

**The Western Investment Company of Canada Limited**

Condensed Interim Consolidated Financial Statements  
(Unaudited)

For the six months ended June 30, 2025

## **Notice of No Auditor Review of Condensed Interim Financial Statements**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of The Western Investment Company of Canada Limited (the "Corporation") for the interim reporting period ended June 30, 2025 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of the Corporation's management.

The Corporation's independent auditors, Ernst & Young LLP, have not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

# The Western Investment Company of Canada Limited

## Condensed Interim Consolidated Statements of Financial Position

(unaudited)

	As at June 30, 2025 \$	As at December 31, 2024 \$
<b>Assets</b>		
Cash and cash equivalents	42,571,346	43,245,301
Accounts receivable	177,974	50,263
Accrued interest receivable	59,559	75,857
Income taxes receivable	464,099	-
Investments (note 4)	10,351,990	11,861,210
Reinsurance contract assets (note 5)	30,216,279	20,953,679
Prepaid expenses	427,906	261,861
Due from related parties (note 6)	2,218,792	1,303,339
Intangible assets	1,817,113	1,900,508
Right of use asset	101,765	137,682
Property, plant & equipment	26,951	35,389
Investment in associates (note 6)	16,072,311	16,226,006
Goodwill	7,693,912	7,693,912
<b>Total Assets</b>	<b>112,199,997</b>	<b>103,745,007</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,032,032	2,234,745
Due to related parties	-	234,966
Income taxes payable	-	84,641
Other liabilities	37,911	-
Lease liabilities	94,538	136,337
Fronting payable	841,025	1,460,149
Collateral held	85,125	213,891
Convertible debentures (note 8)	-	4,835,088
Loan from related party	900,000	1,005,000
Deferred taxes payable	273,058	260,668
Insurance contract liabilities (note 5)	43,525,718	32,535,600
<b>Total Liabilities</b>	<b>46,789,407</b>	<b>43,001,085</b>
<b>Shareholders' Equity</b>		
Share capital (note 10)	51,332,407	46,171,043
Contributed surplus	19,059,726	19,059,726
Equity component of convertible debentures	-	400,908
Deficit	(6,196,671)	(5,949,811)
Accumulated other comprehensive loss	(37,155)	(22,659)
Equity attributable to shareholders	64,158,307	59,659,207
Equity attributable to non-controlling interests (note 11)	1,252,283	1,084,715
<b>Total Equity</b>	<b>65,410,590</b>	<b>60,743,922</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>112,199,997</b>	<b>103,745,007</b>

Nature of operations (note 2)

Subsequent events (note 15)

### Approved by the Board of Directors

“Scott Tannas”

Director

“Sharon Ranson”

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

# The Western Investment Company of Canada Limited

## Condensed Interim Consolidated Statements of Income (Loss)

(unaudited)

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
	\$	\$	\$	\$
<b>Insurance service result</b>				
Insurance revenue (note 5)	8,518,092	-	16,730,090	-
Insurance service expenses (note 5)	(6,957,160)	-	(13,529,958)	-
Net expenses from reinsurance contracts held	(1,203,689)	-	(2,523,112)	-
<b>Total insurance service result</b>	<b>357,243</b>	<b>-</b>	<b>677,020</b>	<b>-</b>
<b>Net investment income</b> (note 12)	355,780	-	485,516	-
Interest accreted on insurance contracts issued	226,957	-	608,386	-
Interest accreted on reinsurance contracts held	(172,466)	-	(488,847)	-
<b>Net insurance financial expense</b>	<b>54,491</b>	<b>-</b>	<b>119,539</b>	<b>-</b>
<b>Other Operating and Administrative Expenses</b>				
Payroll	561,581	192,171	1,073,338	302,198
Share-based compensation (note 11)	16,330	-	171,642	-
Director fees	31,227	-	62,454	-
Consulting fees	240,460	14,286	427,961	28,572
Professional fees	262,916	117,023	619,190	174,483
Depreciation and amortization	35,412	-	68,827	-
Other operating expenses	127,982	12,988	202,514	29,663
Interest expense	17,438	46,034	36,688	58,867
Interest on convertible debentures (note 8)	-	180,492	134,463	400,508
<b>Total other operating and administrative expenses</b>	<b>1,293,345</b>	<b>562,994</b>	<b>2,797,077</b>	<b>994,291</b>
<b>Other income (expense)</b>				
Income from equity investments (note 6)	778,957	442,152	476,005	170,401
Other finance income	480,102	187,329	845,887	377,745
Fronting administration fee	35,830	-	71,660	-
Management fees	56,250	37,500	75,000	75,000
<b>Total other income</b>	<b>1,351,139</b>	<b>666,981</b>	<b>1,468,552</b>	<b>623,146</b>
<b>Income (loss) before income taxes</b>	<b>716,326</b>	<b>103,987</b>	<b>(285,528)</b>	<b>(371,145)</b>
Income tax recovery	(40,217)	-	(51,058)	-
Deferred tax expense	4,545	-	12,390	-
<b>Net income (loss)</b>	<b>751,997</b>	<b>103,987</b>	<b>(246,860)</b>	<b>(371,145)</b>
<b>Net income (loss) per common share</b> (note 13)				
Basic	0.005	0.003	(0.002)	(0.012)
Diluted	0.004	0.003	(0.002)	(0.012)
<b>Weighted average number of common shares outstanding</b> (note 13)				
Basic	158,851,050	30,207,756	155,050,882	30,207,756
Diluted	172,069,843	30,784,061	171,539,011	30,699,809

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

**The Western Investment Company of Canada Limited**  
Condensed Interim Consolidated Statements of Comprehensive Income (Loss)  
(Unaudited)

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	For the three months ended June 30, 2025 \$	For the three months ended June 30, 2024 \$	For the six months ended June 30, 2025 \$	For the six months ended June 30, 2024 \$
<b>Net income (loss)</b>	<b>751,997</b>	<b>103,987</b>	<b>(246,860)</b>	<b>(371,145)</b>
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>				
Unrealized loss for FVOCI instruments	(88,178)	-	(14,496)	-
<b>Other comprehensive loss for the period</b>	<b>(88,178)</b>	<b>-</b>	<b>(14,496)</b>	<b>-</b>
<b>Total comprehensive income (loss) for the period</b>	<b>663,819</b>	<b>103,987</b>	<b>(261,356)</b>	<b>(371,145)</b>

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

**The Western Investment Company of Canada Limited**  
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity  
(Unaudited)

