THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED

Interim Management's Discussion and Analysis

Quarterly Highlights

For the three and six months ended June 30, 2018

Dated: August 17, 2018

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 it will consider ownership 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 interim Management Discussion and Analysis ("MD&A") provides an update on the Corporation's business activities, financial condition, financial performance and cash flows since December 31, 2017. The Corporation reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("IFRS") in Canadian dollars. The interim MD&A should be read in conjunction with the audited consolidated financial statements of the Corporation, and annual MD&A for the year ended December 31, 2017 and the unaudited interim consolidated financial statements of the Corporation for the three and six months ended June 30, 2018. The interim MD&A was prepared by management of Western and was approved by the Board of Directors on August 17, 2018. 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 August 17, 2018;

Investments	Acquisition Date	Ownership (%)
GlassMasters ARG Autoglass Two Inc.	December 16, 2016	50.1%
Golden Health Care	September 1, 2017	25.0 - 30.0%
Ocean Sales Group Ltd.	January 1, 2018	75.0%
Foothills Creamery Ltd.	February 28, 2018	50.4%

Key Highlights for the six months ended June 30, 2018

In 2017, our management team and directors were focused on finding, reviewing and executing multiple investment deals. As at the date of this MD&A, Western's investment capital has been fully deployed. Our portfolio consists of four profitable companies in three of the four target industry sectors. Western partners with each of the management teams and provides market research, governance and continuity capital to grow each of the portfolio companies. In addition, each of the portfolio companies are aggressively paying down term loan debt and investing additional free cash flow for growth opportunities.

Associates and Acquisitions

- On February 28, 2018 Western closed the acquisition of a 50.4% interest in Foothills Creamery Ltd. ("**Foothills**"), one of Western Canada's premier producers of dairy products including butter and premium ice cream. Western's total equity investment in Foothills was $3.251 million. Earnings from Foothills for the four months ended June 30, 2017 (since acquisition) are impacted by approximately $500,000 in closing costs incurred directly by Foothills. Total revenue of $13,950,288 and net income of $224,084 was earned by Foothills in the period from acquisition, February 28, 2018 to June 30, 2018.

- On January 1, 2018, through its subsidiary Ocean Sales Group Ltd. ("**Ocean Sales**"), Western closed the acquisition of a 75% interest in the Ocean Sales Group of companies, an Alberta based speciality retailer with operations across North America. Western's total equity investment in Ocean Sales was $3.45 million. Ocean Sales earned $10,685,239 in revenue in the six months ended June 30, 2018 and net income of $19,717.

- 2018 begins Western's first full year with our 30% equity investment in three Saskatchewan senior care homes operating under Golden Health Care Inc., and a 25% interest in Golden Health Care Management Inc. (together known as "**Golden Health Care**" or "**Golden**"). Total revenue earned by our Golden Health Care investments in the six months ended June 30, 2018 was $4,288,490 and net income for this period was $340,776.

- GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**"), had a strong second quarter making up for its first quarter which had been affected by the unseasonably long and cold winter in Western Canada. Total revenue earned in the six months ended June 30, 2018 was $10,105,074, a 2% increase from 2017 despite the unseasonably long winter. Total net income earned in the first six months of 2018 was $590,282 versus $680,002. The decrease is largely due to investments made in two new stores in the form of set up and carrying costs prior to opening (rent). GlassMasters now has a total of 9 locations with plans to open two to three new stores in 2019.

Financial Results:

- Income for the six months ended June 30, 2018 was $668,913, a 64% increase from $407,585 in 2017 for the same period. Management fees of $112,500 were earned compared to $50,000 in 2017 and equity income was $526,575, up 55% from $338,769 in 2017. Overall the increase is the result of the addition of 3 additional equity investments. Net income for the six months ended June 30, 2018 was $93,333 ($0.003 EPS), compared to $48,164 for the same period in 2017 ($0.002 EPS). Net Income Normalized for Portfolio Investment Operations ("**NPIO**") for this period was $476,051 ($0.016 EPS) up from $96,356 ($0.004 EPS) in 2017. Western's acquisition costs incurred in this six month period 2018 were $382,718 primarily related to the two latest acquisition's, Ocean Sales and Foothills, and includes the Corporations after-tax share of those expenses incurred directly by our 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.

