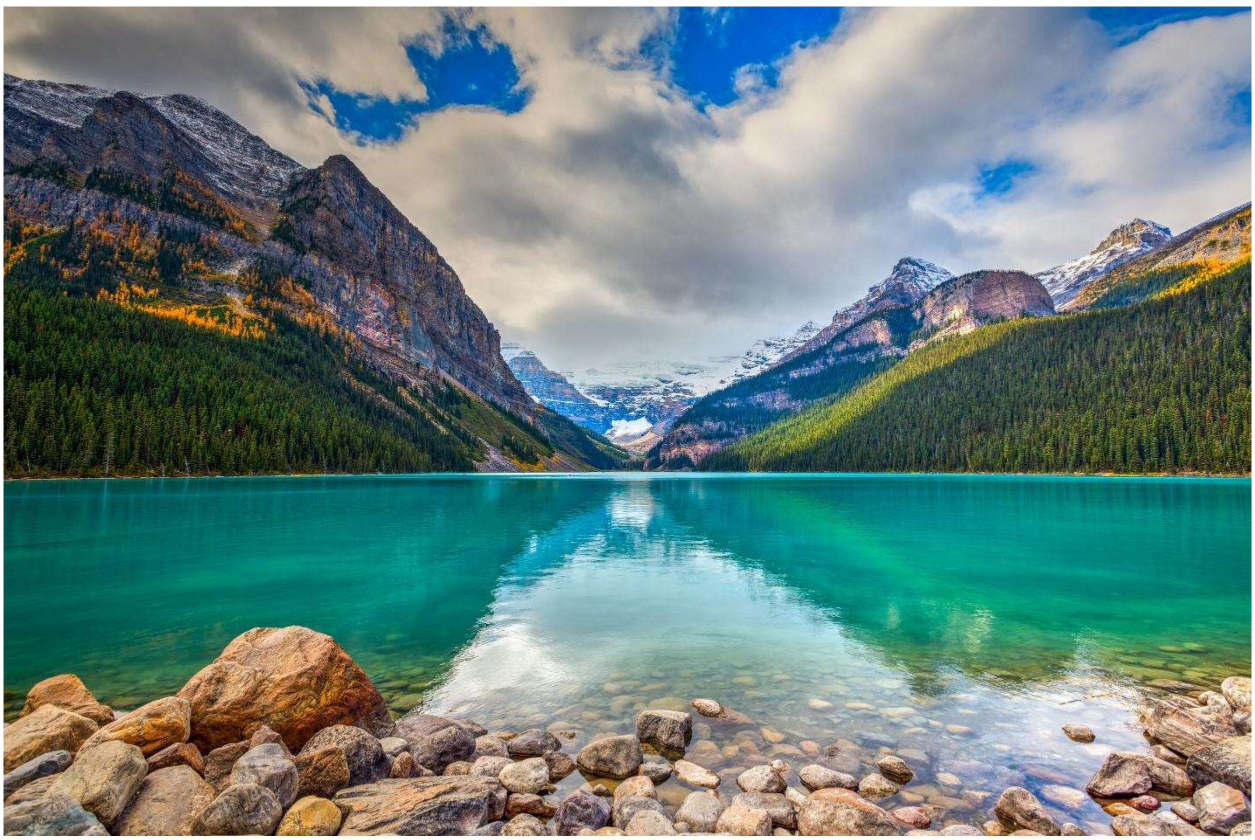
THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED



Interim Management's Discussion and Analysis

Quarterly Highlights

For the period ended March 31, 2023

Dated: May 25, 2023

Introduction

The Western Investment Company of Canada Limited ("we", "**Western,**" or the "**Corporation**") is a publicly-traded private equity company based in Western Canada. Our common shares trade on the TSX-V under the trading symbol WI. **Our purpose is to create long-term wealth for shareholders by building and maintaining a diversified portfolio of strong, stable, and profitable western-based companies while helping them to grow and prosper.** Our strategy is to use our expertise and capital to cultivate already great western Canadian businesses, ultimately contributing to their success and legacy over the long run.

Western's targeted industry verticals align with the industry expertise of the Board of Directors and include: (i) financial services and insurance; (ii) retail and distribution; (iii) human services; (iv) agriculture and related services; and (v) special situations. Western's ideal acquisition enterprise value is between $10 million and $100 million, with ownership interest between 25% and 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, 2022. The Corporation reports its financial position, financial performance, and cash flows in accordance with International Financial Reporting Standards ("IFRS") in Canadian dollars. The MD&A should be read in conjunction with the audited financial statements of the Corporation, the annual MD&A, for the year ended December 31, 2022. The MD&A was prepared by management of Western and was approved by the Board of Directors on May 25, 2023. Additional information relating to the Corporation, including its Annual Information Form, is available on SEDAR at www.sedar.com.