	Number of shares	Share capital	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive income	Deficit	Equity attributable to NCI	Total shareholders' equity
		\$	\$	\$	\$	\$	\$	\$
<b>Balance – December 31, 2024</b>	<b>148,269,043</b>	<b>46,171,043</b>	<b>19,059,726</b>	<b>400,908</b>	<b>(22,659)</b>	<b>(5,949,811)</b>	<b>1,084,715</b>	<b>60,743,922</b>
Other comprehensive loss	-	-	-	-	(14,496)	-	-	(14,496)
Net loss for the period	-	-	-	-	-	(246,860)	-	(246,860)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,496)</b>	<b>(246,860)</b>	<b>-</b>	<b>(261,356)</b>
Share-based compensation expense (note 11)	-	-	-	-	-	-	171,642	171,642
Redemption of share-based compensation (note 11)	-	-	-	-	-	-	(4,074)	(4,074)
Debenture conversion (note 8)	10,582,007	5,161,364	-	(400,908)	-	-	-	4,760,456
<b>Balance – June 30, 2025</b>	<b>158,851,050</b>	<b>51,332,407</b>	<b>19,059,726</b>	<b>-</b>	<b>(37,155)</b>	<b>(6,196,671)</b>	<b>1,252,283</b>	<b>65,410,590</b>
<b>Balance – December 31, 2023</b>	<b>30,207,756</b>	<b>15,646,943</b>	<b>2,041,586</b>	<b>623,176</b>	<b>22,978</b>	<b>(5,554,627)</b>	<b>-</b>	<b>12,780,056</b>
Maturity of debentures	-	-	222,268	(222,268)	-	-	-	-
Net loss for the period	-	-	-	-	-	(371,145)	-	(371,145)
<b>Balance – June 30, 2024</b>	<b>30,207,756</b>	<b>15,646,943</b>	<b>2,263,854</b>	<b>400,908</b>	<b>22,978</b>	<b>(5,925,772)</b>	<b>-</b>	<b>12,408,911</b>

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

# The Western Investment Company of Canada Limited

## Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
	\$	\$
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	(246,860)	(371,145)
Adjustments for non-cash items:		
Income from equity investments (note 6)	(476,005)	(170,401)
Interest on convertible debentures (note 8)	134,464	400,508
Share based compensation (note 11)	171,642	-
Realized income on marketable securities	(74,323)	-
Unrealized gain on investments	(54,867)	-
Deductibles assumed by policyholders	44,746	-
Claims expense for deductibles assumed by policyholders	(44,746)	-
Amortization and depreciation	82,681	2,750
Deferred tax recovery	12,390	-
Interest accreted on lease liabilities	4,931	-
Interest paid on convertible debentures (note 8)	(209,096)	(201,311)
Net change in non-cash balances related to operations (note 14)	(1,250,414)	(682,601)
<b>Cash used in operating activities</b>	<b>(1,905,457)</b>	<b>(1,022,200)</b>
<b>Investing activities</b>		
Repayments from related parties	212,835	-
Advances to related parties	(1,128,287)	(47,453)
Dividends from associates (note 6)	150,000	90,000
Return of capital from associates (note 6)	479,700	-
Investment tax credit net of purchases of intangible assets & property, plant & equipment	45,069	-
Purchases of investments (note 4)	(1,727,030)	-
Proceeds from sale and maturities of investments (note 4)	3,350,944	-
<b>Cash provided by investing activities</b>	<b>1,383,231</b>	<b>42,547</b>
<b>Financing activities</b>		
Repayment of convertible debentures (note 8)	-	(1,125,000)
Advances on operating loan (note 7)	-	1,582,129
Repayment of loan from related party (note 9)	(105,000)	(90,000)
Lease liabilities payments	(46,729)	-
<b>Cash used in financing activities</b>	<b>(151,729)</b>	<b>367,129</b>
Net decrease in cash and cash equivalents during the year	(673,955)	(612,524)
Cash and cash equivalents, beginning of period	43,245,301	618,673
<b>Cash and cash equivalents, end of period</b>	<b>42,571,346</b>	<b>6,149</b>
<b>Supplemental cash flow information</b>		
Restricted cash	85,125	-
Income taxes paid	499,342	-
Dividends received	42,171	-
Interest received	1,126,888	590,375
Interest paid	237,899	260,178

## 1 Incorporation

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

## 2 Nature of operations

The head office and principal address of the Corporation is Suite # 1700 - 95 St Clair Avenue West, Toronto, Ontario, M4V. The unaudited condensed interim consolidated financial statements (“the interim consolidated financial statements”) of the Corporation for the six months ended June 30, 2025, were approved and authorized for issuance by the Corporation’s Board of Directors on August 26, 2025.

These interim consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiary, Fortress Insurance (“Fortress”). The principal business of Fortress involves property insurance, but the company also offers insurance in niche products, including accident & sickness, automobile, boiler & machinery, fidelity, legal expense, liability, marine and surety. Fortress is incorporated under the Alberta Insurance Act and has regulatory licences and operates across Canada in all provinces and territories except for Quebec.

The Corporation has a non-controlling interest investment in a number of companies that are accounted for under the equity method. See note 2, and note 6 of our annual financial statements for additional information on these associates.

## 3 Basis of preparation

### Statement of compliance

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

The Corporation presents its condensed interim consolidated balance sheets broadly in order of liquidity.

### Preparation and presentation of the financial statements

The condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024.

These interim consolidated financial statements are presented in Canadian dollars, which is the Corporation’s functional currency, and were prepared on a going concern basis under the historical cost convention.

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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**Material accounting policy information**

The accounting policies applied in these condensed interim financial statements are the same as those applied in note 4 to the Corporation's audited consolidated financial statements for the year ended December 31, 2024.

***Standards issued but not yet effective***

There have been no significant changes during 2025 as compared to the information provided in the annual consolidated financial statements for the year ended December 31, 2024.

**Use of judgments and estimates**

The preparation of financial statements necessitates the use of judgments, estimates and assumptions, as outlined in note 5 of the audited consolidated financial statements for the year ended December 31, 2024. These judgments, estimates and assumptions may affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as income and expenses during the reporting periods.

**4 Financial instruments**

The Corporation, as part of its operations, carries financial instruments consisting of cash and cash equivalents, accounts receivable, investments, due from related parties, due to related parties, operating loan, accounts payable and accrued liabilities, loan from related party and convertible debentures.

