The Western Investment Company of Canada Limited

Financial Statements
December 31, 2020 and 2019

Independent auditor's report

To the Shareholders of The Western Investment Company of Canada Limited

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Western Investment Company of Canada Limited (the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's financial statements comprise:

- the statements of financial position as at December 31, 2020 and 2019;
- the statements of (loss) income and comprehensive (loss) income for the years then ended;
- the statements of changes in equity for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Ashley Yanke.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
April 29, 2021

The Western Investment Company of Canada Limited

Statements of Financial Position

As at December 31, 2020 and 2019

	2020 $	2019 $
Assets		
Current assets		
Cash	365,897	149,868
Accounts receivable	-	220
Other receivables	-	600,000
Due from related parties (note 13)	45,937	23,172
Prepaids	6,105	2,477
	417,939	775,737
Due from related parties (note 13)	788,200	313,208
Investment in associates (note 5)	18,719,022	21,487,906
Total assets	19,925,161	22,576,851
Liabilities		
Current liabilities		
Operating loan (note 6)	776,791	1,188,679
Accounts payable and accrued liabilities	145,993	163,180
	922,784	1,351,859
Loan from related party (note 7)	1,200,000	-
Convertible debentures (note 8)	3,195,446	3,003,866
Total liabilities	5,318,230	4,355,725
Shareholders' Equity		
Share capital (note 9)	15,777,991	15,840,148
Treasury shares (note 9)	(1,823)	-
Contributed surplus (note 9)	1,328,857	1,233,177
Equity component of convertible debentures (note 8)	793,815	793,815
Accumulated other comprehensive income	11,505	22,978
(Deficit) retained earnings	(3,303,414)	331,008
Total equity attributable to common shareholders	14,606,931	18,221,126
Total liabilities and equity attributable to common shareholders	19,925,161	22,576,851

Approved by the Board of Directors

"Scott Tannas" Director   "Jennie Moushos" Director

The accompanying notes are an integral part of these financial statements.

The Western Investment Company of Canada Limited

Statements of (Loss) Income and Comprehensive (Loss) Income

For the years ended December 31, 2020 and 2019

	2020 $	2019 $
Income		
(Loss) income from equity investments (note 5)	(2,757,411)	766,652
Gain on acquisition (note 5)	-	1,206,453
Finance income (note 13)	84,550	2,896
Management fees (note 13)	360,020	383,333
	(2,312,841)	2,359,334
Expenses		
Legal	37,830	48,630
Accounting	119,278	111,902
Regulatory	41,984	42,517
Consulting	62,060	4,215
Other	30,142	52,699
Management compensation (note 13)	411,399	399,882
Interest on debentures (note 8)	491,580	341,436
Interest on operating loan (note 6)	19,570	30,763
Interest on related party loan (note 7)	44,990	-
Share-based compensation expense (note 9)	62,748	74,647
	1,321,581	1,106,691
Net (loss) income for the year	(3,634,422)	1,252,643
Other comprehensive income (loss) – net of tax		
Item that may be reclassified to profit or loss		
Cumulative translation adjustment	(11,473)	(48,830)
Net (loss) income and comprehensive (loss) income for the year	(3,645,895)	1,203,813
Net (loss) income per share		
Basic and diluted	(0.119)	0.041
Weighted average number of shares outstanding		
Basic and diluted	30,523,160	30,607,008

The accompanying notes are an integral part of these financial statements.

The Western Investment Company of Canada Limited

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

	Number of shares	Share capital $	Treasury shares $	Contributed surplus $	Equity component of convertible debentures $	Accumulated other comprehensive income $	(Deficit) earnings $	Total $
Balance – December 31, 2018	30,703,756	15,903,859	-	1,111,161	-	71,808	(921,635)	16,165,193
Share repurchases	(123,000)	(63,711)	-	17,803	-	-	-	(45,908)
Cumulative translation adjustment	-	-	-	-	-	(48,830)	-	(48,830)
Debenture conversion feature	-	-	-	-	793,815	-	-	793,815
Issuance warrants	-	-	-	29,566	-	-	-	29,566
Issuance of share based compensation	-	-	-	74,647	-	-	-	74,647
Net income for the year	-	-	-	-	-	-	1,252,643	1,252,643
Balance – December 31, 2019	30,580,756	15,840,148	-	1,233,177	793,815	22,978	331,008	18,221,126
Share repurchases	(120,000)	(62,157)	(1,823)	32,932	-	-	-	(31,048)
Cumulative translation adjustment	-	-	-	-	-	(11,473)	-	(11,473)
Issuance of share-based compensation	-	-	-	62,748	-	-	-	62,748
Net loss for the year	-	-	-	-	-	-	(3,634,422)	(3,634,422)
Balance – December 31, 2020	30,460,756	15,777,991	(1,823)	1,328,857	793,815	11,505	(3,303,414)	14,606,931

The accompanying notes are an integral part of these financial statements.