The following table outlines the acquisitions we have completed as of May 25, 2023;

Investments	Acquisition Date	Ownership (%)
GlassMasters ARG Autoglass Two Inc.	December 16, 2016	55.3%
Golden Health Care	September 1, 2017	25.0 - 30.0%
Ocean Sales Group Ltd.	January 1, 2018	75.0%
Foothills Creamery Ltd.	February 28, 2018	49.6%
Fortress Insurance Company	May 6, 2019	28.3%

Key Highlights for the period ended March 31, 2022

2023 is off to a good start, with Western reporting its best first-quarter results since inception. Both revenue and net income exceeded all previous comparative periods. A strong position to be in as we head into our two busiest quarters. Management at each of our associates has worked hard to combat the recent inflationary and unstable economic environment. We are seeing improvements in gross margins and growth in sales across many of Western's investees.

After having a record year in 2022, GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**") has done it again with another record-breaking quarter. Sales exceeded the prior year by 25%. Sales, gross profit, and normalized net income have exceeded every comparative period since the company was acquired in 2016. Future growth is on the horizon, with three new locations coming online in 2023.

Business at Fortress Insurance Company ("**Fortress**") continues its rapid growth, with a 58% growth in gross premiums written from the comparative period of 2022. The $5.2 million equity offering, completed in late 2022, provided cash and value-added business partners to contribute to Fortress's continuing growth and development. With the investment market recovering, Fortress is realizing gains on its investment portfolio, boosting its profitable underwriting business. Fortress is focused on diversification, expanding its product offerings into liability insurance and the Ontario market.

Foothills Creamery Ltd. ("**Foothills**") has been working hard at turning their business into the profitable company we know it can be. Results to date in 2023 are a testament to this, as first-quarter gross margins improved from 11% to 21%. An improved pricing strategy should continue this trend and address any ongoing inflation and rebate fluctuations. With high levels of frozen product inventory on hand heading into their busiest two quarters, we are optimistic for a successful year.

Sales at Ocean Sales Group Ltd. ("**Ocean Sales**") continue to grow, with consumer shows returning to normal levels. Revenue is up 55% from the prior year. The company's focus is currently on finding new and innovative products to bring to market to replace products that have reached maturity.

Golden Health Care ("**Golden**") has maintained revenue levels, with rent increases countered by a drop in occupancy. While occupancy at one of our homes has improved, another has dropped below expectations. Inflation has impacted the cost of care, and attracting staff has been challenging. Management is focused on improving occupancy and is working with the provincial government to obtain funding for high-level care.

The $803,568 improvement in net income this quarter is an indication of the hard work that has gone on to improve earnings from each of our associates. We believe we have solid management and strategic plans in place and are working closely with each company to further improve profitability. Looking into 2023, we expect to see revenue growth and improved margins as inflation begins to stabilize.

A top priority for Western will be addressing the convertible debentures coming due in early 2024. We are in early discussions with key stakeholders to develop our plan to meet this coming obligation, which by its nature, is a material liquidity risk. We believe we can provide an attractive proposal to current debenture holders for renewal.

Review of Western's Operations and Financial Results

The financial highlights of the Corporation are:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Financial results ($)		
Revenue	544,236	(249,864)
Professional fees	47,151	94,798
Regulatory fees	11,794	12,602
Management salaries	105,980	95,367
Share based compensation	-	-
Interest	184,285	155,979
Other expenses	6,750	6,682
Total expenses	355,960	365,428
Net income (loss)	**188,276**	**(615,292)**
Net income (loss) per share	0.006	(0.020)

	March 31, 2022	December 31, 2022
Financial position ($)		
Working capital	(3,795,525)	261,774
Total assets	18,658,336	18,615,425
Operating loan	1,041,357	1,200,316
Loans and convertible debentures	4,879,293	4,883,174
Shareholders' equity	12,556,825	12,377,424

	March 31, 2023	December 31, 2022
Western Share Count Information		
Common shares issued and outstanding	30,262,756	30,287,756

Western earned equity income of $348,387, a significant improvement from our equity loss in the first quarter of 2022, thanks to a successful first quarter for most of our associates. Revenue is also boosted in 2023 from the restructuring undertaken at GlassMasters, which now provides Western with regular interest income.

Expenses continue to be relatively stable, with higher professional fees in the prior period of 2022 related to the GlassMasters share disposition. Interest expense has increased over time with rising interest rates.

With the convertible debentures' maturity one year away, they are now recorded as a current liability, affecting our working capital. Management is actively working to address this maturity.

In the coming year, we are optimistic that our equity income will improve as the economy stabilizes. We expect steady growth in the insurance business and expansion at GlassMasters. We are focused on returning Foothills to profitability.

