



Corporate Update

November 2015

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Non-GAAP Measures

Non-GAAP Measures – Westaim

Westaim uses both international financial reporting standards ("IFRS") and non-GAAP measures to assess performance. Westaim cautions readers about non-GAAP measures that do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures used by other companies.

Book value per share represents shareholders' equity at the end of the period determined on an IFRS basis and adjusted upwards by the Corporation's liability with respect to restricted stock units ("RSUs") divided by the aggregate of the total number of common shares outstanding at that date and number of common shares that would have been issued if all outstanding RSUs were exercised.

HIIG

HIIG uses United States generally accepted accounting principles ("GAAP") measures to assess performance.

All amounts herein are in United States dollars unless otherwise indicated.

Agenda

- 1 **The Westaim Corporation**
 - Overview
- 2 **Houston International Insurance Group, Ltd. (“HIIG”)**
 - Overview
 - Divisions
 - Financial Highlights and Outlook
- 3 **Arena Group**
- 4 **The Westaim Corporation**
 - Financial Highlights
 - Conclusion
- 5 **Questions and Answers**





The Westaim Corporation - Overview

Description of Business

- The Westaim Corporation (“Westaim”) is an investment company listed on the TSX Venture Exchange (TSXV: WED) focused primarily on the financial services industry
- On July 31, 2014, Westaim acquired a significant interest in Houston International Insurance Group, Ltd. (“HIIG”)
- On August 31, 2015, Westaim capitalized Arena Investors, LP (“Arena Investors”), Arena Finance Company Inc. (“Arena Finance”) and Arena Origination Co., LLC (“Arena Origination”) (Arena Investors, Arena Finance and Arena Origination and related entities are collectively referred to as the “Arena Group”)
- As at September 30, 2015, Westaim had \$11.9 million in cash and cash equivalents and ~\$21.6 million in non-capital tax loss carry-forwards
- Westaim is currently seeking additional investment opportunities to continue to create value for its shareholders

Market Statistics*

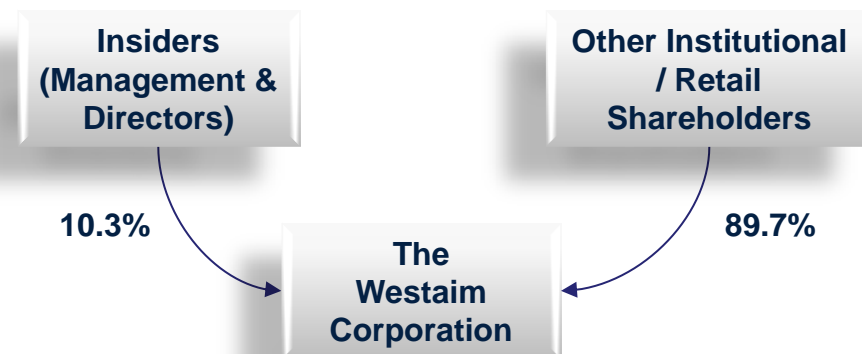
Ticker	TSXV:WED
Closing Share price (November 13, 2015)	C\$ 2.91
Shares outstanding (millions)	143.2
Market capitalization	C\$ 416.7
Shareholders' equity - Q3 2015	C\$ 444.5
Capital structure	Debt free
BVPS - Q3 2015**	C\$ 3.09
Corporate Headquarters	Toronto, Ontario

* Balance sheet data as at September 30, 2015; In Canadian dollar millions except per share data

Exchange rate used 1.3394 C\$ / US\$ (as at September 30, 2015)

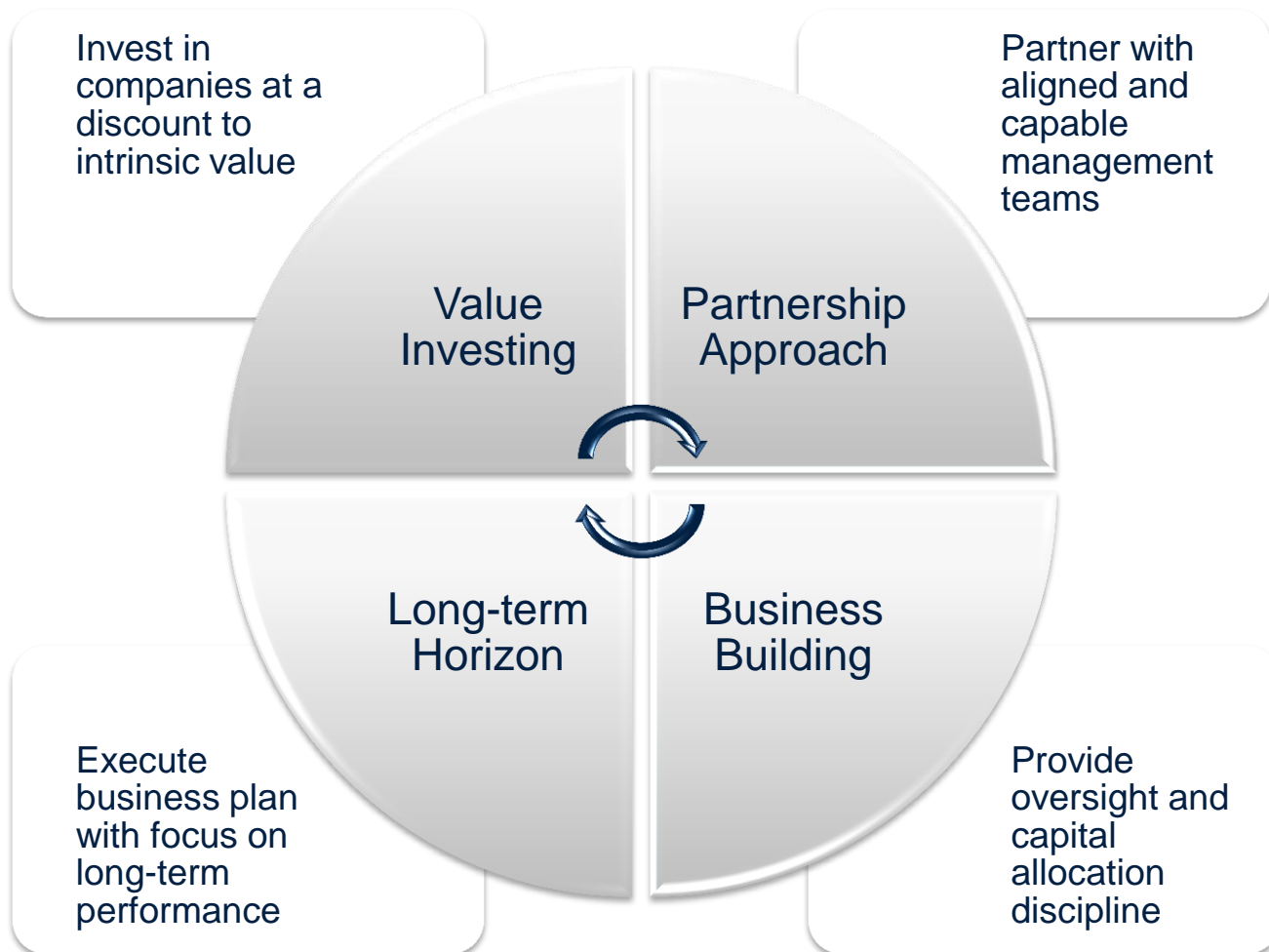
** Book Value Per Share (“BVPS”) represents shareholders' equity at the end of the period determined on an IFRS basis and adjusted upwards by the Corporation's liability with respect to restricted stock units (“RSUs”) divided by the aggregate of the total number of common shares outstanding at that date and number of common shares that would have been issued if all outstanding RSUs were exercised.

Shareholders



The Westaim Corporation - Overview

Investment Strategy



The Westaim Corporation - Overview

Operating Principles

Share a long term horizon with Westaim's shareholders

Remain opportunistic in the evaluation of strategic investment opportunities

Maintain a conservative capital structure and strong balance sheet

Seek a margin of safety when evaluating investment opportunities

Strive to grow Westaim's intrinsic value per share at above market rates over the long term

The Westaim Corporation - Overview

Recent History

April 3, 2009: Westaim appointed the current management team

May 2, 2012: Enters into definitive agreement to sell Jevco for C\$530 million in cash

Sep 4, 2012: Completes sale of JEVCO in an all cash transaction

Sep 28, 2012: Westaim pays cash distribution of ~C\$521 million by way of a return of capital

March 12, 2014: Enters into definitive agreement to acquire HIIG

April 23, 2014: Completes private placement of subscription receipts enters into subscription agreements for common shares for aggregate gross proceeds of ~C\$150 million

July 31, 2014: Westaim HIIG LP completes HIIG acquisition



Jan 25, 2010: Westaim enters into definitive agreement to acquire Jevco from Kingsway Financial

March 29, 2010: Westaim completes acquisition of JEVCO for ~C\$261 million

August 14, 2013: Implemented 50:1 share consolidation

January 14, 2015: Westaim HIIG LP completes subsequent HIIG acquisition

May 28, 2015: Completes private placement offerings of special warrants for aggregate gross proceeds of ~C\$237 Million

August 31, 2015: Westaim establishes and capitalizes the operations of Arena Investors, Arena Finance and Arena Origination

The Westaim Corporation - Overview

Westaim's Primary Investments



- Established in 1980, JEVCO Insurance Company was a Quebec-based, niche Canadian property and casualty ("P&C") insurer that did business across Canada
- In March 2010, Westaim completed its opportunistic acquisition of JEVCO Insurance Company for ~C\$261 million (~94% of book value)
 - Westaim set out to execute its long-term strategic plan to grow JEVCO organically and through acquisitions
- In response to an unsolicited offer in September 2012, Westaim sold JEVCO to Intact Financial Corporation for ~\$530 million in cash, and subsequently returned substantially all of the net proceeds from the sale to its shareholders



- HIIG is a U.S. based diversified specialty insurance provider and managing general insurance agent covering risks across the United States and certain niche global markets
- Westaim established Westaim HIIG LP
 - In July 2014, Westaim HIIG LP was funded with ~\$141 million by Westaim, along with third party investors, including affiliates of Everest Re Group, Ltd. and Catlin Group Limited (now XL Catlin)
 - In July 2014, Westaim HIIG LP completed the acquisition of ~70.8% of HIIG for an aggregate purchase price of ~US\$138.7 million
 - In January 2015, Westaim HIIG LP purchased an additional interest in HIIG for ~\$70 million
 - Westaim HIIG LP owns ~75.4% of HIIG, and Westaim owns 58.5% of the partnership, or a 44.1% look through interest in HIIG



- Westaim has established and capitalized the operations of Arena Investors, Arena Finance and Arena Origination
- The investment focus for the Arena Group will be fundamentals-based, asset-oriented credit investments designed to deliver attractive yields with low volatility

The Westaim Corporation - Overview

Westaim Platform – Complementary Businesses



**Property and Casualty
Insurance**



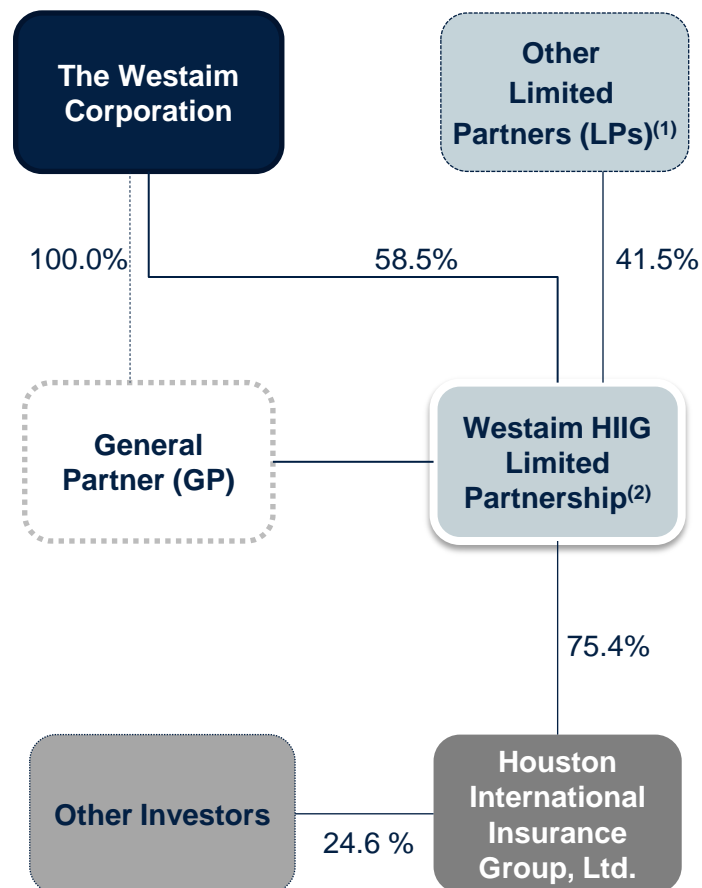
**Alternative Investment
Management and
Specialty Finance**



- Westaim has invested in two complementary platforms – Specialty P&C Insurance (through HIIG) and asset management and specialty finance (through the Arena Group)
- Management believes the Westaim platform is now established and positioned for growth

The Westaim Corporation - Overview

Investment in Houston International Insurance Group, Ltd.



