Houston International Insurance Group

Acquisition Summary

March 2014

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Disclaimers

Non-GAAP Measures

Non-GAAP Measures – Westaim

Westaim uses both international financial reporting standards ("IFRS") and non-GAAP measures to assess performance. The Company 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, divided by the total number of common shares outstanding on the same date.

Non-GAAP Measures – Houston International Insurance Group, Ltd.

HIIG uses both United States generally accepted accounting principles ("GAAP") and non-GAAP measures to assess performance and certain non-GAAP measures are disclosed in this document. The Company cautions readers about non-GAAP measures that do not have a standardized meaning under GAAP and are unlikely to be comparable to similar measures used by other companies. Readers should refer to Appendix A for relevant reconciliations to GAAP and further information regarding the use of non-GAAP measures in this presentation.

Additional Information

Additional Information

The following documents filed by the Corporation with the securities commissions or similar regulatory authorities in Canada are expressly incorporated by reference into this presentation: (i) audited annual consolidated financial statements for the year ended December 31, 2013 including the notes thereto and the related management's discussion and analysis ("MD&A") thereon, (ii) annual information form dated April 8, 2013 in respect of the financial year ended December 31, 2012, (iii) management information circular dated April 8, 2013 in respect of the annual and special meeting of shareholders held on May 15, 2013, and (iv) material change report dated March 17, 2014 (the "MCR") relating to the execution by Westaim HIIG Limited Partnership of the Initial Secondary Purchase Agreement and the Treasury Purchase Agreement (as such terms are defined in the MCR). Copies of these documents are available through the internet on the System for Electronic Document Analysis and Retrieval at www.sedar.com. Upon request to the Chief Financial Officer of Westaim at 212 King Street West, Suite 201, Toronto, Ontario M5H 1K5, telephone: 416-203-2253, the Corporation will promptly provide a copy of any continuous disclosure document free of charge to any security holder of Westaim.

WESTAIM

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Executive Summary

Section 1

WESTAIM

Executive Summary

Key Highlights

- The Westaim Corporation (“Westaim” or the “Corporation”), through a limited partnership established and controlled by Westaim (“Westaim HIIG Limited Partnership” or the “Partnership”), has agreed to purchase a significant interest in **Houston International Insurance Group, Ltd.** (“HIIG” or the “Company”), an international specialty insurance company headquartered in the United States

- An investment in HIIG represents an opportunity to partner with an experienced management team with a proven track record in the global specialty P&C insurance market

- HIIG is led by Stephen L. Way, an insurance industry veteran, who previously founded and led HCC Insurance Holdings, Inc. (“HCC”), a NYSE listed international specialty insurance company with $3.7 billion of shareholders’ equity(1)
  - From its IPO in 1992 until Stephen’s departure in 2006, HCC grew gross written premiums and its assets at a compound annual growth rate (CAGR) of 27% and 29% respectively

- Westaim, through the Partnership, has secured the opportunity to acquire ~67.1% of HIIG at a discount to HIIG’s December 31, 2013 Stockholders Equity after certain transaction adjustments (“Adjusted Stockholders’ Equity”)(2)
  - ~$54 million to acquire the interest of certain existing shareholders(3) and the balance of $60 million to support operations and provide capital for future growth

- Additional capital injected into HIIG should provide management with the ability to further execute its strategy
  - Organic growth of existing lines can be achieved through prudent underwriting and expansion through opportunistic acquisitions primarily of underwriting agencies is anticipated
  - Stephen Way executed a similar strategy at HCC acquiring over 30 companies

- The Partnership’s investment in HIIG may be effectuated through a two stage process(4)
  - Stage I: ~$75 million investment (Westaim commitment of ~$20 million from its current funds)
  - Stage II: ~$39 million investment(3)

Opportunity to participate in the growth of an international specialty insurer led by a respected insurance industry veteran, Stephen L. Way, who has executed this strategy with great success previously at HCC

(1) As at December 31, 2013
(2) Adjusted Stockholders’ Equity (approximately $200 million) is defined as HIIG’s unaudited Stockholders’ Equity as at December 31, 2013 adjusted for (i) the Treasury Purchase as part of the Initial Acquisition, (ii) an agreed upon adjustment to the deferred tax asset, and (iii) other minor adjustments, all as defined in the Initial Secondary Purchase Agreement and Second Acquisition Purchase Agreement, as applicable
(3) Excludes certain transaction costs
(4) Stage I was announced on March 12, 2014; Stage II can be completed up to 6 months after the completion of Stage I but may also be completed concurrently with Stage I

Executive Summary

Key Highlights

- Conforms with Westaim's corporate strategy
  - Investment in HIIG is in line with Westaim's go-forward strategy of partnering with aligned and capable management teams to build sustainable businesses that can generate attractive risk-adjusted returns over the long-term
- Compelling opportunity in the global specialty P&C insurance market
  - Partnership with a leading management team that has had previous success executing a similar strategy
  - Ability to purchase an interest at a discount to book value due to a motivated private equity seller
- Global experienced co-investors
  - Investment partners include global insurance companies with significant experience and expertise
  - Insurance industry investment partners are expected to join Westaim representatives on the Board of HIIG

The Westaim Corporation

Section 2

The Westaim Corporation

Overview

- The Westaim Corporation is an investment company listed on the TSX Venture Exchange (TSXV: WED)
- Upon completing the sale of JEVCO Insurance Company ("Jevco") for C$530 million and returning capital to its shareholders, Westaim was left with approximately C$35 million in cash* and C$45 million in non-capital tax loss carry-forwards*
- Westaim's investment in Houston International Insurance Group, Ltd. is consistent with our strategy to deploy capital at above average risk-adjusted returns over the long-term
- Westaim is currently seeking additional investment opportunities to continue to create value for its shareholders

* Source: Q4 2013 (December 31, 2013)