Net Asset Value

To provide our shareholders with an idea of the actual value of our investments, we completed a market value assessment of each associate company as at December 31, 2022. For accounting purposes, each investment is recorded based on the equity method of accounting, whereby the investment is initially recognized at cost and adjusted thereafter for our share of the investee's profit or loss. The methods used to determine the market value estimate of each associate are outlined below. We believe providing this estimate gives our investors better insight into the true underlying value of their investment in Western.

The market value assessment shows the value of our equity investments is significantly above the current carrying value. If we adjust our net book value as at December 31, 2022, to account for the inherent market value of our investments, the value per share is $0.67 (2021 - $0.82). This is well above the current market price of our shares, demonstrating the true value our shareholders hold. The decline in market value from the prior year is consistent with what many other private equity companies are seeing with the difficult economic conditions currently faced by businesses and increased interest rates. We expect that net asset value will remain a dynamic number with improving results and increased stability.

Below is a comparison of the carrying value of our associates with the estimated market value as at December 31, 2022:

$	Original purchase price	Carrying Value	Estimated Market Value	Unrealized Gain
Golden Health Care	4,738,192	4,781,768	6,750,000	1,968,232
Fortress Insurance Company	1,690,000	2,575,686	5,170,000	2,594,314
Ocean Sales Group Ltd.	3,450,000	-	175,000	175,000
Foothills Creamery Ltd.	3,251,000	2,450,120	3,100,000	649,880
GlassMasters ARG Autoglass Two Inc.	4,010,000	7,529,849	10,170,000	2,640,151
Total value of investment in associates	**17,139,192**	**17,337,423**	**25,365,000**	**8,027,577**

Using the estimated market value of our associates as outlined above, the net asset value of Western as at December 31, 2022, is:

$		Estimated Market Value
Current assets		416,286
Due from related parties		861,716
Investment in associates		25,365,000
Current liabilities		(154,513)
Operating loan		(1,200,316)
Loan from related party		(1,200,000)
Convertible debentures		(3,683,174)
Net asset value		20,405,001
Common shares outstanding		30,287,756
Value per share	**$**	**0.67**

Our approach to value each company depended on their unique characteristics and the available information and market support. Below is a summary of the methods used to develop our market estimate.

The market value of each Golden Health Care company was calculated by taking a multiple of adjusted net operating income ("NOI") per their 2023 budget, reduced by the net long-term debt held by the company. Directors and management fees were removed to determine adjusted NOI. In determining the multiple, we used the rates from the purchase price calculation at acquisition in 2017, which took into account market-based transactions for similar homes. The acquisition in 2017 was an arms-length transaction, and we believe the rate used in the negotiations continues to represented a market rate.

Fortress was valued based on the recent arms-length transaction that closed in October 2022, in which Fortress raised over $5 million in outside capital. The transaction used a multiple of 2.15 times the tangible net asset value.

Ocean was valued using the income approach, specifically a discounted cash flow method based on the Company's forecasts. Under the discounted cash flow method, business enterprise value was determined by discounting the Company's forecasted discretionary cash flows with an appropriate discount rate, approximated by the Company's weighted average cost of capital ("WACC"). Discretionary cash flows were based on management's financial projections for the fiscal years ending December 31, 2023, to 2026. Forecasted EBITDA was tax affected based on the expected federal and Alberta corporate tax rate of 23%. The WACC used in the calculation was 13-15%. It was calculated by weighting the required returns on interest-bearing debt and equity capital in proportion to their estimated percentages. To the business enterprise value, we added the estimated fair market value of the net redundant assets (primarily deferred taxes and related party amounts), net of taxes and selling costs, and subtracted the Company's net debt.

Like Ocean, Western used the discounted cash flow method based on the Company's forecasts to value Foothills. The WACC used in the calculation was 15-18%. It was calculated by weighting the required returns on interest-bearing debt and equity capital in proportion to their estimated percentages. To the business enterprise value, we added the estimated fair market value of the net redundant assets (primarily real estate), net of taxes and selling costs, and subtracted the Company's net debt.

GlassMasters was valued based on the recent arms-length transaction that closed on February 1, 2022, in which our new partner Fort McKay First Nation, acquired a 39.3% stake in GlassMasters. In line with this transaction, GlassMasters shares have been valued at $2.18 per share.

Summary of Equity Investments

Below is a summary of the results of each of Western's associates for the period ended March 31, 2023. The performance of our associates is assessed based on revenues, net income from operations, and EBITDA. EBITDA is a supplemental measure of operating income in which tax, depreciation and amortization, and interest are added back to the associate's net income (refer to the "Description of Non-IFRS Measures" section below for more information).

Fortress Insurance Company

Fortress is a western Canadian licensed insurance company focusing on specialty and surplus lines of business within the western Canadian insurance marketplace. The principal business for Fortress involves property insurance but the company also offers insurance in niche products, including accident & sickness, liability, boiler & machinery, marine, fidelity, legal expense, and surety. Fortress is licensed in five provinces from BC to Ontario and all three territories.