Date	Westaim (US\$)	Westaim (C\$) ⁽³⁾	Valuation (P/BV)
July 31, 2014	\$75.7	\$82.4	0.87x
January 14, 2015	50.6	60.5	1.00x
Total Investment	\$126.3	\$142.9	0.92x
Fair Value⁽⁴⁾	\$145.9	\$195.4	
Return to FV (%)	15.5%	36.7%	

Figures in US\$ million, unless otherwise indicated

(1) Other LPs includes Affiliates of Everest Re Group, Ltd., Affiliates of Catlin Group Limited (now XL Catlin), Stephen L. Way and affiliates and other investors.

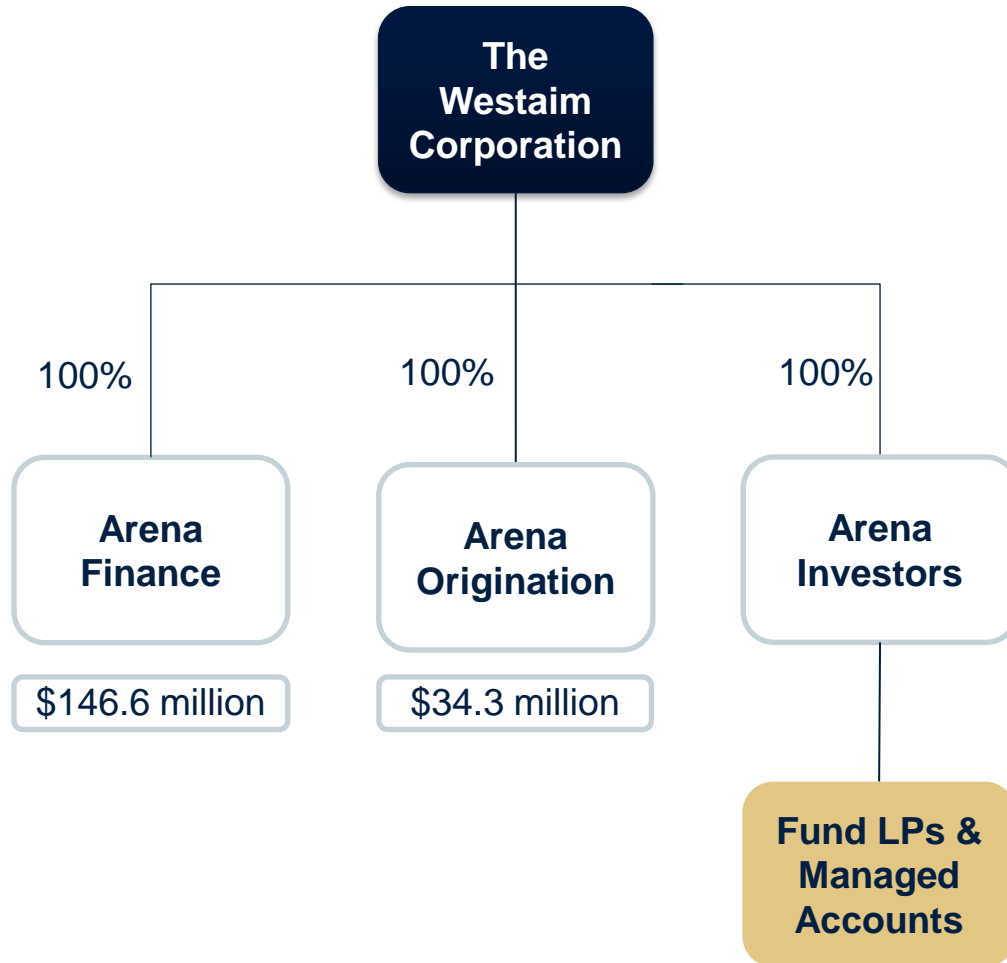
(2) Limited Partnership established by Westaim to acquire an ownership interest in HIIG.

(3) Exchange rate used 1.0890 C\$ / US\$ (as at July 31, 2014); 1.1958 C\$ / US\$ (as at January 14, 2015); 1.3394 C\$ / US\$ (as at September 30, 2015).

(4) At September 30, 2015, determined to be ~100% of HIIG's stockholder's equity in accordance with United States Generally Accepted Accounting Principles ("US GAAP").

The Westaim Corporation - Overview

Investment in the Arena Group



- Westaim has established and capitalized the operations of:
 - Arena Investors – asset management
 - Arena Finance – specialty finance
 - Arena Origination – origination vehicle
- All businesses are managed by Daniel B. Zwirn as Chief Executive Officer and Chief Investment Officer and an experienced management team in the alternative credit industry

The Westaim Corporation - Overview


Arena Group – Deal Structure

Arena Investors

- Arena Investors is currently indirectly owned 100% by Westaim, but Daniel B. Zwirn and the senior management team will earn-in ownership as follows:

If AUM and TTM EBITDA equal the following thresholds

The equity percentages and profit percentages will be adjusted as follows

AUM	TTM EBITDA Margin		Westaim	Arena Group Senior Management
<\$1 billion	<35.0%		51.0%	49.0%
\$2 billion	50.0%		45.5%	54.5%
\$3 billion	55.0%		40.0%	60.0%
\$4 billion	60.0%		32.5%	67.5%
\$5 billion	60.0%		25.0%	75.0%

- Daniel B. Zwirn and senior management will have a 49% participation interest in the after-tax cumulative cash flows of Arena Investors that will be effective until both assets under management are greater than US\$1 billion and trailing twelve months EBITDA margin of greater than 35% is achieved

Arena Finance and Arena Origination

- Arena Finance and Arena Origination have each been capitalized by Westaim at \$10.00 per membership unit
- Daniel B. Zwirn and Senior Management have received option like rights as follows:

Tranche	Terms
---------	-------

Tranche A 5% at a strike price of \$10.40 per share

Tranche B 5% at a strike price of \$12.90 per share

Tranche C 5% at a strike price of \$15.40 per share

Tranche D 5% at a strike price of \$17.90 per share

- Therefore Arena Management have been provided option-like rights for 20.0% (16.67% fully diluted) in each of Arena Finance and Arena Origination

The Westaim Corporation - Overview

Arena and Daniel B. Zwirn Alignment with Westaim and its Shareholders

Building Arena Businesses

Management have the opportunity to “earn-in” ownership of up to 75% of Arena Investors

Management received stock option-like rights representing 20% of the basic membership units outstanding (16.67% fully diluted) of Arena Origination and Arena Finance upon start-up

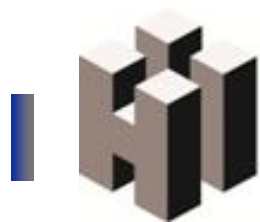


Investment in Westaim

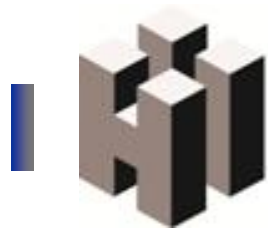
Invest capital as a lead order on the Westaim private placement offering (Daniel B. Zwirn – C\$2.5 million)

Management have committed 25% of the first \$100 million of aggregate pre-tax ownership distributions of Arena Investors, and 12.5% thereafter to acquire Westaim shares in the public market⁽¹⁾

(1) Subject to a maximum in respect of Arena Group Management and any persons or companies acting jointly or in concert with Arena Management, of 19.9% of the outstanding Westaim Common Shares.



HOUSTON INTERNATIONAL INSURANCE GROUP



HOUSTON INTERNATIONAL INSURANCE GROUP

Overview

Divisions

**Financial
Highlights
and Outlook**

HIIG - Overview

Overview

- HIIG is an international insurance holding company, headquartered in Houston, Texas with offices across the United States
 - HIIG was founded in 2007 by Stephen L. Way who has significant expertise and experience in the P&C insurance industry
 - Mr. Way founded Houston Casualty Corporation in 1974 and served as its CEO for ~33 years
- HIIG has four subsidiary P&C insurance companies (two admitted and two surplus lines) and an underwriting agency
 - HIIG also has an Accident & Health (“A&H”) managing general underwriter, specializing in medical stop-loss insurance
- As at September 30, 2015, HIIG had:
 - Trailing Twelve Months Gross Written Premiums of \$481.8 million⁽¹⁾
 - \$708.5 million in invested assets⁽¹⁾
 - Stockholders’ Equity of \$323.8 million⁽¹⁾
- Insurance company subsidiaries are rated A- (Excellent) or better by A.M. Best

⁽¹⁾ Derived from the financial statements of HIIG. The information herein is presented in accordance with US GAAP. Such statements are the responsibility of the management of HIIG and have been provided solely by HIIG. Although Westaim has no knowledge that would indicate that any of the information is untrue or misleading, neither Westaim nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for any failure by HIIG to disclose to Westaim events or facts which may have occurred or which may affect the significance or accuracy of any such financial information but which are unknown to Westaim. Westaim disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the HIIG financial information, its accuracy, completeness or by reason of reliance by any person on any of it.