Principles and Strategy

- Share a long term horizon with our shareholders
- Strive to grow our book value per share at above market rates over the long term
- Maximize shareholder value by focusing on cash generation and return on invested capital
- Allocate capital patiently, often times sacrificing short term performance for long term gain
- 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

Market and Financial Statistics *

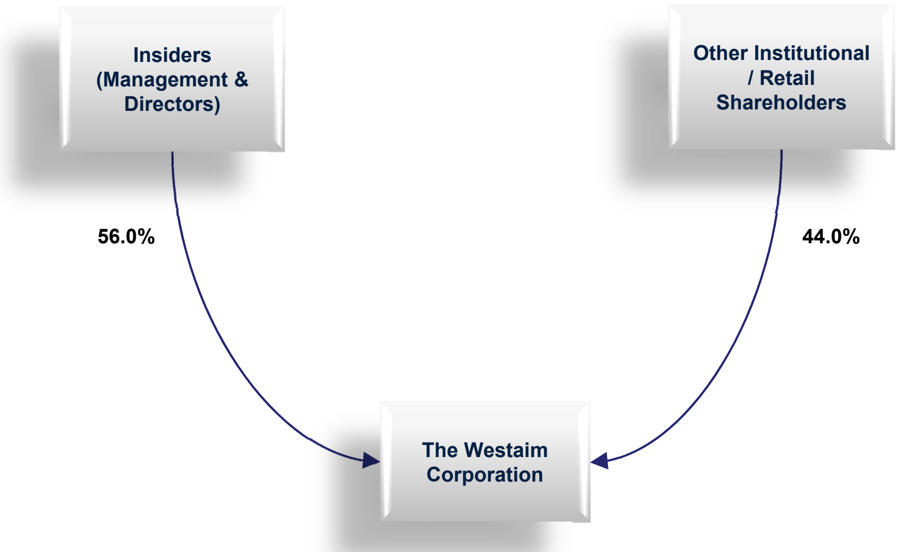
Ticker	TSXV:WED
Share price (3/19/2014)	$ 2.88
Shares outstanding	13.9 m
Market capitalization	$ 40.0
Shareholders' equity	$ 30.9
Capital structure	Debt free
BVPS (basic)	$ 2.22
BVPS (adjusted)	$ 2.36

Assets	
Cash and cash equivalents	$ 35.4
Accounts receivable	0.2
Total assets	**$ 35.6**
Liabilities	
Accounts payable and accured	$ 2.5
Site restoration provision	2.2
Total Liabilities	**4.7**
Shareholders equity	30.9
Total Liabilities & Equity	**$ 35.6**

* Balance sheet data as at Q4 2013 (December 31, 2013); In Canadian dollar millions except per share data

BVPS (adjusted) after giving effect to the reimbursement of ~$1.9 million in professional fees incurred by Westaim in Q4 2013 in connection with the investment in HIIG

Shareholders



The Westaim Corporation

Experienced Senior Leadership Team

Ian W. Delaney – Chairman

Mr. Delaney has been Chairman of Westaim since 1996. He is the former Chairman of Sherritt International Corporation, and served as director (1995-2013) and Non-Executive Chairman (2009-2013). Mr. Delaney was also Sherritt's President and Chief Executive Officer (2009-2011), Executive Chairman (2004-2008) and Chairman (1995-2004). Prior to joining Sherritt, he served as Chairman and Chief Executive Officer of Viridian Inc., President and Chief Executive Officer of The Horsham Corporation, and President and Chief Operating Officer at Merrill Lynch Canada Inc. Mr. Delaney is currently a director of Cenovus Energy Inc., Chairman of Ornge and Chairman of Dacha Strategic Metals Inc. Mr. Delaney has also served as a director of a number of other companies including Urthecast Corp., OPTI Canada Inc., Dynatec Corporation, EnCana Corp., Gerdau Ameristeel Corp., Goldcorp Inc. and MacMillan Bloedel Limited and as a trustee of Royal Utilities Income Fund.

J. Cameron MacDonald, CFA – President and Chief Executive Officer

Mr. MacDonald has been President and Chief Executive Officer of Westaim since April 2009 and director since December 2008. He is the Chairman of the Goodwood Advisory Committee and former President and CEO of Goodwood Inc. (2000-2012). Prior to Goodwood Inc., from 1990 through 1999, he was a Director, member of the Research and Executive Committee, and shareholder of Connor Clark Private Trust. From 1983 through 1990 he held various positions at CIBC Wood Gundy in Credit, Operations, and thereafter as an Account Executive (Vice President). Mr. MacDonald was a director of ATS Automation Tooling Systems Inc. (2007-2008), Frontline Technologies Inc. (2008-2011), and Jevco Insurance Company (2010-2012). Mr. MacDonald holds a Bachelor of Arts (Economics) from Wilfrid Laurier University and is a CFA Charterholder.

Robert T. Kittel, CPA, CFA – Chief Operating Officer

Mr. Kittel has been Chief Operating Officer of Westaim since January 2013. Previously, he was a Partner and Portfolio Manager at Goodwood Inc., an investment management firm that he joined in 2002. From 2000-2002, he was Vice President and analyst of a Canadian-based hedge fund investment firm. From 1997-2000, Mr. Kittel was employed by the Cadillac Fairview Corporation, a commercial real estate development company in the investments area. From 1994-1997, Mr. Kittel was a staff accountant at KPMG LLP. Mr. Kittel also served on several boards including Cenveo, Inc. (2005-2007), Pet Valu, Inc. (2008-2009), Jevco Insurance Company (2010-2012), Webtech Wireless Inc. (2011-Present), and Constellation Software, Inc. (2013-Present). Mr. Kittel holds a BBA Honours (Gold Medalist) from Wilfrid Laurier University, is a Chartered Professional Accountant and a CFA Charterholder.