Management has been actively working on developing relationships with its broker network and on negotiating reinsurance contracts to mitigate the risk taken by Fortress. With reinsurance, Fortress essentially shares the risk of each contract with other insurance companies. Expanding the broker network allows Fortress to penetrate deeper into the market and offer greater capacity to brokers.

For the period ended March 31, 2023, Western recognized equity income of $26,879 from Fortress (March 31, 2022 - $135,822 loss).

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

	Three months ended March 31,	
Financial results ($)	**2023**	**2022**
Gross premiums written	3,719,218	2,361,173
Insurance revenue	4,646,118	1,469,174
Insurance service result	460,297	206,074
Investment income (loss)	308,445	(380,291)
Net income (loss)	274,401	(256,903)

Fortress continues on its trajectory of rapid growth, with increases in gross premiums written each year, including a 58% increase from the same quarter of 2022. In the first quarter, Fortress increased their capacity on all their products and added a new liability insurance product to their lineup. The company's underwriting business is now profitable, and insurance revenue has more than doubled from the comparative quarter. Fortress expects to see continued growth in premiums written throughout the coming years. As the company continues its growth, they are focused on ensuring they have a strong management team in place for success.

While the prior year's operating performance was hampered by losses incurred in their investment portfolio, the markets are starting to recover, as evidenced by the positive investment income earned in the first quarter. As investment markets recover, Fortress's net income will receive a boost from gains in their investment portfolio.

The $5.2 million equity offering in 2022 and strategic agreement with a U.S. based specialty insurance company has set the company up for continuing growth and development, providing it with capital, capacity and growth opportunities for years to come. This equity financing included a plan to provide Fortress with the resources and expertise to offer specialty surety products in Canadian commercial insurance markets through a comprehensive underwriting and reinsurance agreement. With additional capacity and capital Fortress will diversify its offerings with new products and expansion into the Ontario market.

Gross premiums written include all premiums written during the year, including both earned and unearned, auto insurance premiums, and fronting fees earned. Fortress continues to expand its fronting programs. Fronting is the process where a registered insurer transfers the risk to an unlicensed third party. The fronting insurer is used to ensure the policy is issued by a locally licensed insurer.

The trailing 12-month loss ratio as at March 31, 2023 (incurred losses over earned premium) is 44% (March 31, 2022 – 30%), an impressive result and testament to their lean cost structure and focused execution. There is now significantly more business on the books than in the comparative year. We believe the ratio is indicative of the quality business Fortress has developed.

Western now has 28% ownership of Fortress after A dilution with the equity raise in 2022. It appoints two of eight directors to the Board. This gives Western significant influence over the investment. As such, the Corporation is accounting for this investment under the equity method.

Foothills Creamery Ltd.

Western holds a 50% interest in Foothills Creamery Ltd. ("**Foothills**"), 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 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. Ice cream sales are seasonal, with the busiest quarters occurring in the spring and summer months. Based on this seasonality, readers are cautioned not to weigh quarterly financial data equally for all quarters.

In the period ended March 31, 2023, Western recorded equity income of $344,621 from Foothills (March 31, 2022 – equity loss of $312,044). Western earns annual management fees of $75,000 from Foothills. Management fees from Foothills are currently being added to the shareholder loan balance, which is due to mature in 2024. $9,581 in interest was earned on this shareholder loan.

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

	Three months ended March 31,	
Financial results ($)	**2023**	**2022**
Revenue	7,168,863	6,894,105
Gross profit	1,515,908	744,847
Net income	695,221	(619,135)
Interest	283,208	166,925
Amortization and depreciation	314,679	286,204
Tax	207,663	(184,936)
EBITDA	1,500,771	(350,942)

After a very challenging year in 2022, Foothills entered 2023 with a determination to improve gross margins and return the company to profitability. The first quarter results show that management is on the road to achieving this goal. Revenue was slightly ahead of the prior comparative first quarter, but gross margins jumped from 11% to 21%, effectively doubling gross profit. Foothills achieved this with an improved pricing strategy that accounts for the rise in input costs, savings in logistics, and improvements in the dairy rebates received.

Looking forward, inflation and rebates appear to be stabilizing. Cost increases are now more readily passed on to customers with a pricing strategy that will better manage the volatility of input costs and government rebates. The company has spent the quarter producing inventory that currently sits 61% above the level held at March 31, 2022, setting them up to meet strong demand for frozen products in the spring and summer months. Innovation continues with 12 new products recently added. The sales team has been successfully adding new accounts, and they expect to see growth in the frozen mix and specialty butter categories.

Foothills sold its storage facility in Kelowna during the quarter, providing it with capital to complete upgrades to the processing plant and pay down debt. Included in EBITDA and net income this period is a $1.1 million gain on sale. With this one-time gain removed, EBITDA was approximately $400,000, and net income was a $400,000 loss, both still an improvement over the comparative first quarter. The first quarter is the slowest quarter for the company and has consistently produced a loss.

