

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

The Westaim Corporation (the “**Company**”)
70 York Street, Suite 1700
Toronto, Ontario M5J 1S9

2. Date of Material Change

November 13, 2023 and November 15, 2023

3. News Release

News releases were issued on November 13, 2023 and November 15, 2023 through the facilities of Business Wire and subsequently filed on SEDAR+.

4. Summary of Material Change

On November 13, 2023, the Company announced that Skyward Specialty Insurance Group, Inc. (“**Skyward Specialty**”) commenced a follow-on offering (the “**Offering**”) of 4,500,000 shares of its common stock (the “**Shares**”), with 2,150,000 Shares being sold by Skyward Specialty and 2,350,000 Shares being sold by the Company. In addition, the Company granted the underwriters a 30-day option (the “**Option**”) to purchase up to an additional 675,000 Shares.

On November 15, 2023, the Company announced the upsizing and pricing of the Offering.

5. Full Description of Material Change

On November 13, 2023, the Company announced the Offering under which Skyward Specialty was selling 2,150,000 Shares and the Company was selling 2,350,000 Shares, for a total of 4,500,000 Shares. The Company also granted the underwriters the Option to purchase up to an additional 675,000 Shares.

Subsequently, on November 15, 2023, the Company announced the upsizing and pricing of the Offering. The upsized Offering would consist of an aggregate of 5,000,000 Shares, with 2,150,000 Shares being sold by Skyward Specialty and an upsized 2,850,000 Shares being sold by the Company at a price of US\$30.50 per Share. The Company also increased the size of the Option from 675,000 Shares to 750,000 Shares.

The Offering was expected to close on November 20, 2023, subject to customary closing conditions.

Barclays, Keefe, Bruyette & Woods, Inc., a Stifel Company, and Jefferies, acted as joint lead book-running managers for the Offering. Piper Sandler, JMP Securities, a Citizens Company, Truist Securities, Raymond James, BMO Capital Markets and Wolfe | Nomura Alliance acted as joint book-running managers for the Offering.

Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

6. Omitted Information

No information has been omitted on the basis that it is confidential information.

7. Executive Officer

For further information, contact:

Robert Kittel
Chief Operating Officer and Corporate Secretary
Tel: (416) 969-3333
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8. Date of Report

November 22, 2023