THE
WESTERN INVESTMENT
COMPANY OF CANADA LIMITED

Interim Management's Discussion and Analysis

Quarterly Highlights

For the period ended March 31, 2025

Dated: May 27, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our Management's Discussion and Analysis ("MD&A") is intended to enable a reader to assess the results of operations and financial condition of Western Investment Company of Canada Ltd. for the three months ended March 31, 2025. This MD&A should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2024 and the annual Management's Discussion and Analysis dated April 28, 2025. Unless indicated otherwise, references in this MD&A to the "Corporation" refer to Western Investment Company of Canada Ltd. and references to "us", "we" or "our" refer to the Corporation and its subsidiaries and consolidated entities. The Corporation's Consolidated Financial Statements are in Canadian dollars and are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. In this MD&A, all references to "$" are to Canadian dollars unless otherwise specified. This MD&A is dated May 27, 2025. Additional information is available at www.sedarplus.ca.

Management is responsible for the accuracy and timeliness of the disclosures included herein, and the supporting controls, processes and systems. This document has been reviewed by the Corporation's Audit Committee and approved by its Board of Directors.

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Introduction

The Western Investment Company of Canada Limited ("we", "our", "**Western,**" or the "**Corporation**") is a publicly traded (TSX-V: WI) company. Our purpose has been to create long-term value for shareholders.

This Annual 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, 2024. 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 for the year ended December 31, 2024 and the 2024 annual MD&A that was approved by the Board of Directors on April 28, 2025. 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 investments as of May 27, 2025:

$	Initial Acquisition Date	Original purchase price	Percentage Owned	Current Carrying Value
Fortress Insurance Company	May 6, 2019	15,763,361	100%[1]	20,533,469
Golden Health Care	September 1, 2017	4,738,192	25.0-30.0%	4,757,569
Foothills Creamery Ltd.	February 28, 2018	3,251,000	48.8%	2,293,802
GlassMasters ARG Autoglass Two Inc.	December 16, 2016	4,010,000	55.3%	8,721,683
Total		**27,762,553**		**36,306,523**

1 All shares not previously owned of Fortress Insurance Company were acquired during the fourth quarter of 2024. Ownership increased in 2024 from 28.5% to 100%. Current carrying value represents the acquisition value in 2024. This investment is eliminated on consolidation.

Key Highlights for the Quarter Ended March 31, 2025

2024 was a transformative year for Western as the Corporation ended the year by completing an over-subscribed $30 million Private Placement, appointing a new CEO and refreshing our board of directors. The Corporation received additional capital through a $6.3 million rights offering and completed the acquisition of 100% of the shares of Fortress Insurance Company ("**Fortress**"). These funds provided Western with additional capacity to support the Corporation's strategy shift to focus on property & casualty insurance and investment management starting in 2025. A key priority for management is the search to find strong and nimble insurance companies to invest in. We are actively working through a long pipeline of potential opportunities.

On March 7, 2025, the Corporation exercised its conversion option on the outstanding convertible debentures that were due to mature on December 31, 2025. Debentures with a face value of $5 million were converted into 10,582,007 common shares.

Gross Written Premiums ("**GWP**") in Fortress increased by 155% in the quarter to $13.3 million versus $5.2 million in the first quarter of 2024. This compares against 102% growth for the full year 2024 and 106% in the fourth quarter of last year, versus the fourth quarter of 2023. GWP is a non-GAAP measure and defined as all premiums written during the year, including both earned and unearned auto insurance premiums, and fronting fees earned. This growth is in line with Fortress' previously stated goal of growing the business to $100 million of GWP by 2028. Overall, insurance service results at Fortress are consistent with those earned in the first quarter of 2024. Fortress is focused on diversification, expanding its product offerings into liability insurance, and on growing the Ontario market. Fortress will continue to be a key focus of Western in 2025 following the December acquisition, giving the Corporation 100% of Fortress' outstanding shares. Further details about Fortress' performance and operations can be found below.

GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**") continues its growth trajectory with a 14% increase in sales for the three months ended March 31st versus the comparable 2024 quarter. This first quarter of 2025 marks the first time the company has achieved positive adjusted net income (after adjusting to remove the interest on shareholder notes) in a first quarter to date. Winter is a seasonally slow period for the company, with business traditionally increasing at the end of March. GlassMasters has seen an average of 20% growth in revenue annually for the past four years. This has been obtained through the combination of organic growth occurring at current retail and warehouse locations as well as from the addition of new locations. The company expects to expand on its Winnipeg location and add a second location in Saskatoon later in 2025. GlassMasters serves as Western's primary operational cash flow source thanks to regular interest payments.

Foothills Creamery Ltd. ("**Foothills**") continues to work to improve profitability. Revenue for the first quarter was up 4% from the comparative quarter in 2024. Inventory production is on target, putting the company in a good position heading into their busy season, which over the next six months is where the company will earn the majority of its revenue. This is a seasonal business, and readers should be careful not to extrapolate annual 2025 results based on first quarter revenue and earnings.

