The following management's discussion and analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements ("interim financial statements") and the year-end consolidated financial statements and notes thereto for the year ended December 31, 2016 (the "financial statements"). This MD&A was prepared by management of The Western Investment Company of Canada Limited (the "Corporation" or "Western"), and was approved by the Board of Directors on May 29, 2017. Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

BASIS OF PRESENTATION

The interim financial statements as at and for the three month period ended March 31, 2017 have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). All financial information is in Canadian dollars, unless otherwise indicated, and, as it relates to financial results in the MD&A, has been derived from information used to prepare the financial statements under IFRS as issued by the IASB.

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.

OVERALL PERFORMANCE

BUSINESS OF THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED

Western's strategy is to acquire a diversified portfolio of established Western Canadian private businesses and create value through the identification, acquisition and long term ownership of private businesses with sustained cash flows and strong potential for organic growth.

Western's targeted industry verticals aligns 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 size is between $10 million to $100 million and it will consider equity ownership between 30% to 100%. Western will prospect acquisitions from: (i) ownership succession; (ii) private equity and corporate divestitures; (iii) network and contact opportunities; and (iv) mid-market sell side.

Western closed its qualifying transaction ("Qualifying Transaction") on December 16, 2016 and subsequently ceased being a capital pool company. Its common shares resumed trading on the TSX-V on December 20, 2016 under the trading symbol WI.

Western entered into a letter of intent with GMP Securities L.P. dated January 31, 2017, as amended on February 1, 2017, with respect to a bought deal offering by way of short form prospectus of 16,615,000 common shares at a price of $0.65 per common share for aggregate gross proceeds to Western of $10,799,750. Western also granted the underwriters an option to purchase up to an additional 2,492,250 common shares at the offering price, for additional gross proceeds of up to $1,619,963. The offering closed on February 22, 2017. Pursuant to the offering and the over-allotment option, the Corporation has issued a total of 19,107,250 common shares. The common shares were issued at a price of $0.65 per share, for aggregate gross proceeds of $12,419,713 excluding underwriters' commission and expenses.

BUSINESS OF GLASSMASTERS ARG AUTOGLASS THREE INC.

On December 16, 2016, the Corporation completed its Qualifying Transaction, which resulted in a 50.1% equity investment in GlassMasters ARG Autoglass Three Inc which owns 100% of GlassMasters ARG Autoglass Two Inc. As of January 1, 2017, GlassMasters ARG Autoglass Three Inc. was amalgamated with GlassMasters ARG Autoglass Two Inc. resulting in one legal entity, GlassMasters ARG Autoglass Two Inc. (“GlassMasters”).

The Corporation has accounted for its investment in GlassMasters under the equity method. GlassMasters is an automotive glass service company providing repair and replacement of windshields, side windows, side mirrors, rear windows and sun roofs ("Service Division") and an automotive glass warehouse that imports to sell wholesale a full line of quality aftermarket glass parts and materials at competitive prices ("Wholesale Division"). GlassMasters' current principal markets are the Calgary, Edmonton and Red Deer regions.

The Service Division sells to retail and account based customers. Account based customers are comprised of dealerships, auto-body shops, fleet companies and car rental companies. Services are provided at seven retail locations as well as by 22 mobile repair and installation units. Approximately 85% to 90% of the Wholesale Division’s sales are to the Service Division from its two locations in Calgary and Edmonton. The balance is sold to other retailers in Alberta. Summarized financial information of GlassMasters (100%) and the Corporation’s investment in GlassMasters have been disclosed in the notes to the financial statements for the period ending March 31, 2017.

SUMMARY OF WESTERN’S SELECTED QUARTERLY FINANCIAL INFORMATION[1]

In C$000s except for per share amounts	Three Months ended Mar 31, 2017	Three months ended Dec 31, 2016	Three months ended Sept 30, 2016	Three months ended June 30, 2016	Three months ended Mar 31, 2016	Period ended Dec 31, 2015
Total Revenue	$36.3	$0	$0	$0	$0	$0
Total Expenses	$124.4	$748.0	$73.8	$106.4	$655.6	$34.9
Net Income (Loss)	($88.1)	($748.0)	($73.8)	($106.4)	($655.6)	($34.9)
Earnings (Loss) per Share - Basic	($0.00)	($0.07)	($0.01)	($0.01)	($0.12)	($0.02)
Earnings (Loss) per Share – Diluted	($0.00)	($0.07)	($0.01)	($0.01)	($0.12)	($0.02)
Total Assets	$15,340.3	$4,113.9	$4,279.3	$4,366.1	$4,407.8	$476.9
Total Long Term Liabilities	$0	$0	$0	$0	$0	n/a

[1] Western has accounted for its investment in GlassMasters under the equity method. GlassMasters financials are not consolidated in the Quarterly Financial Information for Western

DISCUSSION OF OPERATIONS

During the three months ended March 31, 2017 the Corporation recorded Revenue of $11,273 relating to the 50.1% equity pick up from GlassMasters and $25,000 for the Q1 Management Fee from GlassMasters. Expenses of $124,368 were recorded and included professional fees such as legal, accounting and consulting expenses of $67,847, regulatory fees of $20,049 and other expenses of $36,472 primarily incurred for financing roadshow costs, web design and insurance. During the three months ended March 31, 2016, Western had a net loss of $655,574 consisting of share based payment expense of $574,176 for the share options granted to directors and officers, legal and accounting fees of $68,178, agency fees of $11,660 and office expense of $1,560.

