THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED

ANNUAL INFORMATION FORM

For the year ended December 31, 2024

Dated: April 28, 2025

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DEFINITIONS

"**2024 Debenture**" means an unsecured convertible debenture in the principal amount of $1,000 previously issued and outstanding under the 2024 Debenture Indenture, which had a maturity date of March 31, 2024;

"**2024 Debenture Indenture**" means the convertible debenture indenture dated May 9, 2019 entered into between Western and Odyssey Trust Company, that governed the 2024 Debentures;

"**2025 Debenture**" means an unsecured convertible debenture in the principal amount of $1,000, issued under the 2025 Debenture Indenture, which had a maturity date of December 31, 2025;

"**2025 Debenture Indenture**" means the convertible debenture indenture dated October 24, 2023, entered into between Western and Odyssey Trust Company, that governs the 2025 Debentures;

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**AIF**" means this Annual Information Form;

"**Amended and Restated Commitment Letter**" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History - 2022"*;

"**ATB**" means ATB Financial;

"**ATB Facility**" means the credit facility with ATB entered into by the Corporation in 2020 as subsequently amended;

"**ATB Private Equity**" means ATB Private Equity, LP;

"**Board**" means the board of directors of Western;

"**Common Shares**" means the common shares in the capital of Western;

"**Corporation**" or "**Western**" means The Western Investment Company of Canada Limited;

"**COVID-19**" means coronavirus disease (COVID-19), also known as the 2019 novel coronavirus, and severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization;

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange Inc.;

"**Foothills**" means Foothills Creamery Ltd., a company incorporated under the ABCA;

"**Foothills USA**" means the unanimous shareholders agreement dated February 28, 2018 entered into by the shareholders of Foothills;

"**Fortress**" means Fortress Insurance Company, an insurer incorporated under the *Insurance Act* (Alberta);

"**Fortress Transaction**" has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History - 2024*";

"**Fort McKay**" means Fort McKay Landing Limited Partnership;

"**GlassMasters**" means GlassMasters ARG Autoglass Two Inc., a corporation amalgamated under the ABCA;

"**GlassMasters SPA**" means the share purchase agreement dated February 1, 2022 between Fort McKay and Western;

"**GlassMasters Transaction**" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History - 2022"*;

"**GlassMasters USA**" means the unanimous shareholders agreement dated February 1, 2022 entered into by the shareholders of GlassMasters;

"**Golden Health Care**" has the meaning ascribed thereto under the heading *"Corporate Structure - Intercorporate Relationships"*;

"**Golden Health Care USA**" means the unanimous shareholders agreements dated September 1, 2017 entered into by the shareholders of Golden Health Care Management Inc., Hill View Manor Ltd., The Good Shepherd Villas Inc. and William Albert House Ltd.;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*;

"**Ocean Sales**" means Ocean Sales Group Ltd., a company incorporated under the ABCA;

"**Options**" means options to purchase Common Shares issued pursuant to the Corporation's stock option plan;

"**Preferred Shares**" means the preferred shares in the capital of Western;

"**Private Placement**" has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History*";

"**Rights Offering**" has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History*";

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), including the regulations promulgated thereunder, all as amended from time to time;

"**Tevir**" has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History – 2024*";

"**Tevir Agreements**" means the Tevir Investment Agreement, the Tevir Investor Rights Agreement, the Tevir Investment Management Agreement and the Tevir Management Services Agreement;

"**Tevir Investment Agreement**" has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History - 2024*";

"**Tevir Investment Management Agreement**" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History – 2024"****;***

"**Tevir Investor Rights Agreement**" has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History - 2024*";

"**Tevir Management Services Agreement**" has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History – 2024*";

"**Tevir Transaction**" has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History - 2024*";

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia; and

"**USAs**" means, collectively, the GlassMasters USA, the Golden Health Care USA, and the Foothills USA.

Unless otherwise specified, information in this AIF is as at the end of the Corporation's most recently completed financial year, being December 31, 2024.

CURRENCY

In this AIF, all dollar amounts are expressed in Canadian currency, unless otherwise noted.

FORWARD-LOOKING INFORMATION

Certain information and statements contained in this AIF concerning the business, operations and financial performance and condition of Western constitute "**forward-looking information**" within the meaning of applicable Canadian securities laws. All statements and information, other than historical information or statements of historical fact, made by the Corporation that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future is forward-looking information, including, but not limited to information and statements preceded by, followed by or that include words such as "expect", "likely", "may", "will", "aims", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking information includes estimates, budgets, plans, expectations, opinions, forecasts, financial and other projections, targets, guidance, or other information or statements that are not statements of fact. Such forward-looking information is made as of the date of this AIF. Forward-looking information in this AIF includes, but is not limited to, information and statements with respect to:

(a) the Corporation’s, Fortress’ and the Corporation's other portfolio companies', business objectives and the anticipated timing of execution;

(b) the performance of the Corporation's business and operations, including the performance of Fortress and the Corporation's other portfolio companies;

(c) the intention to grow the business, operations and potential activities of the Corporation, Fortress and the Corporation’s other portfolio companies;

(d) the competitive and business strategies of the Corporation, Fortress and the Corporation’s other portfolio companies;

(e) the competitive conditions of the industries in which the Corporation, Fortress and the Corporation’s other portfolio companies operate;

(f) future business strategy, competitive strengths, goals, employment levels, expansion (including opportunities for expansion) and growth of the Corporation's, Fortress’ and the Corporation’s other portfolio companies' business; and

(g) the Corporation’s plans to expand the Fortress business;

Although the Corporation believes that its anticipated future results, performance or achievements expressed or implied by the forward-looking information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking 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 the Corporation to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Forward-looking information is based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by the Corporation as of the date of such information, are, in many cases, outside of the Corporation's control and are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking information ultimately being entirely or partially incorrect or untrue. Such factors and assumptions include, but are not limited to:

(a) applicable laws, regulations and any amendments thereof;

(b) the Corporation's ability to comply with applicable governmental regulations and standards;

(c) reliance on suppliers and other third parties;

(d) general business and economic conditions;

(e) being a public company;

(f) dependence on key management personnel;

(g) general economic trends and conditions;

(h) equity and debt markets continuing to provide the Corporation with access to capital on terms acceptable to the Corporation;

(i) litigation;

(j) the demand for the Corporation's products and services and fluctuations in future revenues;

(k) sufficiency of current working capital to support future operating and working capital requirements;

(l) the availability of cash to declare a dividend, and such declaration being determined prudent by the Board;

(m) the Corporation's future growth prospects and business opportunities; and

(n) the Corporation's success in implementing its strategies and achieving its business objectives.

You are cautioned that the foregoing list of material factors and assumptions is not exhaustive.

Many factors and risks could cause the 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 information, including, without limitation, those listed in this AIF. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking information contained in this AIF. These factors and risks should be considered carefully, and readers should not place undue reliance on the forward-looking information. Although the forward-looking information contained in this AIF are based upon what management currently believes to be reasonable assumptions, Western cannot assure prospective investors that actual results, performance or achievements will be consistent with such forward-looking 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 we do 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 we operate; 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.

The forward-looking information contained in this AIF speak only as of the date of this AIF. The forward-looking information contained herein is expressly qualified in their entirety by this cautionary statement. Many of these risk factors and other specific risks and uncertainties are discussed in further detail throughout this AIF. Readers are specifically referred to the risk factors described in this AIF under *"Risk Factors"*.

Readers are cautioned that the foregoing lists of factors should not be construed as exhaustive. The forward-looking information contained in this AIF are expressly qualified by this cautionary statement. Except as required under applicable securities laws, the Corporation undertakes no obligation to publicly update or revise any forward-looking information.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this AIF from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from investor relations at Suite 1700, 95 St, Clair Avenue West, Toronto, Ontario, M3V 1N6 (investorrelations@winv.ca). These documents are also available through the internet on SEDAR+ which can be accessed at www.sedarplus.com.

The following documents, which have been filed with the securities commission or similar authority in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador are specifically incorporated by reference in, and form an integral part of, this AIF:

1. The business acquisition report of the Corporation dated March 13, 2025 relating to the completion of the Fortress Transaction (the "**March 2025 BAR** ").

CORPORATE STRUCTURE

Name, Address and Incorporation

The Western Investment Company of Canada Limited was incorporated on October 28, 2015 pursuant to the ABCA. The head office of Western is located at Suite 1700, 95 St. Clair Avenue West, Toronto, Ontario M3V 1N6, Canada and the registered and records office of Western is located at 800, 333 – 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Canada.

The Common Shares trade on the TSXV under the symbol "WI".

Intercorporate Relationships

As of the date of this AIF, Western has one wholly owned subsidiary and investments in a portfolio of three other companies, all accounted using the equity method, which are as follows:

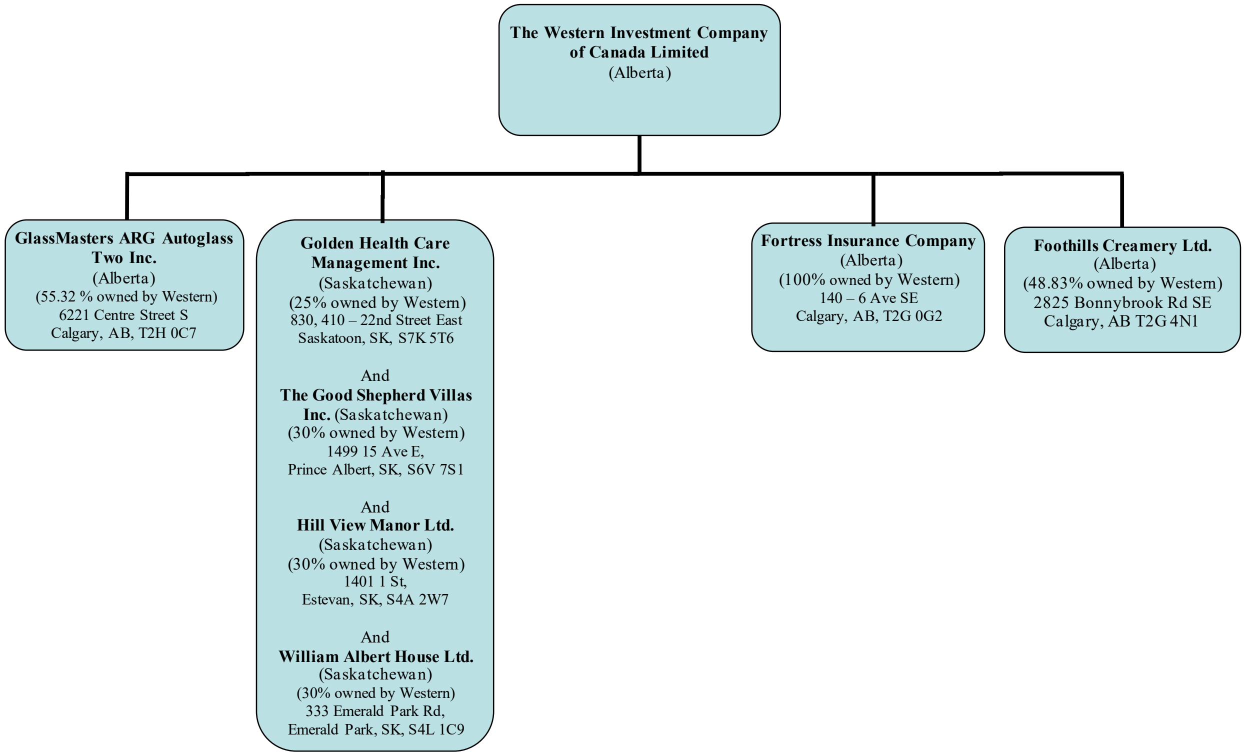
1) a 100% interest in Fortress.

2) 55.3% equity interest in GlassMasters.

3) 30.0% equity interest in three entities, each of which owns a senior care home, and a 25% equity interest in Golden Health Care Management Inc., a company incorporated under the laws of the Province of Saskatchewan (collectively, "**Golden Health Care**"). The three homes include (a) Hill View Manor in Estevan, Saskatchewan, which is owned by Hill View Manor Ltd., (b) Good Shepherd Villas in Prince Albert, Saskatchewan, which is owned by The Good Shepherd Villas Inc., and (c) William Albert House in the Regina suburb of Emerald Park, Saskatchewan, which is owned by William Albert House Ltd.; and

4) a 48.83% interest in Foothills.

The Corporation's organizational structure is as follows:



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

2022

On February 1, 2022, Western sold approximately 5% of its investment in GlassMasters to Fort McKay, amounting to 245,493 shares (the "**Sold Shares**"), for $535,174 pursuant to the GlassMasters SPA. This reduced Western's investment in GlassMasters at such time from 61.3% to 58.2% of the issued and outstanding shares. Concurrently with the acquisition of GlassMasters shares from Western, Fort McKay also bought out Western's previous partner, ATB Private Equity, which brought its stake in GlassMasters at such time to 39.3%. Collectively, such transactions are referred to as the "**GlassMasters Transaction**".