Golden Health Care ("**Golden**") continues to improve occupancy at its underutilized homes which is leading to improved profitability. First quarter 2025 revenue increased 10% over the same period in the previous year. Management continues to focus on occupancy and is working to access government funding for senior care, which would allow more seniors in need to access Golden's beds.

Review of Western's Operations and Financial Results

As Reported	**Three Months Ended March 31,**	
Financial results ($)	**2025**	**2024**
Insurance service result		
Insurance revenue	8,211,998	-
Insurance service expenses	(6,572,798)	-
Net expenses from reinsurance contracts held	(1,319,423)	-
Total insurance service result	**319,777**	**-**
Investment income	**129,736**	**-**
Net insurance financial expense	**65,048**	**-**
Other Operating and Administrative Expenses		
Professional fees	356,274	57,460
Payroll & share-based compensation	667,069	110,027
Interest	153,715	232,847
Other Expenses	326,675	30,962
Total other operating and administrative expenses	**1,503,733**	**431,296**
Other income (expense)		
Income from equity investments	(302,952)	(271,751)
Other finance income	365,785	190,415
Other income	54,580	37,500
Total other income	**117,413**	**(43,836)**
Loss before income taxes	**(1,001,855)**	**(475,132)**
Total Income Tax	(2,997)	-
Net loss	**(998,858)**	**(475,132)**
Net loss per common share, basic and diluted	**(0.007)**	**(0.016)**

2025 results now include consolidated results of Fortress. Insurance specific results for the quarter are discussed below in the Fortress section. Fortress contributed a positive insurance service result to this first quarter as well as positive investment income.

Operating and administrative expenses now include consolidated expenses from Fortress and have thus increased significantly. Comparison to previous periods is not currently meaningful. Fortress' contribution to consolidated net income was a loss of $87,474. Fortress has significant new business on the books that is top-loaded with expenses, meaning the revenue recognized on these policies is low at the beginning and increases throughout the term of the policy. Positive revenue is expected as time passes on this new business.

During this first quarter, Western converted the $5 million of outstanding debentures to common shares. Going forward this will dramatically decrease our interest expense, combined with the capital raise that occurred in the last quarter, putting the Corporation in a positive cash position. Income from equity investment is consistent with prior years, with the first quarter of the year being a slow one for our seasonal businesses. Other finance income relates to interest earned on our loans from associates. Income earned on Fortress' investment portfolio in the first quarter is included in investment income. In addition to this, the investment portfolio had $73,682 in unrealized gains recognized in total comprehensive income.

Financial Position

Financial position ($)	March 31, 2025	December 31, 2024
Cash	42,917,592	43,245,301
Investments	10,984,446	11,861,210
Reinsurance assets	24,361,778	20,953,679
Investment in Associates	15,773,054	16,226,006
Goodwill	7,693,912	7,693,912
Other assets	4,025,290	3,764,899
Total assets	**105,756,072**	**103,745,007**
Insurance contract liabilities	37,532,649	32,535,600
Debentures / loan	900,000	5,840,088
Other liabilities	2,592,984	4,625,397
Total liabilities	**41,025,633**	**43,001,085**
Shareholders' equity	**64,730,439**	**60,743,922**
Total Liabilities & Shareholders Equity	**105,756,072**	**103,745,007**
Share Count Information		
Common Shares Issued and Outstanding	**158,851,050**	**148,269,043**

Cash has dramatically increased following 2024's financing activities, which provided $36 million in capital raised by the Corporation, combined with $13 million in cash held at Fortress. Fortress' investment portfolio is included in our consolidated assets since full ownership of Fortress was acquired in the fourth quarter of 2024. Our Investment in Associates' balance has decreased as our investment in Fortress was removed with the acquisition of control and is now accounted for as a wholly owned subsidiary. The balance is down from December 31, 2024, due to the loss incurred, which is typical for the first quarter. See the Fortress discussion below for further details of insurance specific results.

At December 31, 2024, Western had $4.8 million in debentures outstanding and a $1 million shareholder loan. The debenture was converted to equity during the quarter, as discussed under Liquidity and Capital Resources. Insurance contract liabilities are up as Fortress continues to grow and write more business. Other liabilities are down as expenses related to the capital raise are paid off, and from a $895,000 reduction in fronting payable due to primary insurers putting up bigger limits and using their excess capital reserves. This has reduced the need for Excess of Loss business we were fronting for.

Shareholder equity has increased with the conversion of the convertible debentures into Western shares at a value of $4.8 million.

Given the significant change in the business, with Fortress results now being consolidated into Western's, period over period comparisons are difficult. To assist readers in evaluating the business, specific results for Fortress are provided below, along with a discussion on Associate performance.

Fortress Results and Financial Overview

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 British Columbia to Ontario and all three territories.

