THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED

Interim Management's Discussion and Analysis

Quarterly Highlights

For the Period ended March 31, 2024

Dated: May 27, 2024

Introduction

The Western Investment Company of Canada Limited ("we", "our", "**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 has been 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 has been to use our expertise and capital to cultivate already great western Canadian businesses, ultimately contributing to their success and legacy over the long run. Our purpose and strategy are expected to evolve upon successfully closing the transaction we announced on March 22, 2024. Please see the Strategic Developments section on page 3 for further details.

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, 2023. 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 and the annual MD&A for the year ended December 31, 2023 and the unaudited condensed interim financials statements for the period ended March 31, 2024. The MD&A was prepared by management of Western and was approved by the Board of Directors on May 27, 2024. Additional information relating to the Corporation, including its Annual Information Form, is available on SEDAR+ at www.sedarplus.ca .

The following table outlines our current equity investments as of May 27, 2024;

Investments	Acquisition Date	Ownership (%)
GlassMasters ARG Autoglass Two Inc.	December 16, 2016	55.3%
Golden Health Care	September 1, 2017	25.0 - 30.0%
Foothills Creamery Ltd.	February 28, 2018	49.5%
Fortress Insurance Company	May 6, 2019	28.5%

Key Highlights for the Period Ended March 31, 2024

The First quarter is typically a slow one for Western's seasonal businesses. Many of these businesses having a quiet quarter resulting in an equity loss which is in line with expectations. We believe our associate companies ("**Associates**") are heading into 2024 primed for a record year. Throughout the quarter, both GlassMasters and Foothills have worked to build high levels of inventory to meet high demand expected throughout the spring and summer months.

After having a record year in 2023, GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**") continued its growth trajectory. First quarter sales are up 15% from the same quarter last year. The company is seeing growth occurring at current retail and warehouse locations, as well as the regular addition of new locations. After adding three locations in 2023, GlassMasters opened its Kelowna location in the first quarter of 2024, and the company expects to add Winnipeg in the third quarter. GlassMasters serves as Western's primary cash flow source, with regular interest payments occurring on the restructured shareholder notes.

Business at Fortress Insurance Company ("**Fortress**") continues its rapid growth, with a 40% increase in gross written premiums from the comparative three months of 2023. Overall, net results at Fortress are comparable to the prior first quarter, as the company manages this growth with the increase in administrative expenses that come with it. Fortress is focused on diversification, expanding its product offerings into liability insurance and the Ontario market. In line with the strategic developments discussed below, Fortress is primed to become Western's key focus looking forward.

Operational and strategic improvements have given Foothills Creamery Ltd. ("**Foothills**") a big boost to profitability over the last couple years. Gross margins have improved since 2022. Foothills continues to innovate with new products and is expanding its customer base. Demand for frozen products is expected to be high this summer and the company is currently holding high levels of inventory leaving it well positioned to meet this demand.

Golden Health Care ("**Golden**") revenue increased 10% compared to the comparative quarter of 2023 thanks to improved occupancy. Inflation has impacted the cost of care, and attracting staff has been challenging. Management is focused on continuing to improve occupancy and is working to access government funding for senior care which would allow more seniors in need to access their beds.

Our associate companies have many plans in place for 2024. Fortress is working to grow gross premiums written with the diversification of its product offerings. GlassMasters has new locations opening, and Foothills is primed with inventory to meet a growing demand for its premium ice cream.

Strategic Developments

On March 22, 2024, Western announced that companies affiliated with Paul Rivett offered to invest at least $20 million into the Corporation (the "Transaction") to transform Western into a property and casualty insurance and investment holding company. Upon the successful closing of the Transaction, Paul Rivett is to be appointed to President and Chief Executive Officer of Western with the following initial priorities:

- Grow the Fortress platform to $100 million per annum in written premiums by 2028 through a combination of prudent organic growth and accretive acquisitions; and
- Continue managing Western's non-insurance holdings as long-term investments.