HIIG - Overview

Operating Philosophy

Disciplined Underwriting

- Create specialty divisions run by experienced underwriting professionals

Mitigation of Risk

- Utilize reinsurance to cover target risks and protect HIIG's capital against severity and catastrophic exposures

Capital Preservation

- Maintain a conservative balance sheet and investment philosophy

Controlled Growth

- Grow organically by expanding current lines of business and geographical footprint
- Make strategic acquisitions that complement current books of business or provide opportunities in new industry segments

Entrepreneurial Culture

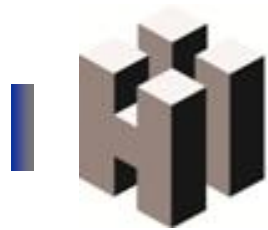
- Entrepreneurial approach
- Excellent reputation and credibility attracts talented employees, loyal reinsurers and capital investors
- Management depth in all divisions
- Stock investment and incentives designed to promote management loyalty and longevity



HIIG - Overview

Executive Management with Significant Industry Experience

Name	Position	Age	Years of Experience
Stephen L. Way	Chairman & Chief Executive Officer	66	50+
Peter B. Smith	EVP - Property & Casualty Underwriting	56	35+
Matthew S. Naylor	EVP - Accident & Health Underwriting	43	20+
Mark W. Haushill	EVP - Chief Financial Officer	53	30+
L. Byron Way	EVP - Chief Operating Officer	40	19+
Edward H. Ellis	EVP - Financial Planning & Special Projects	72	50+



HOUSTON INTERNATIONAL INSURANCE GROUP

Overview

Divisions

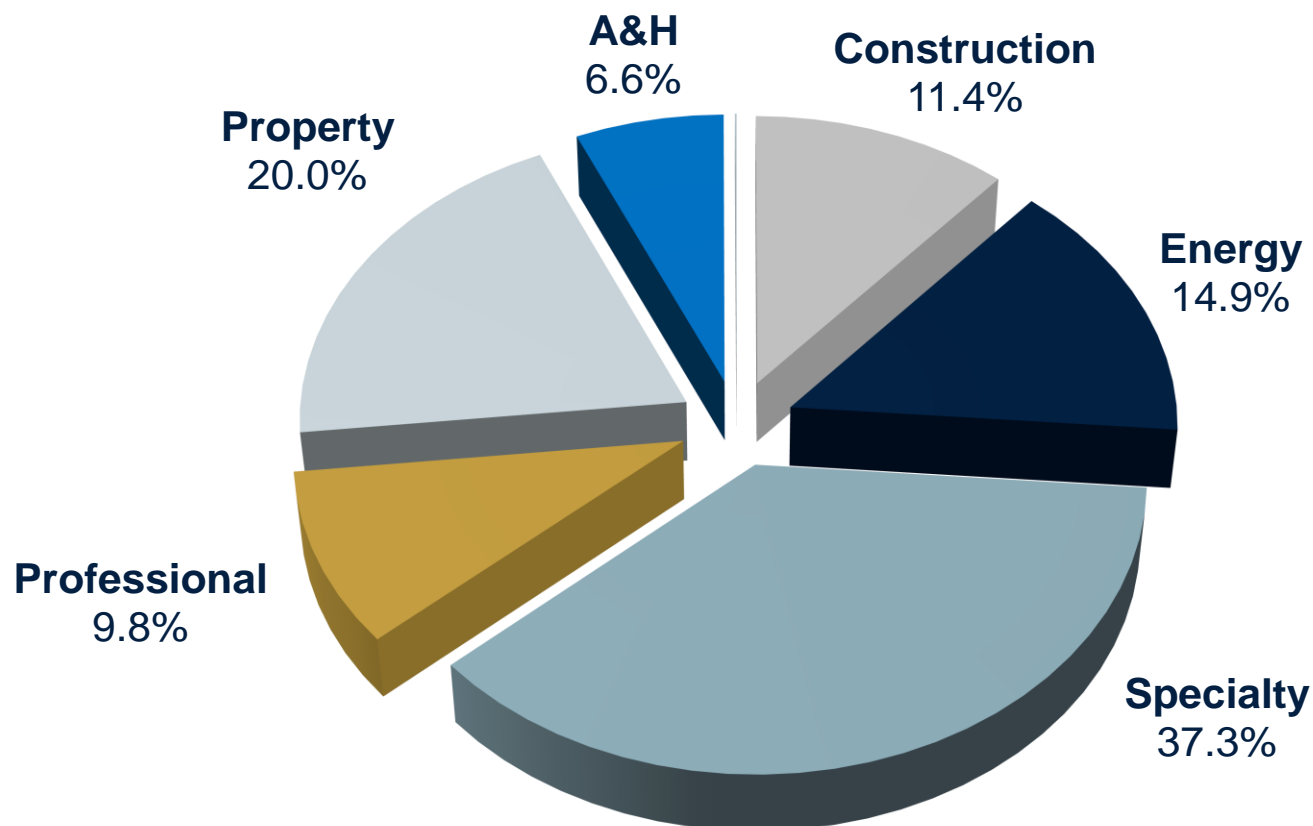
**Financial
Highlights
and Outlook**



HIIG - Divisions

Net Premium Written⁽¹⁾⁽²⁾

For the Trailing Twelve Month Period Ended September 30, 2015



Net Premium Written: \$319.4 Million⁽²⁾

(1) Derived from the financial statements of HIIG. The information herein is presented in accordance with US GAAP. Such statements are the responsibility of the management of HIIG and have been provided solely by HIIG. Although Westaim has no knowledge that would indicate that any of the information is untrue or misleading, neither Westaim nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for any failure by HIIG to disclose to Westaim events or facts which may have occurred or which may affect the significance or accuracy of any such financial information but which are unknown to Westaim. Westaim disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the HIIG financial information, its accuracy, completeness or by reason of reliance by any person on any of it.

(2) Excludes net premium written from Non-Continuing and Other Lines.



HIIG - Divisions

P&C Divisions

Construction

- Heavy equipment contractors operating in the infrastructure, underground and excavation segments of the industry

Energy

Mining

- Small and medium sized underground and surface mines across all industry segments

Onshore

- Small and medium sized service contractors and rig operators

Offshore

- Large, multi-national rigs and platforms

Professional

- Errors & omissions liability and fidelity bonds to small and medium sized businesses including lawyers, regional banks and home health providers

Specialty

- Specialty industry segments and niche business including hospitality, pest control, security guards, artisan contractors and commercial auto (small risks principally in Louisiana) and workers' compensation in Texas

Property

- Large, often multi-national Fortune 100 companies, including manufacturing, mining and energy accounts

HIIG - Divisions

P&C Underwriting Overview

Strategy

- All underwriting is performed by experienced underwriters
 - Underwriters focus on individual lines of business and industry segments
 - Disciplined underwriting; quality not quantity

Centralized Processes

- Company maintains a centralized underwriting system which enables better analysis of risks, improved control and standardization of underwriting process and procedure
 - Access for internal audit

Risk Management

- Risk selection, exposure and limits, underwriting criteria, reinsurance programs and claims management are all subject to corporate review, determination and audit

HIIG - Divisions

Reinsurance

Excess reinsurance is placed on all lines of business to reduce exposure to \$1 million or less in most circumstances

Proportional reinsurance is placed on all lines to reduce retention to regulate premium growth and hedge loss frequency

Reinsurers generally of high quality and financial strength

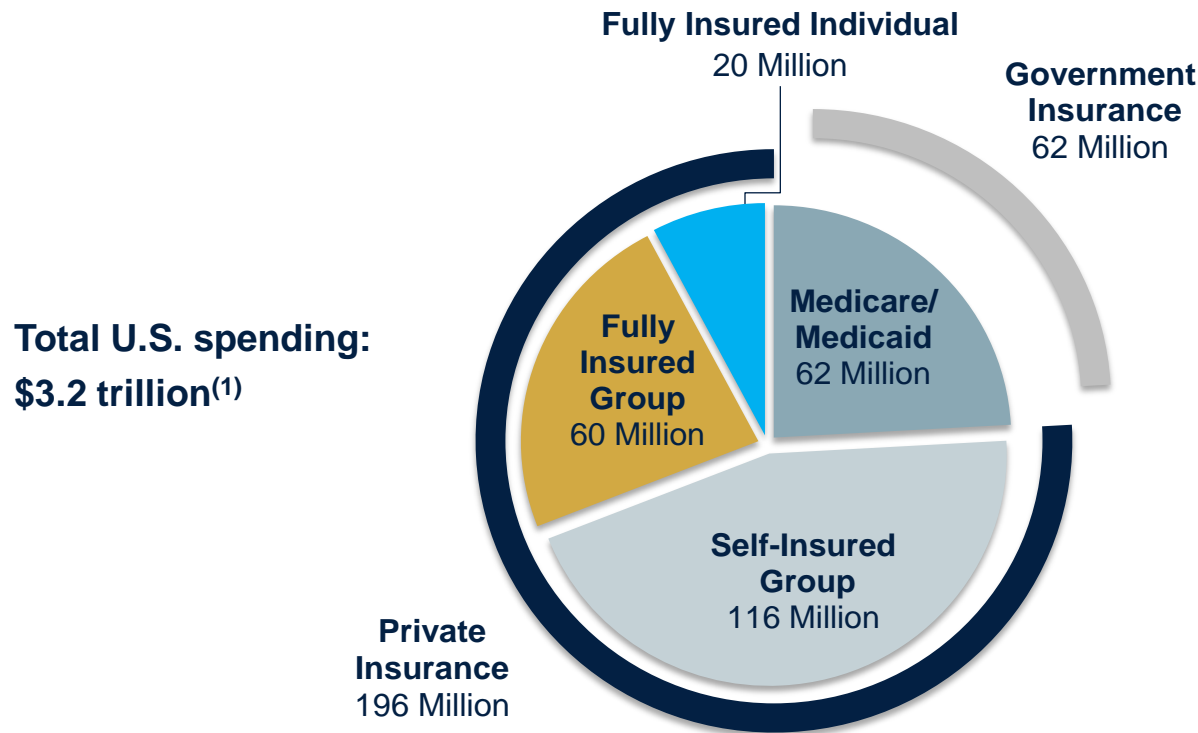
Collateral held on smaller reinsurers and those not licensed to write business in Texas

Maintain constant review of all recoverables to avoid any issues

HIIG - Divisions

A&H Overview

- Canadian health insurance is a government run insurance system that covers the entire population
- The United States has no single nationwide system for health insurance
- The United States provides private and government-run health insurance that can be purchased in various ways⁽¹⁾:



(1) PWC Health Research Institute

HIIG - Divisions

A&H Overview

- Overview of HIIG A&H
 - Sell stop loss reinsurance to self-funded medical plans
 - Insure the employer group, not the individual employees
 - It is not 1st dollar coverage

- HIIG sells 2 types of reinsurance, known as stop loss reinsurance

- These types of policies reimburse medical claims paid in excess of:
 - Individual deductible levels known as specific insurance
 - The group aggregate which provides a ceiling on the total dollar amount of eligible claims known as aggregate insurance



HIIG - Divisions

A&H Overview

- HIIG provides Medical Stop Loss (MSL) coverage to approximately 300 policy holders whose plans provide coverage to ~500,000 members and their dependents
- Underwrite on behalf of:
 - Great Midwest Insurance Company (GMIC) – “HIIG”
 - Gerber Life
- The industries we write MSL for include:

Municipalities

Service Industries

School Districts

Not for Profits

Universities

Hospitals

Manufacturing Companies

- HIIG writes business through Brokers, TPA's, Agencies and Consultants nationwide
- Able to write business over large ASO Carriers (Blue Cross, Aetna, Untied, etc.)

HIIG - Divisions

A&H Overview

- “Short-tail” business – 30% of accounts do not renew
- HIIG writes policies with specific deductibles ranging from \$25,000 to \$1,000,000
 - Our average case has \$100,000 specific deductible, covers 400 lives and generates approximately \$300,000 in annual gross premium
- HIIG looks to write groups with good loss experience and good risk characteristics:
 - Favorable age / sex characteristics
 - Quality administrator / network and claims management
 - Quality data from broker/administrator

HIIG - Divisions

A&H - Market Share & Major Players

- The Universe of premium is hard to access as stop-loss is filed in statutory returns under the line of business accident & health, but it is generally thought to be \$8-10 billion in 2015⁽¹⁾
- In recent years, direct writers and large administrators have been taking market share away from Managing General Underwriters (MGUs)
- In general, the larger players in the commercial stop loss market have a competitive advantage in terms of leveraging their volume to drive down expenses and make them more competitive for customers

ASO Carriers

Blue Cross

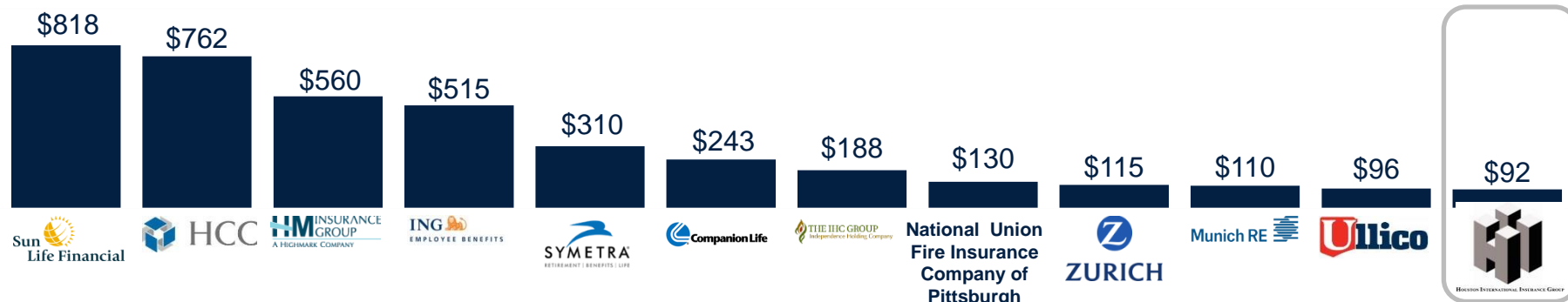
Aetna

United Health Care

Cigna

Others

2013 Stop Loss Premiums (\$ Millions)⁽²⁾



(1) Self-Insurance Education Foundation, Inc. Milliman Client Report. 2014.