Cash flow will be a main priority moving forward, and the company is currently negotiating with its lender to adjust its financing arrangements. The debt refinancing will decrease debt service requirements and allow the company to make necessary upgrades to the plant.

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

Western to purchase one share of Foothills. As of March 31, 2021, the loan balance was $324,994 (December 31, 2022 - $295,726).

Western has 50% ownership of Foothills however appoints two of seven directors to the Board and does not have the voting authority to pass decisions without majority board approval. This gives Western significant influence but not control over the company. As such, the Corporation is accounting for our investment under the equity method.

Ocean Sales Group Ltd.

Western holds a 75% equity interest in Ocean Sales, a specialty retailer that imports and sells a line of specialty retail products through unique marketing channels across North America. The Company markets quality, innovative household products through live demonstrations at leading consumer shows and fairs throughout Canada and the US and through a relationship with Costco, a major North American retail chain, where it demonstrates a specially selected set of products in every location in Canada. The Company also operates online sales channels and has a newly launched presence directed at television shopping and social media customers. The Company is headquartered in Calgary, Alberta, and is supported by warehouses in Washington, Ontario, and Quebec.

Western's equity investment in Ocean Sales has been below zero, and as such, no equity income or loss was recognized in 2022. As at December 31, 2022, the unrecognized balance of our investment in Ocean Sales was $196,608. Profit realized in the first quarter of 2023 brought the carrying value of Ocean Sales above zero, and as such, of the $328,378 in equity earnings, $131,770 was recognized.

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

	Three months ended March 31,	
Financial results ($)	**2023**	**2022**
Revenue	5,819,785	3,759,847
Gross profit	3,417,422	1,996,329
Net (loss) income	445,726	(193,934)
Interest	108,181	75,639
Amortization and depreciation	112,171	97,465
Tax	53,639	(56,335)
EBITDA	719,717	(77,165)

Attendance at consumer shows was strong this period, helping Ocean Sales have a profitable first quarter with revenues increasing by 55%, gross profit up 71% and a significant improvement in net income. Online sales have dropped as products reach maturity after major success experienced in this sales channel in 2022. Sales at Costco have been in decline as well, with past product offerings being phased out. Ocean Sales expects to have new products introduced in the coming months.

The key to a successful 2023 will be on refreshing their product offerings. The company is focused on finding new and innovative products to add to their lineup. The ability to source fresh new products will be crucial to their future success. The company must increase the number of products offered at Costco if they are to make this sales channel profitable. Ocean has several new products in development that should be ready to launch in the summer.

Ocean Sales recently signed a new bank facility to increase their borrowing flexibility.

Although the majority shareholder, the terms of the shareholders' agreement allow Western to appoint two of five directors giving Western significant influence over Ocean Sales but not control. As such, the Corporation is accounting for our investment under the equity method.

Golden Health Care

Western holds a 30% equity interest in three Saskatchewan senior care homes and a 25% interest in Golden Health Care Management Inc. The three homes are: Hill View Manor Ltd. in Estevan, The Good Shepherd Villas Inc. in Prince Albert, and William Albert House Ltd. in the Regina suburb of Emerald Park (together referred to as "**Golden**"). Western is pleased to be part of the skilled and experienced management team at Golden Health Care Management Inc., which provides management services to a portfolio of seven retirement communities and approximately 457 retirement suites, all under the Golden Health Care banner.

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

In the period ended March 31, 2023, Western recognized an equity loss from Golden of $14,532 (March 31, 2022 - $37,914 income).

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

	Three months ended March 31,	
Financial results ($)	**2023**	**2022**
Revenue	2,192,785	2,208,836
Net income	(49,105)	125,533
Interest	90,890	128,864
Amortization and depreciation	142,425	148,265
Tax	46,761	62,073
EBITDA	230,971	464,735

Revenue has remained stable, but the current inflationary environment has affected EBITDA and net income at Golden. Staff expenses have increased 13% and general and administrative expenses 15% over the comparative period. The pandemic has made it increasingly hard to retain and attract qualified staff to long-term care, leading to increased wages. Care homes have a difficult time passing increased costs onto residents who are already stretched on their ability to afford it. Rent increases have occurred; however, this can affect occupancy.

Occupancy has become an increased issue in the last few quarters. Occupancy at the Good Shepard has been stable and near full, and improvements are seen at Hill View Manor. This has been countered by a drop in occupancy at William Albert House, which has experienced a greater than typical attrition. Obstacles to improving occupancy numbers include the general reputation of private long-term care homes, the inability to do tours because of health restrictions, and the overall cost of long-term care beds. Private homes, in particular, must compete with government-run homes subsidized by tax dollars. Golden homes do not receive government subsidization, an area we are working to change. Golden is working to convince the government that residents should benefit from having their medical costs funded regardless of the type of care home they choose to live in.