	2020 $	2019 $
Cash provided by (used in)		
Operating activities		
Net (loss) income for the year	(3,634,422)	1,252,643
Adjustments for non-cash items		
Gain on acquisition	-	(1,206,453)
Loss (income) from equity investments (note 5)	2,757,411	(766,652)
Interest on debentures	491,580	341,436
Share-based compensation (note 8)	62,748	74,647
Net change in non-cash working capital	556,640	(467,413)
Cash provided by (used in) operating activities	233,957	(771,792)
Investing activities		
Due from related parties (note 13)	(474,992)	(313,208)
Dividends from associates (note 13)	-	408,000
Purchase of investments in associates (note 5)	-	(2,290,000)
Cash used in investing activities	(474,992)	(2,195,208)
Financing activities		
Repayments on operating loan (note 6)	(411,888)	(331,217)
Proceeds from issuance of convertible debentures (note 8)	-	4,000,000
Proceeds from related party loan (note 7)	1,200,000	-
Debenture issuance costs (note 8)	-	(371,176)
Interest paid on debentures (note 8)	(300,000)	(143,014)
Repurchase of shares (note 9)	(31,048)	(45,908)
Cash provided by financing activities	457,064	3,108,685
Increase in cash during the year	216,029	141,685
Cash – Beginning of year	149,868	8,183
Cash – End of year	365,897	149,868
Supplemental information		
Income taxes paid		-
Interest paid	364,560	173,777

The accompanying notes are an integral part of these financial statements.

1 Incorporation

The Western Investment Company of Canada Limited ("Western" or the "Corporation") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on October 28, 2015. The Corporation's common shares began trading on December 20, 2016 and are listed on the TSX Venture Exchange under the stock symbol WI.

2 Nature of operations and continuance of operations

The head office and principal address of the Corporation is 1010 24th Avenue S.E., High River, Alberta T1V 2A7 and the address of the registered office is Suite 1600, Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

The financial statements of the Corporation for the year ended December 31, 2020 were approved and authorized for issuance by the Corporation's board of directors on April 28, 2021.

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 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 to $100 million and it will consider ownership between 25% and 100%. Western will prospect acquisitions from: (i) director and executive networks; (ii) mid-market accounting and M&A advisors; and (iii) private equity and corporate divestitures.

Where an acquisition is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent on the ability of the Corporation to obtain additional financing.

Following are the companies Western has invested in to date (see note 5 for additional information):

GlassMasters – Equity Investment

On December 31, 2019, the Corporation purchased an additional 11.2% interest in GlassMasters ARG Autoglass Two Inc. ("GlassMasters"), adding to its original 50.1% investment made on December 16, 2016. This brings the total investment in GlassMasters to 61.3%. GlassMasters is an automotive glass service company providing repair and replacement of automotive glass and an automotive glass warehouse that imports to sell wholesale a full line of quality aftermarket glass parts and materials. GlassMasters' principal markets are in Alberta and Saskatchewan.

Golden Health Care – Equity Investment

On September 1, 2017, the Corporation obtained a 30% interest in three Saskatchewan senior care homes (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), and a 25% interest in Golden Health Care Management Inc. (together referred to as "Golden"). The management company, Golden Health Care Management Inc., oversees the operations of a portfolio of senior care homes, including but not limited to the homes that the Corporation has investments in. The homes that operate under the Golden Health Care banner include a number of senior care homes that Western does not have ownership in. The Golden Health Care group of homes is the largest full-service retirement operator in Saskatchewan.

Ocean Sales Group Ltd. – Equity Investment

On January 1, 2018, the Corporation obtained a 75% interest in Ocean Sales Group Ltd. ("Ocean"), a speciality retailer that imports and sells a line of speciality retail products through unique marketing channels across North America. Ocean has three main divisions: consumer shows where it markets high-quality innovative household products through live demonstrations at leading consumer shows and fairs throughout Canada and the US; Costco where it demonstrates a select set of products within its Canadian stores; and wholesale. Headquartered in Calgary, Alberta, they have four strategically located warehouses in Alberta, Washington, Ontario and Quebec.

Foothills Creamery Ltd. – Equity Investment

On February 28, 2018, Western acquired a 50.4% interest in Foothills Creamery Ltd. ("Foothills"). Foothills is a producer and distributor of high quality butter and ice cream products with over 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, British Columbia.

Fortress Insurance Company – Equity Investment

On May 6, 2019, Western acquired a 50.0% interest in Fortress Insurance Company ("Fortress"). Fortress is a registered and regulated insurance company offering speciality and surplus lines of commercial and property insurance within the western Canadian insurance marketplace. Fortress has regulatory licences in British Columbia, Alberta, Saskatchewan and Manitoba.

3 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Basis of measurement

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency, and were prepared on a going concern basis, under the historical cost convention, except as noted in note 4 to the financial statements.

The preparation of timely financial statements necessitates the use of judgements, estimates and assumptions that will affect assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods.