**Financial assets**

**Carrying amount by classification**

	<b>As at June 30, 2025 \$</b>	<b>As at December 31, 2024 \$</b>
FVPL carried at fair value	5,694,713	6,891,548
FVOCI carried at fair value	5,854,923	5,739,256
Carried at amortized cost	48,967,770	48,563,725
	<u>60,517,406</u>	<u>61,194,529</u>

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

**Carrying amount by asset type**

	<b>As at June 30, 2025 \$</b>	<b>As at December 31, 2024 \$</b>
Debt securities (measured at FVOCI)		
Provincial and Government of Canada bonds	3,942,401	3,684,885
Corporate bonds	1,912,522	2,054,371
	<u>5,854,923</u>	<u>5,739,256</u>
Equities (measured at FVPL)		
Common shares	1,796,244	1,763,851
Preferred shares	935,041	872,071
	<u>2,731,285</u>	<u>2,635,922</u>
Short-term investments (measured at FVPL)		
Listed	1,765,782	3,486,032
Loan with related party (measured at FVPL)	1,197,646	769,594
Other (Measured at amortized cost)		
Loans and amounts due from related parties	5,679,705	5,192,304
Cash and cash equivalents	42,571,346	43,245,301
Accounts receivable	136,974	50,263
Income taxes receivable	464,099	-
Accrued interest receivable	115,646	75,857
	<u>60,517,406</u>	<u>61,194,529</u>
Total financial assets		
Within one year	50,266,328	50,993,328
More than one year	<u>10,251,078</u>	<u>10,201,201</u>

Debt securities bear interest at rates ranging from 1.25% to 6.03% (2024 – 0.00% to 6.03%) and mature or will be called between December 2026 and June 2034 (2024 – December 2025 and December 2034).

**Movements in carrying amount of investments**

	<b>FVPL \$</b>	<b>FVOCI \$</b>	<b>Total \$</b>
At December 31, 2024	6,121,954	5,739,256	11,861,210
Additions	516,111	1,210,919	1,727,030
Maturities and redemptions	(1,720,250)	-	(1,720,250)
Disposals	(483,795)	(1,146,899)	(1,630,694)
Net gain	63,047	51,647	114,694
	<u>4,497,066</u>	<u>5,854,923</u>	<u>10,351,990</u>
At June 30, 2025			

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

**Fair value**

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

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

	As at June 30, 2025				As at December 31, 2024			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Debt securities								
Government bonds	-	3,942,401	-	3,942,401	-	3,684,885	-	3,684,885
Corporate bonds	-	1,912,522	-	1,912,522	-	2,054,371	-	2,054,371
Equity securities								
Common shares	1,796,244	-	-	1,796,244	1,763,851	-	-	1,763,851
Preferred shares	935,041	-	-	935,041	872,071	-	-	872,071
Short-term investments	1,765,782	-	-	1,765,782	3,486,032	-	-	3,486,032
Loan to related party	-	-	1,197,646	1,197,646	-	-	769,594	769,594
	<u>4,497,067</u>	<u>5,854,923</u>	<u>1,197,646</u>	<u>11,549,636</u>	<u>6,121,954</u>	<u>5,739,256</u>	<u>769,594</u>	<u>12,630,804</u>

There were no transfers between Level 1 and Level 2 during the period. The loan to related party is the Foothills shareholder loan measured at fair value through profit or loss. All other loans to related parties are measured at amortized cost and their carrying value approximates their fair value. Loans to related parties also include the GlassMasters promissory note which is included in investment in associates (note 6).

## 5 Insurance and reinsurance results

The following tables show the changes in the net assets or liabilities for insurance contracts issued and reinsurance contracts held. The tables that illustrate changes by measurement component exclude insurance contracts measured using the PAA. The tables that illustrate changes by Remaining Coverage and Incurred Claims include insurance contracts measured using the PAA.

The confidence level of the risk adjustment for non-financial risk as at June 30, 2025, was 80.6% (December 31, 2024 – 82.3%).

Discount rates applied for discounting of future cash flows are listed below:

<b>As at June 30, 2025</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Insurance contract liabilities - illiquid	3.50	4.05	4.75	5.80
Insurance contract liabilities - liquid	2.64	3.01	3.83	5.24
Reinsurance contracts held - illiquid	3.50	4.05	4.75	5.80
Reinsurance contracts held - liquid	2.64	3.01	3.83	5.24

  

<b>As at December 31, 2024</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Insurance contract liabilities - illiquid	3.82	4.12	4.68	5.52
Insurance contract liabilities - liquid	3.03	3.15	3.77	4.86
Reinsurance contracts held - illiquid	3.82	4.12	4.68	5.52
Reinsurance contracts held - liquid	3.03	3.15	3.77	4.86

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

**Insurance Contracts Issued by Measurement Component**

The following table shows the changes in liabilities for insurance contracts issued by measurement component:

<b>For the six month period ended June 30, 2025</b>	<b>Expected Present Value of Future Cash Flows</b>	<b>Risk Adjustment</b>	<b>CSM</b>	<b>Total</b>
<b>Beginning of Period</b>				
Opening Balance Insurance Contract Assets	-	-	-	-
Opening Balance Insurance Contract Liabilities	17,781,711	1,665,713	4,774,590	24,222,013
<b>Net Opening Insurance Contract Balances</b>	<b>17,781,711</b>	<b>1,665,713</b>	<b>4,774,590</b>	<b>24,222,013</b>
<b>Changes in the Statement of Profit or Loss and OCI</b>				
Contractual service margin recognized for service provided	-	-	(660,789)	(660,789)
Change in risk adjustment for non-financial risk expired	-	(308,935)	-	(308,935)
Experience adjustments	(3,022,906)	-	-	(3,022,906)
Revenue recognized for incurred policyholder tax expenses	-	-	-	-
<b>Current Service Provided in the Period</b>	<b>(3,022,906)</b>	<b>(308,935)</b>	<b>(660,789)</b>	<b>(3,992,630)</b>
Contracts initially recognized in the period	(4,090,353)	968,935	3,121,418	-
Changes in estimates that adjust the CSM	739,152	(106,581)	(632,572)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
<b>Future Service yet to be Provided</b>	<b>(3,351,201)</b>	<b>862,354</b>	<b>2,488,847</b>	<b>-</b>
<b>Insurance service result</b>	<b>(6,374,106)</b>	<b>553,419</b>	<b>1,828,057</b>	<b>(3,992,630)</b>
<b>Net finance (income) expenses from insurance contracts</b>	<b>439,620</b>	<b>45,747</b>	<b>123,019</b>	<b>608,386</b>
<b>Effects of movements in exchange rates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Changes in the Statement of Profit or Loss and OCI</b>	<b>(5,934,486)</b>	<b>599,166</b>	<b>1,951,076</b>	<b>(3,384,244)</b>
<b>Cash Flows</b>				
Premiums Received for Insurance Contracts	20,263,404	-	-	20,263,404
Claims, Benefits and Other Expenses Paid	(2,607,698)	-	-	(2,607,698)
Insurance Acquisition Cash Flows	(7,930,180)	-	-	(7,930,180)
<b>Total Cash Flows</b>	<b>9,725,526</b>	<b>-</b>	<b>-</b>	<b>9,725,526</b>
<b>Net Ending Insurance Contract Balances</b>	<b>21,572,751</b>	<b>2,264,879</b>	<b>6,725,666</b>	<b>30,563,295</b>
<b>End of Period</b>				
Ending Balance Insurance Contract Assets	-	-	-	-
Ending Balance Insurance Contract Liabilities	21,572,751	2,264,879	6,725,666	30,563,295
<b>Net Ending Insurance Contract Balances</b>	<b>21,572,751</b>	<b>2,264,879</b>	<b>6,725,666</b>	<b>30,563,295</b>