William R. Andrus, ACAS

Mr. Andrus is the President of Hartford Consulting Services, Inc., an insurance consulting firm. He has an actuarial background and has served in a variety of positions with several companies including Canadian General Ins. Co., the Wyatt Company, Fairfax Financial Holdings Limited and Connor Clark, Ltd. Mr. Andrus has previously served as a director of Jevco Insurance Company (2010-2012), Kingsway Financial (2009), Queensway Financial (1992-1996), and Gerling Global Canada (2003-2005). Mr. Andrus earned his undergraduate degree in mathematics from the University of Waterloo and is an Associate of the Casualty Actuarial Society.

Westaim has a management team and Board of Directors with vast experience and expertise in sourcing and executing investment opportunities that create value for shareholders

Houston International Insurance Group

Section 3

Houston International Insurance Group

Overview

- Westaim, through the Westaim HIIG Limited Partnership, has agreed to purchase a significant interest in Houston International Insurance Group, Ltd., a rapidly growing specialty insurance company
  - HIIG's founder and CEO is Stephen L. Way, the founder and builder of HCC Insurance Holdings Inc. who over 33 years turned it into one of the best performing property and casualty insurance companies in the United States with assets of approximately $10 billion and shareholders' equity of $3.7 billion(1)
  - In 2007, Stephen resigned as Chairman of HCC to start the predecessor firm of HIIG, and has quickly built the business into a diversified specialty insurance company with approximately $380 million of gross written premium in 2013(2)
  - Post the capital injection of $60 million into the Company, HIIG is expected to have total assets of ~$930 million, Adjusted Stockholders‘ Equity of ~$200 million(3)

- The acquisition of HIIG is attractive for Westaim
  - HIIG currently has its insurance platform well established, and sees numerous opportunities for growth both organically and through selected acquisitions, but is capital constrained
  - Through the acquisition of the equity interest of certain private equity investors(4) and the injection of an additional $60 million of capital into HIIG, the business will be well capitalized to take advantage of these opportunities
  - Westaim has the opportunity to partner with a leading specialty insurance executive with a solid track record of producing superior shareholder returns
  - Overall valuation of ~87% of December 31, 2013 Adjusted Stockholders‘ Equity(3)

Since becoming a public company in 1992 and until Stephen L. Way's departure in 2006, HCC's assets grew from $214 million to over $7.5 billion and gross written premiums increased from $75 million to over $2.2 billion

(1) As of December 31, 2013
(2) For the year ending December 31, 2013 (unaudited and Non-GAAP); Refer to Appendix A for Non-GAAP disclosures
(3) Adjusted Stockholders' Equity is defined as HIIG's unaudited Stockholders' Equity as at December 31, 2013 adjusted for (i) the Treasury Purchase as part of the Initial Acquisition, (ii) an agreed upon adjustment to the deferred tax asset, and (iii) other minor adjustments, all as defined in the Initial Secondary Purchase Agreement and Second Acquisition Purchase Agreement, as applicable
(4) Includes a consortium of private equity investors

Specialty Insurance

Specialty Insurance

- Specialty insurance involves evaluating risks which are challenging to define and price
  - Contracts are custom-tailored and individually underwritten
  - Key value drivers include risk selection, diversification and reinsurance
- As opposed to general P&C insurance (home, auto or commercial), specialty insurance is:
  - Conducted almost exclusively through the broker channel and developed through face-to-face client interaction
  - Differentiated based on underwriting expertise
- Financial strength is important due to the potential long-tail nature and severity exposure of the underwritten business

Comparables – Specialty Insurers (1)

Company	Mcap	Debt / Cap	Price / Earnings		Price / Book	
			2014E	2015E	2014E	2015E
Markel Corp.	8,156	25.1%	24.1x	21.5x	1.16x	1.09x
W.R. Berkley Corporation	5,234	31.7%	12.8x	11.6x	1.16x	1.08x
HCC Insurance Holdings Inc.	4,545	15.1%	12.4x	11.7x	1.15x	1.06x
Hiscox, Ltd.	3,839	0.0%	12.9x	12.1x	1.57x	1.44x
AmTrust Financial Services, Inc.	2,811	39.2%	9.8x	8.4x	1.82x	1.53x
Lancashire Holdings Limited	2,200	18.5%	9.8x	9.7x	1.40x	1.37x
RLI Corp.	1,905	15.3%	19.8x	19.3x	2.20x	2.11x
AVERAGE	**4,099**	**20.7%**	**14.5x**	**13.5x**	**1.50x**	**1.38x**

Overview

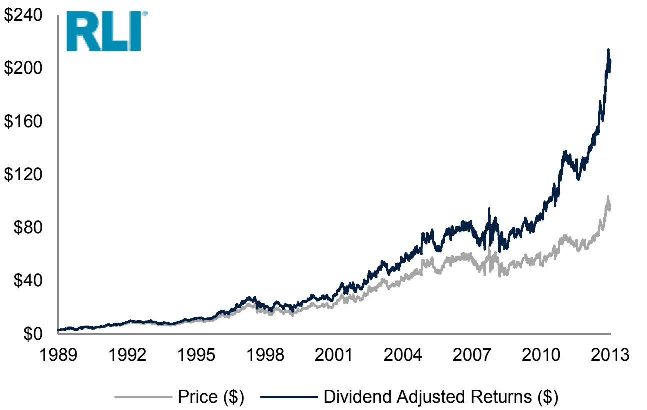
- The specialized nature of the insurance written requires relationships and underwriting expertise
  - The market in the US is sizeable and is currently in the early stages of a potential cyclical upturn
  - When executed properly, this underwriting expertise allows a specialty company to differentiate itself and earn outsized returns
- Superior valuation is awarded to leaders in the specialty market due to potential to generate outsized returns
  - Specialty insurers across various markets (United States, Bermuda and Lloyd's) have consistently traded above book value, and at a premium to other insurers, given superior returns on capital over time
  - In general, catastrophe reinsurers trade at multiples below book (for example, Montepelier Re at 0.83x 2015E book value), personal lines insurers trade at multiples around book value (for example, Allstate at 1.04x 2015E book value) and specialty insurers trade at multiples above book value (for example, RLI Corp. at 2.11x 2015E book value)(2)

Specialty insurance companies generally trade at a premium to book value due to the non-commodity nature of the business and the potential to generate outsized returns over the long-term

(1) Source: S&P Capital IQ; Market Capitalization in USD millions as on March 10, 2014
(2) Source: S&P Capital IQ as on March 10, 2014

Specialty Insurance

RLI Corp.