Prior to the completion of the aforementioned transactions, the shareholders of GlassMasters terminated the amended and restated unanimous shareholders agreement of GlassMasters dated January 1, 2020. Immediately following the completion of the aforementioned transactions, the shareholders of GlassMasters (including Fort McKay) entered into the GlassMasters USA. Although Western owns more than 50% of the outstanding voting securities of GlassMasters, pursuant to the GlassMasters USA, Western is only entitled to nominate two out of six directors. The GlassMasters USA contains provisions which increase the threshold requirements for director and shareholder approvals of significant corporate actions to levels higher than required in the ABCA. The GlassMasters USA also contains share transfer restrictions, rights of first refusal and drag along and tag along rights. The GlassMasters USA limits Western's ability to control GlassMasters and restricts Western's ability to sell its securities in GlassMasters through protections for minority equity shareholders. As a result of the GlassMasters USA, Western does not control GlassMasters.

On February 1, 2022, Western entered into a consent and amending agreement with ATB pursuant to which ATB consented to, and the ATB Facility was amended to permit, among other things, the sale of the Sold Shares by Western.

On February 4, 2022, Western announced that it obtained regulatory approval to proceed with a normal course issuer bid whereby Western may purchase up to a total of 1,500,000 Common Shares, representing approximately 4.9% of the then outstanding Common Shares, through the facilities of the Exchange, at the market price of the Common Shares at the time of the acquisition. In 2022, a total of 51,000 Common Shares were purchased by Western through the normal course issuer bid for an aggregate price of $19,044 at prices ranging from $0.32 to $0.41 per share.

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 of GlassMasters. The distribution was treated as a return of paid-up capital for tax purposes and was paid by the issuance of a 5-year term promissory note, bearing interest at a rate equal to the prime rate of the Bank of Montreal plus 10% (the "**GlassMasters Promissory Note**"). The return of capital and related promissory note related to Western's shareholdings was $4,658,559.

On June 29, 2022 Western paid dividends of $0.005 per share for a total amount of $151,514.

On October 13, 2022, Western signed an amended and restated commitment letter with ATB (the "**Amended and Restated Commitment Letter**") to amend the ATB Facility. The Corporation's operating loan facility was amended to become a committed revolving facility. The amended ATB Facility has a three-year revolving period with a maturity date of October 6, 2025. The interest rate remains at the bank's prime rate plus 2% per annum and carries a standby fee of 0.5% per annum on the unused portion. The facility is secured by a general security agreement, a share pledge agreement in respect to the Corporation's interest in some of its associates; and an assignment of material contracts.

On October 19, 2022, Fortress closed a $5.3 million equity offering and signed an agreement with U.S. based Indemnity National Insurance Company. This transaction resulted in the dilution of Western's ownership interest in Fortress from 50% to 28.3%. In line with this transaction, the shareholders of Fortress terminated the unanimous shareholders agreement of Fortress dated January 1, 2019 and entered into an amended and restated unanimous shareholders agreement dated October 17, 2022 which was terminated on the completion of the Fortress Transaction.

On October 27, 2022, the Corporation advanced $250,000 to Foothills in the form of a shareholder loan bearing interest at 13% per annum (the "**Foothills Shareholder Loan**"). Unpaid interest and management fees shall be added to the principal sum owing. The terms of the Foothills Shareholder Loan provide for a one-year maturity date, with the option for Western to extend for two consecutive six-month periods. The terms of the Foothills Shareholder Loan provide Western with the option, at the maturity date, to convert the outstanding principal sum, together with all accrued and unpaid interest, into shares of Foothills at a conversion price of $1.00 per share. If the conversion option is exercised, Western will receive share purchase warrants of Foothills in the amount of one-third of one share purchase warrant for every one share issued upon conversion of the loan. Each warrant shall entitle Western to purchase one share of Foothills.

2023

On February 6, 2023, Western announced that it obtained regulatory approval to proceed with a normal course issuer bid whereby Western may purchase up to a total of 1,500,000 Common Shares, representing approximately 5.0% of the then outstanding Common Shares, through the facilities of the Exchange, at the market price of the Common Shares at the time of the acquisition. From Jan 1, 2023 to the date hereof, a total of 25,000 Common Shares were purchased by Western through the normal course issuer bid for an aggregate price of $8,875, at a price of $0.35 per share.

On March 24, 2023, Western signed a new promissory note, to amend the terms of the GlassMasters Promissory Note, to be due March 31, 2027, thereafter automatically renewing for a 5-year term upon each maturity date, with interest to be set by the board of directors of GlassMasters from time to time.

On September 29, 2023, Western paid dividends of $0.005 per share for a total amount of $151,038.

On October 27, 2023, Western exercised the option to extend the maturity date of the Foothills Shareholder Loan for six months.

On October 24, 2023, Western commenced an issuer bid (the "**Issuer Bid**"), pursuant to which it offered to all of the holders of 2024 Debentures the right to exchange each 2024 Debenture for a 2025 Debenture plus a cash payment in respect of all accrued and unpaid interest on such exchanged 2024 Debenture up to, but excluding, the date it is taken up by Western pursuant to the Issuer Bid. Pursuant to the Issuer Bid, which expired on November 28, 2023, 2024 Debentures in the aggregate principal amount of $2,875,000 were validly tendered by the holders thereof, and on December 1, 2023, Western issued 2025 Debentures in the aggregate principal amount of $2,875,000 in exchange for such 2024 Debentures. Immediately following the completion of the Issuer Bid and the exchange of certain 2024 Debentures thereunder, $1,125,000 of principal amount of 2024 Debentures remained issued and outstanding.

Concurrently with the issuance of 2025 Debentures pursuant to the Issuer Bid, on December 1, 2023, Western also completed a private placement (the "**Debenture Private Placement**") of 2025 Debentures in the aggregate principal amount of $2,125,000. Collectively, pursuant to the Issuer Bid and the Debenture Private Placement, Western issued 2025 Debentures in the aggregate principal amount of $5,000,000.

Each 2025 Debenture was convertible into Common Shares at a conversion price of $0.4725 per share as adjusted in accordance with the 2025 Debenture Indenture following the Rights Offering. The 2025 Debentures were to mature on December 31, 2025 and bore interest at the rate of 9.60% per annum, payable semi-annually in arrears at the end of March and September. The 2025 Debentures were converted in accordance with the provisions of the 2025 Debenture Indenture on March 7, 2025.

2024

On January 19, 2024, Western announced that it obtained regulatory approval to proceed with a normal course issuer bid whereby Western may purchase up to a total of 1,500,000 Common Shares, representing approximately 5.0% of the then outstanding Common Shares, through the facilities of the Exchange, at the market price of the Common Shares at the time of the acquisition. No Common Shares have been purchased from Jan 1, 2024 to the date hereof through the normal course issuer bid.

On March 22, 2024, Western first announced a proposed investment (the "**Tevir Transaction**") with Tevir Capital Corp. ("**Tevir**") the details of which were outlined in Western's Annual Information Form for the year ended December 31, 2023. On August 30, 2024, Western announced certain revisions to the Tevir Transaction incorporated into an investment agreement (the "**Tevir Investment Agreement**") dated August 29, 2024 between Tevir and the Corporation that permitted a more streamlined transaction process. On September 26, 2024 Western provided further details on the Tevir Transaction and the final terms of the accompanying financings. The Tevir Transaction was completed on December 6, 2024. The final terms of the Tevir Transaction were as follows:

- *Private Placement* – Western raised a total of $30 million through a private placement financing (the "**Private Placement**") to accredited investors through the issuance of 75,000,000 units (each a "**Unit**") at a price of $0.40 per Unit. Each Unit consisted of one Common Share and one warrant to purchase a Common Share ("**Warrant**"), with each Warrant exercisable to purchase one additional Common Share for a period of five (5) years from the date of closing at an exercise price of $0.47. Tevir fulfilled its commitment under the Tevir Investment Agreement to subscribe for $5,000,000 of the Private Placement.

- *Rights Offering* – On October 7, 2024 Western commenced a Rights offering (the "**Rights Offering**") pursuant to which holders of record of the Common Shares as at the record date of October 15, 2024 received rights ("**Rights**") to subscribe for Common Shares on the basis of one (1) Right for each one (1) Common Share held. Each Right entitled the holder to subscribe for one (1) Common Share at a subscription price of $0.40 per Common Share until November 29, 2024. On closing of the Rights Offering, Western issued a total of 15,742,365 Common Shares for gross proceeds of $6,296,946.

- *Key Personnel* –Mr. Paul Rivett joined Western's Board and became Western's new CEO on December 6, 2024.

- *Investor Rights* – Tevir and Western entered into an investor rights agreement (the "**Tevir Investor Rights Agreement**") dated August 29, 2024 as amended on September 26, 2024 pursuant to which Tevir has the right to appoint up to three (3) individuals to the Board of Directors of Western which shall consist of no more than 7 directors without the consent of Tevir. Tevir was also granted participation rights to maintain pro rata ownership rights as well as registration rights typical for transactions of this type. The rights granted to Tevir in the Tevir Investor Rights Agreement are subject to standard terms and conditions including that Tevir and its associates and affiliates continue to hold at least 50% of the shares it acquired pursuant to the Private Placement.

- *Additional Agreements* – Tevir and Western entered into investment management agreement dated December 6, 2024 (the "**Tevir Investment Management Agreement**") and a management services agreement dated December 6, 2024 (the "**Tevir Management Services Agreement**") pursuant to which Western has retained Tevir to provide certain management services to Western. Tevir is entitled to receive fees equal to 0.8% of market value pursuant to the Tevir Investment Management Agreement and a fee of $500,000 per annum payable monthly to provide organizational strategy, financial and investment management and advisory services pursuant to the Tevir Management Services Agreement.

On March 26, 2024, Western announced that it had entered into a share purchase agreement with a private arm's length vendor pursuant to which Western proposed to purchase 1,000,000 common shares of Fortress (equivalent to 14.22% of the outstanding shares of Fortress) at a price of $2.60 per share. Western provided updates on May 6, 2024 and June 18, 2024 as additional agreements to acquire shares of Fortress were executed. On August 30, 2024, Western announced that it had entered into agreements with all shareholders of Fortress to acquire the remaining outstanding shares of Western (collectively, all share purchase agreements to acquire common shares of Fortress are referred to as the "**Fortress SPAs**"). On October 1, 2024, Western completed the acquisition of a first tranche (the "**First Closing**") of common shares of Fortress pursuant to the Fortress SPAs. In connection with the First Closing, Western issued an aggregate of 25,193,922 Common shares at a deemed price of $0.40 per Common Share, in exchange for 3,875,988 common shares of Fortress. The First Closing increased Western's percentage of ownership in Fortress to 83.57% from 28.45%. On December 31, 2024, Western announced it completed the acquisition of the final tranche for shares of Fortress (the "**Final Closing**") pursuant to the Fortress SPAs. In connection with the Final Closing, Western acquired the final 1,155,140 common shares of Fortress in consideration for the payment of $2,153,164 in cash and the issuance of 2,135,000 Common Shars at a price of $0.40 per share. Following the Final Closing, Fortress became a wholly-owned subsidiary of Western.

(collectively, the "**Fortress Transaction**")

Please refer to the March 2025 BAR (which is incorporated by reference herein) for further details regarding the Fortress Transaction.

September 30, 2024, the Corporation completed the sale of its interest in Ocean Sales to the operators of the business for nominal consideration.

On December 6, 2024, in addition to Paul Rivett, Naim Ali, Rob Cihra, Greg Morrisson, Sharon Ransom and Kyle Pickens were elected to the board of directors. Following the annual meeting and the closing of the Tevir Transaction, Scott Tannas became executive chair of the board of directors and Paul Rivett was appointed as Chief Executive Officer.

2025

On February 27, 2025 Western announced that it had given notice to holders of the 2025 Debentures that it had triggered the forced conversion provisions in the 2025 Debenture Indenture as a result of the 20-day volume weighted average price of Western's common shares reaching $0.67 on February 25, 2025, exceeding the threshold of $0.65 set out in the 2025 Debenture Indenture. The outstanding principal amount of the 2025 Debentures, totaling $5,000,000, was converted into 10,582,007 common shares of Western at a price of $0.4725 per share at the close of business on March 7, 2025. All accrued and unpaid interest from October 1, 2024, to March 7, 2025, was be paid concurrently to the holders and the 2025 Debentures were cancelled effective March 7, 2025.