Subsequent to March 31, 2024, Western has signed share purchase agreements on the shares outstanding in Fortress to satisfy the 51% minimum ownership threshold required to complete the Transaction. See the subsequent events section for the current status of this acquisition.

Completion of the Transaction remains subject to the approval of the TSX Venture Exchange (the "TSXV"), shareholder approval and various other conditions. The terms of the Transaction are set forth in a definitive agreement dated March 21, 2024 (the "Definitive Agreement") that also provide for a potential upsize to $23 million and for a number of other corporate transactions. The transactions as contemplated constitute a Change of Business under the policies of the TSXV.

Upon closing of the Transaction, Western intends to undertake a rights offering ("Rights Offering") to existing eligible Western shareholders by way of a rights offering circular. Under the proposed terms of the Rights Offering, each eligible shareholder as of the record date for such offering will be issued two and a half (2 ½) rights ("Rights") for each common share of the Corporation ("Common Share") held on the Record Date, entitling that holder to purchase one (1) Common Share which provide for 1 vote per share ("Single Voting Share") for each whole one (1) Right held at a price of $0.40 per Single Voting Share for a period of 60 days. The Rights are intended to provide existing Western shareholders with a mechanism to ensure their economic interest in the Corporation is not diluted.

Western has made application to the TSXV to have the Rights listed on the TSXV. The Rights will be offered to registered shareholders resident in a province or territory of Canada. The Rights will not be offered to U.S. persons or sold into the United States. Shareholders who fully exercise their Rights may be entitled to subscribe for additional Single Voting Shares, if available, as a result of unexercised Rights prior to expiry of the Rights Offering. The definitive terms of the Rights Offering, including the proposed record date, are currently in development and will be subject to regulatory approval.

The meeting of Western shareholders to approve the Transaction is tentatively scheduled for mid July, and complete details will be found in the Corporation's information circular that will be available to all shareholders prior to that date.

As of the date of this MD&A Western has secured the minimum required shares in Fortress to satisfy one of the key conditions of this proposed Transaction.

Review of Western's Operations and Financial Results

The financial highlights of the Corporation are:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Financial results ($)		
Revenue	(43,836)	544,236
Professional fees	54,615	47,151
Regulatory fees	17,131	11,794
Management salaries	110,027	105,980
Interest	232,847	184,285
Other expenses	16,676	6,750
Total expenses	431,296	355,960
Net income (loss)	**(475,132)**	**188,276**
Net income (loss) per share	(0.016)	0.006

	March 31, 2024	December 31, 2023
Financial position ($)		
Working capital	71,535	(824,968)
Total assets	19,156,604	19,864,478
Operating loan	1,106,700	-
Loans and convertible debentures	5,529,687	6,725,981
Shareholders' equity	12,304,924	12,780,056

	March 31, 2024	December 31, 2023
Western Share Count Information		
Common shares issued and outstanding	30,207,756	30,207,756

The main driver behind the drop in revenue for the first quarter was the equity loss of $271,752, which is down $620,139 from the comparative period in 2023. The prior period quarter, however was affected by a number of one-time items that positively impacted revenue at our Associates. This included a gain on sale of real estate at Foothills creamery. Removing these one-time items would have resulted in equity earnings that were comparable to the current period. The equity loss was in line with Associates budgets with the first quarter being slow for many of our seasonal businesses that earn the majority of their revenue in the spring and summer months. In addition to equity income, Western earns a modest amount of management fees, and earned $190,415 in finance income from Associates.

Expenses increased 21% from the comparative period as a result of an increase in interest expense due to rising interest rates, combined with an additional $1.1 million in convertible debentures held during the quarter. At March 31, 2024, $1.125 million in convertible debentures matured. In addition to these, as at March 31, 2024, Western has outstanding $5 million of face value convertible debentures that mature on December 31, 2025. The liability component of these debentures accretes interest at an effective rate of 16%.