Management has been actively working on developing relationships with its broker network and negotiating reinsurance contracts that 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**:**

- GWP grew 155% to $13.3 million in Q1 2025 compared with $5.2 million during the first quarter of 2024.
- Results to date in 2025 include two new specialty programs added later in 2024 which didn't exist in the comparative first quarter of 2024. Such programs add new classes of insurance, adding to the diversity of the portfolio and are outlined below.
- Fortress' total investment portfolio, including cash and cash equivalents, grew 4% to $24.5 million compared to $23.5 million as at December 31, 2024.

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

	Three months ended March 31,	
Highlights	**2025**	**2024**
Gross Written Premiums[1]	13,328,460	5,217,772
Insurance revenue	6,575,869	5,718,658
Total insurance service result	191,155	192,484
Total investment income	203,418	265,278
Net (loss) income	**(121,855)**	**118,354**
	March 31, 2025	**December 31, 2024**
Total assets	48,687,840	43,960,858
Total liabilities	38,629,796	34,854,641
Total shareholder's equity	10,058,044	9,106,217

1 Non-GAAP measure – total gross insurance premiums defined as all premiums written during the year, including both earned and unearned auto insurance premiums, and fronting fees earned.

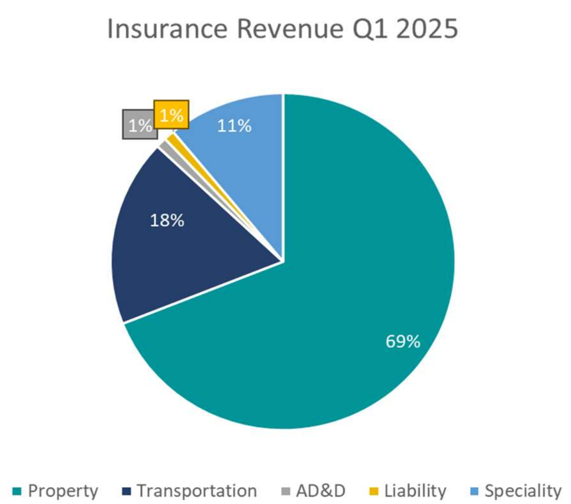
Note: The above table reflects stand-alone Fortress results, excluding consolidation adjustments for the Corporation.

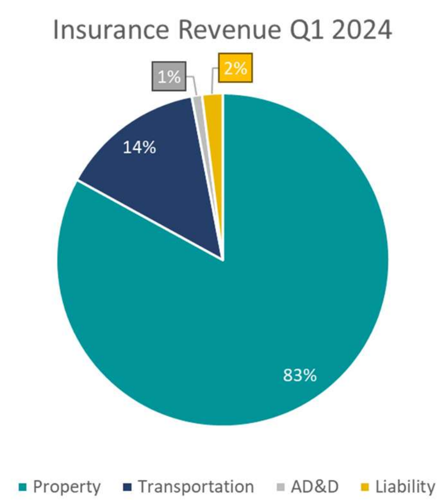
The first quarter saw a slight decrease in the existing portfolio's GWP as compared to the same period in 2024; however, the introduction of the two speciality programs in Q2 and Q4 2024 resulted in a net increase of 155%. Although insurance revenue increased 15% year over year, total insurance service result decreased by 1%; this is due to the long-term policies written under the speciality programs, which have an end-tailed profitability. Profitability on these longer-term programs will increase gradually over their term.

Net investment income saw an increase of 9%, partly due to a greater investment base and the market continued to have overall positive yields.

The Insurance industry's 'soft market' conditions persist in 2025, in particular in residential realty across the country. The abundance of capital, as global markets look to deploy their healthy capital reserves in the relative 'safety' of Canada, alongside ever-improving risk segmentation and modelling tools, has pushed competition to a peak. As a result, and consistent with 2024, capacity in the market is still abundant, and rates have decreased. While this may impact Fortress's growth and retention, management continues to focus on prudent underwriting practices, building diversity geographically and by segment or product, supporting our existing partners and retaining our GWP to the best of our ability.

Management is also working to find niche areas of products to stay relevant with current broker partners.





Fortress recently added an automobile replacement value insurance product and a tire and rim program to its specialty segment lineup. These new specialty programs based out of British Columbia, added during the second and fourth quarter of 2024, constitute 62% of the first quarter increase in gross written premiums over the same period last year. These new programs increased expenditures, and they will take time to contribute substantially to the bottom line due to the length of some of the policies written.

During the first quarter of 2025, Fortress added 3 additional programs to its offerings, including equine property coverage, a small and medium enterprise package, and transportation commercial general liability. We expect to see continued growth in written premiums with a focus on the diversification of product lines and geography and on growing business in Ontario, Manitoba, Saskatchewan and Alberta.

The trailing 12-month loss ratio as at March 31, 2025 (incurred losses, including incurred but not reported, over earned premium) is 50.2% (March 31, 2024 – 56.0%). As Fortress' earned premiums grow, so does the potential for claims. This year, the loss ratio has decreased as Fortress experienced a favourable first quarter with less claims events in comparison to the first quarter of 2024. The comparative quarter of 2024 saw an increase of freezing event claims, which did not re-occur in 2025. As noted in the Corporation's Annual MD&A, loss ratios were expected to normalize in 2025, which is what we saw with the first quarter results.