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

**Insurance Contracts Issued by Remaining Coverage and Incurred Claims**

The following table shows the changes in liabilities for remaining coverage and incurred claims for insurance contracts issued:

For the six month period ended June 30, 2025	Liability for remaining coverage (PAA and GMM)		Liability for Incurred Claims			Total
	Excluding loss component	Loss component	Contracts under GMM	Estimates of PV of future cash flows	Risk adjustment for non-financial risk (PAA)	
<b>Insurance contracts issued</b>						
Opening insurance contract liabilities	27,910,356	-	-	4,429,490	195,754	32,535,600
Opening insurance contract assets	-	-	-	-	-	-
<b>Net Balance as at January 1</b>	<b>27,910,356</b>	<b>-</b>	<b>-</b>	<b>4,429,490</b>	<b>195,754</b>	<b>32,535,600</b>
<b>Insurance revenue</b>	<b>(16,730,090)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,730,090)</b>
Insured claims and other insurance service expenses	-	-	2,643,879	6,981,629	-	9,625,508
Amortization of insurance acquisition cash flows	3,299,774	-	-	-	-	3,299,774
Adjustments to liabilities for incurred claims	-	-	-	604,676	-	604,676
Losses and reversal of losses on onerous contracts	-	-	-	-	-	-
<b>Insurance service expenses</b>	<b>3,299,774</b>	<b>-</b>	<b>2,643,879</b>	<b>7,586,305</b>	<b>-</b>	<b>13,529,958</b>
<b>Insurance service result</b>	<b>(13,430,316)</b>	<b>-</b>	<b>2,643,879</b>	<b>7,586,305</b>	<b>-</b>	<b>(3,200,132)</b>
Finance (income) expense from insurance contracts issued	608,386	-	-	-	-	608,386
<b>Total amounts recognized in income (loss)</b>	<b>(12,821,930)</b>	<b>-</b>	<b>2,643,879</b>	<b>7,586,305</b>	<b>-</b>	<b>(2,591,746)</b>
<b>Cash flows</b>						
Premiums received	32,258,034	-	-	-	-	32,258,034
Claims and other directly attributable expenses	-	-	(4,887,339)	(2,529,476)	-	(7,416,815)
Insurance acquisition cash flows	(11,259,355)	-	-	-	-	(11,259,355)
<b>Total cash flows</b>	<b>20,998,678</b>	<b>-</b>	<b>(4,887,339)</b>	<b>(2,529,476)</b>	<b>-</b>	<b>13,581,863</b>
<b>Items Excluded from insurance</b>						
<b>revenue and insurance service expense</b>	<b>(2,243,460)</b>	<b>-</b>	<b>2,243,460</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total of the items excluded from insurance</b>	<b>(2,243,460)</b>	<b>-</b>	<b>2,243,460</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>revenue and insurance service expense</b>						
Closing insurance contract liabilities	33,843,645	-	-	9,486,319	195,754	43,525,718
Closing insurance contract assets	-	-	-	-	-	-
<b>Net balance as at June 30</b>	<b>33,843,645</b>	<b>-</b>	<b>-</b>	<b>9,486,319</b>	<b>195,754</b>	<b>43,525,718</b>

<sup>1</sup> As at June 30, 2025, \$9,056,565 of the LRC relates to acquired claims (December 31, 2024 - \$12,017,695).

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

## Reinsurance Contracts Held by Measurement Component

The following table shows the changes in assets for reinsurance contracts held by measurement component:

<b>For the six month period ended June 30, 2025</b>	<b>Expected Present Value of Future Cash Flows</b>	<b>Risk Adjustment</b>	<b>CSM</b>	<b>Total</b>
<b>Beginning of Period</b>				
Opening Balance Reinsurance Contract Held Assets	15,099,706	1,381,921	3,377,839	19,859,466
Opening Balance Reinsurance Contract Held Liabilities	-	-	-	-
<b>Net Opening Reinsurance Contract Held Balances</b>	<b>15,099,706</b>	<b>1,381,921</b>	<b>3,377,839</b>	<b>19,859,466</b>
<b>Changes in the Statement of Profit or Loss and OCI</b>				
Contractual service margin recognized for service received	-	-	(494,645)	(494,645)
Change in risk adjustment for non-financial risk expired	-	(235,810)	-	(235,810)
Experience adjustments	(2,547,277)	-	-	(2,547,277)
Incurred Policyholder Tax Expenses on Underlying Contracts	-	-	-	-
<b>Current Service Provided in the Period</b>	<b>(2,547,277)</b>	<b>(235,810)</b>	<b>(494,645)</b>	<b>(3,277,732)</b>
Contracts initially recognized in the period	(2,779,170)	834,761	1,944,409	-
Changes in estimates that adjust the CSM	338,134	(92,415)	(245,719)	-
Changes in estimates that relate to losses and reversal of losses on onerous contract	-	-	-	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-
<b>Future Service yet to be Provided</b>	<b>(2,441,036)</b>	<b>742,346</b>	<b>1,698,690</b>	<b>-</b>
Adjustments to assets for incurred claims	-	-	-	-
Experience adjustments not related to incurred claims	-	-	-	-
<b>Past Service Provided in the Prior Periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Expense from Reinsurance Contracts Held</b>	<b>(4,988,313)</b>	<b>506,536</b>	<b>1,204,045</b>	<b>(3,277,732)</b>
<b>Net finance (income) expenses from reinsurance contracts held</b>	<b>358,713</b>	<b>45,095</b>	<b>85,039</b>	<b>488,848</b>
<b>Effects of movements in exchange rates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Changes in the Statement of Profit or Loss and OCI</b>	<b>(4,629,600)</b>	<b>551,631</b>	<b>1,289,084</b>	<b>(2,788,885)</b>
<b>Cash Flows</b>				
Premiums Paid	4,097,214	-	-	4,097,214
Amounts Received	(2,157,063)	-	-	(2,157,063)
Reinsurance Acquisition Cash Flows	-	-	-	-
<b>Total Cash Flows</b>	<b>1,940,151</b>	<b>-</b>	<b>-</b>	<b>1,940,151</b>
Other Changes in the Net Carrying Amount of the Reinsurance Contracts Held	-	-	-	-
<b>Net Ending Reinsurance Contract Held Balances</b>	<b>12,410,257</b>	<b>1,933,552</b>	<b>4,666,923</b>	<b>19,010,732</b>
<b>End of Period</b>				
Ending Balance Reinsurance Contract Held Assets	12,410,256	1,933,552	4,666,923	19,010,732
Ending Balance Reinsurance Contract Held Liabilities	-	-	-	-
<b>Net Ending Reinsurance Contract Held Balances</b>	<b>12,410,256</b>	<b>1,933,552</b>	<b>4,666,923</b>	<b>19,010,732</b>