Impact of the Pandemic

On March 11, 2020, the World Health Organization expanded its classification of COVID-19 to a worldwide pandemic (the "Pandemic"), and federal, provincial and municipal governments in North America began legislating measures to combat the spread of the virus. The operations of the Corporation and its associates have been, and are expected to continue to be, negatively impacted, possibly materially, by the Pandemic leading to significant future business uncertainties. These uncertainties include, but are not limited to, interruptions in operations caused by reductions in sales, customers' illiquidity impacting timing and ability to pay for goods and services rendered, the availability and health of the Company's workforce and possible disruptions in the supply chain.

The ability of each of the Corporation's associates to continue operations in the ordinary course of business is dependent on, among other things, the duration of the Pandemic, each associate's operational performance during the Pandemic, terms of covenants and repayment obligations with their lenders and the successful navigation of each associate through the challenges that have surfaced relating to the Pandemic. Management believes that the regular payment of liabilities will be met out of cash, operating cash flows and available credit facilities.

As at December 31, 2020, certain of the Corporation's associates were not in compliance with financial covenants contained within their loans and borrowings. The impact of the Pandemic has created significant future business uncertainties making it difficult to estimate if and when the associates will be back in compliance with their financial covenants. Some associates have negotiated revised terms with their lenders to provide additional capital to operate through these uncertainties. Management of Western believes that the Corporation itself has sufficient room on its operating facilities to meet all obligations over the next 12 months. Each associate is carefully managing its capital to meet obligations.

4 Summary of significant accounting policies

Cash

Cash consists of demand deposits with accredited financial institutions in Canada.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are obligations to pay for goods and services that have been purchased in the normal course of business and are classified as current liabilities if the payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Revenue recognition

The Corporation's revenue includes management fees earned from its associates. Revenue is recognized when the Corporation has satisfied its performance obligations, which occurs evenly over the term of the contract. The Corporation's revenue transactions do not include any financing components. The Corporation does not have any long-term contracts with unfilled performance obligations and does not disclose information about remaining performance obligations with an original expected duration of 12 months or less.

Stock-based compensation

The Corporation has a stock option plan in accordance with the policies of the TSX Venture Exchange, which allows the board of directors to grant options to directors, officers, employees and consultants of the Corporation to purchase common shares of the Corporation at a stipulated price. The option grants will not exceed 10% of the issued and outstanding common shares of the Corporation. In addition, the number of common shares reserved for issuance to any one person will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any consultant or employee will not exceed 2% of the issued and outstanding common shares.

The Corporation measures these amounts at fair value at the grant date using the Black-Scholes option pricing model and compensation expense is recognized over the vesting period.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Use of the equity method for the Corporation's investment in associates

Western holds an equal or majority equity interest in GlassMasters, Ocean, Foothills and Fortress. However, pursuant to unanimous shareholders' agreements governing these associates, Western does not have the right to appoint a majority of board members. The unanimous shareholders' agreements mandate certain other terms and conditions, including that certain significant decisions require the approval of a majority of board members in order to be approved (i.e. approval of annual business plan and budget), and this would include the appointment or removal of senior management and board members. As a result, Western's investment in these associates does meet the definition of 'significant influence' and has been accounted for as an investment in associate using the equity method of accounting.

Investment entities

Western has assessed if the Corporation would qualify as an investment entity as defined in IFRS 10, "Consolidated Financial Statements", which requires that a company invest funds solely for returns from capital appreciation, investment income, or both, and evaluates the performance of its investments on a fair value basis. Western noted that the Corporation would not qualify as an investment entity as there is no clear exit strategy for its investments as part of its business plan for the investments and does not primarily evaluate its investments based on their fair values. As a result, Western has accounted for its investment in associates using the equity method.

Share-based compensation

Option pricing models require the input of highly sensitive assumptions including the expected price volatility, expected dividends and expected life. Changes in the subjective input assumptions can materially affect the fair value estimate.

Compound financial instruments

Western has issued convertible debentures that require judgement to determine whether the security should be classified as an equity instrument, a financial liability or a compound financial instrument with both equity and liability components. Key factors impacting the classification of these instruments include the existence of maturity dates, mandatory interest and principal payments, conversion and redemption rights, subordination to other equity instruments and the ability to settle the instrument in cash or equity.

Impairment of investment in associates

The Corporation reviews the carrying amounts of its investments in associates whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the amount by which the carrying value of assets exceeds their estimated recoverable value is charged to the statements of (loss) income and comprehensive (loss) income.

Investments in associates

Associates

An associate is an entity over which the Corporation exercises significant influence, without having control or joint control. The Corporation's investments in associates are accounted for using the equity method. Under this method, investments are initially recognized at cost and, thereafter, the carrying amount is increased or decreased by the Corporation's post-acquisition share of the associate's profit or loss and decreased by distributions received.

The Corporation's share of its associate's post-acquisition profits or losses is recognized in the statements of (loss) income and comprehensive (loss) income, and its share of the post-acquisition movements in other comprehensive income (loss) is recognized in other comprehensive income (loss). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

The Corporation determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Corporation calculates the amount of the impairment as the difference between the recoverable amount and its carrying value and recognizes the amount as an impairment to investment in associates on the statements of (loss) income and comprehensive (loss) income. In assessing the recoverable amounts for the investments in associates, the Corporation applies International Accounting Standard 36 to the carrying amount of the investment and IFRS 9 to any other interests in the associates that do not form part of the net investment.