The trailing 12-month expense ratio and combined ratio increased from the prior year in part due to the first quarter of 2024 not yet including costs associated with the new specialty products which have end-tailed profitability and higher professional fees. As compared to fiscal 2024, the normalized expense and combined ratio increased to 60.4% and 110.7%, respectively.

With respect to Fortress' Minimum Capital Test ("**MCT**"), the business remains well capitalized and in excess of limits required for compliance with regulatory requirements.

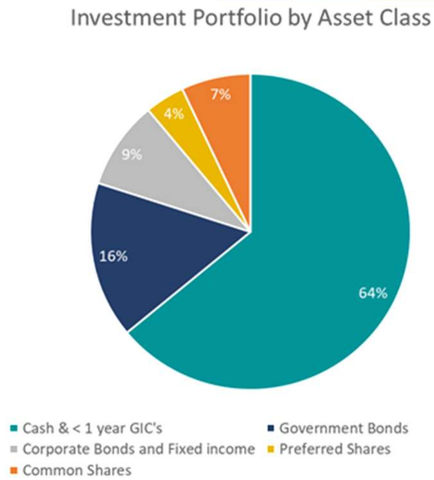
Prior to October 1, 2024, Western held 29% ownership of Fortress and appointed two of eight directors to the Board. This gave Western significant influence over the investment. As such, Fortress was accounted for under the equity method. Fortress' remaining outstanding shares were acquired during the fourth quarter 2024, giving Western 100% ownership. As a result, starting October 1, 2024, Fortress results are consolidated into Western's financials.

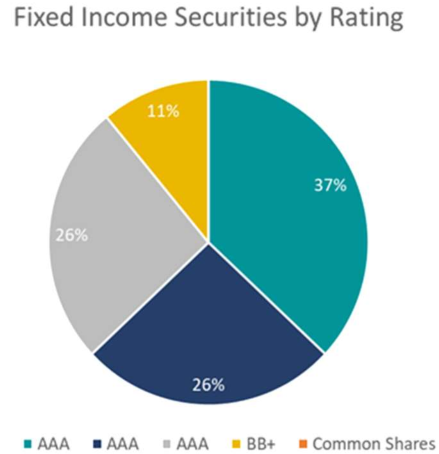
Investment Performance Review

Fortress' investment policy seeks to achieve superior long-term total returns in order to support its liabilities and maintain strong regulatory and economic capital levels. In 2025, Fortress' new investment philosophy focuses on clearly understanding each portfolio investment thoroughly as a core tenet of the business, with the same rigour that is applied for insurance underwriting and relying less on outside investment managers.

Summary of Cash and Investments

Fortress' $24.4 million investment portfolio consists of cash and cash equivalents, short-term securities, government and corporate bonds, preferred shares, and common shares. All of Fortress' fixed income holdings are highly liquid (able to sell a fixed income investment within a short period of time). 89.5% of fixed income holdings are rated A or higher, with the remaining 10.5% rated at BBB+.





Net Investment Income

	Three months ended March 31,	
Financial results ($)	**2025**	**2024**
Net Investment Income	172,784	157,798
Net realized gains (losses)	34,707	33,034
Changes in fair value	(4,072)	74,446
Total Investment Income	**203,419**	**265,278**

Net Investment Income is comprised of dividend and interest income from invested capital. Invested capital consists of a combination of cash and cash equivalents, investment grade government bonds, corporate bonds, common shares and preferred shares. Net investment income for the quarter increased compared to the prior year because the investment base was greater, and the market continued to have positive yields. As our gross written premiums grow, so shall our investment base and associated investment returns.

Net realized gains (losses) and changes in fair value represent Fortress' returns for holding and transacting investments in bonds and shares. These returns are a combination of changes in market valuations and foreign exchange fluctuations at the time investments are sold or mature, or at revaluation to market value at period end for those investments that are still owned by Fortress. Fortress had favourable net realized gains during the first quarter as the market valuations of assets sold and matured during the period were greater than the prior comparative period. Changes in fair value decreased from the prior period due to the downturn in the market, decreasing market valuations.

2025 Insurance Industry Outlook

The Corporation's Annual MD&A dated April 28, 2025 outlined its 2025 insurance industry expectations, and recommends the reader refer to that document for greater detail. The outlook as outlined at that time has been reflected in the market to date. The Corporation continues to actively monitor insurance industry activity, responding accordingly to achieve the best possible outcomes for the business, while prioritizing product line and geographic diversification. The outlook for the balance of the year remains consistent with that previously outlined.