Western used the operating line to cover the repayment of the $1.125 million in convertible debentures that matured on March 31st.

Looking forward we expect significant equity income to be earned in the next two quarters at our seasonal Associates. 2024 should also bring further growth for Fortress and GlassMasters who will see revenue growth with their ongoing expansion. Foothills is focused on growing revenue and improving profitability.

Net Asset Value

To enhance our shareholders understanding of the value of their investment, we completed a market value assessment of each associate company as at December 31, 2023. 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, 2023, to account for the inherent market value of our investments, the value per share is $0.69 (December 31, 2022 - $0.67). This is well above the current market price of our shares, demonstrating the true value our shareholders hold. 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, 2023:

$	Original purchase price	Carrying Value	Estimated Market Value	Unrealized Gain
Golden Health Care	4,738,192	4,711,339	5,800,000	1,088,661
Fortress Insurance Company	1,690,000	2,726,191	5,200,000	2,473,809
Foothills Creamery Ltd.	3,251,000	2,842,164	4,680,000	1,837,836
GlassMasters ARG Autoglass Two Inc.	4,010,000	8,188,455	10,750,000	2,561,545
Total value of investment in Associates	**13,689,192**	**18,468,149**	**26,430,000**	**7,961,851**

Using the estimated market value of our Associates as outlined above, the net asset value of Western as at December 31, 2023, is:

$		Estimated Market Value
Current assets		656,124
Due from related parties		740,205
Investment in Associates		26,430,000
Current liabilities		(358,441)
Loan from related party		(1,095,000)
Convertible debentures		(5,630,981)
Net asset value		20,741,907
Common shares outstanding		30,207,756
Value per share	**$**	**0.69**

Summary of Equity Investments

Below is a summary of the results of each of Western's Associates for the period ended March 31, 2024. 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 Canadian licensed insurance company focused on specialty and surplus lines of business within the 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.

Key Highlights**:**

- Gross written premiums grew 40% to $5.2 million in Q1 2024 compared with $3.7 million in Q1 2023.
- Q1 2024 includes two new programs, which didn't exist in Q1 2023. Such programs add geographic diversity and class of insurance to the portfolio.
- Q1 2024 saw growth of 127% in its in-house offer and acceptance offerings.

For the three months ended March 31, 2024, Western recognized equity income of $16,630 from Fortress compared to $26,879 in equity income for the quarter ended March 31, 2023.

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

	Three months ended March 31,	
Financial results ($)	**2024**	**2023**
Insurance revenue	5,718,658	4,646,118
Insurance service result	192,484	460,297
Investment income (loss)	265,278	308,445
Net income (loss)	58,454	274,401
Gross premiums written[1]	5,217,772	3,719,218

1 Supplementary measure – total gross insurance premiums written during the period

Fortress continues its trajectory of rapid growth, with increases in gross written premiums each year, including a 40% increase from the comparative quarter in 2023. Gross written premiums include all premiums written during the year, including both earned and unearned, auto insurance premiums, and fronting fees earned.

Fortress continues to increase capacity on all its products, recently adding liability and transportation insurance products to its lineup. We expect to see continued growth in written premiums throughout the year with a focus on diversification of both product lines, and geography, and a focus on growing business in Ontario, Manitoba, and Saskatchewan. New programs in Ontario and Alberta with established partners were added during the first quarter.

The trailing 12-month loss ratio as at March 31, 2024 (incurred losses over earned premium) is 56% (March 31, 2023 – 44%), which includes a few water losses due to frigid temperatures at the beginning of the year. The ratio is being closely monitored and expected to return to the target 45%.

As we head into 2024, we see a softening of the insurance market. Capacity is increasing and rates are coming down. While this may impact Fortress's growth and retention, management is actively monitoring the market and working to find niche areas of products to stay relevant with the brokers.

Western currently holds 28% ownership of Fortress and 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.