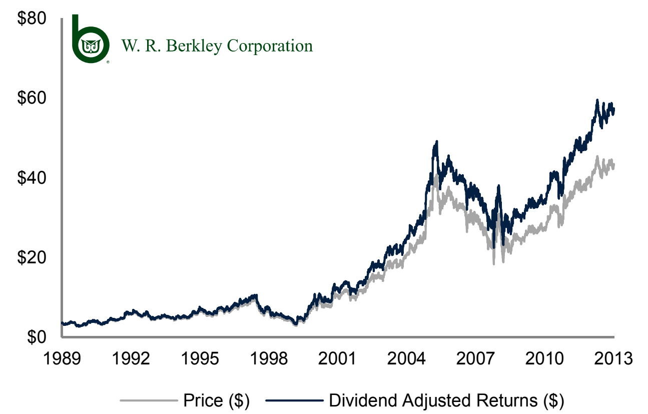


Price: Open (12/29/1989) = $2.72 ; Close (12/31/2013) = $97.38

Annual Dividend Adjusted Return = 19.75%

Book Value / Share CAGR = 9.13%

W.R. Berkley Corporation

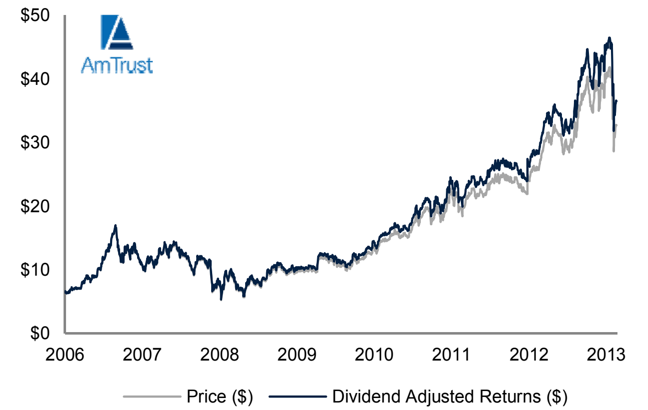


Price: Open (12/29/1989) = $3.53 ; Close (12/31/2013) = $43.39

Annual Dividend Adjusted Return = 12.30%

Book Value / Share CAGR = 11.23%

AmTrust Financial Services, Inc.



Price: Open (11/13/2006) = $6.45 ; Close (12/31/2013) = $32.69

Annual Dividend Adjusted Return = 27.49%

Book Value / Share CAGR = 26.76%

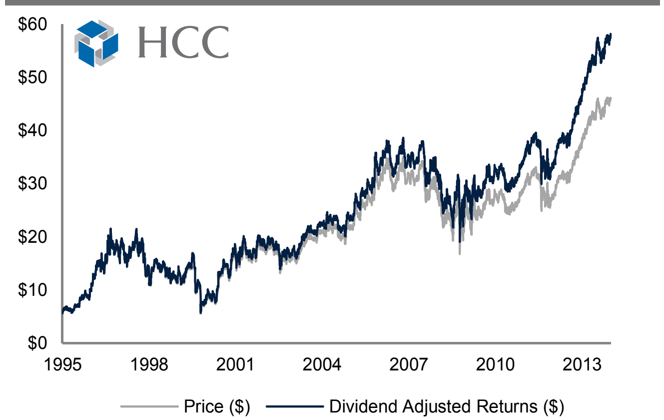
Markel Corp.

Price: Open (12/29/1989) = $22.50 ; Close (12/31/2013) = $580.35

Annual Dividend Adjusted Return = 14.49%

Book Value / Share CAGR = 16.70%

HCC Insurance Holdings Inc.