BUSINESS OF THE CORPORATION

General

Western is a publicly traded company with a focus on developing the insurance business currently carried on by its wholly-owned subsidiary while maximizing value from its other portfolio companies. Western's Common Shares are listed for trading on the TSX-V under the trading symbol "WI". Western's purpose is to create long-term wealth for its shareholders by building and maintaining a portfolio of strong, stable, and profitable companies focussed on the insurance, financial services and investment sectors and helping them to grow and prosper. Following the completion of the Tevir Transaction and the Fortress Transaction, Western is focused on identifying new acquisition and business development opportunities in the insurance sector including personal and casualty insurance and life insurance. Western will also focus on growing the Fortress platform to $100 million per annum in written premiums by 2028 through a combination of prudent organic growth and accretive acquisitions. Western will undertake a review of its other existing portfolio companies and seek options to maximize shareholder value.

Employees

Western had two employees as at December 31, 2024. The operating objective is to have a sustainable but flexible workforce that expands and contracts based on the needs of the Corporation. Western expects to expand the current workforce in the foreseeable future. Contractors are used as needed to execute acquisitions and manage the day-to-day operations of the Corporation.

Wholly Owned Subsidiaries

Fortress

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.

Fortress 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.

Portfolio Companies

GlassMasters

GlassMasters is an automotive glass service company providing repair and replacement of windshields, side windows, side mirrors, rear windows and sun roofs ("**Service Division**") and an automotive glass warehouse that imports to sell wholesale a full line of quality original equipment manufacturer and aftermarket glass parts and materials at competitive prices ("**Wholesale Division**"). GlassMasters' principal markets are the Calgary, Edmonton, Red Deer and Lethbridge regions in Alberta, the Saskatoon and Regina region in Saskatchewan and the Kelowna region in British Columbia.

The Service Division sells to retail and account-based customers. Account based customers are comprised of dealerships, auto-body shops, fleet companies and car rental companies. Services are provided at ten retail locations as well as by mobile repair and installation units. The Wholesale Division has a distribution agreement with a leading glass manufacturer in China that ensures it can provide factory fitting glass parts for almost every vehicle brand.

Golden Health Care

Golden Health Care is the largest full-service retirement home operator in Saskatchewan. Golden Health Care was conceived as an integrated care model based on the concept of small group "households" and a philosophy of "aging in the right place". This philosophy is unique and provides competitive advantage as it counters the need for residents to relocate to an alternative care facility when their personal care needs change. Golden Health Care homes operate with 70% to 100% occupancy rates. The homes bring with them an established management team, a reputation of quality service and resident suites.

Foothills

Foothills is a producer and distributor of high-quality butter and ice cream products with over 53 years of operations in Western Canada. Headquartered in Calgary, Alberta, it serves customers across Canada, supported by two distribution facilities in Edmonton, Alberta, and Kelowna, British Columbia. Foothills is able to service its customers quickly and efficiently and has a vertically integrated service model in connection with its production, cold storage, and distribution fleet.

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.

Foothills' ice cream products are differentiated with natural and fresh ingredients, along with a sweet buttermilk base from its butter churns that produce richer and creamier ice cream. Target markets include many of the independent ice cream shops in Western Canada, as well as grocery retailers and large service contracts through Gordon Foods.

Revenue by Investment

Below is a summary of Western's revenue from each investee. Revenue is based on the equity income, finance income, and management fees earned as set out in Western's financial statements for the year ended December 31, 2024 as well as dividends received from the portfolio companies, and the contribution to revenue from the consolidated results of Fortress.

	Percentage of Total Revenue	
Investment	**2024**	**2023**
Fortress	16%	7%
GlassMasters	75%	60%
Golden Health Care	18%	8%
Foothills	-9%	25%

Investment 1 – Fortress

Principal Products or Services

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.

Fortress continues to increase capacity on all its products, recently adding additional automobile replacement value insurance products in the transportation segment, and expansion into a new property program in Ontario to its lineup. The Corporation expects 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, and Saskatchewan. New programs in Ontario, Alberta, and British Columbia added during the year constitute 52% of the increase in gross written premiums for the year ended December 31, 2024.

Operations

Fortress participates mostly as a subscriber to commercial insurance policies. Business is being developed through relationships with select independent insurance brokers and managing general agents, referred to as supporting broker partners ("**SBPs**"). Under the management of the SBP, the lead insurer is responsible for pricing, underwriting, loss-control and claims management. In conjunction with the lead insurer, the SBP is responsible for all policy and client administration and service functions. Fortress will receive risk, premium and claims data via secure data bordereaux as established with the SBP. Specifics of insurance coverage, limits provided by Fortress, risk appetite participation and related details vary by program as uniquely negotiated for the risk assumed.

Reinsurance is a long-term requirement for Fortress' general insurance non-auto business. Fortress has multiple providers for quota share and catastrophe reinsurance protection. Fortress has negotiated typical terms with its reinsurance partners, including exposure limits, premium payment, ceding commission structure, risk and claims administration. Fortress will participate in policies to a maximum limit of $20,000,000 with reinsurance cover up to 95% of the loss, capping the single-loss exposure of Fortress to $1,000,000. Fortress's risk exposure is further covered by catastrophe reinsurance for severe natural disaster occurrences over a certain threshold of losses which is reviewed multiple times per year to ensure adequate coverage. A retention amount is negotiated and all losses above this threshold are covered by the reinsurer up to a certain limit. These benchmarks are adjusted regularly as the portfolio grows and exposure changes.

Market

Fortress is governed by the Alberta *Insurance Act* and supervised by the Alberta Superintendent of Insurance. It operates in all five provinces from British Columbia to Ontario and the Territories.

The specialty insurance market provides products and services that are typically not offered by most insurance companies. These risks often require specialist underwriting knowledge and advanced technical expertise in financial and actuarial analysis. Specialty lines represent niche segments of the insurance market, characterized by more complex risks and a smaller pool of competitors.

These risks are often challenging to place in the standard insurance market, where many carriers lack the capability or willingness to underwrite them. Consequently, specialty insurers benefit from greater flexibility in pricing and policy form design compared to traditional market insurers, whose rates and policies are subject to more stringent regulatory approval processes. Specialty lines are less commoditized, relying heavily on relationships, product expertise, and tailored solutions that are difficult for competitors to replicate. They are generally also smaller markets, so they can be overlooked by larger carriers looking for more meaning growth and profit. As a result, specialty insurers have historically outperformed standard markets by achieving lower claims and combined ratios compared to traditional insurance companies.

Unlike the standard property and casualty ("P&C") insurance market, which is evenly split between personal and commercial lines, specialty insurers are focused almost exclusively on commercial lines. Even within the commercial sector, the business mix of specialty insurers differs significantly from the broader P&C industry. While no universal definition of the specialty insurance market exists, it typically includes non-standard insurance, niche market segments, and products requiring customized underwriting.

The agency channel is the primary distribution channel for specialty insurance. Managing general agents ("MGAs) often serve an important role in helping carriers distribute and administer specialty insurance products. The MGA market has experienced growth outpacing that of the overall insurance market. Several factors have contributed to this trend, including private equity interest, which has provided financial support for these operations, and a conservative approach from traditional market capacity, creating opportunities for niche players. Structural changes in the marketplace and increased reinsurance interest in supporting MGAs have further fueled this expansion. Additionally, entrepreneurial underwriting talent has been instrumental in establishing independent operations, adding skilled labour to the MGA sector.

Marketing Plans and Strategies

The most critical operational function for the launch of the general insurance division is the sales and marketing functions. This will be provided for through the well-established industry relationships of

Western and its advisors. In addition, SBP oversight and program supervision is provided for through this operations function.

Competitive Conditions

The commercial insurance market is dominated by a few very large national insurers. As these insurers grow, a market emerges for niche-centric products and programs that lack sufficient scale to attract the large insurance entity. These programs, opportunistically developed and managed by key industry brokers, offer attractive terms and profit to niche oriented insurers. This market reality offers ample opportunity for a small, niche-focused, creative and nimble insurer to achieve immediate share.

Employees

To account for the bordereaux data exchange with SBP and reinsurers, compile financial results and fulfill governance, compliance and reporting obligations of Fortress, a small but capable back-office group with some new elements of operations infrastructure is required. These tasks are provided for in cooperation with the shareholders and through strategic use of outsourced advisors. General and administrative expenses are defined within shareholder operating agreements.

Fortress employed or contracted on average 10 to 15 employees during 2024. The number is expected to expand as the company grows.

New Products

Fortress continues to increase capacity on all its products, recently adding additional automobile warranty, liability and transportation insurance products to its lineup.

Cycles

Fortress is sensitive to fluctuations in market conditions that affect the insurance types it offers. As market conditions shift, the pricing of coverage and the terms associated with the products may also change to remain competitive. To mitigate this risk, Fortress employs a strategy of diversification. This involves offering a variety of products that are subject to different business cycles and focusing on geographic diversification. By not relying on a single area of business, Fortress ensures a more stable operation capable of adapting to changing market dynamics. This strategic approach helps maintain its competitive edge and reduces the vulnerability to any specific economic or regional downturns.

Changes to Contracts

Fortress finalizes contractual relationships with the SBP channel prior to writing any business. These contracts include provisions for critical risk-management and operational controls and guidance. Fortress does not expect that any aspect of its business will be affected in the current financial year by renegotiation or termination of contracts or sub-contracts.

Proprietary Protection

Fortress does not have any formal proprietary intellectual property protection.

Lending

Fortress does not undertake any lending operations.

Investment 2 – GlassMasters

Principal Products or Services

GlassMasters is an automotive glass service company with a Service Division and a Wholesale Division. See *"Portfolio Companies - GlassMasters"*.

The Service Division sells to retail and account-based customers. Account-based customers are comprised of dealerships, auto-body shops, fleet companies and car rental companies. The Wholesale Division has a distribution agreement with a leading glass manufacturer in China that ensures it can provide factory fitting glass parts for almost every vehicle brand. A significant portion of the Wholesale Division’s sales are to the Service Division, with the balance being sold to other retailers and wholesalers in Alberta.

Operations

GlassMasters provides its services in thirteen retail locations and through mobile repair and installation units. GlassMasters' retail locations are leased from third-party companies. The head office is at its Calgary South location. GlassMasters also has five warehouse locations, all leased from third-party companies.

GlassMasters leases all locations. Training is continual and part of the GlassMasters culture. GlassMasters offers a formal training program to teach its technicians how to properly install glass for all makes and models of vehicles. GlassMasters employs full-time instructors. GlassMasters will also train technicians from third-party body shops in how to safely and efficiently complete the autoglass replacement process. Training is further accomplished by pairing new hires, which are called autoglass assistants~~,~~ with a shop foreman and other experienced autoglass installers on staff. GlassMasters is quickly able to determine the skill level and potential of the new hire using this method.

As GlassMasters is a sales-driven organization, it invests considerable effort and resources into marketing. In order to facilitate the recognition of the brand, GlassMasters sets aside approximately 5% of budgeted revenue for marketing and advertising purposes. The marketing segments it targets are:

Website - The website contains information on services and locations. It also contains an online quote and booking system.

Social Media - GlassMasters uses Instagram, X and Facebook as well as pay-per-click ads.

Word of Mouth - GlassMasters is committed to workmanship and customer service and that helps underpin its reputation, and drive referrals and repeat business.

Radio Advertising - The Service Division runs retail advertisements on a variety of local radio stations.

Billboards – GlassMasters advertises using billboards in select locations.

Campaigns and Events - During the summer months the Service Division rolls out its rock chip program. This is staffed by energetic and entrepreneurial individuals who drive sales and manage roadside events.

GlassMasters' financial performance and operations may be adversely affected by the termination or cancellation of one or more supply or account-based customer relationships. Management has mitigated potential supply issues by sourcing additional suppliers. New customer relationships are continuously being developed to grow the business as well as replacing the occasional lost account with business from its sales prospect pipeline. GlassMasters closely monitors customer satisfaction as a hallmark of the business.

GlassMasters relies on its management team and could be adversely affected should any of them leave. In addition, other key managers are well compensated and highly motivated through a customer satisfaction driven bonus structure.

GlassMasters does not have contracts with its account-based clients and operates these long-standing relationships on a good faith basis. As such, there are no "change of control" clauses that might otherwise be in a contracted relationship.

Market

GlassMasters has a Service Division that operates thirteen retail stores, as noted under "*Operations*" above. GlassMasters has a Wholesale Division with five locations. The Wholesale Division supplies glass to the Service Division and to independent operators within Western Canada. GlassMasters look to open additional locations as market opportunities present themselves.

Glass is becoming smarter and more complex. "Smart glass" includes auto tinting, sensors, built in displays, antennas, and other technology. As automobile glass and side mirrors increase in sophistication, so does the skill level required to properly install them. To improve mileage and efficiency, manufacturers are making every effort to build lighter vehicles. As a relatively light weight, strong and "smart" material, glass is claiming an increasing share of a vehicle's composition. GlassMasters is aware of continuous market trends and ensures it’s training, tools and technology continue to increase to provide superior service as the level of complexity increases. GlassMasters is continually training its technicians to keep up with the market trends and thus does not expect to be adversely affected by the increasing level of complexity in the market.

