

**FORM 51-102F3**  
**Material Change Report**

**1. Name and Address of Corporation:**

The Western Investment Company of Canada Limited ("**Western**" or the "**Corporation**")  
1010 - 24th Street SE  
High River, Alberta  
T1V 2A7

**2. Date of Material Change(s):**

December 17, 2018

**3. News Release:**

A news release relating to the material changes described herein was released on December 18, 2018 through the facilities of Marketwired.

**4. Summary of Material Change(s):**

The Corporation announced that it has entered into a letter of intent to acquire a fifty percent interest in a Western Canadian based property and casualty insurance company for approximately \$2 million or 90% of book value as of the closing date. The proposed transaction is subject to a number of conditions, and if all of the conditions are removed, it is expected that the transaction will close by April 2019.

**5. Full Description of Material Change:**

**5.1 Full Description of Material Change**

The Western Investment Company of Canada Limited ("**Western**") (TSXV: WI) announced today it has entered into a letter of intent to acquire a fifty percent interest in a Western Canadian based property and casualty insurance company for approximately \$2 million or 90% of book value as of the closing date.

*"Western's CEO Scott Tannas has an exemplary track record in Western Canada's P&C business,"* said board chair Jim Dinning. *"So, it's appropriate that Western will lead the development and execution of a plan to expand the insurers' operations significantly in 2019 and 2020,"* Dinning concluded.

To achieve rapid growth, the new insurance company intends to partner with a number of insurance brokers in Western Canada to identify new insurance product niches and participate in current insurance programs.

The proposed transaction is subject to a number of conditions including approval by Western's board, TSX Venture Exchange and the Alberta Superintendent of Insurance. If all conditions are removed it is expected the transaction will close by April 2019.

Scott Tannas, Western's President and CEO said: *"We at Western have been clear in our intention to enter the insurance sector in western Canada. In fact, it was an important component of our founding plan. We believe we have found the ideal partner and platform to launch a specialty underwriter that will blossom into a successful and profitable financial institution. Over the coming weeks we will work to finalize our plans and seek necessary approvals, and will provide additional information to stakeholders as conditions to the transaction are removed. We are excited for what 2019 has in store for our small, profitable and growing company."*

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**6. Reliance on Subsection 7.1(2) of National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not applicable.

**7. Omitted Information:**

Not applicable.

**8. Executive Officer Knowledgeable of Material Change:**

Scott Tannas, President and Chief Executive Officer  
(403) 652-2663

**9. Date of Report:**

December 20, 2018