Current income tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statements of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax basis. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax is provided on temporary differences arising on investment in associates, except for deferred income taxes where the timing of the reversal of the temporary difference is controlled by the Corporation and it is probable that the temporary difference will not reverse in the foreseeable future.

Financial instruments

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized on extinguishment. A modification of a financial liability with an existing lender is evaluated to determine whether the amendment results in substantially different terms in which case it is accounted for as an extinguishment.

All financial instruments are initially measured at fair value, adjusted for transactions costs (where applicable), on the statements of financial position. The Corporation measures financial instruments in subsequent periods depending on how the instrument has been classified. Financial instruments classified as measured at amortized costs are measured initially at fair value, and subsequently at amortized cost using the effective interest rate method. This includes the Corporation's cash, accounts receivable, amounts due from related parties, the operating loan, accounts payable and accrued liabilities, convertible debentures and loan from related party. The Corporation does not have any financial assets categorized as fair value through profit or loss, or fair value through other comprehensive income.

Financial assets and liabilities are not offset unless they are with a counterparty for which the Corporation has a legally enforceable right to settle the financial instruments on a net basis and the Corporation intends to settle on a net basis.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is determined based on cash flow projections consistent with the most recent budget and business plan approved by management. The discount rate applied reflects current assessments by the market of the time value of money and the risks specific to the asset. The calculation takes into account net cash flows to be received on disposal of the asset at the end of its useful life. Fair value less costs to sell is the estimated amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, less costs to sell. These values are determined based on market data (comparison with similar listed companies, value attributed in recent transactions and stock market prices), or in the absence of reliable data, based on discounted future cash flows.

An impairment loss is recognized when the carrying amount of any asset exceeds its estimated recoverable amount. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets and the loss is recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Related party transactions

Transactions with related parties are entered into at the exchange amounts, which are the amounts established and agreed to by the parties.

5 Investment in associates

The investment in associates balance consists of:

	2020 $	2019 $
Western's interest in Fortress Insurance Company	2,040,389	2,160,744
Western's interest in Foothills Creamery Ltd.	4,543,458	4,383,907
Western's interest in Ocean Sales Group Ltd.	131,715	3,475,419
Western's interest in Golden Health Care group of companies	4,966,764	4,848,227
Western's interest in GlassMasters ARG Autoglass Two Inc.	7,036,696	6,619,609
	18,719,022	21,487,906

a) Nature of investments in associates

Glass Masters ARG Autoglass Two Inc.

The Corporation acquired a 50.1% interest in GlassMasters in 2016, and on December 31, 2019 acquired an additional 11.2% interest bringing Western's total equity interest in GlassMasters to 61.3%. The purchase price for the additional shares in 2019 was $600,000. The fair value of the shares as at December 31, 2019 was determined to be $1,223,691, which exceeded the purchase price by $623,691. This bargain purchase gain was recognized by Western in net income in 2019 along with another $253,058 in gains related to the acquisition.

Western has two of six directors appointed to the GlassMasters' board of directors. Through the extent of its share ownership and its seats on the board of directors, the Corporation has the ability to exercise significant influence but not control over GlassMasters and accordingly, the Corporation is using the equity method to account for this investment.

Certain restrictions have been placed on GlassMasters' by its lenders which may restrict its' ability to provide distributions to its equity investors, including the Corporation. As a result, the Corporation has classified its outstanding loan balances due from GlassMasters as non-current.

Golden Health Care group of companies

On September 1, 2017, the Corporation completed the acquisition of its investment in Golden for a total equity investment of $4.94 million. Western appoints two of nine members of the board of directors of Golden Health Care Management Inc., the company that oversees the operating companies. Through its share ownership and its appointments to the board of directors, the Corporation can exercise significant influence over the investments in Golden and accordingly, the Corporation is using the equity method to account for the Golden investment.

On acquisition, the Corporation recognized a fair value adjustment on Western's share of the land and building held of $2.52 million. The fair value adjustment related to the building will be amortized over its useful life against the Corporation's equity income earned from Golden.

Ocean Sales Group Ltd.

On January 1, 2018, the Corporation obtained a 75% interest in Ocean for a total equity investment of $3.45 million. Western appoints two of five members of the board of directors, and as such has the ability to exercise significant influence over Ocean but not control and accordingly, the Corporation is using the equity method to account for this investment.

Based on the continuing effects of the Pandemic and the resulting decline in revenue experienced, impairment indicators for Ocean's intangible assets and goodwill existed in the first quarter of 2020. As a result, Ocean tested its intangible assets and goodwill for impairment as at March 31, 2020. The value-in-use impairment test was based on Ocean's internal forecasts and represents management's best estimates at a specific point in time, and as a result it is subject to measurement uncertainty. This impairment test resulted in a $4,775,521 impairment loss (100%) being recorded by Ocean as at March 31, 2020. The impairment loss was primarily a result of the loss of a significant revenue stream as a result of the Pandemic, and significant uncertainty on when this 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 from Ocean in the year ended December 31, 2020. Additionally, in line with the above assessment, Western has recorded a provision for expected credit losses on all management fees due from Ocean.