Consumers increasingly want to be able to book all kinds of services themselves. As consumers search for services that allow online booking and "at home" or "at work" repairs, early movers in the market that have an online booking system and a mobile fleet will have an advantage. If a market participant does not keep up with these demands it could impact them negatively. GlassMasters believes it has addressed these changing consumer preferences. It has also expanded its on-line book capabilities, and mobile repair options.

Marketing Plans and Strategies

GlassMasters operates in the provinces of Alberta, British Columbia and Saskatchewan and its target customer base resides in the geographic regions in which it operates.

GlassMasters was founded on the principle that providing a top-notch customer experience will drive repeat business and referrals.

Management tracks warranty statistics, costs, and hours to gauge quality. GlassMasters' sales managers make frequent sales calls to car dealerships, rental companies and vehicle fleet businesses, to discuss their needs.

The Service Division employs outside sales representatives to visit prospects and existing account-based customers. The Service Division provides a lifetime warranty on its glass replacement and installation. Management of GlassMasters' target having fewer than 1% of its customers return for warranty repair work. Historically 0.20% of cost of goods sold has been attributed to warranty repairs. As part of an internal quality control process, the foreman on site is responsible for final sign off of the finished product.

Competitive Conditions

The Service Division is one of the largest windshield repair companies in the province of Alberta. Its primary competition is Crystal Glass and Speedy Glass. The remaining competitors are generally small, localized operators. Crystal Glass specializes in repairing and replacing auto glass, windshields, residential and commercial glass, with locations across Alberta, British Columbia and Saskatchewan. Speedy Glass was founded in 1946 and is based in Mercer Island, Washington. It operates as a subsidiary called TCG International Inc. ("**TCG**"). Through its subsidiaries, TCG engages in glass replacement, repair, and distribution in the United States, Canada and Europe. It offers automotive, commercial, and residential glass replacement and repair services, operates auto glass repair and flat glass restoration networks, and processes auto glass repair and replacement claims from national and regional insurance accounts.

The Service Division maintains a competitive market share in the Alberta and Saskatchewan markets, it has well-located retail stores and a large fleet of mobile units. Management believes the Service Division is a low-cost producer and it is concentrated solely on the auto glass market.

Speedy and Crystal have more brick-and-mortar locations than GlassMasters and deal with residential and commercial glass in addition to auto glass. In the case of Speedy, it is concentrated in other regions on the insurance claims market. The insurance claims market in Alberta represents less than 2% of total auto glass sales.

As for the Wholesale Division, the competition in Alberta, Saskatchewan and British Columbia also consists of CAN-AM and Vanfax which are part of the Crystal Glass and Speedy Autoglass families respectively.

With glass becoming smarter and more complex, the barriers to entry become more difficult. Alberta has no government driven insurance programs and thus the larger players prefer markets that are regulated for the simple fact they can charge more as there is less competition. In terms of any other competition, management does not see any threat to its current market share.

New Products

GlassMasters has created an autoglass technician training program. Students from both inside GlassMasters and external to the company are trained. This provides qualified staff for GlassMasters, a new revenue stream, and potential new markets for their wholesales glass.

Components

The Wholesale Division sources most of its glass from Xinyi Glass, the second largest Chinese glass manufacturer. The Wholesale Division has established an annual contract that sets a minimum purchase requirement. The contract terms contain various incentives. The glass is purchased in United States dollars at a price agreed upon by both parties. This strategic relationship helps provide GlassMasters with a pricing edge over its competitors and ensures control over supply. Currently, GlassMasters renews their contract with Xinyi Glass on an annual basis.

The remaining glass is purchased from several United States, Mexican and Chinese based companies~~,~~ as well as certain smaller local suppliers. United States and Mexican based companies typically have a three-week lead time for delivery. The lead time for inventory ordered from China is currently estimated to be 12 weeks.

GlassMasters uses urethane to repair windshields and purchases urethane from Dow Chemical, Sika, or Dinitrol.

Proprietary Protection

GlassMasters does not have any formal proprietary intellectual property protection.

Cycles

The life cycle of a particular vehicles stock keeping unit ("**SKU**") windshield is up to 15 years, peaking in years four to five after a new model is introduced.

GlassMasters sales are seasonal, with the period from April to September being the most active. The sand and gravel used by municipalities during the winter months increases the risk of damage to windshields. Many customers delay windshield replacement until the summer in order to avoid the risk of having to replace it more than once in a season. As a result, GlassMasters has historically experienced lower revenue in November, December, January and February.

Employees

GlassMasters employs on average approximately 180 non-unionized employees. Staffing levels and positions fluctuate seasonally, rising up to 200 employees during the summer months to handle the additional demand.

Lending

GlassMasters does not undertake any lending operations.

Investment 3 - Golden Health Care

Principal Products or Services

Golden Health Care is the largest full-service retirement home operator in Saskatchewan. It has a unique model of "aging in place" where Golden Health Care's care homes adapt to the needs of each individual resident 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. This is a philosophy that Western believes in and is unique to Golden Health Care. The homes bring with them an established management team, a reputation of quality service and resident suites. The homes are located in three communities, Estevan, Prince Albert and Emerald Park Saskatchewan. Emerald Park is a community located close to Regina, and services many of the residents in the metropolitan area. Below is an overview of each of the facilities:

Retirement Home	Building Address	Licensed # of Rooms	Year Built
Hill View Manor	401 1st Street, Estevan, SK	40	2003
The Good Shepherd Villas	1499 15th Ave East, Prince Albert, SK	63	2003
William Albert House	333 Emerald Park Rd, Emerald Park, SK	50	2005

Operations

Golden Health Care's homes are a subset of a larger network of retirement homes in Saskatchewan. In total the current management team at Golden Health Care manages seven retirement homes with 457 rooms. The network of homes is one of the largest retirement home operators in the Province of Saskatchewan. As a result, the management team has a strong understanding of the market in Saskatchewan and is working on building scale in the province.

According to the Saskatchewan Ministry of Health, personal care is assistance or guidance with activities of daily living. This may include: eating, bathing, dressing, grooming, taking oral medications, using the washroom, mobility and participating in social and recreational activities. Personal care homes provide 24-hour staffing.

The following levels of care have been defined by the Government of Saskatchewan which Golden Health Care provides at each of the facilities.

Light Care:

- Resident is independent with personal care; may need reminders and cueing.
- Minimal specialized care (e.g., supervising a resident with their own specialized care).
- Independent with transfers and mobility.

Intermediate Care:

- Supervision of behaviour.
- Supervision and some assistance with personal care.
- Assistance with specialized care.
- Supervision and/or one person assist transfers and/or mobility.

Heavy Care:

- Frequent supervision of resident due to emotional, behavioural or physical needs (e.g., palliative).
- Direct assistance with all personal care.
- Two person assist or mechanical lift with transfers and/or mobility.

Market

According to the Government of Canada's 2021 Census, 16.7% of Saskatchewan's population was over the age of 65. This number was up from the 2016 age study by Statistics Canada that showed 15.5% of Saskatchewan's population was over 65. Although only a minor increase, the province's population is aging.

CMHC's report on Housing Choices and Changing Housing Needs of Seniors and Pre-Seniors indicates that the population of seniors aged 65 and older is expected to more than double between 2013 and 2063. It is also projected that the population of those over 80 years will increase sharply. These projections suggest there may be an increasing demand for seniors housing for the foreseeable future as "baby boomers" age and require higher levels of care in some form of enriched or assisted living.

Marketing Plans and Strategies

Western's investment in Golden Health Care brings modest revenue to Western's portfolio, with the opportunity for future expansion as Golden Health Care is uniquely positioned to meet the needs of a growing health care segment. Western and Golden Health Care have worked to develop and implement a planning and governance framework to support future growth. Western will bring experience and resources to support the vision of Golden Health Care's management team as they explore the potential for expansion of the organization both at current sites and into new communities. There is also a possibility that regulatory changes in the Saskatchewan marketplace could boost expansion potential. Given the current environment in senior care since the COVID-19 pandemic Golden is not currently planning expansions. Future changes to government regulations could change this.

The primary source of marketing is through word of mouth. One of our three homes in Western's portfolio are close to or at capacity. Very little marketing is undertaken. In addition, Golden Health Care's long-term history in Saskatchewan and penchant for high quality seniors' care has resulted in a well-recognized brand in the region which attracts residents to its facilities.

Competitive Conditions

Golden Health Care's philosophy is an aging in place model that allows each resident to remain in the retirement home and move within the home depending on the level of care they desire. Golden Health Care's homes are located in smaller markets and have strong market positions within those communities. In urban markets, Golden Health Care tends to face greater competitive pressures where operators who have higher vacancy rates and consumers have greater options.

Greater investment is being made into retirement homes, and as a result, vacancy rates are likely to increase as consumers have greater choice. Golden Health Care believes that in the smaller Saskatchewan markets , there will be limited competition given the sizeable impact to supply to build facilities in those markets.

New Products

Golden Health Care is focused on maintaining its current offering. Expansion is not currently planned from its existing facilities and new markets in the Province of Saskatchewan. Given the opportunities in the Province of Saskatchewan in the near term, it is unlikely that Golden Health Care's management team will expand to adjacent provinces in the near future.

Cycles

Golden Health Care's business is relatively stable given current occupancy rates and wait lists help homes operate near capacity. Over time, Golden Health Care is expecting increased demand. Golden Health Care has expansion plans in place on adjacent plots of land where they could expand current operations should it become economical to do so.

Changes to Contracts

Each tenant at Golden Health Care has a month to month contract and is able to leave at their option with 30 days' notice. Golden Health Care does not expect that any aspect of its business will be affected in the current financial year by renegotiation or termination of contracts or sub-contracts. As well, there has been no change to contracts or sub-contracts for the current fiscal year that would have a material impact on the operations or financials of Golden Health Care.

Proprietary Protection

Golden Health Care does not have any formal proprietary intellectual property protection.

Employees

Golden Care Homes employ on average approximately 130-140 non-unionized employees.

Lending

Golden Health Care does not undertake any lending operations.

Investment 4 – Foothills

Principal Products or Services

Foothills is a producer and distributor of high-quality butter and ice cream products with over 53 years of operations in Western Canada. Headquartered in Calgary, Alberta, it serves customers through a large grocery retail and food service network spanning across Western Canada, supported by two distribution facilities in Edmonton, Alberta, and Kelowna, BC. Foothills butter products are specially churned using only the freshest cream to produce a smooth textured product with exceptional taste.

Foothills provides over 5 butter varieties, 20 different soft serve products and over 80 flavors of hard packed ice cream, sherbet, sorbetto and frozen yogurt products for customers to choose from. It offers 3 different types of products:

- Butter – churned butters, convenient butter-margarine blends, and bulk food service/ commercial kitchen product lines;
- Ice cream – offered in a variety of hard and soft flavors, sherbet, sorbetto, frozen yogurt and frozen mixes; and
- Ice cream cones – distributes premium ice cream cones including pointed and flat bottom cones, and a wide selection of waffle, sugar and other cake cones (sourced from other manufacturers).

Foothills derives around 63% of its revenue from butter and 32% from ice cream. Ice cream margins are around 34% while butter margins are significantly lower at 12%. Most of the butter produced is private label for supermarkets, with the remainder being specialized, flavored product. Butter is considered a commodity product with very low margins, a factor compounded by the strength of supermarkets in private label negotiations. Butter can last up to 5 years and ice cream up to 18 months with proper storage.

Operations

Foothills serves customers through a large grocery retail and food service network spanning across Western Canada, with a production facility located in Calgary, Alberta, supported by two storage and distribution facilities in Edmonton, Alberta, and Kelowna, British Columbia. Foothills' Calgary headquarters, located at 2825 Bonnybrook Road SE, include the manufacturing plant, warehouse and distribution facility, and office space for administrative and management personnel. The Edmonton and Kelowna facilities are ideally located to streamline Foothills' distribution capabilities in Northern Alberta and central British Columbia, so that customers receive their products in top quality and with minimum risk of spoilage. All real estate is owned directly by Foothills itself, with the exception of the Kelowna warehouse which was sold in 2023 in a sale-leaseback transaction.

Foothills is both a manufacturer and distributor of butter and ice cream products. All product is manufactured in the Calgary facility that contains production, storage and transportation equipment. Although the profile of the ice cream business is heavily seasonal, the production plant runs throughout the year with product being stored for anticipated future sales. Foothills, in continually investing in its manufacturing plant to improve product quality and expand capacity.

From a supply perspective, the Canadian market has quotas set on the supply of milk inputs, and as a result, the total amount of butter that can be produced on an annual basis can be limited. Canadian regulators have created programs that allow for the storage of butter on a seasonal basis, under a two-plan arrangement. Foothills is a manufacturer approved by Canadian regulators to store butter seasonally, which provides it with a competitive advantage in controlling the sourcing and sale of butter products.