(2) MyhealthGuide, LLC. "My HealthGuide Newsletter." 2014.

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HIIG - Divisions

A&H - Market Share & Major Players

Channels of Distribution

Large Administrators who offer MSL

Examples



Direct writers who do not perform medical administration services

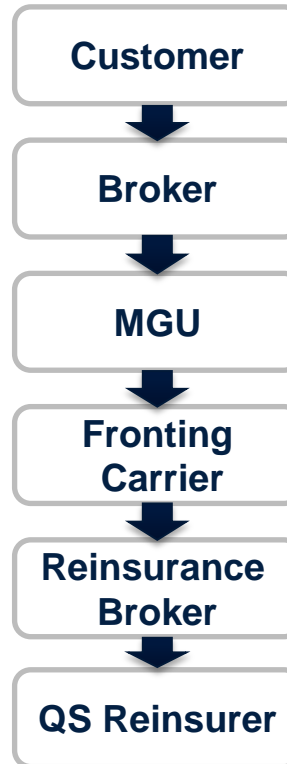
Examples



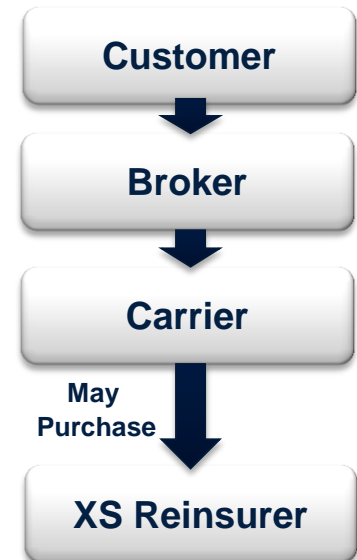
MGU's who write on behalf of carriers

Model

Traditional "MGU" Model



Evolved "Direct" Model



HIIG - Divisions

A&H Potential Expansion Opportunities

Remain focused on disciplined underwriting to achieve long-term underwriting profits

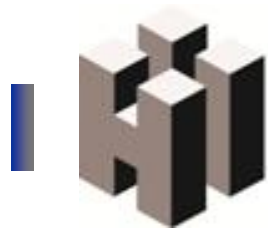
Continue growth of MSL product through existing sales and underwriting team

Actively recruit seasoned sales people and underwriters who know the business and have deep, quality relationships

Pursue acquisitions in the MSL space

Consider appointment of MGU's / MGA's in A&H space to write on HIIG paper

Identify niche A&H products and markets: captives for self-funded medical plans, student medical, limited medical, GAP coverage, high deductibles and voluntary lines of coverage



HOUSTON INTERNATIONAL INSURANCE GROUP

Overview

Divisions

**Financial
Highlights
and Outlook**



HIIG – Financial Highlights and Outlook

Financial Highlights Three and Nine Months Ending September 30, 2015

	Q3 2015		Q3 2014		YTD 2015		YTD 2014	
Income Statement								
Gross Written Premium		\$ 125.8		\$ 95.8		\$ 387.7		\$ 350.0
Net Premiums Written		91.8		72.5		254.4		224.8
Net Premiums Earned		92.7		84.3		240.7		240.3
Net Income		2.2		7.2		8.6		15.6
	Net Premiums Written	Net Loss and LAE Ratio	Net Premiums Written	Net Loss and LAE Ratio	Net Premiums Written	Net Loss and LAE Ratio	Net Premiums Written	Net Loss and LAE Ratio
A&H	\$9.7	66%	NA ⁽¹⁾	NA ⁽¹⁾	\$21.1	66%	NA ⁽¹⁾	NA ⁽¹⁾
Construction	5.1	103%	10.6	65%	23.6	97%	34.4	62%
Energy	15.2	70%	14.9	55%	36.0	56%	41.6	55%
Specialty	29.5	64%	36.6	64%	93.3	64%	104.6	69%
Professional	8.0	59%	8.6	59%	24.9	46%	23.0	60%
Property	24.4	30%	2.1	33%	55.8	33%	17.9	35%
Non-Continuing and Other Lines	(0.1)	NM ⁽²⁾	(0.3)	NM ⁽²⁾	(0.3)	NM ⁽²⁾	3.3	NM ⁽²⁾
	\$91.8	72%	\$72.5	63%	\$254.4	68%	\$224.8	65%
Selected Balance Sheet Information	September 30, 2015		December 31, 2014					
Investments, Cash and Cash Equivalents	\$ 708.5		\$ 626.9					
Stockholders' Equity	323.8		248.1					

Figures in US\$ million, unless otherwise indicated

(1) Not applicable, as the accident and health division was acquired in January 2015.

(2) Not meaningful, but included in the aggregate ratios.

Derived from the financial statements of HIIG. The information herein is presented in accordance with US GAAP. Such statements are the responsibility of the management of HIIG and have been provided solely by HIIG. Although Westaim has no knowledge that would indicate that any of the information is untrue or misleading, neither Westaim nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for any failure by HIIG to disclose to Westaim events or facts which may have occurred or which may affect the significance or accuracy of any such financial information but which are unknown to Westaim. Westaim disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the HIIG financial information, its accuracy, completeness or by reason of reliance by any person on any of it.

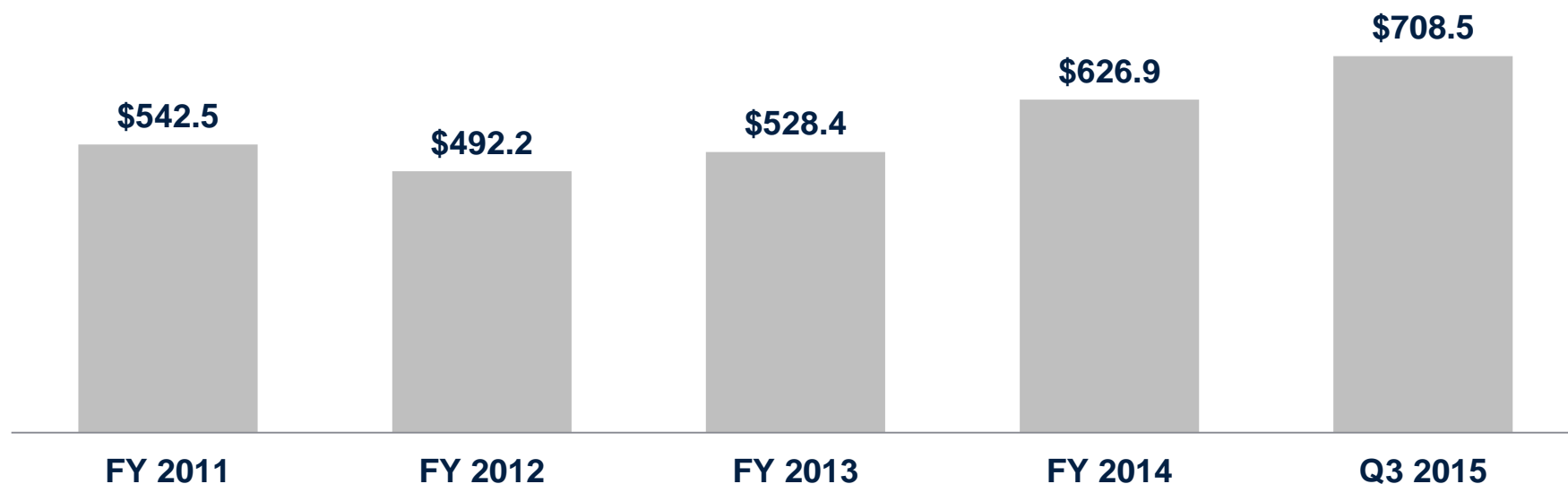
HIIG – Financial Highlights and Outlook

Non-Continuing Lines

- After the LYDAC merger in late 2010, HIIG terminated 24 of the 25 MGUs
- The business was largely run-off with the exception of a few small personal lines programs
- Loss ratios have been worse than expected, resulting in adverse loss development
- As a result of aggressive settlement practices, the claim count has rapidly decreased from more than 16,000 at December 31, 2010 to less than 1,350 at September 30, 2015
- Continuing reviews of open claims to try to close or estimate ultimate settlement timing and cost
- The Claims Division is being reorganized to allow more claims to be moved in-house rather than outsourcing to service companies which will reduce cost and improve loss reserving practices

HIIG – Financial Highlights and Outlook

Cash and Investments



Investment Approach

- Very conservative approach
- Use of investment advisors and managers
- Less than 10% of investment assets in publicly traded stocks⁽¹⁾
- Quality over yield
- Mainly fixed income of very short duration⁽¹⁾

Figures in US\$ million

(1) As at September 30, 2015.

Derived from the financial statements of HIIG. The information herein is presented in accordance with US GAAP. Such statements are the responsibility of the management of HIIG and have been provided solely by HIIG. Although Westaim has no knowledge that would indicate that any of the information is untrue or misleading, neither Westaim nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for any failure by HIIG to disclose to Westaim events or facts which may have occurred or which may affect the significance or accuracy of any such financial information but which are unknown to Westaim. Westaim disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the HIIG financial information, its accuracy, completeness or by reason of reliance by any person on any of it.