- In its second quarter of 2018 Western earned total income of $373,687, compared to $371,312 in the same period in 2017. Management fees of $62,500 were earned compared to $25,000 in 2017, with the addition of fees earned from two new associates. Equity income of $311,174 compared to $327,496 in 2017 has decreased slightly as a result of seasonal losses incurred by Ocean Sales which offset income earned from our three other associates. Overall results are in-line with expectations and the seasonal nature of these companies. Net income for the three months ended June 30, 2018 was $121,523 ($0.004 EPS) compared to $136,259 for the same quarter in 2017 ($0.004 EPS). Net Income Normalized for Portfolio Investment Operations ("**NPIO**") for this second quarter was $168,893 ($0.006 EPS) (Q2 2017 NPIO - $184,451). The NPIO metric removes $47,370 in Q2 in after-tax expenditures related to acquisition activity (2017 - $48,192).

Management and Oversight Principles

Western provides entrepreneur friendly governance and oversight to our portfolio companies using what we call "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 June 30, 2018.

Foothills Creamery Ltd.

On February 28, 2018, Western, acquired a 50.4% interest in Foothills Creamery Ltd. for $3.25 million. The total purchase price for 100% of the Company was approximately $24.16 million plus contingent consideration. The purchase was funded through a cash equity investment by Western and its partners; 400,000 common shares of Western with a market value at acquisition date of $0.44 per share; and, senior amortizing debt comprised of a term loan and real estate loan in the amount of $17.86 million. The additional contingent consideration, up to a maximum amount of $3.5 million, may be payable by Foothills to the vendor over four years by way of a performance based earn-out. Our partner obtained 39.4% equity interest, while the founder acquired a 10.2% ownership in the business.

Western has majority ownership of Foothills however appoints only two of five directors to the board and does not have the voting authority to pass decisions without majority board approval. This gives Western significant influence over Foothills but not control. As such, the Corporation is accounting for our investment in Foothills under the equity method.

Foothills is a producer and distributor of high quality butter and ice cream products with almost 50 years of operations in Western Canada. Headquartered in Calgary, Alberta, it serves customers through a large grocery retail and food service network spanning across Western Canada, supported by two distribution facilities in Edmonton, Alberta, and Kelowna, BC. Foothills butter products are specially churned using only the freshest cream to produce a smooth textured product with exceptional taste. Target markets for its butter products include grocery retailers and the food service industry including commercial kitchens and bakeries.

Western believes Foothills has a solid and stable business model with a well recognized brand, loyal customers and a history of strong growth. Foothills is expected to benefit from current trends including "Buy Local" initiatives along with an increase in the consumption of butter. Foothills has recently moved into a new modern production facility with surplus processing capacity.

In the four months ended June 30, 2018 (from the date of acquisition), Foothills has met budgeted expectations contributing equity income of $112,939 and management fee revenue of $25,000 to Western's portfolio.

Foothills total sales for the four months were $13.95 million and net income was $224,084. Approximately $500,000 in one-time costs related directly to the acquisition are included in this period. Normalized net income before these one-time expenses was approximately $724,000.

The two main products for Foothills are ice cream and butter. Ice cream sales are seasonal and as such, at the time of writing this MD&A, the Company is currently in its busiest quarter with summer well underway. Management is busy working on expanding its customer base and developing new products to assist with future growth.

Ocean Sales Group Ltd.