As of March 31, 2017, the Corporation has total assets of cash and due from related party in the amount of $11,516,132 and $25,000, respectively, and a non-current investment in associate of $3,799,143 which pertains to the Corporation's 50.1% interest in GlassMasters.

The Corporation will continue to incur expenses as it progresses with the pursuit of other potential assets and/or businesses for purchase.

DISCUSSION OF OPERATIONS GLASSMASTERS

During Q1 2017, GlassMasters' revenue and EBITDA increased 6% and 3% compared to the same period last year, largely as a result of increased volume and a moderately stronger Alberta economy. GlassMasters' management continues to pursue its expansion plans with a new northern Alberta warehouse and additional retail locations slated for the second half of this fiscal year. GlassMasters' business is seasonal and peaks during Q2 and Q3 during the summer driving months and reduces in Q1 and Q4 of the calendar year. Based on the seasonality of GlassMasters' operations, readers are cautioned not to weigh quarterly financial data equally for all quarters.

DISCLOSURE OF OUTSTANDING SHARE DATA

On February 22, 2017, the Corporation issued a total of 19,107,250 common shares, bringing the total amount issued and outstanding from 11,443,000 to 30,550,256. The common shares were issued at a price of $0.65 per share, for aggregate gross proceeds of $12,419,713 excluding underwriters' commission and expenses. On February 24, 2016, the Corporation completed its initial public offering of 9,000,000 common shares without par value, bringing the total amount issued and outstanding from 2,000,000 to 11,000,000 common shares without par value. On December 16, 2016, Western issued 443,006 common shares to four consultants in lieu of cash payment for consulting services. As at the date of this MD&A, the following is a description of the outstanding securities of the Corporation:

	Authorized	Outstanding
Common shares, without par value	Unlimited common shares	30,550,256
Preferred shares, without par value	Unlimited preferred shares	Nil
Stock options convertible into common shares	Options granted to Directors, Officers, employees and consultants of the Corporation up to acquire up to 10% of the issued and outstanding common shares	Directors' and Officers' options to acquire up 960,000 common shares at an exercise price of $0.50 for a period of 10 years Directors options to acquire up to 140,000 common shares of the Corporation at an exercise price of $0.56 for a period of 10 years Directors options to acquire up to 30,000 common shares of the Corporation at an exercise price of $0.65 for a period of 10 years[1] Agent options to acquire up to 900,000 common shares at an exercise price of $0.50 for a period of two years

[1] Subsequent to March 31, 2017, an additional 30,000 options were granted to a director at Western

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2017, the Corporation had net working capital of $11,332,991 (defined as cash and cash equivalents of $11,516,132 plus amounts due from related parties of $25,000 less accounts payable and accrued liabilities of $208,141).

Western has significant influence over GlassMasters given Western has two out of seven board seats however Western does not control GlassMasters therefore potential distributions are not certain. In addition, as part of its loan agreement with TD and First West Capital, shareholder distributions are permitted as long as GlassMasters is in compliance with the financial covenants.

in Canadian $ thousands except for per share amounts	Three Months Ended March 31, 2017	Three Months ended March 31, 2016	Period Ended December 31, 2015
Cash flows used in operating activities	$42.3	($85.4)	($5.3)
Cash flows used in investing activities	-	-	-
Cash flows from financing activities	$11,428.7	$4,016.4	$382.2
Increase (decrease) in cash and Cash equivalents	$11,471.1	$3,931.0	$376.9
Cash and cash equivalents - Beginning of Period	$45.1	$476.9	$100.0
Cash and cash equivalents - End of Period	$11,516.1	$4,407.9	$476.9

On February 22, 2017, the Corporation closed a common share offering. Pursuant to the offering and underwriter over-allotment option, the Corporation issued a total of 19,107,250 common shares at a price of $0.65 per share, for aggregate gross proceeds of $12.4 million, excluding expenses of the offering.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2017, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

As at March 31, 2017, and up to the date of this MD&A, the Corporation had one related party transaction with respect to a $25,000 Management Fee from GlassMasters which was reflected as a due from related party in the financial statements for the period ended March 31, 2017. Share based compensation awarded to directors of the Corporation has been disclosed in the notes to the financial statements for the year ended December 31, 2016.

PROPOSED TRANSACTIONS

As at March 31, 2017, 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 & CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

As at March 31, 2017, the Corporation was a “venture issuer” as that term is defined in National Instrument 51-102 Continuous Disclosure Obligations, and as such is not required to provide the information pertaining to the critical accounting estimates of the Corporation.

For a detailed summary 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, 2016 available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation's financial instruments consist of cash and cash equivalents, due from related party, accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values in the financial statements for the period ended March 31, 2017, unless otherwise noted. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from financial instruments.

RISKS AND UNCERTAINTIES

In addition to the risk factors disclosed within the 2016 Annual Information Form (AIF), as at March 31, 2017, and up to the date of this MD&A, there is one additional risk disclosed herein.

Investment in Associate

The Corporation's investment in associate is operated by an independent management team. The business success of this investment is to some extent dependent on the expertise and ability of the investment's management team to successfully operate the underlying business. While we rely on the judgment and operating expertise of the management of this investment, 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.

On behalf of the Board of Directors,

(signed) *"Scott Tannas"*

Scott Tannas
President and Chief Executive Officer
High River, Alberta
May 29 2017