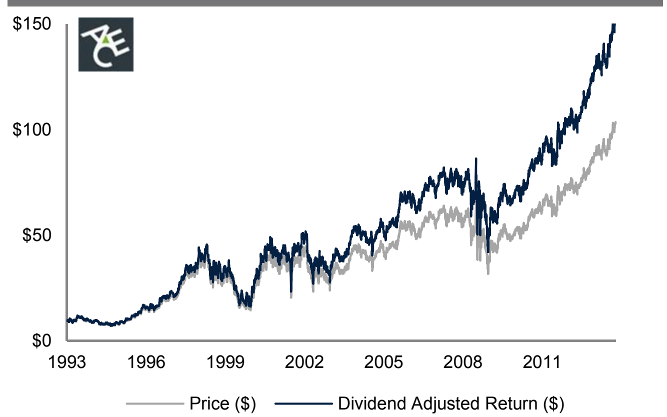


Price: Open (01/06/1995) = $5.60 ; Close (12/31/2013) = $46.14

Annual Dividend Adjusted Return = 13.11%

Book Value / Share CAGR = 18.20%

ACE Limited



Price: Open (03/26/1993) = $9.58 ; Close (12/31/2013) = $103.53

Annual Dividend Adjusted Return = 14.27%

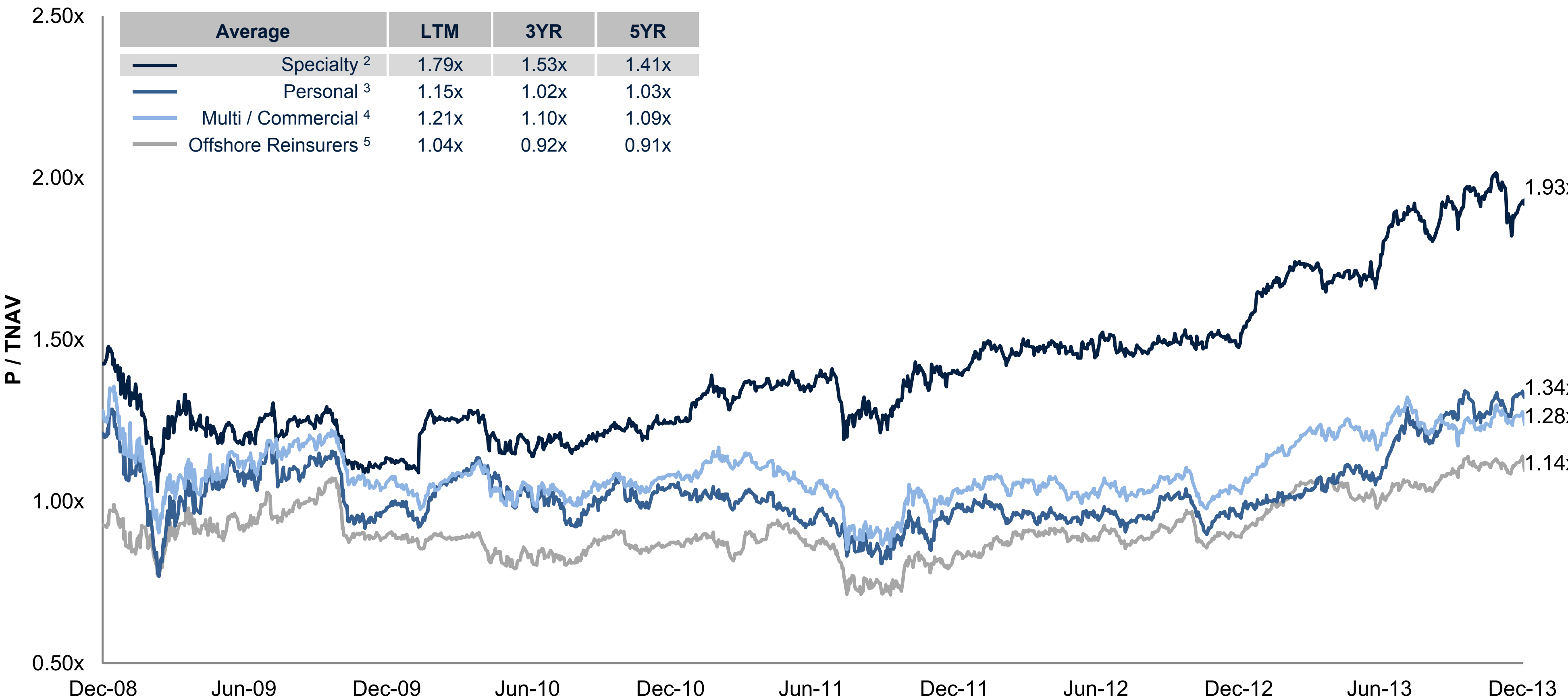
Book Value / Share CAGR = 12.08%

Source: Bloomberg, Capital IQ
Note: The beginning Book Value for CAGR calculations is based on earliest available book value per share from Capital IQ; The ending book value is based on the book value as at Q3 2013 reported on Capital IQ

WESTAIM

Specialty Insurance

Comparative Performance – 5 Yr. Price to TNAV[1]



Average	LTM	3YR	5YR
Specialty [2]	1.79x	1.53x	1.41x
Personal [3]	1.15x	1.02x	1.03x
Multi / Commercial [4]	1.21x	1.10x	1.09x
Offshore Reinsurers [5]	1.04x	0.92x	0.91x

Specialty insurers have consistently traded above book value and at a premium to other insurers, given superior returns

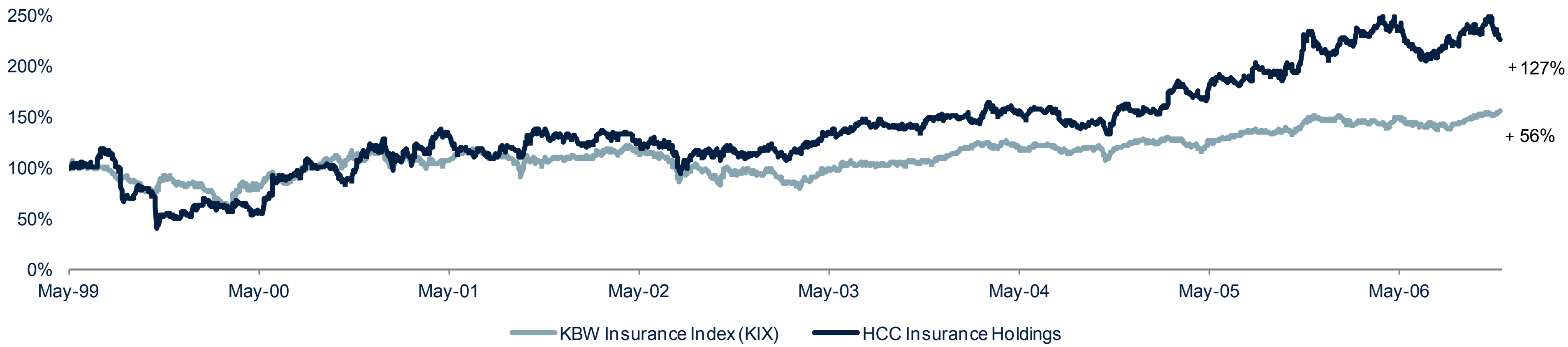
Source: SNL, Company Reports, Bloomberg, Capital IQ
[1] Prices at close on December 31, 2013; Source: SNL
[2] Specialty includes HCC, Markel, Navigators, RLI Corp, W.R. Berkley, AmTrust, Hiscox, Beazley and Novae
[3] Personal lines includes Allstate, Horace Mann Educators, Infinity P&C, Mercury General and State Auto Financial
[4] Multi-/Commercial lines includes Alleghany, Chubb, Cincinnati Financial, CNA Financial, Employers Holding, Hanover, Selective Insurance, Tower Group and Travelers Companies
[5] Offshore Reinsurance includes Allied World Assurance, Arch Capital, Aspen Insurance, Endurance, Montpelier RE, Partner RE, Platinum Underwriters, Everest RE, Renaissance RE, Validus and XL Group

