

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

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

The Western Investment Company of Canada Limited ("WICC" or "Western")  
1010 24 Street SE  
High River, Alberta T1V 2A7

**2. Date of Material Change:**

October 19, 2022

**3. News Release:**

A news release relating to the material changes described herein was released on October 19, 2022 through the facilities of Newsfile Corp.

**4. Summary of Material Change:**

Western announced that its investee, Fortress Insurance Company, closed a \$5.3 million equity financing.

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

**5.1 Full Description of Material Change**

Please see attached Schedule "A" for further details regarding the news release disseminated.

**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:**

The following executive officer of the Corporation is knowledgeable about the material change and this Report:

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

**9. Date of Report:**

October 24, 2022

## SCHEDULE "A"

### **Western Investment Company Affiliate, Fortress Insurance, Closes \$5.3 Million Upsized Equity Offering and Signs Strategic Agreement with U.S. Based Indemnity National Insurance Company**

High River, Alberta, October 19, 2022 – Further to its previous announcement, The Western Investment Company of Canada Limited ("WICC" or "Western") (TSXV: WI) announced today that its investee, Fortress Insurance Company ("Fortress"), has closed a \$5.3 million equity financing. The value has increased from that previously expected due to greater demand from our distribution partners and the execution of a significant new partnership agreement.

-Fortress has entered into a strategic partnership with U.S. based Indemnity National Insurance Company ("INIC"). The partnership includes an equity investment of approximately \$1.7 million in Fortress by INIC, and a plan to provide Fortress with the resources and expertise to offer specialty surety products in Canadian commercial insurance markets through a comprehensive underwriting and re-insurance agreement. The partnership agreement has received all governance and regulatory approvals and is now operational.

-Fortress closed its \$5.3 million equity issuance which includes the INIC investment, with the balance coming from a small group of value-added distribution and business partners who will contribute to the continuing growth and development of Fortress. The subscription price of \$1.72 for each share in Fortress represents an approximate 215% premium to Fortress' June 30, 2022 "book value", and a substantial increase from Western's original \$0.85 per share investment in 2019.

Upon completion of the financing, WICC and its original investment partners retain a combined majority controlling interest in Fortress.

WICC CEO Scott Tannas provided the following commentary:

"We congratulate Fortress management on the completion of this important transaction. The partnership with INIC will propel Fortress into the specialty surety market in the mining, energy, and natural resource sectors with a financially strong, expert partner. The \$5.3 million aggregate investment from INIC and other value-added partners will provide Fortress with capital, capacity, and growth opportunities for years to come."

#### **About The Western Investment Company of Canada Limited**

WICC is a unique publicly traded, private equity company founded by a group of successful Western Canadian business people, and dedicated to building and maintaining ownership in successful Western Canadian companies, and helping them to grow. Western's shares are traded on the TSX Venture Exchange under the symbol WI.

#### **About Fortress Insurance Company**

Fortress is a fast-growing property and casualty insurer licenced and operating in Canada's western provinces and Ontario. In addition to being a niche capacity provider in the commercial and residential property insurance market, Fortress is focused on the development and provision of specialty insurance products.

#### **About Indemnity National Insurance Company**

AM Best A- ("Excellent") rated, U.S. Treasury listed and licensed across a majority of the United States, INIC's team of professionals focuses on supporting some of the country's most critical industries, with a

focus on mining, energy and other specialty areas. Its customers range from large publicly traded Fortune 500 companies to private entrepreneurs, and INIC is committed to providing individualized excellence to every one of them.

For more information on Western, please visit its website at [www.winv.ca](http://www.winv.ca)

**CONTACT INFORMATION:**

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President and Chief Executive Officer  
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**Advisory**

This news release may contain certain forward-looking information and statements, including without limitation, statements pertaining to the value of Western's investment in Fortress, and the future plans, and growth of returns from Fortress' insurance business. Statements containing the words: 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates' and any other words of similar meaning are forward-looking. All statements included herein involve various risks and uncertainties because they relate to future events and circumstances beyond Western's control. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in Western's disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). Any forward looking statements are made as of the date of this news release and Western does not undertake to update any forward-looking information except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.