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

**Reinsurance Contracts Held by Remaining Coverage and Incurred Claims**

The following table shows the changes in assets for remaining coverage and incurred claims for reinsurance contracts held.

For the six month period ended June 30, 2025	Asset for Remaining Coverage (PAA and GMM)		Assets for Incurred Claims			Total
	Excluding loss recovery component	Loss recovery component	Contracts under GMM	Estimates of PV of future cash flows (PAA)	Risk adjustment (PAA)	
<b>Reinsurance contracts held</b>						
Opening reinsurance contract held assets	17,931,834	-	-	2,880,653	141,191	20,953,679
Opening reinsurance contract held liabilities	-	-	-	-	-	-
<b>Net balance as at January 1</b>	<b>17,931,834</b>	<b>-</b>	<b>-</b>	<b>2,880,653</b>	<b>141,191</b>	<b>20,953,679</b>
Allocation of reinsurance premiums	(10,532,872)	-	-	-	-	(10,532,872)
Claims recovered	-	-	1,886,234	3,408,577	-	5,294,811
Other incurred directly attributable expenses	-	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	-	2,714,949	-	2,714,949
<b>Net income (expense) from reinsurance contracts held</b>	<b>(10,532,872)</b>	<b>-</b>	<b>1,886,234</b>	<b>6,123,526</b>	<b>-</b>	<b>(2,523,112)</b>
Finance income (expense) from reinsurance contracts held	488,847.24	-	-	-	-	488,847
<b>Total amounts recognized in income (loss)</b>	<b>(10,044,025)</b>	<b>-</b>	<b>1,886,234</b>	<b>6,123,526</b>	<b>-</b>	<b>(2,034,265)</b>
<b>Cash flows</b>						
Premiums paid net of ceding commissions and other directly attributable expenses	16,789,926	-	-	-	-	16,789,926
Recoveries from reinsurance	-	-	(3,786,156)	(1,706,905)	-	(5,493,061)
<b>Total cash flows</b>	<b>16,789,926</b>	<b>-</b>	<b>(3,786,156)</b>	<b>(1,706,905)</b>	<b>-</b>	<b>11,296,865</b>
<b>Items excluded from reinsurance</b>						
<b>contract held net income (expense)</b>	<b>(1,999,493)</b>	<b>-</b>	<b>1,999,493</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total of the items excluded from reinsurance contract held net income (expense)</b>	<b>(1,999,493)</b>	<b>-</b>	<b>1,999,493</b>	<b>-</b>	<b>-</b>	<b>-</b>
Closing reinsurance contract held assets	22,678,243	-	99,570	7,297,275	141,191	30,216,279
Closing reinsurance contracts held liabilities	-	-	-	-	-	-
<b>Net balance as at June 30</b>	<b>22,678,243</b>	<b>-</b>	<b>99,570</b>	<b>7,297,275</b>	<b>141,191</b>	<b>30,216,279</b>

1 As at June 30, 2025, \$7,618,936 of the ARC relates to acquired claims (December 31, 2024 - \$10,054,502).

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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**Analysis of Insurance Revenue**

<b>For the period ended June 30,</b>	<b>2025</b>
<hr/>	
For Contracts Not Measured Using the PAA:	
Amounts Relating to Changes in Liabilities for Remaining Coverage	
Expected Claims and Other Expenses	3,387,144
Release of Risk Adjustment	308,935
CSM Recognized for Services Provided	660,790
Premium Experience Adjustments	-
Amortization of Insurance Acquisition Cash Flows	651,802
<hr/> Total Insurance Revenue for Contracts Not Measured Using the PAA	<hr/> 5,008,671
For Contracts Measured Using the PAA:	
Insurance Revenue	11,721,419
<hr/> <b>Total Insurance Revenue</b>	<hr/> <b>16,730,090</b>

**Analysis of Insurance Service Expenses**

<b>For the period ended June 30,</b>	<b>2025</b>
<hr/>	
Incurring Claims	4,574,811
Directly Attributable Operating Expenses and Commissions	482,623
<hr/> Total Incurred Claims and Other Expenses	<hr/> 5,057,433
Amortization of Insurance Acquisition Cash Flows	651,801
Insurance Acquisition Cash Flows Expensed as Incurred	2,641,797
Changes Related to Future Service (Losses on Onerous Groups and Reversals of Such Losses)	-
Changes Related to Past Service (Changes in FCF related to Liability for Incurred Claims)	5,178,926
<hr/> <b>Total Insurance Service Expenses</b>	<hr/> <b>13,529,958</b>

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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**Contracts Initially Recognized in the Period – Insurance Contracts Issued**

The table below illustrates the effect on the Statement of Financial Position of insurance contracts initially recognized during the period, excluding contracts measured using the PAA.

**For the period ended June 30, 2025**

**Insurance Contracts Issued**

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Contracts Initially Recognized in the Period:

Amounts Related to All Contracts Initially Recognized:

Estimates of Present Value of Future Cash Inflows	(20,099,156)
Estimates of Present Value of Future Cash Outflows	16,008,803
Insurance Acquisition Cash Flows	7,930,182
Other Cash Outflows	8,078,621
Risk Adjustment	968,935
CSM	3,121,418

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**Contracts Initially Recognized in the Period – Reinsurance Contracts Held**

The table below illustrates the effect on the Statement of Financial Position of insurance contracts initially recognized during the period, excluding contracts measured using the PAA.

**For the period ended June 30, 2025**

**Reinsurance Contracts Held (000s)**

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Contracts Initially Recognized in the Period:

Amounts Related to All Contracts Initially Recognized:

Estimates of Present Value of Future Cash Inflows	(6,994,077)
Estimates of Present Value of Future Cash Outflows	9,773,246
Premiums and Other Expenses	9,773,246
Insurance Acquisition Cash Flows	-
Risk Adjustment	(834,761)
CSM	(1,944,409)

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The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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**CSM Recognition Timing**

The following tables set out the expected recognition of the CSM for insurance contracts issued and reinsurance contracts held.