HIIG – Financial Highlights and Outlook

Acquisitions: 2014-2015



- On May 21, 2014, acquired The Compass Group, Inc. specializes in title agents and insurance agents errors and omissions liability insurance
- The business is operated as the Compass division of HIIG Professional



- On January 14, 2015, acquired Elite Underwriting Services (Elite), a MGU based in Malvern, Pennsylvania specializing in excess medical insurance (Medical Stop Loss) and other A&H insurance products
 - Produces business through small, large or super-regional brokers, large national and international consulting firms, regional third-party administrators (“TPA”), national TPA platforms, Administrative Services Only (“ASO”) organizations and insurance carriers
 - Writes business in all 50 states



- On April 6, 2015, HIIG purchased 20% of RISCOM, an underwriting agency based in Shreveport, Louisiana
- RISCOM offers commercial auto, transportation, general liability, garage, commercial property, and inland marine lines of business



- On September 30, 2015, HIIG acquired Capital Risk Underwriters, Inc. a managing general underwriting agency (MGU) based in Orlando, Florida specializing in insurance for pest control companies

HIIG – Financial Highlights and Outlook

Current Industry Environment

- Following a period of a long hard market with very few catastrophes, the market is currently in a soft market
- Current industry return on equity (ROE) cannot be maintained as industry premium growth is stunted by:
 - Low insurance rates
 - Reduced insurable assets (values, payroll, receipts); and
 - Historically low investment yields
- Alternative investment vehicles entering the insurance market have already wreaked havoc in certain companies causing increased rating agency scrutiny and loss of credibility in the marketplace
 - Investors sometimes prefer volatility but the NAIC and rating agencies do not
- Recent consolidation signals that companies do not know where growth is coming from
 - They are using hard earned capital to dilute their shareholders and still have not solved the mystery of profitable growth
- Investment income is insufficient to cover underwriting mistakes

HIIG – Financial Highlights and Outlook

Proactive Approach to Challenging Environment

- Quality over quantity to protect the balance sheet rather than top line growth to placate investors
 - Bad things can happen when you try too grow at any cost
- Continuing improvement in infrastructure, underwriting preparation and review and claims handling will further reduce our costs and improve our underwriting margin
- Grow premium slowly by expanding geographically and increasing brand awareness

HIIG – Financial Highlights and Outlook

Growth Strategy – Internal and Through Acquisitions

Internal Growth

- Offering all lines of business allows producers one stop shopping which often enables higher premiums as customers prefer one company to negotiate price and one company to call for a claim
- Add underwriting expertise as opportunities present themselves
- Considerable fall out from recent large industry transactions has made many talented people available who are attracted to smaller entrepreneurial companies
- Current infrastructure is designed to support growth, allowing for significant operating leverage

Acquisitions

- Focus on acquiring underwriting agencies
 - No residual exposure to balance sheet issues
 - Business can be transferred without potential rate reductions
 - Enhanced distribution
 - Specific underwriting expertise
 - Superior returns on capital
- Expand non risk bearing revenue which avoids low margin underwriting and requires less capital

- Plan to maintain strong capital position and ratings
 - Focus on maintaining adequate A.M. Best ratings to support the business
 - Optimize capital structure as the business grows
- Optimize return on investment portfolio
 - Investment assets are currently conservatively invested (fixed income portfolio duration of ~3 years)
 - Opportunity to optimize portfolio return moving forward



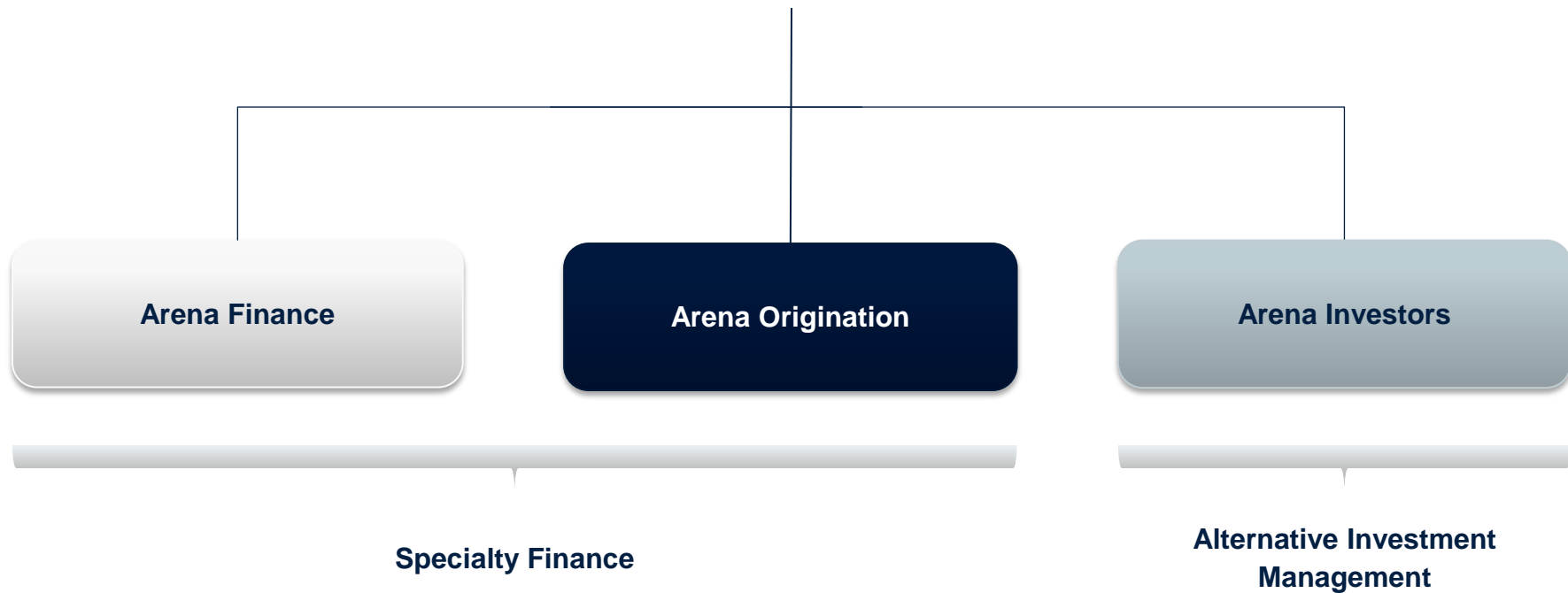
ARENA
INVESTORS LP

Arena Group

Overview

- Arena Group is an investment firm and merchant capital provider that seeks to generate attractive, risk-adjusted, stable, and uncorrelated returns by investing across the entire credit spectrum in areas where conventional sources of capital are scarce
- Led by Daniel B. Zwirn and an experienced management team
 - Over his career, Daniel B. Zwirn and companies affiliated with Daniel B. Zwirn have structured and managed over US\$10 billion in special situation financing and asset-oriented investments globally
- Global macro environment challenges and an onerous regulatory environment (Basel III) have greatly reduced traditional financial institutional participation in the middle market credit sector providing as favorable an environment to Arena's strategy as has been the case for two decades
- In August 2015, Arena Group was capitalized with ~\$180 million
- The current staff consists of 28 full-time employees

Overview of Arena Businesses



Fundamentals-based, asset-oriented credit opportunities



Arena Group

The Environment

Optimal Macro Environment

- Massive and continued central bank intervention has caused a flight to supposed quality, towards the largest and most easily accessed assets that provide investors a false sense of access to liquidity in the public markets

Reduced Competition

- A majority of the former market participants against which Arena's team members historically competed have been regulated out of existence or continue to be hampered by legacy burdens
 - These included the proprietary special situation groups of the investment banking firms
 - Other competitors such as several alternative asset managers have retreated to pursue the opportunities available to them in their original core competencies in the purely liquid markets
- The large-scale asset gatherers tend to be narrowly focused on artificially separate buckets driven by fund-raising objectives and focused on larger-size opportunities

Arena Group

Competitive Environment

Large Credit Firms

- These are formidable firms that have a natural drive towards gaining and defending scale
- As a function of size and organizational scale, they tend to pursue only large investments (\$100MM+); anything smaller does not “move the needle”

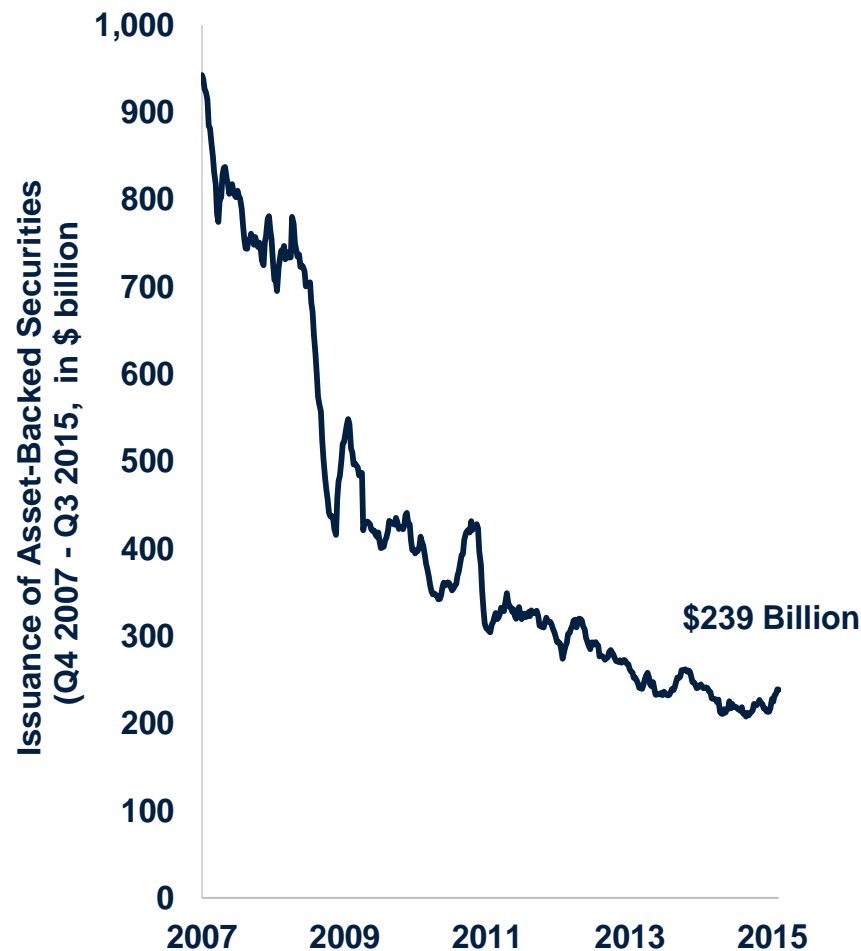
Small Lenders / Brokers

- These are smaller firms who pursue opportunities concentrated in a specific market or industry where they have deep yet narrow expertise
- The lack of size results in portfolios concentrated in particular narrow niches
- Due to their size these firms tend to not have institutionally viable infrastructure
- Finally, they pursue niche-areas that are only episodically appealing

- Arena has an institutional infrastructure and a broad, experienced team
- Arena is not burdened by diseconomies of scale associated with very large firms
- In pursuing investments, Arena does not compete against the big “alternative credit” firms
- Arena has the ability to focus on a highly diversified portfolio of idiosyncratic investments for which management believes there is limited capital available

The Environment – Asset Backed Security (“ABS”) Market Remains Greatly Challenged