Operating Metrics	Definition
Combined Ratio	Measures an insurer's profitability by comparing claims and expenses to earned premiums; it is calculated as (Incurred Losses + Expenses) / Earned Premiums. A ratio below 100% indicates underwriting profit, while a ratio above 100% signals an underwriting loss.
Expense Ratio	Expense ratio is the percentage of an insurer's earned premium that is used to cover operating expenses such as underwriting, commissions, and administrative costs. It reflects how efficiently the insurer manages its business operations relative to the premiums it earns.
Gross Written Premiums	Gross Written Premium ("**GWP**") refers to the total premium an insurance company writes during a specific period before deductions for reinsurance and cancellations. It represents an internal metric for management to measure top-line revenue from all policies issued, providing a key measure of an insurer's business volume.
Loss Ratio	Loss ratio is a key insurance metric that compares total claims paid and reserved to the premiums earned over a specific period. It indicates how efficiently an insurer is underwriting risk – lower ratios suggest better profitability, while higher ratios may signal underwriting or pricing issues.
MCT	The Minimum Capital Test ("**MCT**") is a regulatory measure used in Canada to assess the financial strength and solvency of an insurer. It compares its available capital to its required capital, with a higher ratio indicating a stronger ability to meet obligations and absorb losses.

Summary of Equity Investments

Below is a summary of the results of each of Western's Associates for the three-month period ended March 31, 2025. 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).

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 recent expansion into British Columbia and Manitoba.

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 include 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 set the interest rate at 14% for 2025 (2024 – 14%). In the first quarter 2025, $163,049 of interest was earned on this note (March 31, 2024 - $163,049), with $163,049 receivable as at March 31, 2025, and received shortly after quarter end (March 31, 2024 - $163,049).

The interest earned on the note receivable provides cash flow and an additional income 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% to $8.6 million in 2025 compared with $7.4 million in the comparative quarter of 2024.
- First quarter gross profit grew 29% from $1.8 million in 2024 to $2.3 million in 2025, and EBITDA grew 280% from $171 thousand to $648 thousand.
- This is the first time the company has earned a positive adjusted net income (removing note payable interest) in the first quarter of the year.

GlassMasters contributed equity loss of $111,010 and finance income of $172,738 to Western's results in the quarter ended March 31, 2025 (March 31, 2024 - $299,153 of equity loss and $172,638 in finance income).

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

	Three months ended March 31,	
Financial results ($)	**2025**	**2024**
Revenue	8,635,047	7,583,689
Gross profit	2,298,617	1,777,036
Net income	(200,670)	(592,904)
Note payable interest paid to shareholders net of tax	226,962	226,962
Adjusted Net income[1]	**26,292**	**(365,942)**
Net income	(200,670)	(592,904)
Interest	421,976	434,982
Amortization and depreciation	488,382	505,521
Tax	(61,756)	(177,049)
EBITDA[2]	**647,932**	**170,550**

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

2 EBITDA is a Non-GAAP measure, that management uses to assess performance. The reconciliation above ties to the financial statements of the company.

GlassMasters continues to post record sales with a 14% increase in quarterly revenue from the prior year. The company has seen, on average, a 20.0% growth in sales each fiscal year over the past four years. This growth is coming from expansion, with new stores and warehouses being added, as well as gains in market share at existing locations. In the first quarter of 2025, GlassMasters experienced organic growth of 15-25% at each established location. The warehouse operations had stable revenue, sustaining their revenue footprint during the quarter.

Over the past year, newer store and warehouse additions in Kelowna and Winnipeg have been steadily growing. As the company adds new locations, margins can be temporarily affected as it takes time for stores to develop sufficient business to break even.

Adjusted net income, which removes shareholder interest, for the three months ended March 31, 2025, was $26,292 compared to a $365,942 loss in the first quarter of 2024, marking the first time the company has been profitable in a first quarter, a seasonally slow time in the business. Gross profit grew 29%, and EBITDA is up 225% from the prior comparative three months of 2024.

The success of this period can be attributed to several factors. During the first quarter in their Saskatchewan operations, GlassMasters completed significantly more insurance work, which tends to have higher margins. Regional managers throughout the company focused on labour utilization and cost management. As a result, while the store locations experienced growth in sales, there were no additional labour cost increases. Cost management on materials also improved the bottom line. In this first quarter, the company had a successful recovery of bad debts and gains on foreign exchange rates as well.

Last year marked the expansion into Manitoba, which is currently operating out of a temporary retail location We expect this store to move to a permanent location later in 2025. Management is currently working to open a second location in Saskatoon later in 2025.

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 49% 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:

- Revenue was up 4% at $7.0 million compared to $6.7 million in the first quarter of 2024.
- Inventory levels at March 31, 2025 are reduced by $1.4 million compared to the prior year, thanks to improved cream management.

Western recorded an equity loss of $279,365 from Foothills in the quarter compared to an equity loss of $44,130 in the comparative 2024 period. Western earns annual management fees of $75,000 from Foothills. $24,933 in interest was earned on the shareholder loan during the quarter (March 31, 2024 – $13,584).

