and has a newly launched presence directed at television shopping and social media customers. The Company is headquartered in Calgary, Alberta, and is supported by warehouses in Washington, Ontario, and Quebec.

With the onset of COVID-19, all consumer shows and fairs throughout Canada and the US were cancelled from March 13, 2020, onward. The loss of this major source of revenue created an indicator of impairment of the company's intangible assets and goodwill. As a result, Ocean Sales tested its intangible assets and goodwill for impairment as at March 31, 2020. A value-in-use impairment test was based on internal forecasts and managements' best estimates at a specific point in time and, as a result, are subject to measurement uncertainty. This test resulted in a $4,775,521 impairment loss recorded at the company in the first quarter of 2020. The impairment loss resulted from the loss of this significant revenue stream, plus decreases in other streams affected by the pandemic. Additionally, there was considerable uncertainty regarding when the consumer show revenue stream may return to a degree sufficient to contribute to positive cash flows. Western's share of this impairment loss is included in the equity loss recorded during the comparative year ended December 31, 2020.

For the year ended December 31, 2021, Western recognized equity income of $nil from Ocean Sales (2020 - $2,590,122 equity loss, including our share of the write-down of goodwill). In association with the above impairment assessment, Western no longer recognizes management fees earned for Ocean Sales.

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

	Three months ended December 31,		**Year ended December 31,**	
Financial results ($)	2021	2020	2021	2020
Revenue	3,194,017	1,538,136	13,219,389	8,805,310
Gross profit	1,523,718	680,062	7,760,699	4,574,913
EBITDA[1]	378,839	173,088	1,943,428	(4,773,140)
Net (loss) income, before extraordinary item	97,063	922,041	969,613	332,545
Extraordinary item – intangible & goodwill impairment	-	-	-	(4,775,521)
Net (loss) income	97,063	922,041	969,613	(4,442,976)

Ocean Sales has accomplished much over the past year, given the extreme adversity they have faced. There have been constant challenges and uncertainties, and management faced every obstacle head-on, working tirelessly to keep the business going. After losing major revenue streams, the company shifted its focus to increasing its online presence. Over the past year, online marketing campaigns have increased, with many successes in this area. Online revenue has grown to the point where for the year 2021, it makes up approximately 45% of its total revenue. Once other streams of revenue return to previous levels, this additional business may be a silver lining adding to their future growth potential.

A slow and gradual lifting of restrictions has allowed for the return of more Costco roadshows in 2021, which is currently the company's largest revenue source. The third quarter finally brought a modest return of some show revenue, which was historically the company's main revenue stream. While they have only participated in a handful of shows in 2021, they are optimistic to see vast improvements in this area in 2022.

Supply chain issues have proved to be an additional obstacle faced in 2021. Product shipments are currently subject to significant delays and increased shipping costs. This affects revenue on high-demand products where they can not restock in time for planned shows. Ocean Sales is making attempts to pass increased shipping costs on to customers; however, this is not always possible due to current contracts in place. To deal with the global shipping delays, product will need to be ordered well in advance of previous years' timelines. The company continues to take advantage of government subsidy programs, which have played a role in its recovery and its ability to generate a profit. As government assistance is eliminated, the successful return of profitable consumer shows will be critical to their continued success.

It continues to be difficult to predict the pandemic's effect on future sales. Despite the current trend of opening up the economy, we can not yet be certain when exhibitor shows will return to near-normal levels. Ocean Sales is focusing on promoting its products through digital and television marketing to drive online sales in both Canada and the US. Management has a relaunch strategy to safely and profitably re-enter the consumer show market. Despite the hardships faced, the company has successfully managed its cash flow and, as seen in its annual results, proving they can be resilient and successful at riding out the storm. EBITDA and net income have improved significantly from the prior comparative year, 2020.

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 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 (together referred to as "**Golden**"). Two of these homes generally operate above 90% occupancy, with Hill View Manor occupancy fluctuating between 80% to 90% in 2021. 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 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. Golden is a stable and modest 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.