On January 1, 2018, Western's wholly owned subsidiary, Ocean Sales Group Ltd, completed the acquisition of the Ocean Sales group of companies for a total purchase price of $9.50 million. The acquisition was funded through equity contributions from Western and the vendors, and a $5.10 million reducing term facility. Western's total investment was $3.45 million. On the acquisition date, the vendors of the acquired companies purchased a 25% interest in Ocean Sales for $1.15 million bringing Western's total interest to 75%.

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 a major Canadian retail chain, where it demonstrates a specially selected set of products in every location in Canada and is expanding its demonstrations to locations in the US. The Company is headquartered in Calgary, Alberta and is supported by strategically located warehouses in Washington, Ontario, and Quebec. Ocean Sales has been operating for over 34 years and has a history of solid operating results and revenue growth. The addition of Ocean Sales to Western's portfolio brings a scalable business model without substantial capital requirements. This, along with expansion plans in the US brings potential for growth.

At December 31, 2017 Ocean Sales Group Ltd. was a wholly owned subsidiary of Western. As such its statement of financial position and results of operations for the year ended 2017 were included in Western's consolidated financials statements. As part of the acquisition on January 1, 2018 Western's interest in Ocean Sales was reduced to 75%. Although the majority shareholder, the terms of the shareholders agreement allow Western to appoint two of five directors giving Western significant influence over Ocean but not control. As of January 1, 2018, the Corporation is accounting for our investment in Ocean Sales under the equity method.

The business of Ocean Sales has a seasonal component to it with the second quarter historically operating in a loss position with very few shows occurring. In line with these expectations, Western has recognized an equity loss of $308,472 from Ocean Sales for the three months ended June 30, 2018. This weak quarter has largely counteracted the first quarter's results bringing the total equity contribution from Ocean Sales for the six months ended June 30, 2018 to $14,787. To date Ocean Sales has also contributed $50,000 in management fee revenue to Western in 2018. The peak operating months for the Company are July and September and Western is looking forward to the coming equity contribution it will provide in the third quarter.

Ocean Sales has earned over $10.7 million in revenue in the six months ending June 30, 2018 primarily earned in the first quarter. In the first quarter, revenue earned at shows in Western Canada was somewhat affected by the adverse weather, however sales in Eastern Canada remained strong. In 2018, Oceans Sales expanded their relationship with a major North American retailer in the US market. Select product was sold in a number of locations in the US and results have exceeded expectations. Management is confident that this is setting the stage for future growth of US operations in 2018 and beyond. Results for the same period in 2017 require substantial normalizations and as a result is not suitable for comparison.

Golden Health Care

On September 1, 2017 the Corporation acquired a 30% equity interest in three Saskatchewan senior care homes and a 25% interest in Golden Health Care Management Inc. for a total consideration of $4.94 million. The three homes include: Hill View Manor Ltd. in Estevan, The Good Shepherd Villas Inc. in Prince Albert, and William Albert House Ltd. in the Regina suburb of Emerald Park. These homes generally operate at or near 100% occupancy with waiting lists. Western is pleased to be part of the skilled and experienced management team at Golden Health Care Management Inc. which provides management services to a portfolio of seven retirement communities and approximately 457 retirement suites.

This acquisition brings a stable revenue producing investment to Western's portfolio, with the opportunity for future expansion as Golden is uniquely positioned to meet the needs of a growing health care segment. Golden Health Care is the largest full-service retirement operator in Saskatchewan. They have a unique model of "aging in place" where Golden's care homes adapt to the needs of individual residents from assisted living up to long term care in each facility, maintaining a family environment rather than an institutional, one regardless of the level of care required.

Western appoints two of five members of the board of directors of Golden Healthcare Management Inc., the company that overseas the operating companies. Through our share ownership and appointments to the board of directors, the Corporation can exercise significant influence over the investment in Golden and accordingly, the Corporation is using the equity method to account for its investment in Golden.

