

**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:**

December 1, 2023

**3. News Release:**

A news release relating to the material changes described herein was released on December 4, 2023 through the facilities of Newsfile Corp.

**4. Summary of Material Change:**

Western confirmed closing of its previously announced private placement of new convertible debentures and issuer bid for existing convertible debentures.

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

**5.1 Full Description of Material Change**

Western confirmed closing of its previously announced private placement of new convertible debentures and issuer bid for existing convertible debentures.

**Completion of Issuer Bid / Exchange for New Debentures**

Western announced the results of its issuer bid (the "**Offer**") to purchase for cancellation up to \$4.0 million of its convertible debentures due March 31, 2024 ("**Existing Debentures**"). The offer expired at 5:00 PM (Eastern Time) on November 28, 2023.

Based on a count by Odyssey Trust Company (the "**Depositary**"), Western will take up and purchase for cancellation a principal amount of \$2,875,000 of Existing Debentures. In exchange for each \$1,000 in principal of Existing Debentures purchased under the Offer, each holder who accepted the Offer will receive payment of accrued interest, plus \$1,000 in principal of new 2025 Debentures (as defined below).

The Existing Debentures to be purchased under the Offer represent approximately 72% of the issued and outstanding Existing Debentures. After giving effect to the Offer, Western expects approximately \$1,125,000 of principal amount of Existing Debentures to be issued and outstanding.

The full details of the Offer are described in the offer to purchase and issuer bid circular dated October 24, 2023, as well as the related letter of transmittal, copies of which were filed and are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Update on Cash Purchases of New Debentures by Way of Private Placement**

The private placement announced on October 10, 2023 is a non-brokered private placement of convertible unsecured subordinated debentures (the "**2025 Debentures**") for consideration of cash in the amount of \$1,000 per 2025 Debenture (the "**Private Placement**").

Each 2025 Debenture is convertible into common shares of Western ("**Common Shares**") at a conversion price of \$0.48 per share. The 2025 Debentures will mature on December 31, 2025 ("**Maturity Date**") and bear interest at the rate of 9.60% per annum, payable semi-annually in arrears at the end of March and September. If, commencing on and from the Closing Date (as defined below) and prior to the Maturity Date, the closing price of the Common Shares on the TSX Venture Exchange (the "**Exchange**") is \$0.65 or greater for the preceding 20 trading days, Western may, at its option, force the conversion of the 2025 Debentures into Common Shares.

### **Combined Impact of Both Transactions**

Given the issuance of \$2,875,000 in principal of 2025 Debentures in connection with the Issuer Bid, Western issued \$2,125,000 in additional 2025 Debentures in the Private Placement under the terms of the convertible debenture indenture governing the 2025 Debentures. The total gross proceeds achieved with both transactions is \$5 million, which was the maximum amount sought by Western. Cash proceeds will be utilized to retire the remaining Existing Debentures, and for working capital purposes. Cash commissions totaling \$6,400 were paid to qualified non-related parties in connection with the closing of the Private Placement. The 2025 Debentures issued pursuant to the Private Placement, and the underlying Common Shares, are subject to a four month and one day hold period and completion of the Private Placement remains subject to the approval of the Exchange.

The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended (the "**US Act**"), and may not be offered or sold in the United States unless registered under the Act or unless an exemption from registration is available.

Insiders of Western subscribed for \$362,000 of the 2025 Debentures issued under the Private Placement. The insider participation in the Private Placement is deemed to be a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Western is relying on the exemptions from the formal valuation requirement and the minority shareholder approval requirement under sections 5.5(a) and 5.7(1)(a) of MI 61-101, on the basis that neither the fair market value of the subject matter of nor the consideration for the Private Placement, insofar as it involves the investing insiders, exceeds 25 percent of Western's market capitalization. In addition, insiders of Western holding \$485,000 of the Existing Debentures accepted the Offer to exchange Existing Debentures for 2025 Debentures. Accordingly, insiders of Western now hold a total of \$847,000 of the 2025 Debentures.

Western did not file a material change report more than 21 days before the closing of the Private Placement as required by MI 61-101 as the details of the participation by the insiders in the Private Placement were settled only recently. The Private Placement was approved by the board of directors of the Corporation, including all of the directors that did not subscribe to the Offering.

**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 this material change report:

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

**9. Date of Report:**

December 7, 2023

**Advisory**

This material change report may contain certain forward-looking information and statements, including without limitation, statements pertaining to the timing and completion of the Issuer Bid and the Private Placement. 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. In particular, no assurance can be given as to the use of proceeds and receipt of Exchange approval of the Private Placement. 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.sedarplus.ca](http://www.sedarplus.ca). Any forward-looking statements are made as of the date of this material change report and Western does not undertake to update any forward-looking information except in accordance with applicable securities laws.

This material change report does not constitute an offer to sell or a solicitation of an offer to sell any securities in the United States. The securities have not been and will not be registered under the US Act or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the US Act and applicable state securities laws or an exemption from such registration is available.