GlassMasters

Western holds a 55% investment in GlassMasters, an automotive glass service company with retail locations providing repair and replacement of auto glass and 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, with expansion this year into British Columbia.

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 of which Western's share was $4,658,559. The terms of the note includes automatic renewal for five years upon each maturity date and an interest rate as determined by the Board of Directors of GlassMasters from time to time. The Board has set the interest rate at 14% for 2024 (2023 – 10%). During the three months ended March 31, 2024, $163,049 of interest was earned and payable on this note (March 31, 2023 - $116,464 earned and paid).

The interest earned on the note payable provides cash flow with an additional revenue source for the Corporation and creates 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.

Key Highlights**:**

- Revenue grew 14.5% to $7.6 million in Q1 2024 compared with $6.6 million in Q1 2023.
- GlassMasters newest location in Kelowna is up and running, and Winnipeg is poised to open in the third quarter of 2024.

GlassMasters contributed an equity loss of $299,153 and finance income of $172,638 to Western's results in the three month period ended March 31, 2024 (March 31, 2023 - $140,351 equity loss and $133,377 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 ($)	**2024**	**2023**
Revenue	7,583,689	6,621,345
Gross profit	1,777,036	1,714,511
Net income	(592,904)	(253,708)
Note payable interest paid to shareholders, net of tax	226,962	162,116
Adjusted Net income[1]	(365,942)	(91,592)
Net income	(592,904)	(253,708)
Interest	434,982	359,062
Amortization and depreciation	505,521	395,202
Tax	(177,049)	(75,783)
EBITDA	170,550	424,773

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

GlassMasters has set another record for sales in the first quarter of 2024, with a 15% increase from the prior year. Sales being higher than expected resulted in a slight reduction in margins due to the lower inventory levels on hand in the first quarter and staff training occurring sooner than budgeted. General and administrative expenses are up this year as a result of the addition of the new Kelowna store and warehouse, increased vehicle fuel and insurance costs, inflation, and accounting for foreign exchange of the large amount of inventory that arrived in March. Overall, net income for the quarter came in just slightly below their budgeted loss of $510,000. Being a seasonal business a loss is expected for the first quarter.

GlassMasters' expanded radio advertising and call center is translating into the ongoing growth in retail sales. New accounts are adding to growth in same store revenue. During the latter part of the first quarter significant inventory arrived in preparation to meet anticipated high demand through the spring and summer.

Adding one warehouse, two stores and an investment in an existing full-service glass shop in 2023 GlassMasters is poised to have a strong year. Near the end of the quarter, Kelowna received is ICBC accreditation allowing the Company access to the province's insurance business. 2024 will mark the first expansion into Manitoba with a location opening in Winnipeg. The retail location opened early in the second quarter with a warehouse expected to open late this year. Management continues to assess additional expansion opportunities.

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 this investment under the equity method.

Foothills Creamery Ltd.

Western holds a 50% interest in 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 distribution facilities in Edmonton, Alberta, and Kelowna, British Columbia. 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.

Key highlights:

- Gross Profit grew 15% to $1.75 million in Q1 2024 compared with $1.52 million in Q1 2023 as a result of a focus on higher margin products.
- If we remove the gain on sale of real estate recognized in 2023, EBITDA grew 42% to $570,997 in Q1 2024 compared with $401,450 (adjusted) in Q1 2023.
- As at March 31, 2024, Foothills has $2.1 million more inventory on hand compared to March 31, 2023.

The prior three months ended March 31, 2023, EBITDA and net income was inflated by a large gain realized on the sale of real estate. Foothills sold their Kelowna warehouse in the first quarter of 2023 and is leasing the space back. Removing this $1.1 million gain from 2023 provides for an adjusted net loss of $404,101, and adjusted EBITDA of $401,450.