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

	Three months ended March 31,	
Financial results ($)	**2025**	**2024**
Revenue	7,000,917	6,732,596
Gross profit	1,571,897	1,745,715
Net income	**(572,117)**	**(89,170)**
Interest	427,933	341,358
Amortization and depreciation	397,315	374,638
Tax	(78,300)	(55,829)
EBITDA[1]	**174,831**	**570,997**

1 EBITDA is a Non-GAAP measure that management uses to assess performance. The reconciliation above ties to the financial statements of the company.

Sales are up 4% for the first quarter of 2025 compared to the same quarter of 2024. Ice cream sales are up 17% in this quarter, a trend the company anticipates will continue as they head into their busy season for frozen products. Gross profit is down 10%, however, the reason is related to an assembly cost credit that artificially bumped up margins in the first quarter of 2024.

Budgeted margins were 21.3%, and actual margins for the first quarter exceeded this at 22.5%. Foothills' first quarter results hit targets in all areas.

Management has worked to reduce inventory levels, which are down $1.4 million from the prior comparative period thanks to improved cream management. The reduced inventory is primarily butter, with ice cream stock 12% higher than the prior comparative period. By summer, Foothills expects to start receiving a milk allocation from Dairy Innovation West, a new Alberta-based milk processor. This partnership will assist Foothills in receiving a stable supply of cream and aims to showcase western dairy products. A stable cream supply will assist the company in inventory management and reduce input costs. Projected savings from this partnership are approximately $0.65 per kilogram, or approximately $750,000 annually.

Foothills will continue to prioritize maintaining profitability through a focus on selling more high-margin frozen products, and they will continue working to find ways to grow sales. Foothills has plans to grow the frozen product category by $1.9 million in 2025. 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, with higher margins, and meet the needs of diverse customers.

A key challenge faced by Foothills is the amount of leverage they have. Total annual debt service requirements are $2.2 million, including $1.4 million in interest payments annually. Management actively manages cash flow and closely monitors bank covenants. The company is currently offside on their debt covenants. With the addition of a new warehouse lease that started June 1, 2024, covenants are now tighter with higher levels of debt on the balance sheet and are being managed closely. Foothills is working with its lender on a recovery plan and to address the breach. An agreement was made with the lender via a letter of comfort dated November 28, 2024, for shareholders to provide an equity cure payment of $250,000 in December. This payment was made by Western on December 6, 2024 and has been added to the shareholder loan balance due from Foothills. A second equity cure payment may be required in the second quarter of 2025, with an expectation that Western's partner will participate in the second equity cure. The lender has agreed that with these equity cures, they will continue to make the credit facilities available to Foothills pursuant to their loan agreement.

Western has been supporting 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 had a one-year maturity date on inception, with the option to extend for four consecutive six-month periods and thereby expiring in October 2025. 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, 2025, the loan balance owing to Western was $0.81 million (December 31, 2024 - $0.77 million). On April 22, 2025, Western exercised a fourth option to extend the maturity date for six months.

Based on the seasonality of operations, readers are cautioned not to weigh quarterly financial data equally for all quarters.

Western has 49% ownership of Foothills; 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. Golden has a 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**:**

- First quarter 2025 revenue grew 10% to $2.7 million compared with $2.4 million in the first quarter of 2024, as efforts to improve occupancy at underutilized homes yielded intended results.
- EBITDA grew 35% to $0.65 million in the quarter ended March 31, 2025, compared with $0.48 million in the same quarter of 2024.
- Net income for the quarter was $289,319 compared with $181,803 in the comparable quarter of last year.

Western recognized equity income from Golden of $87,423 for the quarter compared with $54,902 in the first quarter of 2024. During the most recent quarter, Western received $150,000 in dividends (March 31, 2024 - $90,000). $105,000 of 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 ($)	**2025**	**2024**
Revenue	2,668,748	2,420,647
Net income	**289,319**	**181,803**
Interest	113,186	87,761
Amortization and depreciation	133,071	134,996
Tax	115,310	79,233
EBITDA[1]	**650,886**	**483,793**

1 EBITDA is a Non-GAAP measure that management uses to assess performance. The reconciliation above ties to the financial statements of the company.

Golden has seen a 10% jump in quarterly revenue thanks to improvements in occupancy at the two previously underutilized homes. Inflationary pressure has eased on the expense side, allowing the company to make gains in EBITDA. Of the three homes the Corporation has ownership in, one has been near full occupancy, one has greatly improved its occupancy levels over the past year, and one continues to make small gains. Two of the three are now on-side their bank covenants, with the third making small improvements as occupancy gains are made. During the year, Western provided a $90,000 repayment on the Golden shareholder loan to address the covenant breach at the one home ($150,000 repayment was made in the first quarter of 2024). Covenants are tested once annually as at August 31.

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.

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 its investment.