**As at June 30, 2025**

**Insurance Contracts Issued**

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Within 1 Year	1,314,774
1 - 3 Years	2,682,573
3 - 5 Years	2,402,982
5 - 10 Years	325,336
Over 10 Years	-
<b>Total</b>	<b>6,725,666</b>

**As at June 30, 2025**

**Reinsurance Contracts Held**

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Within 1 Year	951,820
1 - 3 Years	1,847,869
3 - 5 Years	1,630,866
5 - 10 Years	236,369
Over 10 Years	-
<b>Total</b>	<b>4,666,923</b>

## 6 Investments in associates

The investments in associates' balance consists of the following:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>\$</b>	<b>\$</b>
Western's interest in Foothills Creamery Ltd.	2,364,175	2,573,167
Western's interest in Golden Health Care	4,385,520	4,820,146
Western's interest in GlassMasters ARG Autoglass Two Inc.	9,322,616	8,832,693
	<u>16,072,311</u>	<u>16,226,006</u>

### a) Nature of investments in associates

#### **GlassMasters ARG Autoglass Two Inc.**

The Corporation holds a 55% interest in GlassMasters, which was acquired in 2016. Western has two of six directors appointed to the GlassMasters' Board of Directors. Through the extent of its share ownership and its seats on the Board of Directors, the Corporation has the ability to exercise significant influence but not control over GlassMasters and, accordingly, the Corporation is using the equity method to account for this investment.

In 2022, the shareholders of GlassMasters passed a special resolution to distribute \$8 million in capital to shareholders by way of reducing the stated capital on the Class A common shares. The distribution has been treated as a return of paid-up capital for tax purposes and was paid by the issuance of a five-year-term promissory note. The return of capital and related promissory note related to Western's shareholdings was \$4,658,559. Terms on the note include a five-year term, with automatic renewal for a period of five years upon each maturity date, unless the directors of GlassMasters otherwise determine. The next automatic renewal date is March 31, 2027. The interest rate will be set by the Board of Directors of GlassMasters from time to time and was set at 14% for the fiscal year 2025 (2024 – 14%). During the six months ended June 30, 2025, \$326,099 of interest was earned and received related to this note (June 30, 2024 – \$326,099). This promissory note is considered part of Western's net investment in GlassMasters.

Western has entered into a put/call agreement in regards to its partner's 37% interest in GlassMasters, in which Western's partner has the option to require Western to purchase their 37% interest, or Western has the option to require their partner to sell to Western. The Corporation has deemed the fair value of this agreement to be nil as at June 30, 2025, and December 31, 2024. The agreement may be exercised on February 1<sup>st</sup> on each of 2028, 2032, or 2036.

### **Golden Health Care group of companies**

The Corporation acquired a minority interest in Golden in 2017. Western appoints two of nine directors of the Board of Directors of Golden Health Care Management Inc., the company that oversees the operating companies. Through its share ownership and its appointments to the Board of Directors, the Corporation can exercise significant influence over the investment in Golden and, accordingly, the Corporation is using the equity method to account for this investment.

On June 24, 2025, Golden declared a return of capital, of which Western's share was \$479,700, reducing the equity carrying value of this investment by this amount. As at June 30, 2025, the amount receivable related to this return of capital was included in amounts due from related parties. The \$479,700 was received shortly after period end.

The financial statement reporting date for Golden is August 31; however, the Corporation records equity income aligned with its own reporting periods. Golden's covenants are reported to its lender once per year as at August 31. As at August 31, 2024, one of the homes was in breach of a covenant under the terms of its mortgage agreement. During the reporting period, and to date, the bank has not indicated any intention to call the loans. In April 2024, Golden's lender renewed the facilities at two of the homes, including the one in breach.

### **Foothills Creamery Ltd.**

The Corporation holds a 49% interest in Foothills, which was acquired in 2018. Western appoints two of seven directors of the Board of Directors and, as such, has the ability to exercise significant influence but not control over Foothills and, accordingly, the Corporation is using the equity method to account for this investment.

On April 22, 2025, Western exercised its fourth option to extend the maturity of the Foothills shareholder loan to October 27, 2025.

Due to a breach of its covenants with its lender, Foothills made an agreement with the lender for shareholders to provide equity cure payments to bring the covenants on-side. In line with this agreement, Western contributed \$250,000 in December 2024 and \$336,700 in June 2025. These payments were added to the shareholder loan balance due from Foothills. The company signed an extension agreement for their bank facilities on August 1, 2025, obtaining a 0.4% reduction in interest rate. As at June 30, 2025, with the shareholder equity cure payments included, Foothills complied with all covenants.

Western has entered into a put/call agreement in regards to its partner's 38% interest in Foothills, in which Western's partner has the option to require Western to purchase their 38% interest, or Western has the option to require their partner to sell to Western. The Corporation has deemed the fair value of this agreement to be nil as at June 30, 2025, and December 31, 2024. The agreement is in place until April 30, 2026.

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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**Fortress Insurance Company**

For the fiscal year 2024, from January 1, 2024, up to the acquisition date, October 1, 2024, the Corporation held a 28% interest in Fortress. Western appointed two of eight directors to the Board of Directors and, as such, had the ability to exercise significant influence but not control over Fortress and, accordingly, the Corporation used the equity method to account for this investment. As at October 1, 2024, through a share acquisition, the Corporation obtained control over Fortress becoming a subsidiary of Western. From October 1, 2024 the results of Fortress are included in the consolidated results of the Corporation.

In association with the acquisition of control of Fortress on October 1, 2024, Fortress ceased to be an associate. In the year ended December 31, 2024, a gain on disposal was recognized in the amount of \$2.6 million on the revaluation of this portion of our investment in Fortress to its fair value at the acquisition date.

**b) Summarized financial information for associates**

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

*Summarized financial information as at June 30, 2025, and for the six months then ended*

	<b>GlassMasters</b> \$	<b>Golden</b> \$	<b>Foothills</b> \$
Current assets	10,363,105	3,575,035	10,014,691
Non-current assets	21,809,472	16,800,901	24,470,295
Current liabilities	7,610,382	12,527,640	25,505,552
Non-current liabilities	16,528,168	7,267	2,955,394
Net assets	8,034,027	7,841,029	4,940,366
Revenue	22,729,339	5,406,051	18,503,278
Total net income (loss) and comprehensive income (loss)	885,615	647,641	(427,999)

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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*Summarized financial information as at December 31, 2024, and for the six months ended June 30, 2024*

	<b>GlassMasters</b> \$	<b>Golden</b> \$	<b>Foothills</b> \$	<b>Fortress<sup>1</sup></b> \$
Current assets	8,624,097	1,561,114	8,667,908	-
Non-current assets	20,789,201	17,150,386	22,949,199	-
Current liabilities	8,102,575	10,976,038	23,633,271	-
Non-current liabilities	14,151,332	43,309	2,615,471	-
Net assets	7,159,391	7,692,153	5,368,365	-
Revenue	19,997,200	4,858,604	16,829,324	11,571,504
Total net income (loss) and comprehensive income (loss)	200,013	300,226	(206,233)	111,088

i) Fortress ceased to be an associate on Oct 1, 2024. Revenue and net income are for the three-month period ended June 30, 2024, for which Fortress was still an associate of Western.