In the year ended December 31, 2021, Western recognized equity income from Golden of $97,069 (2020 - $118,537). Western received $45,000 in directors' fees in 2021 (2020 - $nil) and $141,000 in dividends (2020 - $nil).

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

	Three months ended December 31,		Year ended December 31,	
Financial results ($)	2021	2020	2021	2020
Revenue	2,236,984	2,186,943	8,885,647	8,586,600
EBITDA[1]	233,623	422,948	1,733,484	1,842,928
Net income	(136,704)	18,891	321,782	402,119

While lockdown measures have been lifted to some degree, the senior homes continue to take a strict approach to combat COVID-19, implementing infection control protocols to protect their residents. Staff is limited from working at different homes, and management's proactive efforts and strong leadership are to thank for our homes remaining nearly COVID-19 free. While keeping the safety of its residents as the number one priority, Golden continues to provide stable results with only a small reduction in results on account of the increased costs associated with COVID-19. With COVID-19 mostly behind them, Golden can again focus on growth and increasing occupancy.

Each Golden company holds the real estate, which we are confident is holding its value over time.

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. Accordingly, the Corporation is using the equity method to account for it.

GlassMasters

Western holds a 61.3% investment in GlassMasters, an automotive glass service company with ten retail locations providing repair and replacement of auto glass and three automotive glass warehouses that import a full line of quality aftermarket glass parts and materials at competitive prices. Principal markets are in Alberta and Saskatchewan.

On February 1, 2022, Western announced it has a new ownership partner at GlassMasters. Our new partner purchased all the shares from our current partner, ATB Private equity, and another 3% from Western. The purchase price was $2.18 per share, representing a valuation of GlassMasters that has more than doubled since we acquired it in 2016.

GlassMasters contributed equity income of $613,598 to Western's results in the year ended December 31, 2021 (2020 - $405,494, revised for prior period adjustment). Western earns $75,000 annually in management fee revenue.

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

	Three months ended December 31,		Year ended December 31,	
Financial results ($)	2021	2020[1]	2021	2020[1]
Revenue	5,920,219	4,592,768	24,721,859	20,898,662
Gross profit	1,581,700	1,365,693	7,249,928	6,207,792
EBITDA	504,508	417,396	3,371,483	3,076,987
Net income	11,525	(76,073)	1,009,975	661,490

1 A prior period adjustment has been made to account for an error identified affecting deferred income taxes for 2020 and prior periods. The net effect on 2020 net income was a reduction of $18,912. There was no effect on revenue, gross profit, or EBITDA.

After successfully navigating through a challenging 2020, GlassMasters entered 2021 with optimism and a return to its growth mindset. Management has delivered on this, with revenue and EBITDA in 2021 exceeding every comparative year since acquisition. In the year ended December 31, 2021, revenue is up 18%, gross profit is up 17%, and EBITDA is up 10%. Of even greater reason to celebrate, in the month of June 2021, GlassMasters achieved the highest sales, EBITDA, and net income that have ever been achieved in a single month by the company. GlassMasters brought in a profit in the fourth quarter, a time which often runs at a loss.

GlassMasters opened their tenth store in Regina in March, with early results exceeding expectations. This location achieved break-even EBITDA just months after opening and continues to grow. A third warehouse location in Saskatoon was opened in late 2020, with a fourth in Regina opening in late September 2021. Despite the harsh economic environment, we credit the company's recent success to the team's strong leadership, teamwork, and operational excellence at GlassMasters.

After a short break, while addressing the business interruption caused last year by the pandemic, the company resumed aggressive debt repayment. In December 2020, it refinanced its debt with a new lender at attractive terms. GlassMasters is back to assessing potential expansion locations. We expect to see annual growth in revenue through opening new locations, obtaining new accounts, and the increase in pricing on "smart" windshields that are becoming more and more complicated to replace. Global supply chain issues are increasingly having an impact on the company. Shipping delays are now a regular occurrence, and shipping surcharges continue to escalate. This negatively impacts the cost of sales and leads to stock shortages that create the need to buy more expensive glass from local suppliers. The lead time required to order next season's inventory has increased dramatically, adding to their cash borrowing requirements. Management is taking proactive steps to manage this new challenge, and their lender has been supportive. To address the current supply chain issues, management continues to expand and diversify its available suppliers working with them to keep costs down.