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:

$000s except for per share amounts	Mar. 31 2025	Dec. 31 2024	Sept 30 2024	June 30 2024	Mar 31 2024	Dec. 31 2023	Sept 30 2023	June 30 2023
Insurance revenue	8,212.0	8,142.1	-	-	-	-	-	-
Insurance service result	319.8	81.3	-	-	-	-	-	-
Operating expenses	1,503.7	1,821.1	735.9	563.0	431.3	414.3	392.7	539.1
Other income/(expense)	117.4	2,506.9	1,257.0	667.0	(43.8)	(549.9)	881.3	932.3
Net income (loss)	(998.9)	1,126.6	521.1	104.0	(475.1)	(849.9)	488.6	393.2
Earnings (loss) per share								
- Basic and diluted	(0.007)	0.014	0.017	0.003	(0.016)	(0.028)	0.016	0.013
Total assets	105,756.1	103,745.0	21,128.2	19,999.1	19,156.6	19,864.5	19,913.3	19,690.7
Long-term debt	900.0	1,005.0	7,634.1	7,292.3	6,636.4	5,603.3	2,585.9	2,696.3

Quarterly Trends and Seasonality

Effective October 1, 2024, Western acquired control over its associate Fortress Insurance, at which time Fortress became a subsidiary. Fourth quarter 2024 results for Fortress and thereafter are consolidated into Western. This makes quarterly comparisons difficult.

Operating expenses increased in December 2024 with the consolidation of Fortress. The new structure at Western has brought additional operating expenses that did not exist before that quarter, such as additional salaries and management fees. The fourth quarter of 2024 also had additional expenses related to the acquisition. Other income, includes equity income, and is typically low in the first quarter of the year, due to the seasonal nature of our associates.

Looking forward to the balance of 2025, Western has significantly reduced its debt and has significant cash on hand. While reductions in interest expense will occur, the Corporation is seeing a significant jump in administrative expenses as it transitions to a new management team. As the team searches for future acquisition opportunities, this too will increase our expenditures.

The increase in long-term debt last quarter of 2023 is due to the 2025 debentures issued in December 2023, plus the repayment of the 2024 debentures in March 2024, which was funded by the Corporations' operating line in the first quarter of 2024. In this quarter ended March 31, 2025, the outstanding debentures were converted to common shares. The operating line was used to fund operations through the second and third quarters of 2024 and fully repaid in the fourth quarter with proceeds from the capital raise. As at March 31, 2025, the Corporation continues to carry one shareholder loan. Further details are provided below.

Liquidity and Capital Resources

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

	Three months ended March 31,	
($)	**2025**	**2024**
Cash used in operating activities	(1,223,665)	(570,463)
Cash provided by investing activities	1,026,240	66,826
Cash used in financing activities	(130,284)	(108,300)
Decrease in cash	(327,709)	(611,937)
Cash, beginning of period	43,245,301	618,673
Cash, end of period	**42,917,592**	**6,736**

Results for 2025 include the consolidated results of Fortress' first quarter. This makes comparison with the first quarter of 2024 difficult.

The net cash used in operating activities for the three months ended March 31, 2025, includes operations at Fortress, which were near its break-even point. The Corporation had significant cash flow requirements to fund operations. This includes cash for general and administrative costs, professional fees, salaries, and working capital needs, such as the payment of significant payables related to the Fortress transaction and capital raise, which were paid during the quarter. Cash expenses are offset slightly by interest income earned from associates. Operating cash needs are now higher than in prior periods with increased amounts being spent on salaries, management fees and increased activity as management searches for acquisition opportunities.

Cash provided from investing activities in the first quarter of 2025 relates to $1.4 million in cash from the proceeds on the sale and maturity of investments in the insurance investment portfolio. Overall, proceeds exceeded the $0.5 million in investment purchases during the quarter. In the comparative quarter of 2024, results reflect only Western's operations where dividends from Golden offset advances made to associates.

Cash provided by financing activities for the quarter relates primarily to a repayment of a shareholder loan, similar to the comparative quarter of 2024.

Western's capital structure is outlined below:

($)	March 31, 2025	December 31, 2024
Loan from related party	(900,000)	(1,005,000)
Convertible debentures	-	(4,835,008)
Less: cash	42,917,592	43,245,301
Net capital/(loans)	**42,017,592**	**37,405,293**
Shareholders' equity	**64,730,439**	**60,743,922**

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. Subsequent to the capital raise that occurred in late 2024, all amounts outstanding on the facility were repaid.

Western holds a $0.9 million loan from Golden Health Care. The loan bears an annual interest rate of 6.09% 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 quarter, Western received dividends in the amount of $150,000 from Golden, and applied $105,000 of this 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 received. Total annual interest payments on this loan are $54,810 per year.

As at December 31, 2024 the Corporation had issued $5.0 million face value of unsecured convertible Debentures ("the Debentures") with a principal value of $1,000 each. Each Debenture was convertible into common shares of Western at a conversion price of $0.48 per share at the holder's discretion. The Debentures were due to mature on December 31, 2025, and bore interest at the rate of 9.6% per annum, payable semi-annually at the end of March and September. The Debentures were compound financial instruments containing both a liability and equity component. The liability component of the Debentures represented the present value of interest and principal payments over the life of the financial instrument, discounted at 15%, which was the approximate rate available to the Corporation for similar debt without the conversion feature at the date the Debentures were issued in 2023.