Western appoints two of five members of the Board of Directors of Golden Health Care Management Inc., the company that oversees the operating companies. Through our shared ownership and appointments to the Board of directors, the Corporation can exercise significant influence over the investment. Accordingly, the Corporation is using the equity method to account for it.

GlassMasters

Western holds a 55% investment in GlassMasters, an automotive glass service company with eleven retail locations providing repair and replacement of auto glass and four automotive glass warehouses that import a full line of quality aftermarket glass parts and materials at competitive prices. Principal markets are in Alberta and Saskatchewan.

On February 1, 2022, Western announced a transaction resulting in a new ownership partner at GlassMasters. Our new partner purchased all the shares from ATB Private Equity, plus an additional 3% from Western. This reduced our ownership from 61% to 58%. The transaction was priced at $2.18 per share, representing a valuation of GlassMasters that has more than doubled since the acquisition in 2016. In line with the transaction, Western recognized a gain of $166,411. In 2022, there was also a small dilution of Western's ownership interest in GlassMasters from 58% to 55% due to shares issued to management.

On April 1, 2022, the shareholders of GlassMasters passed a special resolution to distribute $8 million in capital to shareholders by way of reducing the stated capital on the Class "A" common shares. The distribution was treated as a return of paid-up capital for tax purposes and was paid by the issuance of a 5-year term promissory note, bearing interest at a rate equal to the prime rate of the Bank of Montreal plus 10%. Western's share of the return of capital and related promissory note was $4,658,559. On March 24, 2023, GlassMasters amended the promissory note to shareholders, replacing the note issued on April 1, 2022. The new terms added in the automatic renewal for a period of 5 years upon each maturity date and set the interest rate to be as determined by the Board of Directors of GlassMasters from time to time. The Board has set the interest rate at 10% for 2023.

The interest earned on the note payable will provide cash flow with an additional revenue source for the Corporation and create tax efficiencies at the operating company. The intention is for the note to be renewed indefinitely, and it is considered part of Western's total investment in GlassMasters.

GlassMasters contributed an equity loss of $140,351 and finance income of $133,377 to Western's results in the period ended March 31, 2023 (March 31, 2022 - $144,879 equity loss and $16,412 finance income). Western earns $75,000 annually in management fee revenue.

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

	Three months ended March 31,	
Financial results ($)	**2023**	**2022**
Revenue	6,621,345	5,277,856
Gross profit	1,714,511	1,339,360
Net income	(253,708)	(243,442)
Note payable interest paid to shareholders, net of tax	162,116	-
Adjusted Net income[1]	(91,592)	(243,442)
Net income	(253,708)	(243,422)
Interest	359,062	125,993
Amortization and depreciation	395,202	405,019
Tax	(75,783)	(72,710)
EBITDA	424,773	214,880

1 Non-GAAP measure - Interest on shareholder notes payable was added back to net income to provide normalized operating income (loss) and to provide comparative net income (loss) to the prior year.

GlassMasters has the start of another record-breaking year with revenue, EBITDA, and adjusted net income for the first quarter exceeding every comparative first quarter since acquisition. For the quarter ended March 31, 2023, revenue was up 25%, and gross margins remained stable. Normalized net income, which removes the new shareholder interest, exceeds the prior year by over $150,000. GlassMasters has expanded its radio advertising and call center, translating into an ongoing growth in sales at both the wholesale and the retail level. The company is currently well stocked up on inventory to meet demand as they head into their busiest months. We credit the strong management team at GlassMasters for successfully maintaining their margins and the growth in sales in this economic environment.

GlassMasters has many exciting developments to report in 2023 with the addition of 3 new locations. They recently opened a satellite location in Okotoks, Alberta, and purchased a 50% interest in K&K Glass, a small windshield replacement shop in North Battleford. Later this year, the company will be expanding into BC, with a location in Kelowna which will include a warehouse and a small retail shop.

GlassMasters earns the majority of its income in the spring and summer driving months. Based on the seasonality of operations, readers are cautioned not to weigh quarterly financial data equally for all quarters.

Western has significant influence over GlassMasters, given Western appoints two of six directors; however, this does not give Western control. As such, the Corporation has accounted for our investment under the equity method.