HCC Track Record

HCC Overview

- HCC Insurance Holdings Inc. ("HCC"), was established in 1974 by Stephen L. Way
  - Stephen was HCC's CEO until 2006 and Chairman of the Board until 2007[(1)]
- HCC underwrites specialty insurance worldwide and operates in five segments: Accident & Health, Aviation, Directors & Officers, Liability and Surety & Credit
- On October 28, 1992, HCC went public on NASDAQ with a market cap of $60 million and assets of just over $210mm[(2)]
- Since its founding the Company built both its product lineup and distribution through a combination of internal growth and acquisitions
  - During his tenure, Stephen L. Way led the Company through over 30 acquisitions, primarily underwriting agencies
  - HCC's gross written premiums and assets grew at a compounded annual growth rate (CAGR) of 27% and 29% respectively between 1992-2006
- For most of 1993-2006, HCC traded at a multiple greater than 2.0x P/BV
- Today HCC is a leading international specialty insurance group with offices across the US, Ireland, Spain and UK
  - As of December 31, 2013, HCC had assets of over $10 billion and shareholders' equity of approximately $3.7 billion

HCC Stock Price vs. KBW Insurance Index (KIX)[(3)]

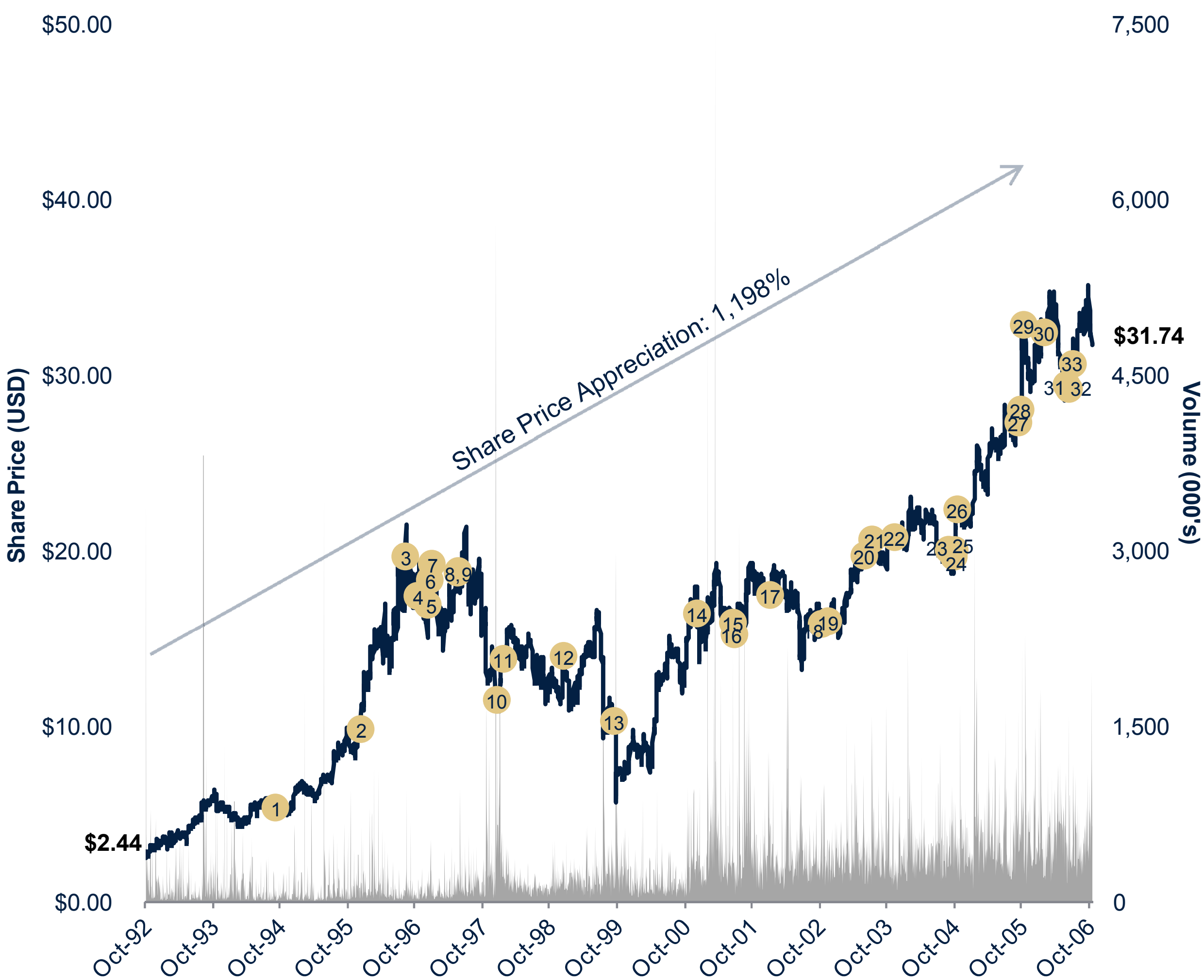


From 1999 until Stephen L. Way's departure in 2006, HCC outperformed the KBW Insurance Index by over 70%