In the six months ended June 30, 2018 Western has recognized equity income of $103,354 and dividends from preferred shares of $27,342 from Golden. Western records a depreciation adjustment of $13,133 to its share of income earned in each quarter and will continue to do so going forward as a fair value adjustment on the land and buildings associated with the Golden homes. The expense is the result in of a difference in valuation between an independent valuation of the land and buildings as of the acquisition date of September 1, 2017 and the carrying value on Golden's financial statements.

Total revenue earned by our portfolio of four Golden Companies in the six months ended June 30, 2018 was $4.3 million and net income reported by Golden was $428,332. This is before Western's adjustment for the depreciation on the fair value adjustment on the land and buildings on acquisition which would reduce this number by $87,556 in the period ($43,778 per quarter).

Regulatory changes expected in the Saskatchewan marketplace could boost the expansion potential for Golden. Management is currently evaluating expansion proposals with a goal of tripling the number of suites over the next five years. Current expansion plans being developed include the extension of one of our current seniors' homes and one new home development that Western intends to invest in. Final investment decision for the expansions is expected to be made in the third quarter of 2018.

GlassMasters

The Corporation has a 50.1% equity investment in GlassMasters which is an automotive glass service company with nine retail locations providing repair and replacement of autoglass ("Service Division") and two automotive glass warehouses that import a full line of quality aftermarket glass parts and materials at competitive prices ("Wholesale Division"). GlassMasters' principal markets are the Calgary, Edmonton, Red Deer and Saskatoon regions.

Two new stores have now been opened in 2018, including Saskatoon, Saskatchewan on March 1, 2018 and Airdrie, Alberta, which opened in July, subsequent to the current reporting period. GlassMasters continues to seek additional retail locations in Alberta, BC, and Saskatchewan and expects to open up to three new retail locations in 2019.

Western has significant influence over GlassMasters given Western appoints two of seven 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.

GlassMasters' business is subject to seasonality with the majority of its business occurring in the spring and summer driving months. After a slightly slower then expected first quarter due to an unusually colder and longer winter in Western Canada, the Company has been busy addressing the pent-up demand through the spring season. In the second quarter GlassMasters contributed $369,657 (2017 - $327,496) in equity income to Western's results. Total income earned from GlassMasters for the six months ended June 30, 2018 includes $294,495 in equity income (June 30, 2017 - $338,769) and $37,500 in management fee revenue (June 30, 2017 - $50,000).

Revenue for the second quarter was up approximately 7.5% from the prior year and 1.6% for the six months year to date. Total revenue earned for the six months ended June 30, 2018 was $10.1 million. Net income for the second quarter was $747,561 (Q2 2017 - $658,054) up 13.6%. Net income the six months ended June 30, 2018 is down slightly from the prior year at $590,282 (6 months ending June 30, 2017 - $680,002). Results for 2018 include additional expenses relating to the opening of the new stores of over $200,000 and associated carrying costs of these stores prior to their opening.

Looking forward, business has been robust since the start of spring and GlassMasters is continuing to make up for the slow start to the year. Management expectations are unchanged for the year and fully expect revenue and EBITDA to increase year over year between 5-10%. Based on the seasonality of GlassMasters' operations, readers are cautioned not to weigh quarterly financial data equally for all quarters.

Summarized financial information about Western's associates and investments in these associates is disclosed in the notes to the financial statements.

Review of Westerns Operations and Financial Results

The financial highlights of the Corporation are:

	Three months ended June 30,		Six months ended June 30,	
Financial results ($)	2018	2017	2018	2017
Revenue	373,687	371,312	668,913	407,585
Acquisition related expenses	47,370	48,192	196,037	48,192
Professional fees	75,488	79,163	127,420	147,010
Regulatory fees	28,433	25,352	40,489	45,401
Management salaries	65,297	-	149,555	-
Share based compensation	-	70,764	-	70,764
Interest on operating line	16,867	-	22,540	-
Other expenses	18,709	11,582	39,539	48,054
Total expenses	252,164	235,053	575,580	359,421
Net income and comprehensive income	121,523	136,259	93,333	48,164
Net income per share	0.004	0.004	0.003	0.004
NPIO	168,893	184,451	476,051	96,357
NPIO per share	0.006	0.006	0.016	0.004