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

Summary of Western's Quarterly Financial Information

Selected unaudited financial data for our operations during the last eight quarters are as follows:

C$000s except for per share amounts	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sept 30, 2021	Jun 30, 2021
Income/(loss)	544.2	620.7	588.7	263.4	(249.9)	(223.6)	455.4	909.5
Operating expenses	355.9	339.5	332.9	400.5	365.4	299.9	334.2	412.7
Net income (loss)	188.3	281.2	255.8	(137.1)	(615.3)	(523.5)	121.2	496.8
Earnings (loss) per share								
- Basic and diluted	0.006	0.010	0.008	(0.005)	(0.020)	(0.017)	0.004	0.016
Total assets	18,658.3	18,627.0	18,064.0	17,543.1	17,585.3	18,490.0	18,967.6	18,602.0
Total long-term liabilities	2,241.4	6,083.5	4,737.1	4,746.4	4,605.7	4,620.0	4,484.3	4,503.3

Quarterly Trends and Seasonality

Certain associates of the Corporation experience seasonal fluctuations in activity and financial performance. The spring and summer months are the busiest for our seasonal associates, as seen in the table above. The summer quarter of 2022 did exceed the prior year, thanks to booming sales at GlassMasters and a hot summer to support high-margin ice cream sales at Foothills. Ocean Sales is also busiest in the summer, with a full schedule of summer fairs.

The first quarter of the year is particularly weak for most of our associates. For some, it was the usual seasonal slow quarter. Fortress was hit by unrealized investment losses in 2022 as the bond market hit record lows. The markets rebounded in 2023. 2022 fell short of expectations due to lower than anticipated equity income. The first quarter of 2023 has exceeded all past first quarters.

Expenses are relatively stable from quarter to quarter, with some increases expected with inflation and rising interest rates. Variances in expenses occur based on activity and will be higher when a transaction is underway.

Liquidity and Capital Resources

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

$	Three months ended March 31, 2023	Three months ended March 31, 2022
Cash provided by (used in) operating activities	206,530	(350,081)
Cash (used in) provided by investing activities	(46,181)	676,413
Cash used in financing activities	(169,209)	(318,703)
(Decrease) increase in cash	(8,860)	7,629
Cash, beginning of Year	25,715	23,318
Cash, end of Year	**16,855**	**30,947**

The net cash provided by operating activities for the period ended March 31, 2023, relates to management fees and interest, plus collection of working capital, less cash flow required to fund operations, including general and administrative costs, professional fees, and salaries. It also includes interest paid on the debentures and other loans. The improvement in operating cash flows from the prior year is due to interest received on the GlassMasters note payable issued in April 2022 and from the collection of amounts due from associates.

Cash used in investing in the period ended March 31, 2023, relates to cash advanced to associates. Cash provided by investment activities for the comparative period 2022 relates to proceeds received on the sale of GlassMasters shares and dividends from Golden.

Cash used in financing activities for the periods ended March 31, 2023, and 2022 relate to advances on our operating loan and the repurchase of shares.

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

$	March 31, 2023	December 31, 2022
Demand revolving operating loan facility	1,041,357	1,200,316
Loan from related party	1,200,000	1,200,000
Convertible debentures	3,679,293	3,683,173
Less: cash	(16,855)	(25,715)
Net loans	5,903,795	6,057,774
Shareholders' equity	12,556,825	12,377,424

The Corporation also has a revolving operating loan facility available to the maximum amount of $2,000,000. On October 13, 2022, Western signed an amended and restated commitment letter with its lender. The Corporation's operating loan facility was amended to become a committed revolving facility (previously a demand loan). The amended facility has a three-year revolving period with a maturity date of October 6, 2025. The interest rate remains at the bank's prime rate plus 2% per annum and carries a standby fee of 0.5% per annum on the unused portion. Security includes a share pledge agreement with respect to the Corporation's interest in some of its associates.

Western holds a $1.2 million loan from Golden Health Care. The loan bears an annual interest rate of 4.09% with interest-only payable monthly and matures on January 31 each year, with automatic annual renewal. The Corporation may prepay amounts owing at any time. Total annual interest payments on this loan are $49,080 per year. With the perpetual nature of the loan, Western has no current intentions to repay the outstanding principal balance.

Convertible debentures were issued in 2019 to assist with the acquisition of Fortress and to fund daily operations. The debentures bear interest at 7.5%, resulting in $300,000 in annual interest payments paid semi-annually. If not converted, the debentures will mature with $4,150,000 payable on March 31, 2024. See note 7 to the March 31, 2023, interim financial statements for further information on the debentures. Western plans to reissue the debentures on or before the date they come due in 2024. Western is currently working with current debenture holders and determining the details for the new issuance. With the maturity of this obligation being less than twelve months away, there is a material uncertainty about Western's ability to meet the obligation. Western does have contingency plans in place to meet this obligation.

The Corporation generates operating cash from finance income, management fees, and dividends from its portfolio investments. Disposing of an investment, or a portion thereof, is also a potential source of cash for the Corporation. The company's regular income does not cover current working capital requirements. Additional capital has been obtained by financing arrangements and by the disposal of a portion of an investment. Western is dependent on the performance of its associates to provide sufficient cash flow to the Corporation to cover operating expenditures and relies on the operating line to cover any shortfall. Western projects the operating line balance to fluctuate as expenses are incurred and cash is generated from associates. Management uses forecasts to monitor and manage the cash position and ensure sufficient room is available to meet operating requirements. Through the use of forecasts, management believes it has sufficient room on its operating facilities to meet all obligations over the next 12 months and beyond, assuming the successful re-issuance of the debentures. We work closely with our associates to monitor their performance and forecasts. Should Western find itself at risk of being unable to meet its obligations, management believes a market would be available to liquidate an investment in associate. The Corporation's ability to continue as a going concern through 2024 depends on its ability to renew the current debentures or to replace this capital with the disposal of an investment.