The main suppliers of inputs for Foothills are Agropur and the Canadian Dairy Commission ("**CDC**"). While Agropur is also considered a competitor to Foothills, it maintains a good relationship with them and considers supply risk to be low. The raw butter used to supplement in-house butter manufacturing and ice cream is sourced from the CDC, which utilizes existing butter inventories, and imports and redistributes tariff rate quota butter to manufacturers.

Market

Coordinated by the CDC, Canada's dairy sector operates under a managed supply structure whereby dairy production is controlled by defined quotas, pricing mechanisms, and dairy import limits. With a market size of approximately $17 billion, the dairy industry makes up the 2nd largest segment of Canada's agriculture sector. The industry produces approximately 113 thousand tonnes of butter annually, and approximately 152 thousand litres of hard ice cream. The vast majority of dairy products produced in Canada are for domestic consumption.

Target markets for its products include grocery retailers and the food service industry including commercial kitchens and bakeries. Foothills has a network of over 400 grocery retailers, food distributors, and commercial service/food establishments from B.C. through to Manitoba, making them one of the market's leading providers of butter and ice cream products. Select retail and distribution partners include; Loblaws, Sobeys, Safeway, Ikea, Gordon Food Service, and Sysco.

Foothills has established its brand and market relationships over a 53-year period, creating significant barriers to entry for new market entrants wanting to establish new brands and products. Additionally, given that ice cream needs to be stored and transported in a frozen state, significant investment is required to create the infrastructure needed to handle products and deliver them to customers in short time frames.

The Canadian butter market is seeing a resurgence in consumers' preference for butter products, rather than oil-based, trans-fat heavy margarine substitutes, give a highly positive outlook for butter demand. Ice cream has an outlook for stable demand as consumers continue to demand higher quality and premium ice cream products. The size of the Canadian ice cream market is approximately $0.8 billion. In 2023, Foothills gained market share as a major competitor in the 11.4 L ice cream category exited that market.

Marketing Plans and Strategies

Foothills differentiates its ice cream products by using natural and fresh ingredients, along with a sweet buttermilk base from butter churns that produce richer and creamier ice cream. Unlike its competitors, Foothills is both a manufacturer and distributor of branded and private-label butter and ice cream products. The majority of market players either manufacture or distribute their products. Specializing in both allows Foothills to offer a full value-add service for customers looking for consistent product quality combined with timely delivery standards and responsiveness. Due to rising transportation costs, ice cream producers such as Foothills, who are strategically located near key customers, dairy producers and suppliers of key inputs have a competitive advantage.

Strong performance is driven by Foothills' buying power, key customer relationships, improved pricing trends for butter, and lower operating costs, such as fuel. Managements' focus is to continuously improve Foothill's product offering, as well as to find new markets that capitalize on Foothills' strengths in order to grow the business. Areas Foothills intends to achieve growth in include:

- creating new and innovative soft serve lines;
- design new butter product packaging to attract customers;
- offering new flavored butter and butter blends to differentiate within the market place; and
- leverage their brand and reputation to expand into eastern Canada, the largest market in Canada.

Management views Foothills' soft serve lines as key to future growth and is constantly experimenting with new ingredients and ice cream flavors to differentiate itself in the market place. As butter is a commodity, branding and product differentiation are key. Foothills' major competitive advantage is its known quality and metallic blue packaging that stands out against competitors on the store shelves. Foothills is updating its product packaging to further appeal to end customers and is constantly working to develop new ice cream and butter flavor offerings.

Competitive Conditions

The largest players in the Canadian butter production market include Parmalat Canada, Saputo, Agropur Cooperative, Gay Lea foods and Foothills. The largest players in the Canadian ice cream production market include Chapman's, Nestle Canada Inc., Unilever and Foothills. Of the top companies in the market segment, Foothills is the only company that both manufactures and distributes its products, and it is also the only company that provides both butter and ice cream products under one brand name.

Foothills is expected to benefit from current trends including "Buy Local" initiatives along with an increase in the consumption of butter.

New Products

Foothills constantly experiments with new ingredients and ice cream flavors to differentiate itself in the market place. Management views Foothills' soft serve lines as key to future growth and on average develops six new flavors per year. Foothills has entered the whipped butter category, where it has secured significant market share.

Proprietary Protection

Foothills does not have any formal proprietary intellectual property protection.

Cycles

Foothills operations are seasonal, with ice cream demand peaking in the summer months, and the demand for butter peaking in December for the holiday season.

Changes to Contracts

Foothills does not expect that any aspect of its business will be affected in the current financial year by renegotiation or termination of contracts or sub-contracts. As well, there has been no change to contracts or sub-contracts for the current fiscal year that would have a material impact on the operations or financials of Foothills.

Employees

Foothills employs on average approximately 75-85 non-unionized employees, with about a third working in butter and ice cream production.

Foothills employs a small but growing sales department, an office and administration department, plant managers, Edmonton and Kelowna facilities management, quality control department, and an equipment maintenance department. The rest of Foothills' employees cover distribution, trucking and warehousing functions. Given that the ice cream business is seasonal, with sales higher in the summer and lower in the winter, Foothills' employee count increases by 6-8 people during the summer months.

Lending

Foothills does not undertake any lending operations.

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in Western's other public filings before making an investment decision. The risks below are not an exhaustive description of all the risks associated with an investment in Western.

In particular, the Corporation is indirectly affected by the risk factors applicable specifically to its portfolio companies GlassMasters, Golden Health Care, Ocean Sales, Foothills, and Fortress.

Risk Factors Related to Western

Acquisition Opportunities and Competition

The Corporation's strategy is to build an insurance, financial services and investment holding company. Western faces competition for acquisition candidates which may increase acquisition prices and reduce the number of acquisitions that will be completed by the Corporation. Some of Western's competitors are substantially larger and have access to greater financial resources, have a longer operating history, have more personnel and different return targets. Competitors may also have a lower cost of funds and access to funding sources that are not available to the Corporation. If Western is not able to compete effectively in this regard, its future growth may be negatively impacted.

The Corporation may have limited access to suitable acquisition opportunities and such acquisitions may not be possible within a reasonable time period. There can be no assurance that the Corporation will be able to complete acquisitions at acceptable prices or acceptable terms. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns may be diminished if the Corporation is unable to find and make a sufficient number of acquisitions.

Investment Evaluation

Not all relevant risks or liabilities associated with an acquisition opportunity may be identified in any due diligence investigations carried out by the Corporation and its advisors. When conducting due diligence, the Corporation may be required to evaluate complex business, financial, tax, accounting, environmental and legal issues. Unforeseen risks or liabilities may have a material and adverse impact on the Corporation's liabilities, profitability, results of operations and financial condition.

Outside legal advisors, accountants, experts and investment banks may be involved in the due diligence process in varying degrees depending on the type of acquisition and the Corporation will be required to rely in part on such advisors' assessment of potential liabilities and risks associated with each acquisition.

Concentration of Investments

There are no restrictions or limits on the amount or proportion of the Corporation's funds that may be allocated to any particular investment. The Corporation may participate in a limited number of investments and, as a consequence, its financial results may be substantially affected by the unfavourable performance of a single investment. The Corporation's approach to investment opportunities may result in a highly concentrated investment in a particular company, geographic area or industry resulting in the performance of the Corporation depending significantly on the performance of such company, geographic area or industry. Currently, all of the Corporation's investments are comprised of its investments in Fortress, GlassMasters, Golden Health Care and Foothills.

Access to Capital

The Corporation will have ongoing requirements to support its growth, to further investment in its portfolio companies and to meet its credit facility covenants with its lenders and may seek to obtain additional funds for these purposes through public or private equity, or through additional debt. There are no assurances that the Corporation will be able to secure additional funding on acceptable terms or at all. The Corporation's liquidity and operating results, and its ability to make additional acquisitions, may be adversely affected if its sources of funding or its access to capital markets are limited, whether as a result of a downturn in market conditions generally or to matters specific to the Corporation.

Additional Issuances and Dilution

Western may issue and sell additional securities of Western, including Common Shares and other securities, to finance its operations or future acquisitions. Western cannot predict the size of future issuances of securities of Western or the effect, if any, that future issuances and sales of such securities will have on the market price of any securities of Western issued and outstanding from time to time. With any additional sale or issuance of securities of Western, holders may suffer dilution with respect to voting power and may experience dilution in Western's earnings per share. Sales or issuances of a substantial number of securities of Western, or the perception that such sales could occur, may adversely affect prevailing market prices for securities of Western issued and outstanding from time to time.

Cash Flow from Portfolio Companies

Western is dependent on the operations of its portfolio companies to support its ability to pay operating expenses and make interest payments to its lenders. Western's ability to generate income is affected by the profitability, fluctuations in working capital, margin sustainability and capital expenditures of its portfolio companies. Although Western's portfolio companies intend to distribute some amount of their cash available for distribution and also pay management fees to Western, there can be no assurance regarding the amounts of income and cash flow to be generated by them and the amounts to be paid to Western. The failure of any portfolio company to make its anticipated distributions could adversely impact Western's financial condition and cash flows and, consequently Western's ability to fund its operating expenses and make payments required by its lenders to service existing or future debt.

Management and Conflicts of Interest

The Corporation will be dependent upon the efforts, skill and business contacts of key members of management and the Board for, among other things, the information and investment opportunities they are able to generate. Accordingly, the Corporation's success may depend upon the continued service of these individuals to the Corporation. The loss of the services of any key individual could have a material adverse effect on the Corporation's revenues, net income and cash flows and could harm its ability to secure investments, maintain or grow its assets and raise funds.

From time to time, the Corporation will also need to identify and retain additional skilled management to efficiently operate its business. There can be no assurance of its ability to attract and retain such personnel. If the Corporation is not successful in attracting and training qualified personnel, the Corporation's ability to execute its business strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Certain of the current directors, officers and promoters of Western also serve as directors and/or officers of other companies which may compete with Western in its search for acquisitions. Accordingly, situations may arise where the directors, officers and promoters of Western are in a position of conflict with Western.

Common Shares Sensitive to Market Fluctuations

The Common Shares are relatively illiquid due to low trading volumes and, as such, the market price of the Common Shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, and wars, may adversely affect the market price of the Common Shares, even if the Corporation is successful in maintaining revenues, cash flows or earnings. This illiquidity and fluctuation in market price may adversely affect the Corporation's ability to raise additional funds through the issuance of Common Shares, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Investment Risk

Western routinely evaluates and considers a wide array of potential acquisitions, including joint ventures, business combinations, acquisitions and dispositions of businesses, service or product offerings or acquisitions and other asset transactions. At any given time, Western may be engaged in discussions or negotiations with respect to one or more of these types of acquisitions. Any of these acquisitions could be material to Western's financial condition, results of operations or cash flow.

The process of integrating any acquired business may create unforeseen operating difficulties and expenditures and is itself risky. In respect of an acquired business, the areas where Western, from time to time, faces cost, risk and/or difficulty, which may be material in scope and degree, include:

a) diversion of an excessive amount of Western management time to manage issues in that portfolio company;

b) a shift of focus of Western management, or that of a portfolio company's management, away from core operating and business strategies and priorities, to the matters of, and issues related to, integration, administration, employment or unforeseen business or operating issues;

c) having to deal with an acquired entity which often lacks sufficient or effective business and financial controls, procedures, policies and operational oversight thereby increasing the risk of liabilities arising from activities of the acquired business (and its personnel) for matters both before and/or after the acquisition, including violations of laws, rules and regulations, commercial disputes, tax liabilities and other known and unknown liabilities;

d) being able to garner the time, effort and commitment from existing personnel of an acquired business which is required in order to effectively implement controls, procedures and policies appropriate for that acquired business which, prior to the acquisition, had lacked such controls, procedures and policies;

e) developing and implementing management succession planning strategies and plans to effectively provide for proper continuity of capable executive management personnel over time within the acquired entity;

f) as a result of Western's acquisitions, a portion of the total assets in each portfolio company is comprised of intangible assets and goodwill. Each portfolio company is required to perform impairment tests of its goodwill and other intangible assets annually, or at any time when events occur that could affect the value of its intangible assets and/or goodwill. A determination that impairment has occurred would require the portfolio company to write-off the impaired portion of its goodwill or other intangible assets, resulting in a charge to its earnings. Such a write-off could adversely impact Western’s financial condition and results of operations since the Western uses the equity method to realize net income from its portfolio companies on its financial statements; and

g) the risk of liabilities and contingencies arising which are not discovered prior to consummation of an acquisition, including in respect of those businesses already acquired by Western as of the date of this AIF, and in respect of which Western may not be indemnified for some or all of such liabilities and contingencies.

Put/Call Agreements

Western has entered into separate put/call agreements in relation to Fort McKay’s 37% interest in GlassMasters and ATB’s 38% interest in Foothills.