Financial position ($)	June 30, 2018	December 31, 2017
Cash	789	2,130,300
Bank indebtedness	(1,417,840)	-
Working capital	(1,445,067)	9,989,612
Total assets	16,546,235	20,048,024
Long term debt	-	4,540,000
Shareholders equity	14,981,075	14,720,756

Western Share Count Information	June 30, 2018	December 31, 2017
Common shares outstanding	30,703,756	30,317,756

The first half of 2018 brings in the results of Western's two newest associates, Ocean Sales, and Foothills. In addition to equity income, Western is now earning annual management fee revenue from three out of our four associates totalling $250,000 annually.

With its capital fully deployed, the Corporation obtained an operating loan to facilitate the acquisition of Foothills, and to finance its ongoing operating expenses. As the facility is due on demand it puts the Corporation into a negative working capital position until it raises additional capital.

Transaction costs incurred on the acquisition of Ocean Sales and Foothills are included in their net income which carries down into Western's equity income, along with acquisition costs incurred by Western directly in the first half of 2018. The Corporation will incur these expenses as it acquires other businesses in the future and will be significant in the period surrounding an acquisition. Other significant costs incurred in the first half of 2018 include additional legal expenses associated with obtaining the operating loan facility arranged during the period.

Western continues to maintain low overhead and internal operation costs in line with its Western Sensibility Principles of ensuring 1) a sustainable but flexible workforce of part-time employees and contractors that expands and contracts to the needs of the Corporation 2) compensation of directors through a modest option program and 3) collecting management fees from portfolio companies to offset increased general and administration costs.

Looking further into 2018, Western is working with the management of each of our portfolio companies to implement the Pattison Principles and Rockefeller Habits. We will work closely with our partners to ensure the long-term success and sustainability of each company.

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	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sept 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sept 30, 2016
Total income/(loss)	373.7	295.2	(5.4)	287.3	371.3	36.3	0.0	0
Operating expenses	252.2	323.4	395.7	368.8	235.1	124.4	748.0	73.8
Net income (loss) NPIO[1]	168.9	307.2	(178.7)	151.0	184.5	(88.1)	(748.0)	(73.8)
Net income (loss)	121.5	(28.2)	(401.1)	(81.5)	136.3	(88.1)	(748.0)	(73.8)
Earnings (loss) per share NPIO[2]								
- Basic	0.004	0.010	(0.006)	0.005	0.006	(0.005)	(0.068)	(0.007)
- Diluted	0.004	0.010	(0.006)	0.005	0.006	(0.005)	(0.068)	(0.007)
Earnings (loss) per share								
- Basic	0.006	(0.001)	(0.013)	(0.003)	0.004	(0.005)	(0.068)	(0.007)
- Diluted	0.006	(0.001)	(0.013)	(0.003)	0.004	(0.004)	(0.068)	(0.007)
Total assets	16,546.2	16,258.0	20,048.0	15,411.6	15,339.5	15,340.3	4,113.9	4,279.3
Total long-term liabilities	0	0	4,540	0	0	0	0	0

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

Liquidity and Capital Resources

As at June 30, 2018, the Corporation, had cash on hand net of demand operating loan of $1,417,840 (December 31, 2017 - $2,130,300 cash). Capital used to fund the quarter's investments and working capital is now in a negative position of ($1,445,067) (December 31, 2017 - $9,989,612 positive). This includes the Corporation's demand revolving operating loan facility, drawn upon in February 2018.