Ocean records a cumulative translation adjustment as part of the consolidation of its foreign subsidiary that has a functional currency of US dollars. Western's share of this adjustment is recognized in other comprehensive income. As at December 31, 2020, Ocean was in breach of certain of its financial covenants and has therefore classified its outstanding credit facility balances as current.

Foothills Creamery Ltd.

On February 28, 2018, the Corporation completed the acquisition of a 50.4% interest in Foothills Creamery Ltd. for a total equity investment of $3.25 million. Western appoints two of seven members of the board of directors, and as such has the ability to exercise significant influence over Foothills but not control and accordingly, the Corporation is using the equity method to account for this investment.

Under the terms of its asset purchase agreement, Foothills has agreed to pay contingent consideration to the vendor under certain circumstances. The consideration consists of payments by Foothills for performance conditions, involving normalized earnings before interest, tax and depreciation, generated over the four years from the acquisition date (up to a maximum of $3.5 million). The estimated fair value of this contingent consideration payable (100%) recognized by Foothills as at December 31, 2020 was $314,749 (December 31, 2019 – $542,189) based on an estimate using probability-weighted discounted future cash flows. As at December 31, 2020, Foothills was in breach of certain of its financial covenants. The bank has waived its right to call the loan.

Fortress Insurance Company

On May 6, 2019, the Corporation completed the acquisition of a 50% interest in Fortress Insurance Company for a total investment of $1.69 million. The purchase price was below the net fair value of the assets at Fortress at the time of acquisition, and as such, Western recognized a gain on acquisition of $329,704 in 2019. The Corporation has two of six directors appointed to the board of directors giving it the ability to exercise significant influence but not control over Fortress. Accordingly, the Corporation is using the equity method to account for this investment.

b) Summarized financial information for associates

The below summarized financial information of each associate (disclosed at 100%) is presented in accordance with IFRS, prior to any intercompany eliminations, adjusted to reflect any adjustments required when applying the equity method of accounting for the investments.

Summarized financial information as at December 31, 2020 and for the year then ended

	GlassMasters $	Golden $	Ocean $	Foothills $	Fortress[1] $
Current assets	5,012,463	5,245,902	4,759,387	9,835,371	12,010,222
Non-current assets	20,667,105	19,421,707	3,569,576	24,194,899	-
Current liabilities	7,791,360	1,085,947	6,947,188	21,949,625	8,128,135
Non-current liabilities	6,299,367	15,353,167	1,346,471	2,990,506	-
Net assets	11,588,841	8,228,495	35,304	9,090,139	3,882,087
Revenue	20,898,662	8,586,600	8,805,310	45,036,229	810,937
Net income (loss) and comprehensive income (loss)	680,402	402,119	(4,458,273)	316,570	(240,709)

Summarized financial information as at December 31, 2019 and for the year then ended

	GlassMasters $	Golden $	Ocean $	Foothills $	Fortress[(1)] $
Current assets	5,460,138	5,913,683	6,556,360	9,686,247	11,175,697
Non-current assets	21,901,405	18,725,316	7,510,341	24,433,822	-
Current liabilities	9,306,407	1,286,633	7,835,694	23,256,424	7,052,901
Non-current liabilities	7,146,697	15,568,222	1,737,430	2,089,940	-
Net assets	10,908,439	7,784,144	4,493,577	8,773,705	4,122,796
Revenue	22,357,626	8,518,681	18,817,933	42,033,195	597,497
Net income (loss) and comprehensive income (loss)	491,302	370,372	(465,959)	1,127,972	282,080

(1) Fortress summarized revenue and income financial information presented for the period since the acquisition date of May 6, 2019 to December 31, 2019.

c) Reconciliation of investments in associates carrying value

The following table presents a reconciliation of the carrying amount of the investment in the Corporation's financial statements and the summarized financial information.

Reconciliation of the carrying value for the year ended December 31, 2020

	GlassMasters $	Golden $	Ocean $	Foothills $	Fortress $	Total $
Western ownership interest	61.3%	25.0 – 30.0%	75.0%	50.4%	50.0%	
Share of net assets as of December 31, 2019	6,619,609	4,848,227	3,475,419	4,383,907	2,160,744	21,487,906
Share of comprehensive income (loss)	417,087	118,537	(3,332,231)	159,551	(120,355)	(2,757,411)
Share of other comprehensive loss	-	-	(11,473)	-	-	(11,473)
Investment in associates as of December 31, 2020	7,036,696	4,966,764	131,715	4,543,458	2,040,389	18,719,022

Reconciliation of the carrying value for the year ended December 31, 2019

	GlassMasters $	Golden $	Ocean $	Foothills $	Fortress $	Total $
Western ownership interest	50.1 - 61.3%	25.0 – 30.0%	75.0%	50.4%	50.0%	
Share of net assets as of December 31, 2018	4,896,914	5,144,418	3,824,888	3,815,411	-	17,681,631
Additions	600,000[3]	-	-	-	1,690,000[1]	2,290,000
Bargain purchase gain	876,749[3]	-	-	-	329,704[1]	1,206,453
Share of dividends paid out	-	(408,000)	-	-	-	(408,000)
Share of comprehensive income (loss)	245,946	111,809	(300,639)	568,496	141,040[2]	766,652
Share of other comprehensive loss	-	-	(48,830)	-	-	(48,830)
Investment in associates as of December 31, 2019	6,619,609	4,848,227	3,475,419	4,383,907	2,160,744	21,487,906

(1) Western's share of Fortress' net assets presented as at the acquisition date of May 6, 2019.