The Debentures included a conversion option where, if the closing price of Western's shares on the TSX Venture Exchange was $0.65 or greater for 20 consecutive trading days, Western may, at its option, force the conversion of the Debentures into common shares. During the three months ended March 31, 2025, these conversion requirements were met, and Western exercised the forced conversion option. On March 7, 2025, all outstanding debentures were converted into common shares at a conversion price of $0.4725. The outstanding principal amount of $5 million was converted into 10,582,007 common shares. The carrying value of the liability for the Debentures at the time of conversion was $4,760,456, and the equity component was $400,908, for a total addition to share capital on conversion of $5,161,364. All accrued and unpaid interest from October 1, 2024, to March 7, 2025, was paid concurrently to the debenture holders and all debentures were cancelled effective March 7, 2025.

During 2024, Western completed a capital raise, raising $30 million via a private placement, and $6.3 million via a rights offering. Cash on hand is intended to be used to support working capital requirements, and to be used for future acquisitions. The Corporation generates operating cash from finance income, management fees, and dividends from its Associates and/or subsidiary. 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 currently cover current working capital requirements. Western is dependent on the performance of its subsidiary and Associates to provide sufficient cash flow to the Corporation to cover operating expenditures and is currently meeting this shortfall with the capital provided by the capital raise that occurred in 2024. The Corporation maintains an operating line to cover potential shortfall in the future. Management uses forecasts to monitor and manage the cash position and ensure sufficient room is available to meet operating requirements.

Outstanding Share Data

Our authorized share capital consists of an unlimited number of common and preferred shares.

On October 1, 2024, in line with the first tranche of acquisition of Fortress shares, Western issued 25,193,922 common shares.

On December 4, 2024, 15,742,365 common shares were issued on the close of the Corporation's 2024 rights offering.

In December 2024, 75,000,000 common shares were issued for the private placement.

On December 31, 2024, 2,125,000 common shares were issued in line with the second tranche of the Fortress shares acquisition.

On March 7, 2025, 10,582,007 shares were issued in relation to the Debenture conversion as outlined above.

The total common shares outstanding at December 31, 2024, was 158,851,050 (December 31, 2023 – 148,269,043).

In the periods ended March 31, 2025 and 2024, no Western stock options were issued. On March 31, 2025, the total Western stock options outstanding was 3,059,000 (December 31, 2024 – 3,059,000), with exercise prices ranging from $0.27 to $0.65. At March 31, 2025, the Corporation also had 75 million warrants outstanding, unchanged from December 31, 2024. The warrants expire on December 6, 2029 and have an exercise price of $0.47.

The Corporation's wholly owned subsidiary has an Employee Share Ownership Plan (ESOP), of which 683,655 options were outstanding as at March 31, 2025 (December 31, 2024 - 673,524). During the three months ended March 31, 2025, 34,819 options were issued on this ESOP, and 3,208 were redeemed for a value of $4,074. Vesting dates on the outstanding option occur until September 30, 2027. These options will be settled by Fortress in cash, or Western shares. During the three months ended March 31, 2025, $155,312 in stock-based expense was recognized by the corporation as these options vest (March 31, 2024 - $nil).

Off-Balance Sheet Arrangements

As at March 31, 2025, 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 year ended December 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.

Subsequent Events

On April 22, 2025, Western exercised its fourth option to extend the maturity of the Foothills shareholder loan. The maturity date of this loan shall now be October 27, 2025.

As at March 31, 2025 and up to the date of this MD&A there were no proposed transactions of the Corporation other than as disclosed above.

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 Corporation-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 most significant risks identified by management can be found in the 2024 annual MD&A document, dated April 28, 2025 and should be considered by the reader. This document can be found at www.sedarplus.ca. No significant changes to those factors have occurred to date of this report.

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, 2024.

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 and cash equivalents, 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, short-term investments and equities. Financial instruments classified at fair value through other comprehensive income are carried in the statements of financial position at fair value with net changes in fair value recognized in the statement of other comprehensive income and include debt securities.

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 financial statements for the year ended December 31, 2024, to be read in conjunction with this MD&A.

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 Corporation's 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.

Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward- looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of our Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "likely," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts", "potential" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could".

Although management believes that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of our Corporation to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which the Corporation does business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; insurance risks including pricing risk, concentration risk and exposure to large losses, and risks associated with estimates of loss reserves; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which the Corporation operates; governmental investigations; litigation; changes in tax laws; changes in capital requirements; changes in reinsurance arrangements and availability and cost of reinsurance; ability to collect amounts owed; catastrophic events, such as earthquakes, hurricanes or pandemics; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; risks associated with reliance on distribution partners, capacity providers and program administrators; third party risks; risk that models used to manage the business do not function as expected; climate change risk; risk of economic downturn; risk of inflation; risks relating to cyber-security; risks relating to credit ratings; and other risks and factors detailed from time to time in our documents filed with securities regulators in Canada.

Management cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, our Corporation undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.