On February 20, 2018 the Corporation obtained this loan facility to the maximum amount of $1,500,000, with an additional $500,000 available as at June 12, 2018, bringing the total facility available to a maximum of $2,000,000 as at June 30, 2018. The facility bears interest at the bank's prime rate plus 2% per annum and carries a standby fee of 0.2% per annum on the unused portion. The line was obtained firstly to fund the purchase of Foothills and secondly to fund general corporate operating needs. Security includes a share pledge agreement in respect to the Corporation's interest in its subsidiaries. At June 30, 2018 $1,417,840 was drawn on the facility (December 31, 2017 - $nil).

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.

In the six months ended June 30, 2018 the Corporation used $435,914 (June 30, 2017 - $229,358) in cash from operating activities and raised $1,408,826 (June 30, 2017 - $11,423,394) in cash from financing activities. The funds raised in the comparative period June 30, 2017 related to its common share offering on February 22, 2017. In the current period $3,102,423 in cash was used in investing activities (June 30, 2017 - $nil) primarily to acquire its investment in Foothills.

Outstanding Share Data

On February 28, 2018, in line with its acquisition of Foothills, the Corporation issued a total of 400,000 common shares to the vendor of the Company. The market value of the shares at the time of acquisition was $0.44 per share bringing the total fair value of the shares issued to $176,000 before issuance costs. During the six months ended June 30, 2018, 14,000 shares were repurchased by the Corporation in conjunction with its normal issuer bid. These events bring the total common shares outstanding at June 30, 2018, to 30,703,756 (June 30, 2017 – 30,550,256).

In the period ended June 30, 2018, no stock options were issued (June 30, 2017 – 210,000), 900,000 agent options expired and 200,000 options were forfeited (June 30, 2017 - nil and nil, respectively) leaving the total amount of stock options outstanding as at June 30, 2018 at 1,110,000 (June 30, 2017 – 2,210,000) with exercise prices ranging from $0.50 to $0.65. Subsequent to June 30, 2018 320,000 stock options were issued at a value of $74,112.

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 was renewed for another year on June 5, 2018. As at June 30, 2018, a total of 254,500 shares have been repurchased to date for a total cost of $147,644. Of these 14,000 shares at a cost of $6,764 were repurchased in the six months ending June 30, 2018 (June 30, 2017 – 9,500 shares).

Off-Balance Sheet Arrangements

As at June 30, 2018, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

Related Party Information

In the three and six months ended June 30, 2018 the Corporation earned $62,500 and $112,500 respectively in management fees from its associates (June 30, 2017 - $25,000 and $50,000) and $nil and $27,423 respectively in dividends on preferred shares (June 30, 2017 - $nil). As at June 30, 2018, $91,875 was receivable in respect to these management fees (December 31, 2017 - $26,250) and $27,423 is due from an associate as a non-current receivable (December 31, 2017 - $nil). Also, included in amounts due from related parties is $10,911 (December 31, 2017 - $75,943) due from associates related to expense reimbursements.

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. $92,000 for the three months ended June 30, 2018, (2017 - $55,093) and $209,750 for the six months ended June 30, 2018, (2017 - $104,867) was paid or payable to members of management. $nil for the three months ended June 30, 2018, (2017 - $nil) and $69,000 for the six months ended June 30, 2018, (2017 - $nil) was payable to directors as part of the Corporation's time and expense policy.

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

Risks and Uncertainties

The Annual MD&A sets out a brief summary of certain risk factors that may have a material impact on the Corporation's future financial performance. No significant changes to those factors have occurred to the date of this report.

Subsequent Events

No subsequent events have occurred up to the date of this report.

Proposed transactions

As at June 30, 2018, and up to the date of this MD&A, there were no proposed transactions of the Corporation, other than as disclosed herein.

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 June 30,		Six Months ended June 30,	
$	**2018**	**2017**	**2018**	**2017**
Net income - per IFRS	121,523	136,259	93,333	48,164
Acquisition related expenses (after tax)	47,370	48,192	382,718	48,192
NPIO	168,893	184,451	476,051	96,356

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.