**c) Reconciliation of investments in associates' carrying value**

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

*Reconciliation of the carrying amount for the six months ended June 30, 2025*

	<b>GlassMasters</b> \$	<b>Golden</b> \$	<b>Foothills</b> \$	<b>Total</b> \$
Western's ownership interest	55%	25% – 30%	49%	
Investments in associates as at December 31, 2024	8,832,693	4,820,146	2,573,167	16,226,006
Share of dividends paid out	-	(150,000)	-	(150,000)
Return of capital	-	(479,700)	-	(479,700)
Share of net income (loss)	489,923	195,074	(208,992)	476,005
Investments in associates as at June 30, 2025	9,322,616	4,385,520	2,364,175	16,072,311

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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*Reconciliation of the carrying amount for the six months ended June 30, 2024*

	<b>GlassMasters</b> \$	<b>Golden</b> \$	<b>Foothills</b> \$	<b>Fortress</b> \$	<b>Total</b> \$
Western's ownership interest	55%	25% – 30%	49%	28% <sup>1</sup>	
Investments in associates as at December 31, 2023	8,188,455	4,711,339	2,842,164	2,726,191	18,468,149
Share of dividends paid out	-	(90,000)	-	-	(90,000)
Share of net income (loss)	150,552	90,309	(102,064)	31,604	(170,401)
Investments in associates as at June 30, 2024	<u>8,339,007</u>	<u>4,711,648</u>	<u>2,740,100</u>	<u>2,757,795</u>	<u>18,548,550</u>

1) Fortress ceased to be an associate on October 1, 2024. Ownership percentage is until the acquisition on October 1, 2024.

## 7 Operating loan

The Corporation has a committed revolving facility agreement (the “facility”) with a Canadian financial institution to a maximum amount of \$2,000,000. The facility has a three-year revolving period with a maturity date of October 6, 2025, bears interest at the bank’s prime rate plus 2% per annum and carries a standby fee of 0.5% per annum on the unused portion. Security for the facility includes:

- a) a general security agreement over all present and after-acquired property;
- b) a share pledge agreement in respect to the Corporation’s interest in some of its associates;
- c) an assignment of material contracts; and
- d) a continuing guarantee from material wholly owned subsidiaries of the Corporation, of which there are currently none.

As at June 30, 2025, \$nil was drawn on the facility (December 31, 2024 – \$nil).

## 8 Convertible debentures

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

The Debentures included a conversion option where, if the closing price of Western’s shares on the TSX Venture Exchange was \$0.65 or greater for 20 consecutive trading days, Western may, at its option, force the conversion of the Debentures into common shares. During the six months ended June 30, 2025, these conversion requirements were met, and Western exercised the forced conversion option. On March 7, 2025, all outstanding debentures were converted into common shares at a conversion price of \$0.4725. The outstanding principal amount of \$5 million was converted into 10,582,007 common shares. The carrying value of the liability for the Debentures at the time of conversion was \$4,760,456, and the equity component was \$400,908, for a total addition to share capital on conversion of \$5,161,364 (note 10).

## 9 Loan from related party

The Corporation holds a \$900,000 shareholder loan from Golden (December 31, 2024 – \$1.005 million). The loan bears interest at 6.09% annually, payable with monthly interest only and matures annually on January 31 with automatic annual renewal if all amounts of interest owing are not in default. There have been no amounts in default since the inception of the loan and there are no financial covenants affecting the loan. The Corporation has signed a share pledge agreement with respect to its interest in Golden as security for the loan. During the six months ended June 30, 2025, Golden declared and paid dividends to its shareholders. Western’s share of the dividend was \$150,000 (June 30, 2024 - \$90,000), and \$105,000 of this was applied to the outstanding balance of the loan (June 30, 2024 - \$90,000).

## 10 Share capital

### Authorized

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

### Issued

There are no preferred shares issued to date. The following is a summary of the common shares issued at period-end.

	Number of shares	Amount \$
<b>Balance – December 31, 2023 and June 30, 2024</b>	30,207,756	15,646,943
<b>Balance – December 31, 2024</b>	148,269,043	46,171,043
Shares issued on debenture conversion (note 8)	10,582,007	5,161,364
<b>Balance – June 30, 2025</b>	158,851,050	51,332,407

### *Stock option plan*

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

No Western stock options have been issued during the six months ended June 30, 2025 (June 30, 2024 – nil).

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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The compensation expense for options granted is calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.47% - 3.38%
Spot price	\$0.27 - \$0.65
Exercise price	\$0.27 - \$0.65
Dividend yield	1%
Expected life	10 years
Volatility	50-70%

The following stock options were outstanding as at June 30, 2025:

Grant date	Expiry date	Exercise price \$	Number of options	Remaining contractual life (years)	Fair value of options at grant date \$
February 24, 2016	February 24, 2026	0.50	790,000	0.65	0.60
April 6, 2016	April 6, 2026	0.56	140,000	0.77	0.46
April 21, 2017	April 21, 2027	0.65	30,000	1.81	0.39
June 19, 2017	June 19, 2027	0.65	150,000	1.97	0.33
July 4, 2018	July 4, 2028	0.50	320,000	3.01	0.23
August 23, 2019	August 23, 2029	0.40	294,000	4.12	0.25
June 1, 2020	June 1, 2030	0.27	360,000	4.92	0.17
May 3, 2021	May 3, 2031	0.27	360,000	5.84	0.18
June 29, 2022	June 29, 2032	0.34	220,000	7.00	0.24
June 22, 2023	June 22, 2033	0.35	275,000	7.98	0.21
October 17, 2024	October 17, 2034	0.49	120,000	9.30	0.34

A total of 3,059,000 options are outstanding and exercisable as at June 30, 2025 (December 31, 2024 – 3,059,000) with a weighted average exercise price of \$0.42 (December 31, 2024 – \$0.42). The weighted average remaining contractual life of the outstanding options was 3.88 (December 31, 2024 – 4.38)

### **Warrants**

The Corporation has 75 million warrants outstanding as at June 30, 2025 (December 31, 2024 – nil). Each warrant is exercisable to purchase one additional common share for a period of 5 years from issuance date of December 9, 2024, at an exercise price of \$0.47. The warrants were subject to a four-month hold period that ended April 9, 2025. No warrants have been exercised to date.