Pursuant to the GlassMasters Transaction, the put/call agreement with their previous partner, ATB was terminated and Western entered into a new put/call agreement with Fort McKay in relation to its 37% interest in GlassMasters, that may be exercised on February 1 on each of 2024, 2028, 2032, or 2036. If a put or call notice is provided and Western is not able to finance the acquisition of Fort McKay's 37% interest, Western must sell to Fort McKay for nominal consideration sufficient shares in the capital of GlassMasters to increase its holdings of GlassMasters by 10%. Western will then have the option to sell its holding, along with Fort McKay's holding, to any third party. There can be no assurance on the value that Western will receive for its ownership if Western sells its ownership of GlassMasters together with Fort McKay's interest.

Similarly for Foothills, if a put or call notice is provided on or prior to the seventh-year anniversary of the acquisition date of Foothills and Western is not able to finance the acquisition of ATB's 38% interest, Western must sell to ATB for nominal consideration sufficient shares in the capital of Foothills to increase ATB's holdings of Foothills by 10%. Western will then have the option to sell its holding, along with ATB's holding, to any third party. There can be no assurance on the value that Western will receive for its holding if Western sells its holding of Foothills together with ATB's holding.

If, in either case, Western is unable to finance its acquisition of its partner's holding, Western may suffer a significant loss in relation to the value of the shares of either entity it may be required to sell.

Illiquidity of Investments

Western's investment in its portfolio companies and the other businesses and assets in which it may invest, are, and likely will be, unlisted and otherwise illiquid and difficult to value. The valuation of these businesses, securities and assets is subject to a significant amount of subjectivity and discretion. There is no guarantee that fair value will be realized by Western on the purchase or sale of these assets. Further, such illiquidity will limit the ability of Western to vary its portfolio promptly in response to changing economic or investment conditions.

Unanimous Shareholders Agreements

The shareholders of GlassMasters and Foothills have entered into the USAs. Although Western owns equal or greater than 50% of the outstanding voting securities of GlassMasters and approximately 48.3% of the outstanding voting securities of Foothills, pursuant to the applicable USAs, Western is not entitled to nominate a majority of the directors. The USAs contains provisions which increase the threshold requirements for director and shareholder approvals of significant corporate actions to levels higher than required under applicable corporate and securities laws. The USAs also contain share transfer restrictions, rights of first refusal and drag along and tag along rights. As a result, the USAs limit Western's ability to control each portfolio company or their respective businesses, operations and associated financial results.

Inaccurate or Unfavourable Research

The trading market for Western, if any, relies in part on the research and reports that securities analysts and other third parties choose to publish about Western. Western does not control these analysts or other third parties and it is possible that no analysts or third parties will cover Western. The price of Western's Common Shares could decline if one or more securities analysts downgrade Western or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about Western or cease publishing reports about Western.

Uncertainty due to United States Tariffs

Potential US-led tariffs imposed on Canada, and the retaliatory tariffs that Canada implements, may impact the Corporation as tariff amounts and the goods to which they are applicable may vary. Consumer sentiment on both the American and Canadian sides of the Canada-US border may also shift as citizens proactively emphasize purchasing goods made in their own country, impacting portfolio company results.

Pandemics

An outbreak or escalation of a contagious disease may adversely affect Western or its portfolio companies. A local, regional, national or international outbreak or escalation of a contagious disease, including the COVID-19 coronavirus or any other similar illness or fear of the foregoing, could create significant societal and economic disruptions, including global stock market and financial market volatility, a general reduction in consumer activity, operating, supply chain and project development delays and disruptions and declining trade and market sentiment, all of which have and could further affect, among other things, the markets and/or industries in which Western's portfolio companies participate.

Furthermore, an outbreak could lead to governments worldwide enacting emergency measures in response to a pandemic including the implementation of regional and/or international travel bans, border closings, mandated closure of non-essential services, social and physical distancing, self-imposed quarantine periods, "shelter-in place" policies and/or similar restrictions on individuals and businesses. The past COVID-19 pandemic caused material disruption to the economy, businesses and industries globally, resulting in an economic slowdown and affecting the financial results of Western's portfolio companies.

The ever-changing and rapidly-evolving effects of a pandemic, including the accompanying response measures, on investors, businesses, the economy, society and the financial markets has to date, and may in the future negatively impact Western and its portfolio companies, as well as their partners, customers, counterparties, employees, third-party service providers and other stakeholders.

Risk Factors Generally Related to Western's Portfolio Companies

Economic and Political Conditions

Changes in economic conditions, including, without limitation, recessionary or inflationary trends, commodity prices, equity market levels, consumer credit availability, interest rates, foreign exchange rates, consumers' disposable income and spending levels, and overall consumer confidence could have a material adverse effect on Western and its portfolio companies.

In addition, economic and business conditions may be affected by disruptions in the financial markets caused by political or other events which may adversely impact the financial condition, results of operations or cash flows of Western or its portfolio companies.

Transaction and Legal Risks

Western and its portfolio companies may be exposed to transaction and legal risks, including potential liability under securities laws or other laws and disputes over the terms and conditions of investment arrangements. These risks are often difficult to assess or quantify and their existence and magnitude often remains unknown for substantial periods of time. Western and its portfolio companies may incur significant legal and other expenses in defending against litigation involved with any of these risks and may be required to pay substantial damages for settlements and/or adverse judgments. Substantial legal liability or significant regulatory action against Western or any one of its portfolio companies could have a material adverse effect on the results of operations and financial condition of Western.

Underwriting Risk

Fortress is subject to underwriting risk which is the risk that insurance service expenses will exceed insurance revenue and can arise as a result of numerous factors, including pricing risk, reserving risk and catastrophe risk. Pricing risk arises because actual claims experience may differ adversely from the assumptions used in pricing insurance risk. Reserving risk arises because actual claims experience may differ adversely from the assumptions used in setting reserves, in large part due to the length of time between the occurrence of a loss, the reporting of the loss to the insurer and the ultimate resolution of the claim. The degree of uncertainty will vary by line of business according to the characteristics of the insured risks, with the ultimate cost of a claim determined by the actual insured loss suffered by the policyholder. Claims provisions reflect expectations of the ultimate cost of resolution and administration of claims based on an assessment of facts and circumstances then known, a review of historical settlement patterns, estimates of trends in claim severity and frequency, developing case law and other factors.

The time required to learn of and settle claims is often referred to as the "tail" and is an important consideration in establishing reserves. Catastrophe risk arises from exposure to large losses caused by either man-made or natural catastrophes that could result in significant underwriting losses. Weather-related catastrophe losses are also affected by climate change which increases the unpredictability of both frequency and severity of such losses.

Insurance Industry

The financial performance of the insurance industry has historically tended to fluctuate due to competition, frequency or severity of both catastrophic and non-catastrophic events, levels of capital and underwriting capacity, general economic conditions and other factors. Demand for insurance is influenced significantly by underwriting results of primary insurers and prevailing general economic conditions.

Factors such as changes in the level of employment, wages, consumer spending, business investment and government spending, the volatility and strength of the global capital markets and inflation or deflation all affect the business and economic environment and, ultimately, the demand for insurance and reinsurance products, and therefore may affect net earnings, financial position or cash flows.

The insurance business historically has been characterized by periods of intense price competition due to excess underwriting capacity, as well as periods when shortages of underwriting capacity have permitted attractive pricing. The effects of this cyclicality, which, during down periods, could significantly reduce the amount of premiums written and could harm Fortress' financial position, profitability or cash flows.

Senior Care Industry

Golden Health Care is subject to general business risks inherent in the senior care industry, including: changes in government regulation and oversight; changing consumer preferences; fluctuations in occupancy levels and business volumes; the ability of Golden Health Care to renew its government licenses and customer contracts; changes in government funding and reimbursement programs, including the ability to achieve adequate government funding increases; changes in labour relations and costs; increases in other operating costs; competition from other senior care providers; changes in neighbourhood or location conditions and general economic conditions; health related risks, including disease outbreaks (for example, COVID-19) and control risks; changes in accounting principles and policies; the imposition of increased taxes or new taxes; capital expenditure requirements; and changes in the availability and cost of both short- and long-term financing, which may render refinancing of long-term debt difficult or unattractive. Any one of, or a combination of, these factors may adversely affect the business, results of operations and financial condition Golden Health Care. In addition, there are inherent legal, reputational and other risks involved in providing accommodation and health care services to seniors. The vulnerability and limited mobility of some seniors enhances such risks. Such risks include fires or other catastrophic events at a Golden Health Care location which may result in injury or death, negligent or inappropriate acts by employees or others who come into contact with the residents and clients, and unforeseen events at locations at which Golden

Health Care operates that result in damage to Golden Health Care's brand or reputation or to the industry as a whole.

Tax Consequences

There may be an enactment, promulgation or public announcement of a change or proposed change in tax law (including a specific proposal to amend the Tax Act publicly announced by the Department of Finance of Canada or the Minister of Finance of Canada) or applicable case law or written and published interpretative guidance or policy of the Canada Revenue Agency or provincial equivalent that could result in a material impairment of, or materially adversely affect, the operations or financial or tax position of Western and its portfolio companies. Tax filings and filing positions made or taken or to be made or taken by Western and its portfolio companies, including those related to income and expenses as well as those arising out of acquisition or disposition transactions, involve interpretations of the Tax Act which, if interpreted differently or challenged by taxing authorities, could result in tax liabilities to Western and its portfolio companies. Further, the acquisition and disposition of businesses and assets by Western and its portfolio companies often involve various structuring events to complete the transactions in a tax efficient manner and, consequently, involve interpretations of the Tax Act which, if interpreted differently or challenged by taxing authorities, could result in tax liabilities to Western and its portfolio companies. Elections have been made under the Tax Act such that certain transactions pursuant to which Western and its portfolio companies or assets may be affected on a tax-deferred basis. The adjusted cost base of any property transferred to a subsidiary pursuant to acquisition agreements may be less than its fair market value, such that a gain may be realized on the future sale of the property.

Regulation and Change in Law

Western and its portfolio companies are subject to a variety of laws, regulations and guidelines and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a material adverse effect on Western's business, financial condition, results of operations and cash flows. It is not possible for Western to predict the cost or impact of such laws, regulations and guidelines on the portfolio companies' respective future operations.

Legal, tax and regulatory changes may occur that can adversely affect Western and its portfolio companies' securityholders. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects Western and its portfolio companies' securityholders.

Reliance on Technology

Western and its portfolio companies are dependent upon information technology systems in the conduct of their operations. Any significant breakdown, invasion, virus, cyber-attack, security breach, destruction or interruption of these systems by employees, others with access to Western and its portfolio companies' systems, or unauthorized persons could negatively impact their operations. To the extent any invasion, cyber-attack or security breach results in disruption to Western and its portfolio companies' operations, loss or disclosure of, or damage to, their data or confidential information, their reputations, businesses, results of operations and financial condition could be materially adversely affected. Western and its portfolio companies' systems and insurance coverage for protecting against cyber security risks may not be sufficient. Although to date Western and its portfolio companies' have not experienced any material losses relating to cyber-attacks, they may suffer such losses in the future. Western and its portfolio companies' may be required to expend significant additional resources to continue to modify or enhance their protective measures or to investigate and remediate any information security vulnerabilities.

Access to Capital

As the portfolio companies grow, there can be no assurance that each portfolio company will have sufficient capital resources available to implement its growth strategy. Inability to raise new capital, in the form of debt or equity, could limit the portfolio company's future growth.

Each portfolio company will endeavor, through a variety of strategies, to ensure in advance that it has sufficient capital for growth. There can be no assurance that any one portfolio company will be successful in accessing these or other sources of capital in the future. Portfolio companies may use financial leverage through the use of debt, which have debt service obligations. Their ability to refinance or to make scheduled payments of interest or principal on their indebtedness will depend on their future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rates, and financial, competitive, business and other factors, many of which are beyond their control.

Excess Portfolio Company Leverage

Each portfolio company's credit facilities contain restrictive covenants that limit the discretion of management and the ability to incur additional indebtedness, to expand their business, to create liens or other encumbrances, to pay dividends and fund distributions, to redeem any equity or debt, to pay Western management fees or to make investments, capital expenditures, loans or guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the credit facilities contain a number of financial covenants that require each portfolio company to meet certain financial ratios and financial condition tests. A failure to comply with the obligations under these credit facilities could result in an event of default, which, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness were to be accelerated, there can be no assurance that the assets of the portfolio company would be sufficient to repay the indebtedness in full with the result that Western could lose its entire investment in the portfolio company. There can also be no assurance that the portfolio company will be able to refinance the credit facilities as and when they mature. The credit facilities are secured by the assets of each respective portfolio company. Western has not provided any guarantees or letter of support for any credit facility obtained by the portfolio companies.

Interest Rates

A majority of Western's portfolio companies have obtained credit facilities with variable interest rates. There can be no assurance that interest rates in Canada will not increase in the future, which could result in a material adverse effect on their business.