Outstanding Share Data

No shares were issued in the period ended March 31, 2023, and 2022. During the period ended March 31, 2023, 25,000 shares were repurchased by the Corporation in conjunction with its normal course issuer bid at a cost of $8,875 (March 31, 2022 – 36,000 shares repurchased at a cost of $13,658). This brings the total common shares outstanding at March 31, 2023, to 30,262,756 (December 31, 2022 – 30,287,756). No additional shares have been repurchased subsequent to March 31, 2023, and up to the date of this MD&A. Currently, the total common shares outstanding is 30,262,756. The Corporation has regulatory approval for a normal course issuer bid whereby Western may purchase up to 1,500,000 common shares in the capital of the Corporation, representing approximately 4.9% of the total issued shares.

In the periods ended March 31, 2023, and 2022, no stock options were issued. On March 31, 2023, the total stock options outstanding was 2,664,000 (December 31, 2022 – 2,664,000), with exercise prices ranging from $0.27 to $0.65.

Off-Balance Sheet Arrangements

As at March 31, 2023, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

Related Party Information

The Corporation has incurred related party transactions with management and the Corporation's associates. A detailed description of these transactions is presented in the notes to the financial statements for the period ended March 31, 2023, to be read in conjunction with this MD&A. Related party transactions are in the normal course of operations and are recorded at the exchange amount.

Risks and Uncertainties

The Corporation and its associates are subject to a number of risks as they relate to the organizational structure and the operations of each company. When reviewing forward-looking statements and information contained within this report, investors and others should carefully consider these factors, as well as other uncertainties, potential events, and industry and company-specific factors that may adversely affect the future results of each company. The Corporation, and its associates' environment, is highly competitive, and it is not possible for management to predict all risk factors or the impact these risks may have on the businesses. The December 31, 2022 annual MD&A sets out a brief discussion of the factors which may have a material impact on our future business or financial performance. No significant changes to those factors have occurred to date of this report.

Subsequent Events

There are no subsequent events up to the date of this MD&A.

Proposed transaction

As at March 31, 2023, and up to the date of this MD&A, there were no proposed transactions of the Corporation other than as disclosed herein.

Critical Accounting Estimates and Accounting Policies

This MD&A is based on the financial statements, which are prepared in accordance with IFRS. The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, revenues, expenses, and disclosures of contingent assets and liabilities. Actual results may differ from these estimates, and the differences could be material. Estimates, judgments, and assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years. The critical accounting estimates and judgments are described in detail in note 5 of Western's annual audited financial statements for the Year ended December 31, 2022.

Financial Instruments and Risk Management

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Upon initial recognition, all financial instruments are recognized on the statement of financial position at fair value. Subsequently, Western's financial instruments, including cash, accounts receivable, certain amounts due from related parties, accounts payable and accrued liabilities, and loans and borrowings, are measured at amortized cost. Financial instruments classified at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in the statement of profit or loss and include certain amounts due from related parties.

The Corporation, as part of its operations, is exposed in varying degrees to a variety of risks from the use of financial instruments. Risk management strategies are established to identify and analyze risks faced and to ensure our risks and related exposures are consistent with our business objectives and risk tolerance levels. As a result of the use of the above-mentioned financial instruments, we are exposed to risks that arise from their use, including market risk, credit risk, and liquidity risk. A detailed assessment of each of these risks is presented in the notes to the financial statements for the year ended December 31, 2022, to be read in conjunction with this MD&A.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in this document constitute "forward-looking information". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking information. Such statements reflect the Corporation's forecasts, estimates, and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Corporation's actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Corporation does not intend and does not assume any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events, or developments unless required by law.

Description of Non-IFRS Measures

The Corporation uses accounting principles accepted in Canada under the International Financial Reporting Standards ("IFRS"). Certain supplementary measures in this document do not have any standardized meaning as prescribed by IFRS, including the non-IFRS measures "earnings before interest, taxes, and depreciation and amortization" ("EBITDA") used in relation to our analysis of the results of the Corporations associates. At times adjusted net income may be presented, to removed non-operating income or expenses or one-time transactions. This is believed to provide a better picture of true results from operations and/or be comparable to prior year results.

The Corporation's method of calculating non-IFRS measures may differ from other issuers, and therefore may not be comparable to similar measures presented by other reporting issuers. These non-IFRS financial measures are included because management uses this information to analyze operating performance. Readers are cautioned that these non-IFRS financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.