## **11 Employee Share Ownership Plan**

The Corporations wholly owned subsidiary, Fortress has an Employee Share Ownership Plan (ESOP), which previously granted employees the option to acquire shares of Fortress. The primary objective of the ESOP is to align the interests of employees with those of shareholders and to provide employees with an opportunity to

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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share in Fortress's success. Subsequent to the October 1, 2024 acquisition, Fortress entered into an agreement, outlining that options granted under the Fortress ESOP would be settled with shares of the Corporation. This agreement applies to all options previously granted and to be granted in the future. Settlement may occur by cash, or by buying Western's shares in the open market or through Western's treasury.

As at the October 1, 2024 acquisition date, 678,414 options were outstanding. The fair value of all vested options, as determined by the Black-Scholes option pricing model, at this date was \$933,916. This was included in the business combination as part of the non-controlling interest. Going forward, the unvested portion of these Fortress options will be recognized in consolidated profit or loss as they vest and are earned by the employees, based on their fair value as determined by the Black-Scholes option pricing model. \$171,642 in share-based compensation related to this ESOP was recognized in the consolidated profit and loss for the six months ended June 30, 2025 (June 30, 2024 - \$nil).

During the six months ended June 30, 2025 34,819 options were granted (June 30, 2024 – nil) and 3,208 options were redeemed at a redemption price, paid in cash, of \$4,074. Fortress's grants have a remaining term of 1.00 -4.50 years, with vesting periods of immediate to 3 years. As at June 30, 2025, 683,655 options were outstanding (December 31, 2024 – 673,524 outstanding) under the ESOP, 595,038 of which are exercisable (December 31, 2024 – 465,746 exercisable). Exercise prices are between \$0.44 - \$2.78 with vesting dates until December 31, 2027.

As at June 30, 2025, the Corporation had \$1,252,283 in non-controlling interest related to this ESOP (December 31, 2024 - \$1,084,715).

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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**12 Investment income**

	<b>For the six months ended June 30, 2025</b>			
	<b>Net investment income \$</b>	<b>Net realized gains and losses \$</b>	<b>Changes in fair value \$</b>	<b>Net investment result \$</b>
Debt securities				
At fair value through profit/loss	66,436	66,144	-	132,580
At fair value through OCI	-	-	(14,496)	(14,496)
Equities				
At fair value through profit/loss	43,540	8,179	51,707	103,426
Short term investments				
At fair value through profit/loss	64,729	-	-	64,729
Cash and cash equivalents	211,348	-	-	211,348
Management fees paid	(26,567)	-	-	(26,567)
	<u>359,486</u>	<u>74,323</u>	<u>37,211</u>	<u>471,020</u>
Net investment income presented as:				
Net investment income				485,516
Unrealized gain for FV OCI instruments				<u>(14,496)</u>
Total net investment income				471,020
Total dividend income	42,171			
Total interest income	343,882			

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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	<b>For the three months ended June 30, 2025</b>			
	<b>Net</b>	<b>Net</b>	<b>Changes in</b>	<b>Net</b>
	<b>investment</b>	<b>realized</b>	<b>fair value</b>	<b>investment</b>
	<b>income</b>	<b>gains and</b>	<b>losses</b>	<b>result</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Debt securities				
At fair value through profit/loss	41,723	51,132	-	92,855
At fair value through OCI	-	-	(88,180)	(88,180)
Equities				
At fair value through profit/loss	23,648	(11,516)	129,462	141,594
Short term investments				
At fair value through profit/loss	30,486	-	-	30,486
Cash and cash equivalents	104,114	-	-	104,114
Management fees paid	(13,269)	-	-	(13,269)
	<u>186,702</u>	<u>39,616</u>	<u>41,282</u>	<u>267,600</u>
Investment income presented as:				
Net investment income				355,780
Unrealized gain for FV OCI instruments				<u>(88,180)</u>
Total investment income				267,600
Total dividend income	22,964			
Total interest income	177,007			

The Western Investment Company of Canada Limited  
Notes to Condensed Interim Consolidated Financial Statements (unaudited)  
**June 30, 2025 and 2024**

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### 13 Earnings (loss) per common share

Earnings (loss) per common share is calculated as follows:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
	\$	\$
Net loss for the year	<u>(246,860)</u>	<u>(371,145)</u>
Basic weighted average number of common shares outstanding	155,050,882	30,207,756
Effect of dilutive securities	<u>16,488,129</u>	<u>-</u>
Diluted weighted average number of common shares outstanding	<u>171,539,011</u>	<u>30,207,756</u>
Basic loss per common share	(0.002)	(0.012)
Diluted loss per common share	<u>(0.002)</u>	<u>(0.012)</u>

As at June 30, 2025, there were 3,059,000 share options outstanding (December 31, 2024 – 3,059,000) and 75 million warrants (December 31, 2024 – 75 million). Of these securities, 180,000 were anti-dilutive (December 31, 2024 – 180,000).

### 14 Supplemental cash flow information

The net change in non-cash working capital is as follows:

	<b>For the six months ended June 30, 2025</b>	<b>For the six months ended June 30, 2024</b>
	\$	\$
Accounts receivable	(127,711)	4,888
Accrued interest receivable	16,298	-
Income taxes	(548,740)	-
Reinsurance contract assets	(9,262,600)	-
Prepaid assets	(166,043)	(261,278)
Accounts payable	(1,202,714)	(60,606)
Fronting payable	(619,124)	-
Due to related parties	(234,966)	(365,605)
Collateral held	(128,766)	-
Other liabilities	33,833	-
Insurance contract liabilities	10,990,119	-
	<u>(1,250,414)</u>	<u>(682,601)</u>

## **15 Subsequent events**

On July 7, 2025, the Corporation announced the appointment of a new chief financial officer, and in line with this employment offer, has granted 1,666,666 restricted share units (“RSU’s”) priced at \$0.60 per share. Fifty percent of these RSUs will cliff vest after five years, with the balance cliff vesting after 10 years. The grant of these RSUs is subject to approval by the TSX and shareholders of the Corporation. It is Western’s expectation that the shares necessary to support these RSUs will be purchased in the open market and will not be issued from treasury.

On July 30, 2025, GlassMasters repaid the outstanding balance on the GlassMasters shareholder loan, for a total payment of \$343,867.