Currency Risks

Many of Western's portfolio companies purchase inventory in a foreign currency and as such they are subject to foreign currency exchange fluctuations. The portfolio company's financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the same as their functional currency. Exchange gains and losses impact net income or loss. The companies may hold cash and cash equivalents, trade and other receivables, account payable that are subject to currency risk. As a result, each company's financial performance may be significantly impacted by changes in foreign exchange rates.

Political instability and Inflationary Economy

Political or economic instability, including high inflation rates, or unexpected regulatory change could aversely affect Western's portfolio companies. Inflation may affect the cost of sales, and where a company is unable to pass on the increase to the customer, the company's financial performance may be impacted.

Execution on New Strategies

New initiatives may be introduced from time to time in order to grow each portfolio company. Initiatives such as entering new markets or introducing and improving related products and services have the potential to be accretive to the portfolio company's business when the opportunity is accurately identified and executed. There can be no assurance that the portfolio company identifies new initiatives that are accretive to the business or that it is successful in implementing such initiatives.

Insurance Risk

Each portfolio company plans to insure its property, plant and equipment, including vehicles through insurance policies with insurance carriers located in Canada. Included within these policies is insurance protection against property loss and general liability. Western plans to guide its portfolio companies to use experienced brokers, to ensure that insurable risks are insured appropriately under terms and conditions that would protect the portfolio companies from losses. There can be no assurance that all perils would be fully covered or that a material loss would be recoverable under such insurance policies.

Employee Relations and Staffing

The current work force for each portfolio company is not unionized. Although Western believes that each portfolio company is on good terms with its employees, there are no assurances that a disruption in service would not occur as a result of employee unrest or employee turnover. A significant work disruption or the inability to maintain, replace or grow staff levels would have a material adverse effect on the portfolio company, and the results of operations and cash flows of Western.

Brand Management and Reputation

A portfolio company's success is impacted by its ability to protect, maintain and enhance the value of its brands and reputation. Brand value and reputation can be damaged by isolated incidents, particularly if the incident receives considerable publicity or if it draws litigation. Incidents may occur from events beyond managements' control or may be isolated to actions that occur in one particular location. Demand for services could diminish significantly if an incident or other matter damages its brand or erodes the confidence of its customers. With the advent of the Internet and the evolution of social media there is an increased ability for individuals to adversely affect the brand and reputation. There can be no assurance that past or future incidents will not negatively affect each portfolio company's brand or reputation.

Fluctuations in Operating Results and Seasonality

Some of the portfolio companies' operating results are expected to continue to be subject to quarterly fluctuations due to a variety of factors including changes in customer purchasing patterns, general operating effectiveness general and regional economic downturns, unemployment rates and weather conditions. These factors can affect any portfolio company's ability to fund ongoing operations and finance future activities and have a negative impact on the cash flows and net income earned by the Corporation.

Environmental, Health and Safety Risk

To date, each portfolio company has not encountered any environmental protection requirements or issues which would be expected to have a material financial or operational effect on its current business and they are not aware of any material environmental issues that could have a material impact on future results or prospects. No assurance can be given, however, that the prior activities have not created a material environmental problem or that future uses will not result in the imposition of material environmental, health or safety liability upon a portfolio company.

Technological Advances

The industries of the portfolio companies continuously incorporate technological advances into the development of their respective businesses. These advances may be much more technically demanding and, to compete, it may be necessary for the portfolio companies to invest in equipment, systems and staff training. No assurance can be given that any particular portfolio company will be able to make sufficient investments in technological advances.

Operational Performance

In order to compete in the market place, the portfolio companies must consistently meet the operational performance metrics expected by its customers. Failing to deliver on key operation performance metrics can, over time, result in reductions in sales and pricing, or both. Certain of the portfolio companies have implemented processes as well as measuring and monitoring systems to assist it in delivering on these key metrics. However, there can be no assurance that any particular portfolio company will be able to continue to deliver on these metrics or that the metrics themselves will not change in the future.

Market Environment Change

The industries of the portfolio companies may be subject to continual change in terms of regulations, technology, processes and changes in the strategic direction of clients, suppliers and competitors. While portfolio companies may endeavor to stay abreast of developments in their industries and make strategic decisions to manage through these changes, any one portfolio company may not be able to correctly anticipate the need for change or may not effectively implement changes to maintain or improve its relative position with competitors. There can be no assurance that market environment changes will not occur that could negatively affect the financial performance of the portfolio companies.

Competition

Competition in the industries of the portfolio companies may be impacted by key factors such as price, services, products and quality. Existing or new competitors may become significantly larger and have greater financial and marketing resources than the portfolio companies. There can be no assurance that competitors will not achieve greater market acceptance due to pricing or other factors.

Customer Risk

Some or all of the Corporation's portfolio companies are reliant on a few key customers. The loss of one or more of their key customers or any significant reduction in orders from such customers could have a material adverse effect on the business, results of operations, or financial condition of the portfolio companies. Additionally, any disruption in the relationship between any such portfolio company and such customers could adversely affect the business of the portfolio companies. They could experience fluctuations in their respective customer bases or the mix of revenue by customer as markets and strategies evolve. Any consolidation of the portfolio companies' customers could reduce the number of customers to whom their products could be sold. Any inability to meet the customers' requirements could adversely impact the financial performance of the portfolio companies.

Supplier Risk

Some or all of the Corporation's portfolio companies are reliant on a few significant suppliers. The loss of one or more of their suppliers or any significant reduction in availability of raw materials or supplies from such suppliers could have a material adverse effect on the business, results of operations, or financial condition of the portfolio companies. Additionally, any disruption in the relationship between any such portfolio company and these suppliers could adversely affect the business of the portfolio companies. Any consolidation or loss of the portfolio companies' suppliers could result in a reduction in the amount of product or services any such portfolio company is able to provide and could adversely impact the financial performance of the portfolio companies.

Global Financial Conditions

Volatility in the worldwide economy has negatively impacted business in the past and future downturns could also adversely affect the business of Western or its portfolio companies. Adverse economic conditions affect demand for the products or services of the portfolio companies. Reduced demand for these products or services could result in significant decreases in their average selling prices and in overall sales. Western and its portfolio companies are also subject to increased counterparty and liquidity risk. A deterioration of current conditions in worldwide credit markets could limit Western's or its portfolio companies' ability to obtain external financing to fund operations and capital expenditures. In addition, they may experience losses on holdings of cash and investments due to failures of financial institutions and other parties, and may become exposed to credit related losses in the event of non-performance by counterparties to their financial instruments. Difficult economic conditions may also result in a higher rate of losses on accounts receivables due to credit defaults. As a result, a downturn in the worldwide economy could have a material adverse effect on the business, results of operations, or financial condition of the portfolio companies or of Western.

Governmental Regulation

In addition to environmental regulations, Western and its portfolio companies' operations are subject to a variety of other federal, provincial and local laws, regulations and guidelines, including laws and regulations relating to health and safety, the conduct of operations, and the manufacture, management, transportation, storage, and disposal of certain materials used in their operations and facilities. Each of Western and the portfolio companies have invested financial and managerial resources to comply with applicable laws, regulations and guidelines and will continue to do so in the future. Any of these laws or regulations could cause the portfolio companies to incur additional direct costs, as well as increased indirect costs related to their relationships with their customers and suppliers, and otherwise harm their operations and financial condition. Any failure to comply with these laws or regulations could adversely impact the reputation of any one portfolio company and also its financial results.

In addition, Western's securities are listed on the Exchange, and Western is accordingly subject to regulation by Canadian securities regulators and Canadian federal and provincial laws and regulations.

Changes to Leases

Certain of the portfolio companies' operations require retail locations which are leased from third parties. There can be no assurance that the portfolio companies will be able to obtain all necessary leases that may be required to maintain their operations. If the present leases are terminated or withdrawn, such event could have an adversely negative effect on the portfolio companies' operations.

Risk of Litigation

Either Western or the portfolio companies could become involved in various legal actions in the ordinary course of business. Claims will be reviewed on a case-by-case basis. The cost of litigation could have a material effect on with Western or the portfolio companies. In certain cases, legal claims may be covered under applicable insurance policies.

Pandemics

The COVID-19 pandemic significantly disrupted the operations of certain of Western's portfolio companies. Although such operations have now returned, or are close to returning, to pre-pandemic levels, any resurgence or development of a new pandemic may materially and adversely affect the portfolio companies' businesses and financial condition in the future.

Expansion Risk

Certain of the portfolio companies have significant potential for further expansion of their businesses. There can be no assurance that any market for their services and products will develop either at the local, regional or national level. Economic instability, laws and regulations, and the presence of competition in all or certain jurisdictions may limit their ability to successfully expand operations.

Rapid growth can put a strain on managerial, operational, financial, human and other resources. Risks related to rapid growth include administrative and operational challenges such as the management of an expanded number of locations, the assimilation of financial reporting systems, technology and other systems of acquired companies, increased pressure on senior management and increased demand on systems and internal controls. The ability of the portfolio companies to manage their operations and expansion effectively depends on the continued development and implementation of plans, systems and controls that meet their operational, financial and management needs. If the portfolio companies are unable to continue to develop and implement these plans, systems or controls or otherwise manage their operations and growth effectively, they will be unable to maintain or increase margins or achieve sustained profitability.

DIVIDENDS AND DISTRIBUTIONS

To date the Corporation has declared two dividends in the amount of $0.005 per share, paid on July 29, 2022, and September 29, 2023. All future decisions with respect to the declaration of dividends on the Common Shares will be made by the Board on the basis of Western's earnings, financial requirements and other conditions existing at such a future time.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series.

The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares and Preferred Shares, as well as to the other outstanding securities of the Corporation.

Common Shares

Western is authorized to issue an unlimited number of Common Shares. The holders of Common Shares are entitled to receive notice of and one vote per share at all meetings of shareholders of Western. The holders of Common Shares are entitled to dividends in such amounts as the Board may from time to time declare and, in the event of liquidation, dissolution or winding-up of Western, are entitled to share pro rata in the assets of Western. As at the date hereof, there were 158,851,050 Common Shares issued and outstanding.

Preferred Shares

Western is also authorized to issue an unlimited number of Preferred Shares, issuable in series. The Preferred Shares rank in priority to the Common Shares as to the payment of dividends and as to the distribution of assets in the event of liquidation, dissolution or winding-up of Western. As at the date hereof, there are no Preferred Shares issued and outstanding.

Warrants

Pursuant to the Private Placement, Western issued 75,000,000 Warrants with each Warrant is exercisable to acquire a Common Share at a price of $0.47 per share until December 6, 2029.

Options

As at the date hereof, Western has 3,059,000 outstanding Options to directors and management exercisable into Common Shares at exercise prices ranging from $0.27 to $0.65 with expiry dates ranging from February 24, 2026 to October 17, 2034.

2025 Debentures

The following is a brief summary of the key attributes and characteristics of the 2025 Debentures and of certain provisions which are contained in the 2025 Debenture Indenture. The following does not purport to be complete. For full particulars and additional details on the 2025 Debentures, reference should be made to the 2025 Debenture Indenture, copies of which have been filed under Western's profile on SEDAR+ at www.sedarplus.ca.

An aggregate of $5.0 million in principal amount of 2025 Debentures were issued and outstanding pursuant to the 2025 Debenture Indenture as of December 31, 2024. The fees of Odyssey Trust Company, the trustee under the 2025 Debenture Indenture, for the administration of the 2025 Debenture Indenture are paid by Western.

On December 31, 2024, each 2025 Debenture was convertible into Common Shares at a conversion price of $0.4725 per Common Share after giving effect to the adjustment resulting from the completion of the Rights Offering. The 2025 Debentures would have matured 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 in each year. On February 27, 2025, the Corporation announced that the forced conversion provision of the 2025 Debenture Indenture had been triggered and the 2025 Debentures were converted on March 7, 2025.

MARKET FOR SECURITIES

Trading Price and Volume of Common Shares

The Common Shares are listed and posted for trading on the TSX-V under the symbol "WI". The following table sets forth the high and low trading prices and the aggregate volume of trading of the Common Shares on the TSX-V for the periods indicated (as quoted by the TSX-V):

	Price Range ($)		
Period	**High**	**Low**	**Trading Volume**
2024			
January	0.41	0.39	146,120
February	0.55	0.38	1,237,007

	Price Range ($)		
Period	**High**	**Low**	**Trading Volume**
March	0.54	0.48	554,450
April	0.55	0.49	370,731
May	0.58	0.51	1,131,500
June	0.56	0.45	375,467
July	0.49	0.43	377,134
August	0.45	0.41	429,711
September	0.46	0.41	198,153
October	0.49	0.41	692,846
November	0.47	0.41	795,833
December	0.61	0.46	1,174,644

Prior Sales

No securities of Western that are outstanding but not listed or quoted on a marketplace were issued during the financial years ended December 31, 2024, except as follows:

Date Granted/Issued	Number and Type of Securities	Issue/Exercise Price of Security
October 17, 2024	120,000 Options	$0.49
December 6, 2024	75,000,000 Warrants	$0.47

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the name, municipality of residence and principal occupation for the past five years of each of the directors and executive officers of Western.