In the period ended March 31, 2024, Western recorded an equity loss of $44,130 from Foothills compared to equity income earned of $344,621 in the comparative 2023 period, which included Western's share of the gain on sale of real estate. Western earns annual management fees of

$75,000 from Foothills. $13,584 in interest was earned on the shareholder loan during the quarter (March 31, 2023 – $9,581).

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

	Three months ended March 31,	
Financial results ($)	**2024**	**2023**
Revenue	6,732,596	7,168,863
Gross profit	1,745,715	1,515,908
Net income (loss)	(89,170)	695,221
Interest	341,358	283,208
Amortization and depreciation	374,638	314,679
Tax	(55,829)	207,663
EBITDA	570,997	1,500,771

Though sales are down for the first quarter of 2024, this is caused by a decrease in the sale of low margin butter. High margin ice cream sales increased 14%. This, combined with an increase in rebates led to a significant jump in gross margin. Foothills is focused on maintaining higher margins and is achieving this with an improved pricing strategy that accounts for the rise in input costs, savings in logistics, and improvements in rebates received. The focus on high-margin frozen products is paying off, making positive contributions to the bottom line.

The company has manufactured high levels of inventory to ensure it can meet a strong demand for frozen products as they head into their busy season. Many of their scoop shop customers open for the season starting in April. 87% of expected EBITDA is expected to be earned in the second and third quarters. Foothills has plans to grow their frozen product category by $3.1 million. In the butter category, to combat a tight market on this commodity, Foothills is moving its focus to the whipped butter category, where it can add more value and meet the needs of diverse customers. While total butter sales overall will drop, margins are expected to be higher.

The key challenge faced by Foothills is the amount of leverage they have. Total debt service requirements are $1.6 million, including $1 million in interest payments annually. Management actively manages cash flow and monitors bank covenants closely.

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 share issued upon loan conversion. Each warrant shall entitle Western to purchase one share of Foothills. As of March 31, 2024, the loan balance owing to Western was $432,872 (December 31, 2022 - $419,288). On April 27, 2024, Western exercised the second option to extend the maturity date for six months.

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

Western has 50% ownership of Foothills however, it 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 this 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.

Key Highlights**:**

- Revenue grew 10.4% to $2.4 million in Q1 2024 compared with $2.2 million in Q1 2023 as a result of efforts to improve occupancy at underutilized homes.
- Net income grew to $181,803 in Q1 2024 compared with a net loss of $49,105 in Q1 2023.
- EBITDA grew 109% to $483,793 in Q1 2024 compared with $230,971 in Q1 2023.

For the period ended March 31, 2024 Western recognized equity income from Golden of $54,902 compared with a $14,532 loss for the period ended March 31, 2023. During this period, Western received $90,000 in dividends whereas no dividends were received for the period ended March 31, 2023. The dividends were used to pay down the shareholder loan payable to Golden.

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

	Three months ended March 31,	
Financial results ($)	**2024**	**2023**
Revenue	2,420,647	2,192,785
Net income	181,803	(49,105)
Interest	87,761	90,890
Amortization and depreciation	134,996	142,425
Tax	79,233	46,761
EBITDA	483,793	230,971

Golden continues its work to improve occupancy at its underutilized homes. Thanks to these improvements revenue has seen a 10% bump from the prior year. EBITDA has more than doubled. Care homes rely on qualified staff to provide qualify care to their residents, and there continues to be pressure in this area with increasing costs required to retain staff.

Private homes in Saskatchewan face competition from government-run homes subsidized by tax dollars. Golden homes do not receive government subsidization to assist in meeting the health care needs of its residents. Management is working with the government to change this, where the government may use some of Golden's beds for their funded patients. We are optimistic that some form of government funding will occur at our homes in the future.

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, but not control over Golden. Accordingly, the Corporation is using the equity method to account for it.