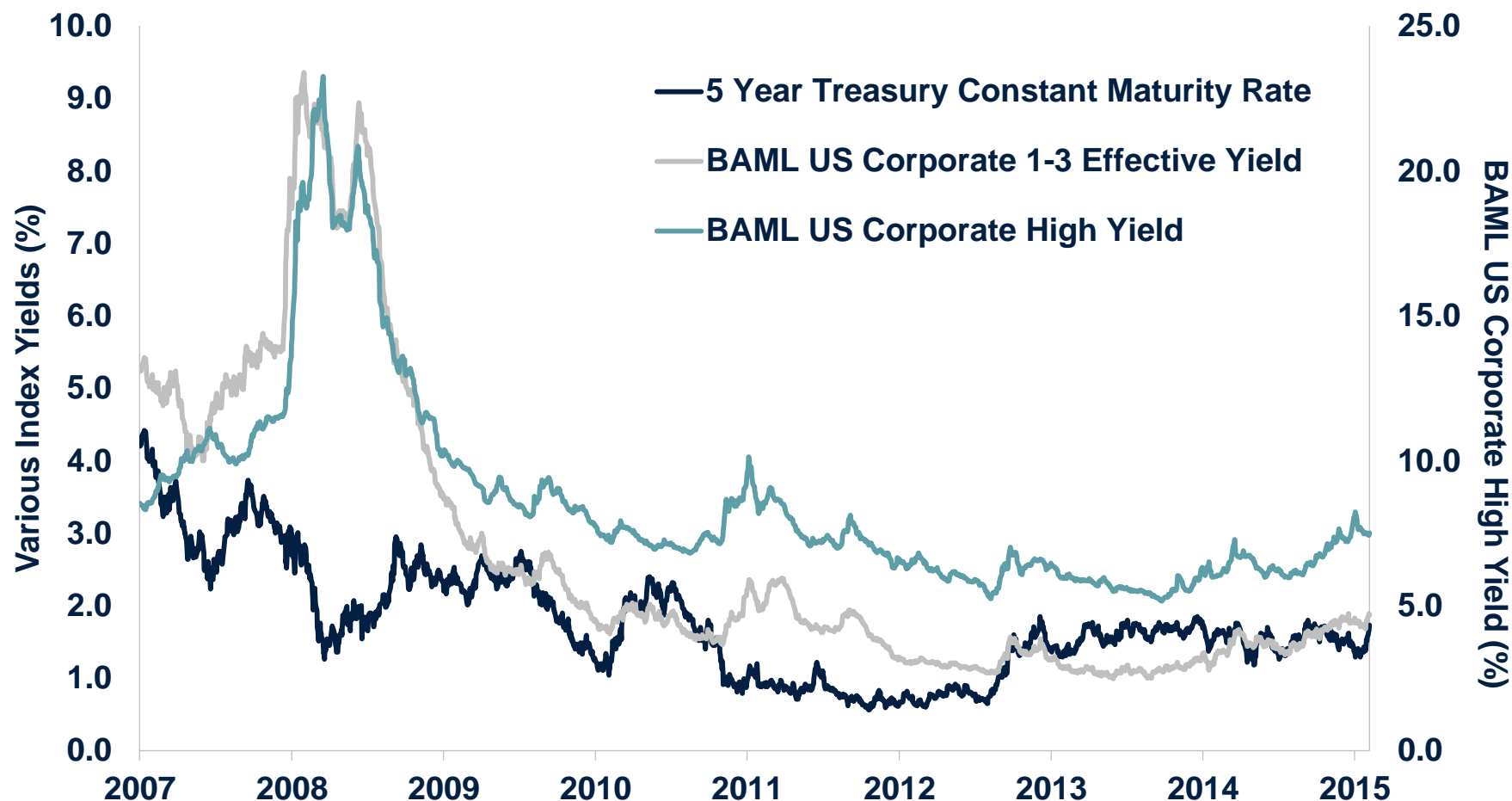
- Investing public remains skeptical
 - Investors lost billions investing in securities that were supposed to be safe
 - As a result, the ABS market is likely to take years to recover to previous levels, if it does at all
- Q3 2015 issuance is 78% below peak issuance (Q1 2007)
- Securitization has become less favorable
 - In the wake of the financial crisis in 2008, the SEC has imposed new restrictions that require that at least 5% of any and all securitized assets must remain held by the originator
 - This restricts securitization as a source of funding, decreases bank willingness to lend, and creates more opportunities for Arena to provide funding



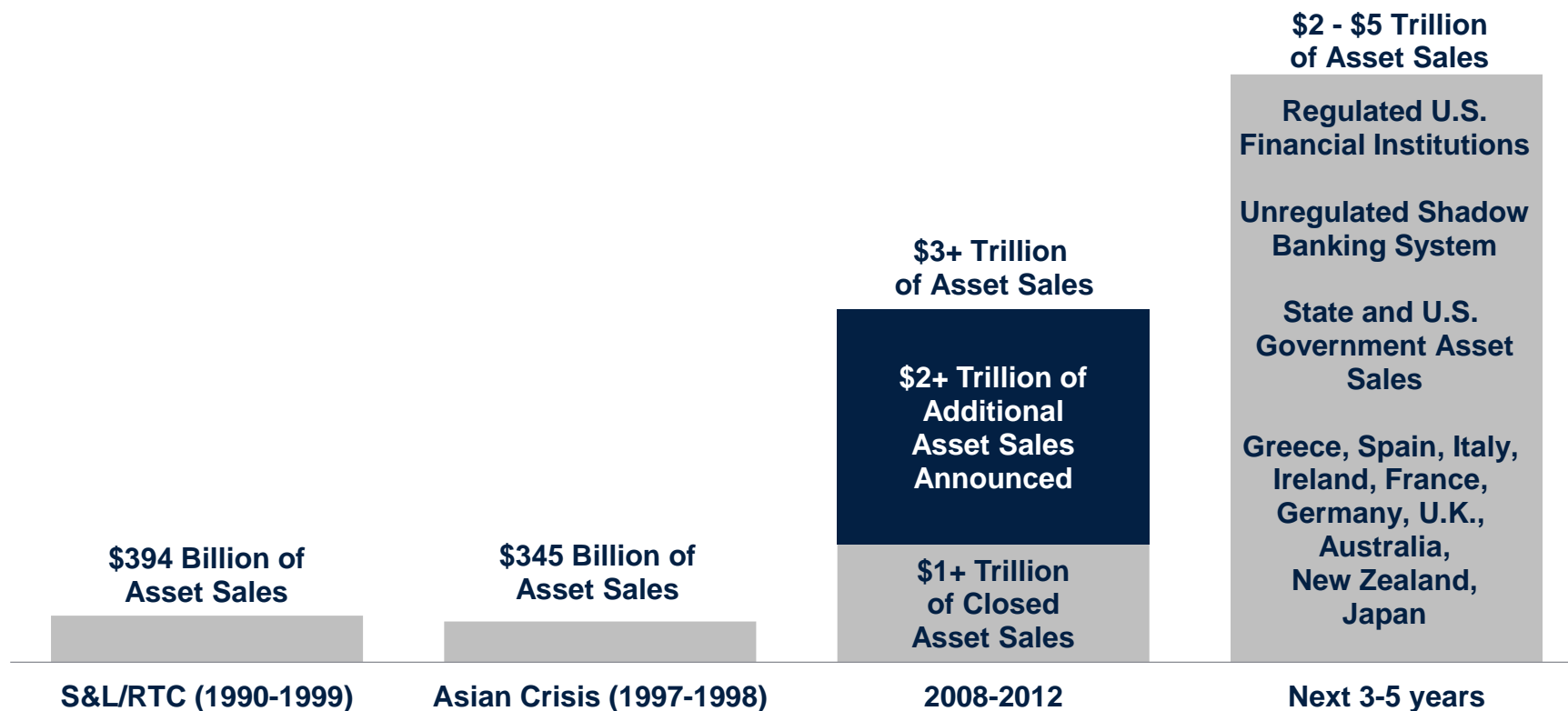


Arena Group

The Environment – Spreads Remain Tight



Wall of Opportunity



Arena Group expects the ongoing liquidation of assets in the next several years to generate trillions of financial asset sales, further increasing supply of opportunities available to us

Arena Group

Overview of Strategy – Chasing Illiquidity

- When looking for new opportunities, we “chase illiquidity,” and searches for situations from which capital is retreating
- In essence, Arena relies on a deep understanding of and longstanding relationships in diverse industries, a wide variety of financial products, and a global mix of jurisdictions to make credit-oriented investments where we are comfortable owning, operating and liquidating the assets in case of default
- Arena Group’s capital is long-term oriented:
 - Investment horizon is broad
 - There is no preference regarding industry, structure or geography

Portfolio Construction Broadly diversified portfolio

Term ~18-30 months

Terms and Conditions Interest rates can be fixed or floating, with collateral and debt covenants

Arena Group

Six Areas of Investment Opportunities

- Special situation lending
- Distressed loan sourcing and workouts

Corporate Private Credit

Real Estate Private Credit⁽¹⁾

- Idiosyncratic real estate and commercial lending
- Secondary market real estate loan purchase transactions and restructurings

- Purchasing and servicing non-performing loan portfolios
- Commercial finance including factoring, leasing, etc.

Commercial and Industrial Assets

Structured Finance

- Investments in “off-the-run” CMBS, RMBS, MBS, and other forms of ABS
- Esoteric asset securitizations

- Purchasing and servicing of a wide range of stressed and distressed special situation consumer obligations such as credit cards, auto loans, etc.

Consumer Assets

Corporate Securities and Other

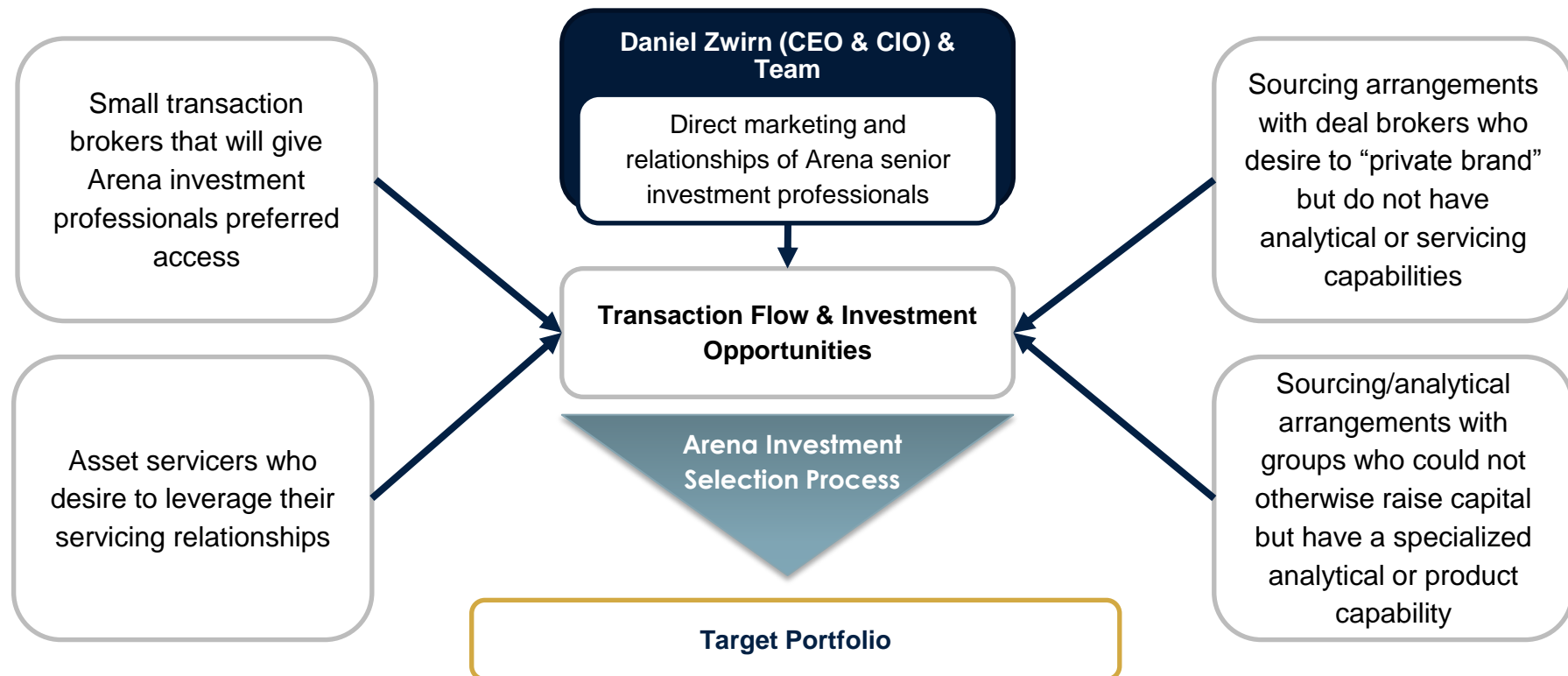
- Process-driven corporate securities investments with real catalysts (event/credit arbitrage, etc.) that are directly complementary to the firm’s overall investment focus

* Real estate and real estate-related credit assets

Arena Group

Origination and Servicing Capabilities

- Arena has access to a vast network to originate investment opportunities
- A systematic investment process selects those among them who offer, the most compelling risk and reward profile



Daniel B. Zwirn and affiliates have co-founded and/or sponsored nearly 100 specialized investment servicers, many of which will serve as sourcing, analytical, and servicing entities for Arena Group

Arena Group

Investment Process - Multiple Checks and Balances, Accountability, Scalability⁽¹⁾

- As soon as a possible transaction appears on the horizon, the investment process begins. It includes multiple checks & balances, rigorous documentation of each step, and clear responsibilities of multiple teams who sign-off on each transaction