GlassMasters earns the majority of its income in the spring and summer driving months. Based on the seasonality of 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. As such, the Corporation has accounted for our investment 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.

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, 2021	Sept 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sept 30, 2020	Jun 30, 2020	Mar 31, 2020
Income/(loss)	(223.6)	455.4	909.5	(417.3)	174.0	645.0	764.0	(3,312.2
Operating expenses	299.9	334.2	412.7	308.7	295.3	317.7	490.8	367.8
Net income (loss)	(523.5)	121.2	496.8	(726.0)	(121.3)	327.3	273.2	(3,680.0)
Earnings (loss) per share								
- Basic and diluted	(0.017)	0.004	0.016	(0.024)	(0.004)	0.011	0.009	(0.121)
Total assets	18,490.0	18,967.6	18,602.0	17,883.8	18,708.6	18,666.1	18,097.4	17,241.6
Total long-term liabilities	4,620.0	4,484.3	4,503.3	4,372.2	4,395.4	4,268.7	4,295.9	4,173.0

1 All quarters have been adjusted for the prior period adjustments identified above and in note 4 of the restated December 31, 2021 financial statements.

Quarterly trends and seasonality

Certain of the Corporation's associates experience seasonal fluctuations in activity and financial performance. Furthermore, the pandemic's onset has impacted quarterly results, particularly the first quarter of 2020, where the write-off of goodwill at Ocean Sales has a dramatic impact on equity income. As such, the prior years shown in the above table are not necessarily comparable and should not be relied upon as an indication of future performance.

Revenue has fluctuated based on the seasonality of our businesses, with the first and fourth quarters typically being the slowest, depending on the associate. For the current quarter ended December 31, 2021, the negative income results from a larger than expected loss experienced at Foothills. This loss was primarily driven by write-downs taken to correct past accounting errors and reduced revenue that resulted from unfulfilled orders as the company faced cream supply shortages. This, combined with a typically slow quarter for many of our other associates, resulted in an equity loss.

Expenses are relatively stable from quarter to quarter. Fluctuations have resulted from costs such as directors' stock option issuances that typically occur in the second quarter. Interest costs have increased as the Corporation has become increasingly leveraged over the past two years.

Earnings per share of $0.023 for the second quarter of 2021 are our strongest to date, thanks to solid results from each of our associates. The third quarter of 2021 came in line with 2020. Our fourth quarter has come out lower than expected, mainly due to supply chain issues limiting the availability of inventory and raw materials required to meet demand.

Liquidity and Capital Resources

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

$	Year ended December 31, 2021	Year ended December 31, 2020
Cash (used in) provided by operating activities	(407,648)	233,957
Cash provided by (used in) investing activities	163,768	(474,992)
Cash (used in) provided by financing activities	(98,699)	457,064
Decrease in cash	(342,579)	216,029
Cash, beginning of year	365,897	149,868
Cash, end of year	**23,318**	**365,897**

The net cash used in operating activities for the year ended December 31, 2021, relates to management fees less changes in working capital and cash flow required to fund operations, including general and administrative costs, professional fees, and salaries. Expenses currently exceed cash received from management fees. Cash used in operating activities was positive in 2020 due to collecting a large receivable.

Cash provided by investing in the year ended December 31, 2021, relates to dividends from associates and repayment of advances to associates. Cash used in investment activities for the comparative year 2020 is related to advances made to associates primarily to support them during the onset of the pandemic.

Cash used in financing activities for the year ended December 31, 2021, relates primarily to interest paid on the debentures offset by advances on our operating loan. For the comparative year ended December 31, 2020, cash from financing activities includes cash received on the related party loan offset by interest paid on debentures and operating loan repayments.