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, 2024	Dec 31, 2023	Sept 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	Jun 30, 2022
Income/(loss)	(43.8)	(549.9)	881.3	932.3	544.2	620.7	588.7	263.4
Operating expenses	431.3	414.3	392.7	539.1	355.9	339.5	332.9	400.5
Income tax recovery	-	114.0	-	-	-	-	-	-
Net income (loss)	(475.1)	(849.9)	488.6	393.2	188.3	281.2	255.8	(137.1)
Earnings (loss) per share								
- Basic and diluted	(0.016)	(0.028)	0.016	0.013	0.006	0.009	0.008	(0.005)
Total assets	19,156.6	19,864.5	19,913.3	19,690.7	18,658.3	18,615.4	18,064.0	17,543.1
Total long-term liabilities	6,636.4	5,603.3	2,585.9	2,696.3	2,241.4	6,083.5	4,737.1	4,746.4

Quarterly Trends and Seasonality

Certain Associates of the Corporation experience seasonal fluctuations in activity and financial performance. The spring and summer months are generally the busiest for our seasonal Associates. Income for the first quarter of 2023, was impacted by a couple one-time items such as the sale of real estate at Foothills. Removing these items, would bring Western's 2023 first quarter revenue slightly lower than the current quarter.

Expenses are relatively stable from quarter to quarter, with increases expected with inflation and rising interest rates. The 2023 second quarter's cost increase is largely related to additional expenses incurred on the annual audit. Variances in expenses occur based on activity and will be higher when a transaction is underway.

The increase in long-term liabilities as at March 31, 2024, is due to the 2025 Debentures issued in the previous quarter. Westerns operating line was drawn on to address the maturity of the 2024 debentures on March 31, 2024.

Liquidity and Capital Resources

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

$	Three months ended March 31, 2024	Three months ended March 31, 2023
Cash (used in) provided by operating activities	(570,463)	206,530
Cash provided by (used in) investing activities	66,826	(46,181)
Cash used in financing activities	(108,300)	(169,209)
(Decrease) increase in cash	(611,937)	(8,860)
Cash, beginning of period	618,673	25,715
Cash, end of period	**6,736**	**16,855**

The net cash used in operating activities for the period ended March 31, 2024, relates to management fees and interest income, less cash flow required to fund operations, including general and administrative costs, professional fees, salaries, and working capital needs. It also includes interest paid on the debentures and other loans. The positive cash flow in 2023, relates primarily to changes in working capital, which included collections from related parties, including interest receivable on the GlassMasters note payable. Western deferred collection of interest on these notes from the first quarter 2024 until the summer busy season, to allow the company to use its cash to stock up on inventory.

Cash provided from investing activities in 2024, relates to dividends from Golden offset with advances made to Associates. Cash used in investment activities for the comparative quarter 2023, relates to advances to Associates.

Cash used in financing activities for the first quarter of 2024, relates to the repayment of $1,125,000 in convertible debentures. This was funded by advances on the operating loan. Western also made a repayment on our related party loan. In the comparative quarter of 2023, advances were taken on the operating loan.

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

$	March 31, 2024	December 31, 2023
Demand revolving operating loan facility	1,106,700	-
Loan from related party	1,005,000	1,095,000
Convertible debentures	4,524,687	5,630,981
Less: cash	(6,736)	(618,673)
Net loans	6,629,651	6,107,308
Shareholders' equity	12,304,924	12,780,056

The Corporation has a committed revolving operating loan facility available to the maximum amount of $2,000,000. The facility has a three-year revolving period with a maturity date of October 6, 2025. Interest is paid monthly 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. Proceeds received on the issuance of convertible debentures in the fourth quarter, allowed the corporation to repay all amounts outstanding on this operating facility in December. The corporation used this facility to facilitate the repayment of $1.125 million in debentures that matured on March 31, 2024.

Western holds a $1.005 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. During the first quarter, Western made received dividends in the amount of $90,000 which was then applied to the outstanding balance on the loan. With the perpetual nature of the loan, Western has no set plans to repay amounts on the outstanding principal balance and expects to make payments from time to time as cash is available and dividends are paid. Effective April 1, 2024, the interest rate on this loan increased to 6.09%. Total annual interest payments on this loan, based on this new rate are $61,204 per year.