		Main driver / responsible		Approval / Responsibility / Involvement						
		Consultation and feedback		Front Office	CIO	COO	CCO	Head of AM	Finance / Treasury	Operations
Origination (Ongoing)	Deals are originated via Arena, its direct relationships and joint venture servicing partners									
Initial Deal Screening (2 – 4 Weeks)	Each of the Front Office Managing Directors ascertain whether a deal merits further review in consultation with the CIO									
Due Diligence (1 – 3 Months)	Upon approval of CIO, who consults with the COO and his team, the Front Office undertakes due diligence and deal structuring									
Investment Committee (1 Week)	The final proposal is presented to the investment committee which decides, unanimously, whether to proceed, and sizes the deal									
Closing (1 Day)	Once signed off, the deal closes and is fully mapped in Arena's illiquid management system									
Monitoring (Ongoing)	The deal is monitored diligently until it is off our books									

Arena Group

Investment Example - \$3.3 million Bridge Loan to US Midwest Gas Station⁽¹⁾

Overview

- Arena has originated a \$3.3 million bridge loan on a 6.9 acre land site in North Las Vegas
 - This is the initial transaction for a new sourcing venture
 - The borrower and sponsor is a privately owned gas station and C-store operator with 20 operating locations in the Las Vegas area
 - The borrower is under contract to purchase the site for approximately \$3.6 million
- The total basis will be approximately \$5.0 million along with infrastructure improvements and financing/closing costs

Risk

- Investment in unimproved land, relatively undeveloped adjacent areas
- Potential zoning changes for hotel use
- Maximum Loan-to-Value of 70%
- Investment in a locale in which Arena is a new lender (Arena is just starting the license application process in Nevada)

Rationale

- Potential for strong risk adjusted returns
 - The one year Loan is termed at 12.5% per annum and an origination fee of 2.0% at closing (the loan is also subject to certain covenants)
 - Arena expects to generate an IRR of ~13% (at 1.12x P/BV post servicer compensation)
- Strong sponsorship with recourse to creditworthy individuals and operating companies with approximately \$25 million of value
- Opportunity to initiate a new venture with a strong potential sourcing partner

The investment examples contained herein are noted for illustrative purposes only. There is no guarantee that such investments, or similar ones, will be available in the future, or that Arena will be able to execute on them successfully.

(1) Name withheld for confidentiality.

Arena Group

Investment Example - \$5.0 million First Lien Senior Secured Loan to Veterinary Hospitals⁽¹⁾

Overview

- The company operates 50+ veterinary hospitals and clinics across the USA
 - \$24 billion veterinary industry has grown at an inflation adjusted CAGR of 5.8% since 1960
 - Veterinary Hospitals is owned by two private equity firms
 - More than 95% of purchases are made by cash or credit card
 - ~85% of revenue is derived from repeat customers
- Arena purchased \$5.0 million of an existing term loan at par plus unamortized fees assignment from one of the private equity firms that was seeking to divest upon reaching its portfolio concentration comfort limit

Risks and Mitigants

- Diminishing number of transactions have been offset by an increase in pricing
- The company has avoided contraction in margins as a result of regional management failing to properly supervise the individual locations (Retained 83% of selling doctors in all acquisitions over the past 5 years)
- Comparable same store sales only declined by low single digits during the past recession
- Competition for animal hospital has been mitigated by Veterinary Hospital's strong ability to acquire companies at discount

Rationale

- Veterinary Hospital platform is diverse
 - Generated revenue from ~500,000 individual procedures over the past year
- Potential for strong risk adjusted returns
 - The 3.5 year Loan is subject to a leverage grid of L+875 / L+775 when senior debt/EBITDA is +/- 4.0x (LIBOR floor 100bps) and an origination fee of 1.0% (the Loan is also subject to certain covenants)
 - Arena expects an IRR of ~11%

The investment examples contained herein are noted for illustrative purposes only. There is no guarantee that such investments, or similar ones, will be available in the future, or that Arena will be able to execute on them successfully.

(1) Name withheld for confidentiality.

Arena Group

Status of Arena

Front Office

- Experienced team, actively investing and building a pipeline
- Invested in ~15 arbitrage transactions, 1 distressed situation and 1 illiquid investment

Operations

- Service providers (Onboarded Prime Broker, Administrator, Auditor, Executing Brokers, Valuation Consultants, HR / Payroll providers, etc)
- Policies and procedures implemented for all areas of the business

Asset Management

- All current loans and investments are systematically reviewed and controlled
- Front and back office is integrated with the Asset Management team

Information Technology

- Office infrastructure built-out, onboarded IT outsourcing provider, implemented trading systems, launched entity database
- Illiquid Investment Management System continuously improved

Financial Update

- Implementing automated system to tightly control allocations of expenses and movement of cash
- Utilizing and integrating best-in-class service providers

Capital Formation

- Created presentations, website, portal, customization and loading of CRM
- Building awareness via conferences, events, and a select group of investors and multipliers

Compliance

- Establishing policies and procedures, creating bespoke disclosures for marketing and legal documentation, ongoing education and training of new hires

Target Market for Investors

Target Market

- Key Capital Introduction Teams
- Fund of Hedge Funds Investors
- Consultants
- Fund of PE Fund Investors
- Hedge Fund Investors
- Private Equity Investors
- Insurance Companies
- Sovereign Wealth Funds
- Endowments
- Pension Funds
- Reinsurance Companies
- Family Offices

Capital Formation

Q4 2015

**Awareness &
Dialogue**

Infrastructure

**2016 &
Beyond**

Go to Market

Drivers

Conferences

Active Dialogues

Technology & Systems

Legal Documents

Research & Expertise

Resources

Marketing

Reporting

Campaigns

Conferences

Investor Education

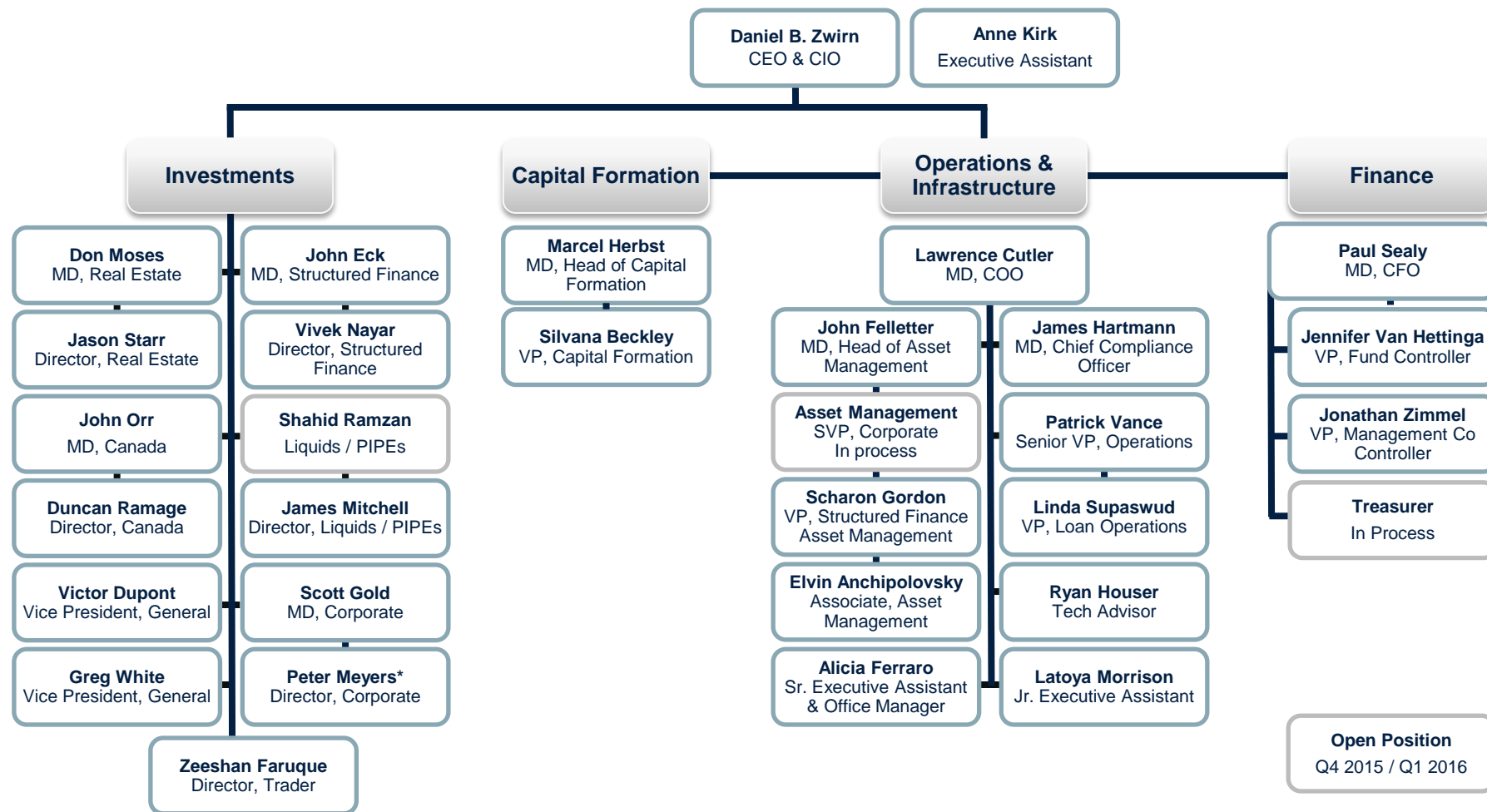
Roadshows

Arena Group

Pipeline

- Arena has reviewed in excess of 120 transactions
- Of those, 33 transactions are currently in the due diligence phase, half of which are in advanced stages of negotiation
 - These transactions represent \$150 million of investment potential
- They are broadly diversified across various strategies (including corporate private credit, real estate private credit, commercial and industrial assets, structured finance, consumer assets and consumer securities):
 - Business Services
 - Litigation / Pre-settlement
 - Oilfield Services
 - Packaging
 - Veterinary Clinics
 - Subprime Auto Loans
 - Merchant Cash Advances
 - Various Real Estate
 - Equipment

Organization Structure



* Offer Executed



The Westaim Corporation – Financial Highlights

Accounting and Disclosure

■ Investment Entity Accounting

- Consistent with Westaim’s strategy as an investment holding company
- Westaim determined it was an investment entity (IFRS 10 “Consolidated Financial Statements”) upon the closing of the HIIG acquisition, effective prospectively from July 1, 2014
- As a result, Westaim accounts for its primary investments at fair value with changes in fair value recorded in the consolidated statement of income (loss) in each reporting period (“FVTPL”)

■ Functional and Presentation Currency

- Upon the closing of the Arena Transactions on August 31, 2015 it was determined that Westaim would change its functional and presentation currency from Canadian dollars to United States dollars
- This best reflects the business of Westaim, which is predominantly operated in the United States
- This change was made effective on August 31, 2015 and reflected in Westaim’s Q3 2015 financial statements, with changes to comparable periods

■ Disclosure and Transparency

- Westaim is committed to providing investors relevant information regarding its investments
- Will be provided in its management discussion and analysis each quarter
- Committed to transparency to our shareholder partners over the long-term

The Westaim Corporation – Financial Highlights

Accounting Methodology



- Interest in Westaim HIIG LP accounted for at FVTPL
- Included in “Investments in Private Entities” on the Statement of Financial Position
- Fair value at September 30, 2015 based on ~100% of HIIG’s Stockholders’ Equity under US GAAP
- Fair value determined to be \$145.9 million⁽¹⁾

Arena Finance and Arena Origination

- Interest in Arena Finance and Arena Origination accounted for at FVTPL
- Included in “Investment in Private Entities” on the Statement of Financial Position
- Fair value at September 30, 2015 based on ~100% of each businesses stockholders’ equity:

Arena Finance	\$145.3 million ⁽¹⁾
Arena Origination	\$33.7 million ⁽¹⁾



- Investment accounted for using the equity method due to Westaim exercising significant influence over Arena Investors
- Included in “Investment in Associates” on the Statement of Financial Position
- 51% (Westaim share of profit or losses) is included in the Statement of Income (Loss) in the period incurred (percentage to change based on earn-in rights)
- Investment in Associates at September 30, 2015 is \$1.4 million on the Statement of Financial Position

⁽¹⁾ Fair value was determined using acceptable valuation methodologies. Please refer to September 30, 2015 Consolidated Financial Statements and Notes and Management Discussion and Analysis for further details.