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

$	December 31, 2021	December 31, 2020
Demand revolving operating loan facility	1,014,292	776,791
Loan from related party	1,200,000	1,200,000
Convertible debentures	3,419,991	3,195,446
Less: cash	(23,318)	(365,897)
Net loans	5,610,965	4,806,340
Shareholders' equity (restated)	12,711,394	13,390,397

In January of 2020, Western received a $1.2 million loan from Golden Health Care. The loan bears an annual interest rate of 4.09% with interest-only payable monthly and matures on January 31, 2021, with an automatic renewal option. The Corporation may prepay amounts owing at any time. The proceeds of this loan were used to repay the operating line of credit. Total annual interest payments on this loan are $49,080 per year. With the perpetual nature of the loan, Western does not currently have any intentions to repay the outstanding principal balance.

Convertible debentures were issued in 2019 to assist with the acquisition of Fortress and to fund daily operations. The debentures bear interest at 7.5%, resulting 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. See note 7 to the December 31, 2021 interim financial statements for further information on the debentures.

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.

The Corporation generates operating cash from finance income, management fees and dividends from its portfolio investments. The Corporation has a working capital deficiency due to our $1 million operating line, which is due on demand and therefore recorded as a current liability. The facility is subject to review annually. There are no indications that the bank will be demanding repayment of this line within the next fiscal year however the terms bear the risk the lender may choose to terminate without notice. Western is dependent on the performance of their associates to provide sufficient cash flow to the Corporation to cover operating expenditures and relies on the operating line to cover any shortfall. Western projects the operating line balance to fluctuate as expenses are incurred, and cash is generated from associates. Management uses forecasts to monitor and manage the cash position and ensure sufficient room is available to meet operating requirements. 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, 2021, or the comparative year 2020. During this year, 113,000 shares were repurchased by the Corporation in conjunction with its normal course issuer bid at a cost of $36,199 (December 31, 2020 – 129,000 shares repurchased at a cost of $31,048). An additional 9,000 shares, repurchased on December 31, 2020, but held in treasury, were also cancelled in the year for a total reduction in shares outstanding of 122,000. This brings the total common shares outstanding at December 31, 2021, to 30,338,756 (December 31, 2020 – 30,460,756). An additional 36,000 shares have been repurchased subsequent to December 31, 2021, and up to the date of this MD&A, bringing the total common shares outstanding to 30,302,756. The Corporation has regulatory approval for 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.

In the year ended December 31, 2021, 360,000 stock options were issued (December 31, 2020 – 360,000). On December 31, 2021, the total stock options outstanding was 2,444,000 (December 31, 2020 – 2,084,000), with exercise prices ranging from $0.27 to $0.65.

Off-Balance Sheet Arrangements

As at December 31, 2021, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

Related Party Information

The Corporation has incurred related party transactions with management and the Corporations associates. A detailed description of these transactions is presented in the notes to the financial statements for the year ended December 31, 2021, to be read in conjunction with this MD&A. 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 the future results of each company. The Corporation and its associates' environment 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 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 pandemic, 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.

Cyber-attacks or other breaches of information technology

Cyber-attacks or other breaches of network or IT systems security may cause disruptions to our operations or those of our associates. A major security breach could result in the loss of critical data, theft of intellectual property, disclosure of confidential information, customer claims and litigation, reduced revenues due to business interruption, costs associated with remediation of infrastructure and systems, class action, and derivative action lawsuits and damage to our reputation. Furthermore, the prevalence and sophistication of these types of threats are increasing and our security measures may not be sufficient to prevent the damage that such threats can inflict on our assets and information. Our insurance may not be adequate to fully reimburse us for these costs and losses.

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 do not guarantee future success.

Legal proceedings

Western and its associates may, from time to time, be subject to legal proceedings (including claims and litigation) and any losses flowing therefrom may not be covered by liability insurance. Such proceedings could result in significant losses and have a material adverse effect on Western's business, financial condition, results of operations, or cash flows.

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, maybe 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 unfavorable 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 planning 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 if 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, skills, and business contacts of key members of management and the board for, among other things, the information and investment opportunities they can 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 that 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.