On December 1, 2023, the corporation closed a private placement of a new convertible debentures (2025 Debentures) and an issuer bid for the exchange of its existing convertible debentures (2024 Debentures). In line with this closing, $2.875 million in 2024 debentures that were due to mature on March 31, 2024, were exchanged for the new issuance of 2025 Debentures that mature on December 31, 2025. $1.125 million in 2024 Debentures were held to maturity. In addition to the exchange, $2.125 million in additional 2025 Debentures were issued, bringing the total face value of 2025 Debentures issued to $5 million. The exchange was treated as an extinguishment of debt as the contractual terms of the replacement debenture are substantially different. In line with this extinguishment, Western incurred a $205,594 loss on the settlement of these Debentures.

On March 31, 2024 the $1.125 million of 2024 Debentures matured and were repaid.

As at March 31, 2024 the Corporation had issued $5.0 million of unsecured convertible 2025 Debentures with a principal value of $1,000 each. Each Debenture is convertible into common shares of Western at a conversion price of $0.48 per share at the holder's discretion. The Debentures mature on December 31, 2025, and bear interest at the rate of 9.6% per annum, payable semi-annually at the end of March and September. If 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.

The 2025 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 a rate of 15%, which was the approximate rate available to the Corporation for similar debt without the conversion feature at the date the Debentures were issued. The residual value of $497,046 (net of pro-rated issuance costs), was allocated to the equity component. The liability component is accreted to the principal value using an effective rate of 16%.

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 Corporation'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. Western works closely with its 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.

Outstanding Share Data

No shares were issued in the three months ended March 31, 2024, and 2023. During the period ended March 31, 2024, no shares were repurchased by the Corporation in conjunction with its normal course issuer (March 31, 2023 – 25,000 shares repurchased at a cost of $8,875). The total common shares outstanding at March 31, 2024, was 30,207,756 (December 31, 2023 – 30,207,756). No additional shares have been repurchased subsequent to March 31, 2024, and up to the date of this MD&A. Currently, the total common shares outstanding is 30,207,756. 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 5.0% of the total issued shares.

In the periods ended March 31, 2024, and 2023, no stock options were issued. On March 31, 2024, total stock options outstanding was 2,939,000 (December 31, 2023 – 2,939,000), with exercise prices ranging from $0.27 to $0.65.

Off-Balance Sheet Arrangements

As at March 31, 2024, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

Related Party Information

The Corporation has 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, 2024, 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, 2023, annual MD&A sets out a 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

On April 1, 2024, in line with the mortgage renewal that occurred at Golden, the interest rate on the Golden shareholder loan increased to 6.09%.

Subsequent to March 31, 2024, and up to May 27, 2024 Western has entered into share purchase agreements to acquire 38% of Fortress for $7 million, payable in either cash or common shares of Western using a fixed value of $0.40 per share. The agreements are dependent on a number of conditions including the closing of the TCC transaction discussed in the strategic developments section of this MD&A. The share purchase agreements signed to date will result in Western owning 67% of Fortress. With these agreements, Western satisfies the condition on the TCC transaction to own greater then 51% of Fortress. Western has made this offer to all shareholders of Fortress, the final outcome of this transaction is not yet known. On closing of this acquisition, Western will acquire control of Fortress, which will cease to be an associate. Fortress' results will thereafter be consolidated in the Corporations financial statements.

Proposed transaction

As at March 31, 2024, and up to the date of this MD&A, there were no proposed transactions of the Corporation other than as disclosed above.

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 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, 2023.

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 risks and related exposures are consistent with the Corporation's business objectives and risk tolerance levels. As a result of the use of the above-mentioned financial instruments, the Corporation is 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, 2023, 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 remove 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.