The Westaim Corporation – Financial Highlights

Consolidated Statement of Profit (Loss) and Other Comprehensive Income (Loss) For the Three and Nine Months Ended September 30, 2015

(Figures in US\$ million, unless otherwise indicated)	Q3 2015	Q3 2014 ⁽¹⁾	YTD 2015	YTD 2014 ⁽¹⁾
Revenue	\$0.4	\$ 0.5	\$1.0	\$ 0.6
Net Results of Investments	6.1	11.9	15.9	11.9
Share-based Compensation Recovery (Expense)	0.3	-	(2.5)	(0.1)
Other Expense Recovery (Other Expenses)	0.2	2.6	(1.0)	(1.5)
Profit	\$ 7.0	\$ 15.0	\$ 13.4	\$ 10.9
Earnings Per Share - Basic and Diluted	\$ 0.07	\$ 0.28	\$ 0.17	\$ 0.40
Weighted Average Number of Common Shares Outstanding (in 000s) - Basic and Diluted	94,066	53,016	78,307	27,084

(1) Comparative information restated due to a change in presentation currency from the Canadian dollar to USD.

The Westaim Corporation – Financial Highlights

Statement of Financial Position

As at September 30, 2015 and December 31, 2014

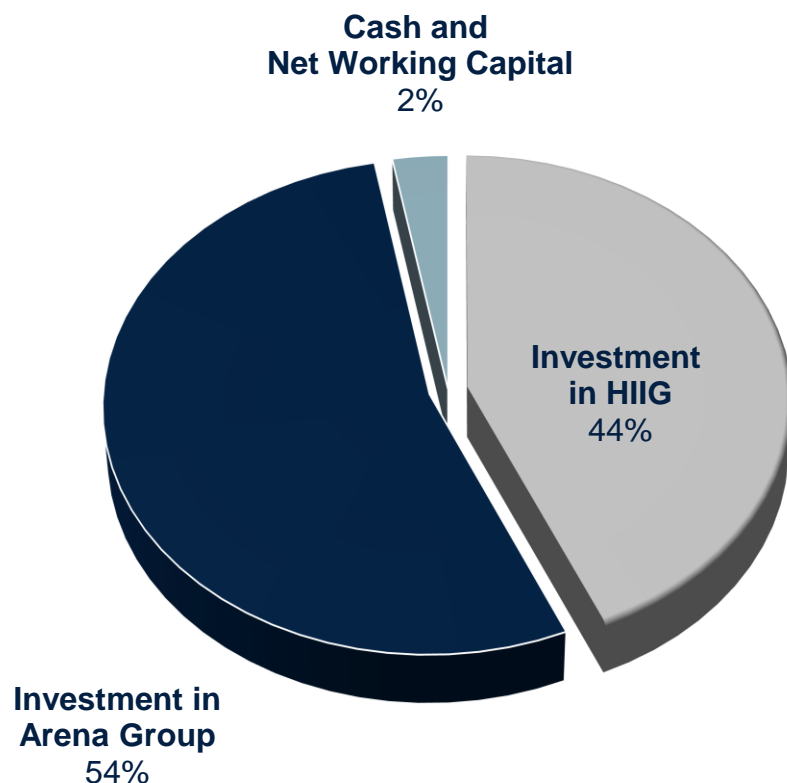
(Figures in US\$ million, unless otherwise indicated)	September 30, 2015	December 31, 2014
Assets		
Cash and Cash Equivalents	\$ 11.9	\$ 80.1
Accounts Receivable and Other Assets	2.2	0.6
Investments in Private Entities	324.9	93.7
Investments in Associates	1.4	-
Total Assets	\$ 340.4	\$ 174.3
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 5.2	\$ 3.6
Site Restoration Provision	3.3	3.5
Total Liabilities	\$ 8.5	\$ 7.1
Shareholders' Equity		
Share Capital	\$ 382.2	\$ 210.4
Contributed Surplus	11.5	11.5
Accumulated Other Comprehensive Income (Loss)	(2.2)	18.3
Deficit	(59.6)	(73.0)
Total Shareholders' Equity	\$ 331.9	\$ 167.2
Total Liabilities and Shareholders' Equity	\$ 340.4	\$ 174.3
Book Value Per Share ("BVPS")⁽¹⁾	\$ 2.31	\$ 2.34
BVPS (C\$)⁽²⁾	\$ 3.09	\$ 2.71
Change in BVPS (C\$)	14.0%	

(1) BVPS represents shareholders' equity at the end of the period determined on an IFRS basis and adjusted upwards by the Corporation's liability with respect to RSUs divided by the aggregate of the total number of common shares outstanding at that date and number of common shares that would have been issued if all outstanding RSUs were exercised.

(2) Exchange rate used 1.3394 C\$ / US\$ (as at September 30, 2015) and 1.1601 C\$ / US\$ (as at December 31, 2014).

The Westaim Corporation – Financial Highlights

Breakdown of Book Value Per Share at September 30, 2015

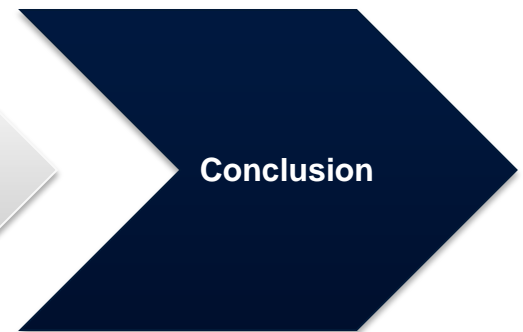


	BVPS (US\$)⁽¹⁾	BVPS (C\$)⁽¹⁾⁽²⁾
Cash and Net Working Capital	\$0.07	\$0.09
Investment in HIIG	1.00	1.34
Investment in Arena Group	1.24	1.66
Total	\$2.31	\$3.09

Change in BVPS (C\$)
December 31, 2014 – September 30, 2015 **14.0%**

(1) BVPS represents shareholders' equity at the end of the period determined on an IFRS basis and adjusted upwards by the Corporation's liability with respect to RSUs divided by the aggregate of the total number of common shares outstanding at that date and number of common shares that would have been issued if all outstanding RSUs were exercised.

(2) Exchange rate used 1.3394 C\$ / US\$ (as at September 30, 2015).



Conclusion

Opportunities for Building Value at Westaim



HOUSTON INTERNATIONAL INSURANCE GROUP

- Profitable underwriting and controlled growth
- Optimize capital structure
- Improve investment returns

Arena Finance and Arena Origination

- Deploy capital
- Deliver investment performance
- Consider opportunities to raise additional capital



ARENA
INVESTORS LP

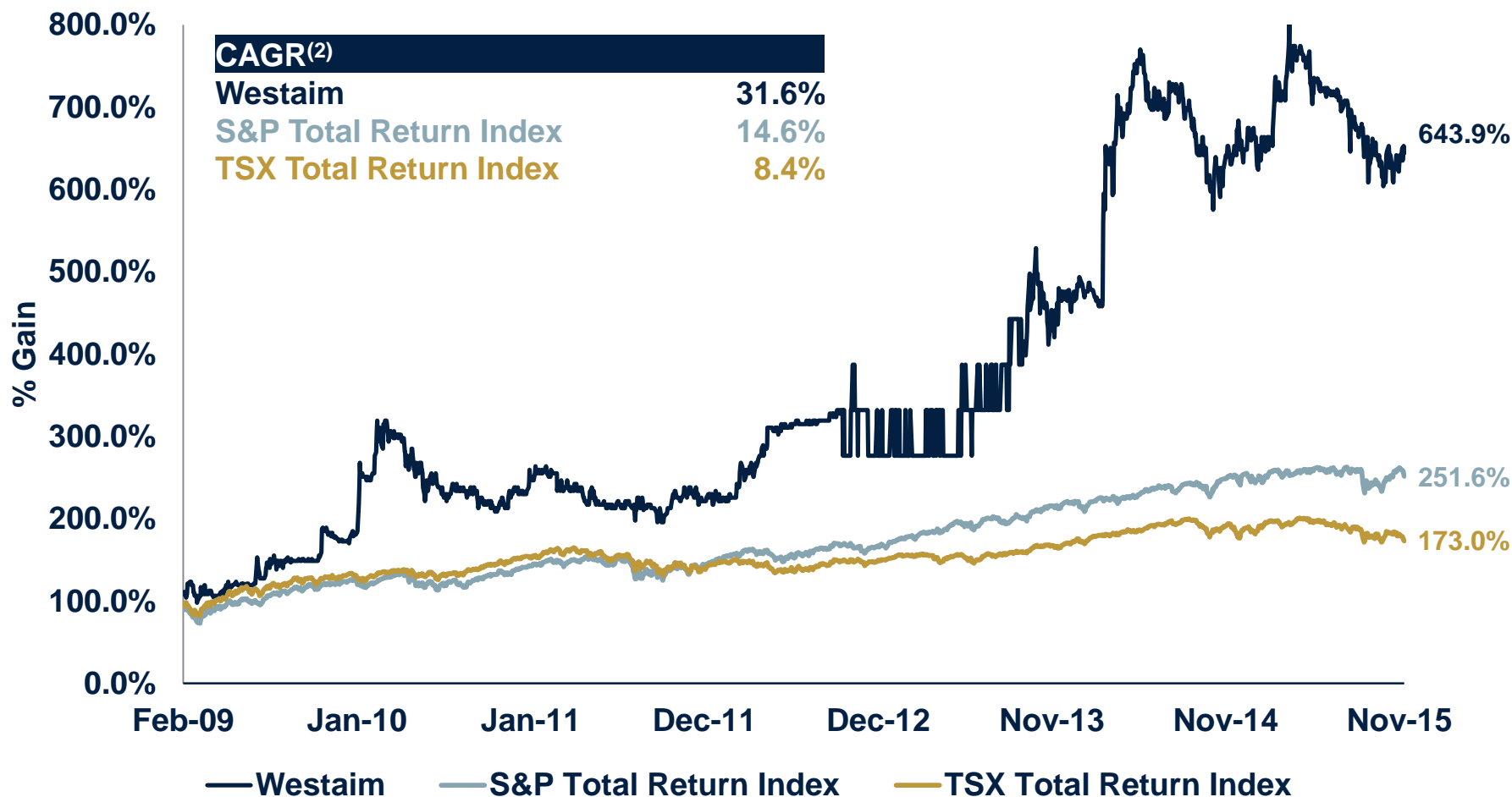
- Deliver investment performance
- Raise additional assets under management
- Target insurance and other investors

Acquisitions

- Based on Westaim's relationship with its partners (HIIG, Catlin, Everest, Arena) the pipeline of potential acquisition opportunities has dramatically expanded – “First Call” opportunities
- Westaim continues to evaluate investment opportunities in the financial services industry

The Westaim Corporation - Conclusion

Share Price Performance⁽¹⁾



Source: Capital IQ

(1) Assumes the reinvestment of the cash distribution of C\$37.50 per common share paid by Westaim on September 28, 2012.

(2) Compounded annual growth rate is from January 2, 2009 – November 13, 2015, the period current management has been involved with Westaim.

Questions and Answers



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