(2) Western's share of Fortress' comprehensive income presented for the period since the acquisition date of May 6, 2019 to December 31, 2020.

(3) Western's share of GlassMasters' net assets acquired as at the acquisition date of December 31, 2019.

6 Operating loan

The Corporation has a demand revolving operating loan facility agreement with a Canadian financial institution (the "facility one") to a maximum amount of $2,000,000. Facility one 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. Facility one was obtained firstly to be used toward the purchase price of Foothills Creamery Ltd. in 2018, and secondly towards general corporate operating purposes. Security for the facility includes:

a) general security agreement over all present and after acquired property;

b) share pledge agreement in respect to the Corporation's interest in some of its associates;

c) assignment of material contracts; and

d) continuing guarantee from any material wholly owned subsidiaries of the Corporation.

Facility one is subject to review by the bank on August 31 annually, or at any time at the discretion of the Lender, and was last reviewed on September 17, 2020. As at December 31, 2020, $776,791 was drawn on the facility (December 31, 2019 – $1,188,679).

On September 17, 2020, the Corporation entered into an amending agreement adding a second facility ("facility two") in the form of a demand non-revolving reducing facility up to a maximum of $400,000. Facility two was obtained to manage liquidity uncertainty that has arisen as a result of the Pandemic, is available on or before December 31, 2021 and bears interest at the bank's prime rate plus 2.5% per annum. Interest only is payable monthly until January 1, 2022, after which the loan is repayable in blended payments of principal and interest on the last day of each fiscal quarter over an amortization period of 12 months. As at December 31, 2020, $nil was drawn on facility two.

7 Loan from related party

In the first quarter of 2020, the Corporation received a $1.2 million shareholder loan from Golden. The loan bears interest at 4.09% annually, payable with interest only monthly and matures on January 31, 2021 with automatic annual renewal if all amounts of interest owing are not in default. No interest owing has been in default since the inception of the loan. There are no financial covenants affecting the loan.

8 Convertible debentures

On May 9, 2019, the Corporation issued $4 million of unsecured convertible debentures with a principal value of $1,000 each (the "Debentures"). Each Debenture is convertible into common shares of Western at a conversion price of $0.55 per share at the holder's discretion. The Debentures mature on March 31, 2024 and bear interest at the rate of 7.5% per annum, payable semi-annually at the end of March and September.

If after March 31, 2021, the closing price of Western's shares on the TSX Venture Exchange is $0.65 or greater for 20 consecutive trading days, Western may, at its option, force the conversion of the Debentures into common shares. Western may also elect, at its option, to redeem all or part of the Debentures at any time after March 31, 2021 at the redemption price set forth below plus accrued and unpaid interest, if redeemed during the calendar year on 45 days' written notice by Western:

	%
2021	107.5
2022	105.0
2023	102.5
2024	100.0

The Corporation incurred underwriting fees and issuance costs of $400,742, including 425,454 broker warrants valued at $29,566. The warrants are exercisable into one common share per warrant at an exercise price of $0.55 and expire 24 months from the closing date. The closing costs are allocated against the carrying value of the liability and equity components of the Debentures.

The Debentures are a compound financial instrument containing both a liability and equity component. The liability component represents the present value of interest and principal payments over the life of the financial instrument discounted at 13.9%, which was the approximate rate available to the Corporation for similar debt without the conversion feature at the date the convertible debentures were issued. The residual value of $793,815 (net of issuance cost) was allocated to the equity component. The liability component will be accreted to the principal value using the effective rate of 16.5%.

9 Share capital

Authorized

Unlimited number of common shares, without par value
Unlimited number of preferred shares, without par value

Issued

During the year ended December 31, 2020, nil common shares were issued (December 31, 2019 – nil). There are nil preferred shares issued to date. The following is a summary of the common shares issued at year-end.

	Number of shares	Amount $
Balance – December 31, 2018	30,703,756	15,903,859
Share repurchase	(123,000)	(63,711)
Balance – December 31, 2019	30,580,756	15,840,148
Share repurchase	(120,000)	(62,157)
Balance – December 31, 2020	30,460,756	15,777,991

Stock option plan

The Corporation has adopted an incentive stock option plan, which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the stock option plan shall not exceed 10% of the issued and outstanding common shares exercisable for a period of up to ten years.