Additional issuances and dilution

Western may issue and sell additional securities of Western, including Common Shares and other securities to finance its operations or future acquisitions. Western cannot predict the size of future issuances or the effect, if any, it will have on the market price of any securities of Western issued and outstanding from time to time. Sales or issuance of a substantial number of securities or the perception that such sales could occur may adversely affect prevailing market prices for securities of Western. With any additional sale or issuance of securities, holders may suffer dilution with respect to voting power and may experience dilution in Western's earnings per share.

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 number of common shares outstanding and could dilute earnings per share.

The Debentures may 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 may exercise this redemption option if it can refinance at a lower interest rate or it is otherwise in the interest of Western to redeem the Debentures.

Subsequent Events

On February 1, 2022, Western sold 245,493 shares of GlassMasters for $535,175, which equals 5% of our total investment in GlassMasters. This reduced our investment in GlassMasters from 61.3% to 58.2%. Western recognized a capital gain on this disposal of $152,772. In conjunction with this transaction, Western's partner sold its entire interest in GlassMasters, and Western signed a new put-call agreement with the new partner.

On April 1, 2022, the shareholders of GlassMasters passed a special resolution to distribute $8 million in capital to shareholders by way of reducing the stated capital on the Class "A" common shares. The distribution will be treated as a return of paid-up capital for tax purposes and will be paid by the issuance of a 5-year term promissory note, bearing interest at a rate equal to the prime rate of the Bank of Montreal plus 10%. The return of capital and related promissory note issued to Western was $4,658,559.

On June 29, 2022 220,000 stock options were issued as compensation to directors of the Corporation.

On July 29, 2022 Western paid dividends of $0.005 per share for a total of $151,514.

On Oct 1, 2022, 421,579 common shares of GlassMasters were issued to management in accordance with the exercise of employee stock options. This option exercise has resulted in the dilution of Western's ownership interest in GlassMasters from 58.2% to 55.3%. Western will recognize a loss on dilution in relation to this transaction of approximately $136,436.

On October 13, 2022, Western signed an amended and restated commitment letter with its lender. The Corporation's operating loan facility was amended to become a committed revolving facility. The amended facility has a three-year revolving period with a maturity date of October 6, 2025. The interest rate remains at the bank's prime rate plus 2% per annum and carries a standby fee of 0.5% per annum on the unused portion.

On October 19, 2022, Fortress closed a $5.3 million equity offering and signed an agreement with U.S. based Indemnity National Insurance Company. This transaction resulted in the dilution of Western's ownership interest in Fortress from 50% to 28%, and the recognition of a gain on dilution. The final amount of the gain that will be recognized is not yet determined, but it is estimated to be approximately $754,000.

On October 27, 2022, the Corporation advanced $250,000 to Foothills Creamery in the form of a shareholder loan bearing interest at 13% per annum. Unpaid interest shall be added to the principal sum owing. The loan has a one-year maturity date, with the option to extend for two consecutive six-month periods. At the maturity date, Western has the option to convert the outstanding principal sum, together with all accrued and unpaid interest, into shares of Foothills at a conversion price of $1.00 per share. If the conversion option is exercised, Western will receive share purchase warrants of Foothills in the amount of one-third of one share purchase warrant for every one share issued upon conversion of the loan. Each warrant shall entitle Western to purchase one share of Foothills.

On November 9, 2021, 100,000 common shares in the capital of Foothills were issued from treasury to a member of management at a price of $1.0 per share. This transaction has diluted

Western's investment in Foothills from 50.4% to 49.6%. The gain on dilution recognized on this transaction is not expected to be material.

Proposed transactions

As at December 31, 2021, 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

This MD&A is based on the financial statements, which are prepared in accordance with IFRS. The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, revenues, expenses, and disclosures of contingent assets and liabilities. Actual results may differ from these estimates, and the differences could be material. Estimates, judgments, and assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years. The critical accounting estimates and judgments are described in detail in note 5 of Western's annual audited financial statements for the year ended December 31, 2021.

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, including cash, accounts receivable, 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 ended December 31, 2021, 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 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 "earnings before interest, taxes, and depreciation and amortization" ("EBITDA") used in relation to our analysis of the results of the Corporations associates.

The Corporation's method of calculating 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.