Name, Municipality of Residence and Office	Present Occupation and Positions Held During the Last Five Years	Director Since
Scott Tannas[(2)(3)] High River, Alberta, Canada Executive Chair and Director	- Senator of Canada since 2014 - President and CEO of Western from October 2015 to December 2024	October 28, 2015
Paul Rivett, Toronto, Ontario, Canada CEO and Director	- Member of Advisory Board of the NHL Coaches Association since 2018 - President of Tevir Capital Corp. since 2020 - Chairman of GreenFirst Forest Products since 2021 - Chairman of Chorus Aviation since 2021 - Director of Boreal Carbon since 2021 - Vice Chair and CEO of Gold Reserve since 2024 - President of Fairfax from 2013 to 2020	December 6, 2024

Name, Municipality of Residence and Office	Present Occupation and Positions Held During the Last Five Years	Director Since
Shafeen Mawani Calgary, Alberta, Canada Chief Operating Officer	- President and CEO of Fortress Insurance since Feb 2021 - Chief Operating Officer of Western since June 2017	N/A
Stacey Cross Calgary, Alberta, Canada Chief Financial Officer	- Chief Financial Officer of Western since November 2017	N/A
Naim Ali(2)(3) Calgary, Alberta, Canada Director	- Chief Executive Officer of SM2 Capital Partners, a private investment company	December 6, 2024
Rob Cihra New York, New York, USA Director	- Chief Investment Officer of KEWA Financial Inc., and Indemnity National Insurance Company	December 6, 2024
Dr. Jivraj Kabir(1)(2) Calgary, Alberta, Canada Director	- Clinical Professor at the University of Calgary, Faculty of Medicine from 2001 to 2021 - Founding Director of Agecare Investments Ltd and Serve on various other private company boards	April 6, 2016
Greg Morrison(1) Smith's Bermuda Director	- Actuary, retired. Prior thereto, Mr. Morrison served as Chief Executive Officer of Trisura Group Ltd. - Director at Brookfield Wealth Solutions and various other private companies	December 6, 2024
Kyle Pickens(2) Charlotte, North Carolina, USA Director	- President at Thermo Companies - Director at various private companies	December 6, 2024
Sharon Ranson, FCPA, ICD.D(1)(3) Toronto, Ontario, Canada Director	- President of the Ranson Group Inc. since 2002 - Director and audit committee chair at Dorel Industries since 2019	December 6, 2024

Notes:
(1) Member of the audit committee, of which Sharon Ranson is the Chair.
(2) Member of the HR and compensation committee, of which Dr. Jivraj Kabir is the Chair.
(3) Member of the governance committee, of which Naim Ali is the Chair.

The directors of Western hold office until the next annual meeting of the shareholders of Western or until their respective successors have been duly elected or appointed.

As at the date hereof, the directors and executive officers of Western, as a group, beneficially own, or control or direct, directly, or indirectly, an aggregate of 28,409,958 Common Shares, representing approximately 19.16% of the issued and outstanding Common Shares. The information as to the beneficial ownership of such Common Shares, not being within the knowledge of Western, has been furnished by the directors and executive officers of Western individually. In addition, the directors and executive officers hold Options entitling them as a group to acquire an additional 3,059,000 Common Shares and Warrants entitling them as a group to acquire an additional 6,550,000 Common Shares as of the date hereof.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Western, no director or executive officer is, as of the date of this AIF, or was within ten (10) years prior to the date of this AIF, a director, chief executive officer or chief financial officer of any company (including Western) that: (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or (ii) was subject to such an order, for a period of more than thirty (30) consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of such company and which resulted from an event that occurred while that person was acting in such capacity.

Except as set forth below, to the knowledge of Western, no director or executive officer of Western or a shareholder holding a sufficient number of securities of Western to affect materially the control of Western is, as at the date of this AIF, or has been within the ten (10) years before the date of this AIF, a director or executive officer of any company (including Western) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

Ms. Sharon Ranson, FCPA, ICD.D was a director of Fire and Flower Holdings Corp. ("Fire & Flower") until September 15, 2023. On June 6, 2023, Fire & Flower announced that it and its subsidiaries, Fire & Flower Inc., 13318184 Canada Inc., 11180703Canada Inc., 10926671 Canada Ltd., Friendly Stranger Holdings Corp., Pineapple Express Delivery Inc. and Hifyre Inc., had received an order for creditor protection from the Ontario Superior court of Justice under the Companies' Creditors Arrangement Act. Pursuant to such order, Fire & Flower implemented a sale and investment solicitation process and announced on August 17, 2023, that a virtual auction had been held with 2759054 Ontario Inc., operating as FIKA Cannabis, the successful bidder. Fire & Flower and FIKA Cannabis entered into a subscription agreement on August 17, 2023. The subscription agreement received court approval on August 29, 2023.

To the knowledge of Western, no director or executive officer of Western or a shareholder holding a sufficient number of securities of Western to affect materially the control of Western has, within the ten (10) years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

To the knowledge of Western, no director or executive officer of Western or a shareholder holding a sufficient number of securities of Western to affect materially the control of Western has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of Western will be subject with respect to the operations of Western and its portfolio companies. Certain of the directors and/or officers of Western serve as directors and/or officers of other companies or have significant shareholdings in other companies. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest, including the procedures prescribed by the ABCA. The ABCA requires that directors of Western, who are also directors or officers of a party which enters into a material contract with Western or otherwise have a material interest in a material contract entered into by Western, must disclose their interest and, in certain instances, refrain from voting on any resolution of Western's directors to approve the contract.

AUDIT COMMITTEE DISCLOSURE

The audit committee (the "**Audit Committee**") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in the Corporation's audit committee mandate.

Audit Committee Charter

The Board has developed a written Audit Committee charter (the "**Charter**"). A copy of the Charter is attached hereto as Schedule "A" to this AIF.

Composition of the Audit Committee

The Audit Committee consists of Sharon Ranson (Chairman), Kabir Jivraj, and Greg Morrison, all of whom are financially literate within the meaning of NI 52-110. Messrs. Ranson, Jivraj, and Morrison are considered independent within the meaning of NI 52-110.

Relevant Education and Experience of Audit Committee Members

Sharon Ranson - Sharon is President of The Ranson Group Inc., a company offering executive coaching and consulting services and has served as a Director on numerous corporate, crown and not-for-profit Boards over the past 20 years. She is currently on the Board of Dorel Industries (DII.B – TSX) where she chairs the Audit Committee. Prior to founding her executive coaching business in 2002, Sharon spent over 20 years in the financial services industry in executive positions where she worked at both large and small firms. She was a top ranked financial services analyst and managing director with RBC Dominion Securities and was a senior Portfolio Manager with TAL (CIBC). Sharon was also an Adjunct Professor for the Master of Finance program at Queen’s University for three years. Sharon is an FCPA, FCA and holds the ICD.D designation. She graduated from Queen’s University with a Bachelor of Commerce and holds an MBA from York University.

Kabir Jivraj - Dr. Jivraj is the managing Director for the AgeCare group of Companies and is a Director for three other private companies. He has held a variety of senior management roles across a diverse group of industry sectors including healthcare, real-estate, hospitality, technology, education and senior housing and care management. Dr. Jivraj has served as Senior Vice-President and Chief Medical officer at Alberta Health Services from 1999 to 2002, and has served as the Vice Dean of the University of Calgary, Faculty of Medicine from 2000 to 2002. Dr. Jivraj is a graduate of the Directors Education Program at the Institute of Corporate Directors Corporate Governance College, and holds a bachelor of medical and surgery degree from the University of London, UK.

Greg Morrison – A resident of Bermuda, Mr. Morrison sits on a number of property, casualty and life insurance company Boards and their subsidiaries, including Brookfield Wealth Solutions LLP, Riverstone International Bermuda Ltd., Multi Strat Holdings Ltd., Stoneybrook Capital Ltd. and various subsidiaries of Brookfield Corporation. He previously served as Chief Executive Officer of Trisursa Holdings Group Ltd, Imagine Group Holdings Ltd., Platinum Underwriters Holdings and London Reinsurance Group Inc. Mr. Morrison is a Fellow of the Society of Actuaries (retired).

Audit Committee Oversight

At no time since the commencement of the Corporation’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), the exemption in subsection 6.1.1(4) of NI 52-110 (Circumstances Affecting the Business or Operations of the Venture Issuer), the exemption in subsection 6.1.1(5) of NI 52-110 (Events Outside Control of Member), the exemption in subsection 6.1.1(6) of NI 52-110 (Death, Incapacity or Resignation), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter.

External Auditor Service Fees (By Category)

The following table provides information about the fees billed or quoted to the Corporation for professional services rendered by Ernst & Young LLP for the fiscal years ended December 31, 2024 and December 31, 2023:

	2024	**2023**
	$	$
Audit Fees[(1)]	881,287	214,000
Audit-Related Fees	2,140	-
Tax Fees	-	-
All other Fees	-	-
Total[(5)]	883,427	214,000

Notes:

(1) Audit fees were for professional services rendered by the auditors for the audit of the Corporation's and its wholly owned subsidiary's (for 2024) annual financial statements as well as services provided in connection with statutory and regulatory filings. Includes fees are for services related to performance of limited procedures performed by the Corporation's auditors related to interim reports, and including the review of the Corporation's June 30, 2023 interim financial statements in 2023, and the review of the Corporations March 31, 2024 interim financial statements in 2024.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of Western is not aware of any legal proceedings to which the Corporation is or was a party or of which any of its property is or was the subject of, during the financial year ended December 31, 2024, nor are any such proceedings known to the Corporation to be contemplated.

There were no penalties or sanctions imposed against the Corporation by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, during the financial year ended December 31, 2024, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Corporation, and the Corporation did not enter into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than Option grants, no director or executive officer of the Corporation or a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of voting securities of the Corporation, or any associate or affiliate of any such person, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or the current financial year that has materially affected or is reasonable expected to materially affect the Corporation.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of Western are Ernst & Young LLP, Chartered Professional Accountants, located at 2200 215 2nd Street S.W., Calgary Alberta.

The transfer agent and registrar for the Common Shares is Odyssey Trust Company, located at 305, 300 - 5th Avenue S.W., Calgary, Alberta.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, Western has not entered into any material contracts during its most recently completed financial year, or before its most recently completed financial year that are still in effect, other than:

1. the Tevir Agreements;
2. the Amended and Restated Commitment Letter;
3. the 2025 Debenture Indenture; and
4. the USAs.

INTERESTS OF EXPERTS

The Corporation's auditors are Ernst & Young LLP, Chartered Professional Accountants, who have prepared an independent auditors' report in respect of the Corporation's financial statements with accompanying notes for the year ended December 31, 2024. Ernst & Young LLP, Chartered Professional Accountants has advised that they are independent with respect to the Corporation in the context of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

ADDITIONAL INFORMATION

Additional information regarding the Corporation may be found on SEDAR+ at www.sedarplus.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plan is contained in the Corporation's information circular for the annual and special meeting of shareholders held on December 6, 2024, which is available for viewing on SEDAR+ at www.sedarplus.com under the Corporation's profile.

Additional financial information is provided in the Corporation's consolidated financial statements for the year ended December 31, 2024, together with the accompanying report of the auditor and management's discussion & analysis filed on SEDAR+ and available for viewing at www.sedarplus.com under the Corporation's profile.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Effective February 22, 2016

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

1.1 Assist the Board of Directors in its oversight role with respect to:

(a) the quality and integrity of financial information;

(b) the independent auditor's performance, qualifications and independence;

(c) the performance of the Corporation's internal audit function, if applicable;

(d) the Corporation's compliance with legal and regulatory requirements; and

1.2 Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

Otherwise as permitted or required by applicable law, the Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors, the majority of whom shall not be officers, employees or control persons of the Corporation or any of the Corporation's affiliates or associates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the board for the appointment and replacement of the independent auditor.

- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.

- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.

- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation; and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.

- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual information/proxy circular, as required by applicable law.

- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

Financial Reporting

- Review and discuss with management and the independent auditor:

  - prior to the annual audit the scope, planning and staffing of the annual audit;

  - the annual audited financial statements;

  - the Corporation's annual and quarterly disclosures made in management's discussion and analysis;

  - approve any reports for inclusion in the Corporation's Annual Report, if any, as required by applicable legislation;

  - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards;

  - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements;

  - any significant changes in the Corporation’s selection or application of accounting principles;

  - any major issues as to the adequacy of the Corporation’s internal controls and any special steps adopted in light of material control deficiencies; and

  - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

AUDIT COMMITTEE’S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation’s financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The Chief Financial Officer shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.