(1) He remained Chairman until February 20, 2007
(2) In 1996, HCC switched to the NYSE
(3) Source: Bloomberg. Earliest data available for KIX Index. The Index is a float adjusted modified-market capitalization-weighted index that seeks to reflect the performance of companies in the insurance industry that are publicly traded in the U.S. and is composed of 24 companies representing approximately three-quarters of the market capitalization of the entire U.S. public insurance company universe

HCC Track Record

HCC Historical Share Price (1992-2006)



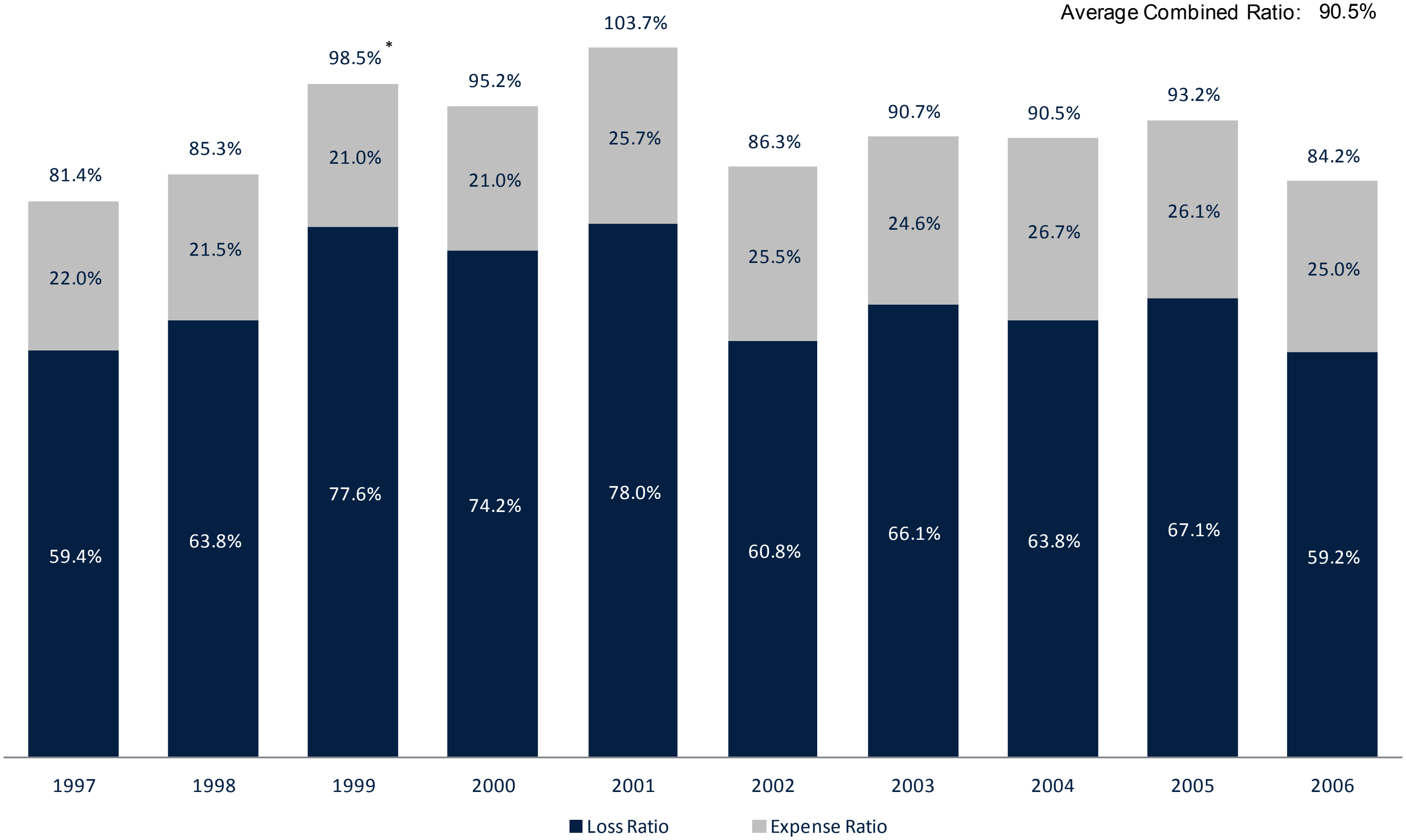
1	Oct-94	International Marine and General Insurance Company
2	Jan-96	LDG Management
3	Sep-96	North American Special Risks
4	Nov-96	TRM International
5	Jan-97	Aviation and Marine Insurance Group (AMIG)
6	Jan-97	Avemco
7	Jan-97	USBenefits Insurance Services
8	Jun-97	Continental Aviation Underwriters
9	Jun-97	Managed Group Underwriting
10	Jan-98	Guarantee Insurance Resources
11	Feb-98	Kachler Corporation
12	Jan-99	PEPYS Holdings Limited
13	Oct-99	Centris Group
14	Jan-01	Schanen Consulting
15	Jul-01	ASU International
16	Jul-01	Marshall Rattner, Professional Indemnity Agency
17	Feb-02	MAG Global Financial
18	Nov-02	St. Paul Espana
19	Dec-02	Dickson Manchester & Company
20	Jun-03	Covenant Underwriters & Continental Underwriters
21	Aug-03	Rockwood Programs
22	Dec-03	Surety Associates Holding
23	Sep-04	RA&MCO Insurance Services
24	Oct-04	DeMontfort Insurance Company
25	Nov-04	CineFinance
26	Nov-04	United States Surety Company (USSC)
27	Oct-05	MIC Life
28	Oct-05	Illium Insurance
29	Nov-05	Perico
30	Mar-06	Heritage Underwriting Agency
31	Jun-06	Novia Underwriters
32	Jul-06	G.B. Kenrick & Associates
33	Aug-06	Allianz AG's American Unit