360,000 stock options have been issued during the year-ended December 31, 2020 (December 31, 2019 – 294,000). For the years ended December 31, 2020 and 2019, shares issuable under the Corporation's stock option plan have been excluded from diluted earnings per share as the effect is anti-dilutive.

All options are settled in Western common shares. The compensation costs for options granted is calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.47% – 2.16%
Vesting period	nil
Expected life of stock option	10 years
Volatility	50% – 70%
Dividends	-

The following stock options were outstanding as at December 31, 2020:

Grant date	Expiry date	Exercise price $	Number of options	Remaining contractual life (years)	Fair value of options $
February 24, 2016	February 24, 2026	0.50	790,000	5.15	0.5981
April 6, 2016	April 6, 2026	0.56	140,000	5.27	0.4554
April 21, 2017	April 21, 2027	0.65	30,000	6.31	0.3914
June 19, 2017	June 19, 2027	0.65	150,000	6.47	0.3279
July 4, 2018	July 4, 2028	0.50	320,000	7.51	0.2316
August 23, 2019	August 23, 2029	0.40	294,000	8.62	0.2539
June 1, 2020	June 1, 2030	0.27	360,000	9.42	0.1743

Share repurchases

The Corporation has regulatory approval for a normal course issuer bid (the “Bid”) whereby Western may purchase up to a total of 1,500,000 common shares in the capital of the Corporation representing approximately 4.9% of the 30,451,756 common shares currently issued and outstanding. The Bid is for a one-year term and is reviewed for renewal annually. All acquisitions of common shares by the Corporation pursuant to the Bid will be made through the facilities of the exchange at the market price of the common shares at the time of the acquisition. On January 13, 2021, the board of directors approved the renewal of the Bid for another year. Each renewal is subject to regulatory approval before it can proceed. Approval was received for the 2021 Bid on January 19, 2021.

For the year ended December 31, 2020, 129,000 common shares were repurchased at a total price of $31,048 (December 31, 2019, 123,000 common shares were repurchased at a total price of $45,908). All shares repurchased are cancelled by the Corporation at the end of the month in which they are repurchased with a reduction to share capital at their average issued price, which totalled $62,157 for the year ended December 31, 2020 (December 31, 2019 – $63,711). The difference between the issued price and the repurchase price of the shares repurchased is recorded to contributed surplus. At December 31, 2020, 9,000 of the repurchased shares remained in treasury and were cancelled on January 8, 2021.

10 Income taxes

a) Income tax expense

	2020 $	2019 $
(Loss) income before income taxes	(3,634,422)	1,252,643
Income tax rate	24.0%	26.5%
Expected income tax (recovery) expense	(872,261)	331,950
Non-deductible portion of loss	198	7,897
Equity income	661,778	(203,163)
Bargain purchase gain	-	(319,710)
Interest payments on debentures	45,979	52,582
Financing fees deferred for tax	(105,212)	(116,172)
Non-deductible stock compensation	15,060	19,782
Tax benefits of current losses not recognized	254,458	226,834
Income tax	-	-

b) Deferred income taxes

As at December 31, 2020, the Corporation's unrecognized deferred tax asset is as follows:

	2020 $	2019 $
Share issuance costs	101,233	215,047
Unrealized capital loss	(61,339)	(63,895)
Convertible debentures	(193,093)	(249,034)
Non-capital losses	1,162,026	970,389
Unrecognized deferred tax asset	1,008,827	872,507

The aggregate outside basis differences, being the differences between the carrying amount of the investments in associates and the tax basis, as at December 31, 2020 amounted to $(255,579) (2019 – ($255,579)). No deferred tax asset has been recognized as at December 31, 2020 as the Corporation's ability to recognize is not probable in the foreseeable future.

11 Capital management

The Corporation's capital consists of share capital and debt. The Corporation's objective for managing capital is to maintain sufficient capital to cover Western's expenses and to identify, evaluate and execute acquisitions of private businesses that meet Western's investment criteria.

The Corporation sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Corporation's objectives when managing capital are:

- to maintain a flexible capital structure, which optimizes the cost of capital and acceptable risk; and
- to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Corporation is not subject to any externally or internally imposed capital requirements as at December 31, 2020 and 2019.

12 Financial instruments

The Corporation, as part of its operations, carries financial instruments consisting of cash, accounts receivable, due from related parties, operating loan, accounts payable and accrued liabilities, loans and convertible debentures. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments, except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Corporation classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash, accounts receivable, due from related parties, operating loan and accounts payable and accrued liabilities approximates its fair value due to the short-term maturities of these items. The fair value of the long-term amounts due from related parties approximates its fair value as any effect that discounting might have on the balance is not expected to have a material effect on the value. The fair value of the convertible debentures was calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the issuance date.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation's exposure to credit risk is primarily related to cash held with financial institutions and the carrying value of its amounts due from related parties. The impact of the Pandemic has potentially increased this risk from exposure to associate liquidity risks. The Corporation continuously evaluates the financial condition of its related parties in order to mitigate such risk. In the event that losses do occur, all impairments are recognized in profit or loss. During the current period, the Corporation recognized expected credit losses on amounts due from an associate resulting from the Pandemic.

The Corporation's maximum exposure to credit risk, as related to certain financial instruments as identified in the table below, approximates the carrying value of the assets of the Corporation's statements of financial position.

	2020 **$**	**2019** **$**
Cash	365,897	149,868
Accounts receivable	-	220
Other receivables	-	600,000
Due from related parties	834,137	336,380
	1,200,034	1,086,468

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Policies and practices used include the preparation of budgets and forecasts that are regularly monitored and updated as considered necessary. Cash requirements are monitored on a monthly basis and short-term liquidity risks have been mitigated through the use of an operating loan facility (note 6).

The Corporation's accounts payable are due within 12 months and are subject to normal trade terms. The table below summarizes the future undiscounted contractual cash flow requirements as at December 31, 2020 and 2019 for its financial liabilities.

							As at December 31, 2020
	Carrying amount $	Contractual cash flow $	2021 $	2022 $	2023 $	2024 $	2025 and beyond $
Accounts payable and accrued liabilities	145,993	145,993	145,993	-	-	-	-
Operating loan (note 6)	776,791	807,478	807,478	-	-	-	-
Loan from related party (note 7)	1,200,000	1,445,400	49,080	49,080	49,080	49,080	1,249,080
Convertible debentures (note 8)	3,195,446	5,050,000	300,000	300,000	300,000	4,150,000	-
	5,318,230	7,448,871	1,302,551	349,080	349,080	4,199,080	1,249,080

(1) As disclosed in note 7, the loan from related party will automatically renew at each maturity date and the timing of the repayment of the principal portion is not readily determinable.

							As at December 31, 2019
	Carrying amount $	Contractual cash flow $	2020 $	2021 $	2022 $	2023 $	2024 $
Accounts payable and accrued liabilities	163,180	163,180	163,180	-	-	-	-
Operating loan (note 6)	1,188,679	1,235,830	1,235,830	-	-	-	-
Convertible debentures (note 8)	3,003,866	5,350,000	300,000	300,000	300,000	300,000	4,150,000
	4,355,725	6,749,010	1,699,010	300,000	300,000	300,000	4,150,000

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation has access to an operating loan with a variable interest rate. Based on outstanding amounts under the credit facility as at December 31, 2020, a 1% movement in the prime rate would change the interest expense by approximately $7,768 (2019 – $11,887).

The convertible debentures and loan from related party pay interest at a fixed interest rate.

b) Foreign currency risk

The Corporation does not have assets or liabilities denominated in a foreign currency.

13 Related party transactions

In accordance with the terms of a management fee agreement, Western earns an annual management fee from certain of its associates, payable on a quarterly basis. In the year ended December 31, 2020, management fees of $360,020 were earned (December 31, 2019 – $383,333). As at December 31, 2020, $834,137 was due from associates (December 31, 2019 – $336,381), which is composed of cash advances, unpaid management fees, expense reimbursements and interest. $788,200 of this amount is classified as a long-term receivable as certain bank covenants of some associates prevent amounts being paid to shareholders as at December 31, 2020 (December 31, 2019 – $313,208).

Effective January 1, 2020, amounts payable from GlassMasters to the Corporation are subject to 12% interest per annum compounded monthly. Interest shall accrue on all amounts owing to Western including management fees and cash advances. As at December 31, 2020, $487,412 is due to Western from GlassMasters (December 31, 2019 – $235,448), which has been recorded as long term as collection within the next fiscal year is not assured. Of the total receivable, $300,000 relates to cash advances, $122,632 to management fees and $64,780 to interest on the balance.

In the first quarter of 2020, the Corporation borrowed $1.2 million from Golden. See note 6 for further details.

During the year ended December 31, 2020, Western purchased inventory on behalf of Ocean. The inventory consists of consumer home type products. The inventory is owned by Western until needed by Ocean to satisfy inventory orders from their customers. The substance of the transaction is viewed as a non-recourse loan to Ocean with inventory as collateral. The loan is considered not to represent solely payments of principal and interest and accordingly is carried at fair value through profit and loss. Western is entitled to a 5% markup when the inventory is sold to Ocean and the expectation of receiving these amounts is factored into its fair value model, which initially resulted in measurement of the loan at the cost of the inventory the Corporation purchased. The balance is classified as long-term as it is uncertain if it will be sold to Ocean within the next 12 months. During the year ended December 31, 2020, $176,288 of the original amount purchased has been sold to Ocean. As at December 31, 2020, Western had $300,767 included in the due from related parties representing the value of inventory on hand. There are no other terms in place between Ocean and the Corporation related to this inventory.

Key management of Western includes the Corporation's executives and directors. During the year ended December 31, 2020, $411,399 in salary and benefits was paid or payable to members of management, and $62,748 was awarded in share-based compensation (December 31, 2019 – $399,882 in salary and benefits and $74,647 in share-based compensation).

14 Subsequent events

On February 25, 2021, Western recognized dividends in the amount of $141,000 declared from Golden Health. The dividends were paid in cash on April 9, 2021.