HCC completed over 30 acquisitions and its share price appreciated by 1,198% under Stephen L. Way's leadership

HCC Track Record

HCC Underwriting Track Record

Average Loss Ratio: 64.7%
Average Expense Ratio: 25.8%
Average Combined Ratio: 90.5%

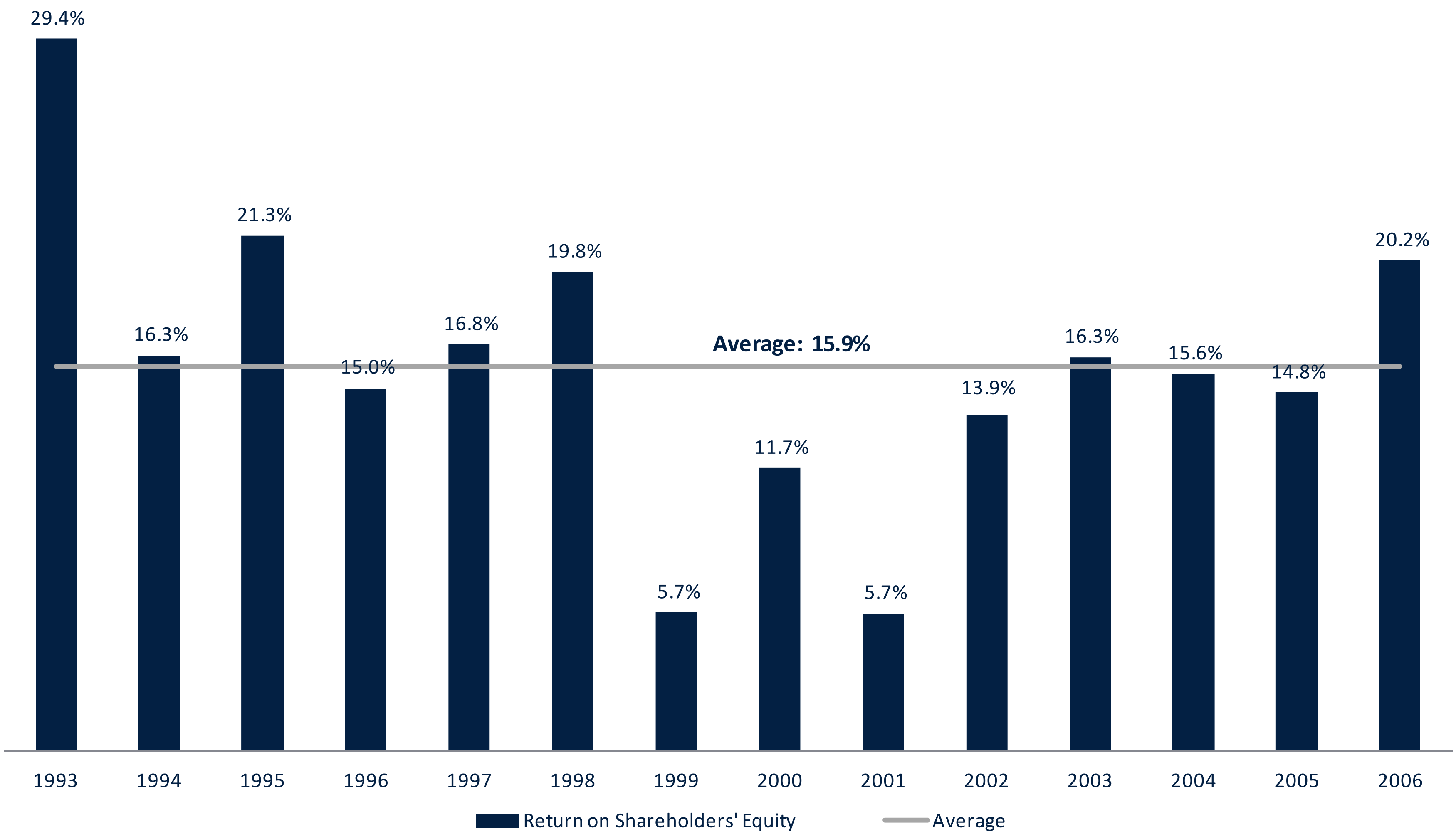


HCC did not report a single year of adverse development from continuing operations between 1994-2006

Source: Company filings; All figures are on a US GAAP basis
* The Combined Ratio for fiscal year 1999 excludes the effects of an extraordinary provision for the default of a reinsurance partner. Including the effects of this provision, the Combined Ratio would be 129.3%

HCC Track Record

HCC Return on Equity *



Between 1993-2006, HCC generated an average annual return on equity of 15.9%

Source: Company filings
* Return on Equity calculated on beginning equity; Earnings not adjusted for discontinued operations or sale of non-operating assets

HCC Track Record

Exit from HCC

- Between 2005 to 2008, the SEC investigated more than 100 companies for past stock option grants and practices and had over 160 cases open at the peak of its review
- In August 2006, following an SEC enquiry and at Stephen L. Way's request, HCC's Board of Directors formed a Special Committee to investigate past stock option granting practices for the period 1995 through 2005
- On November 17, 2006, the Special Committee found that HCC had used incorrect accounting measurement dates for stock option grants covering a significant number of employees and members of HCC's Board of Directors over a 10 year period beginning in 1995
  - Stephen L. Way voluntarily tendered his resignation but remained non-executive Chairman of the Board of Directors
  - Christopher L. Martin, Executive Vice President and General Counsel resigned
- The Special Committee concluded that mispriced option grants, the effect of which, together with certain other adjustments, resulted in a cumulative net decrease in shareholders' equity at December 31, 2005 of $3.3 million(1), affected all levels of employees
  - The Special Committee found that Mr. Way's motivation to retroactively price options appeared to be the attraction and retention of talent and to provide employees with the best option price
  - Further, the Special Committee also found that neither Mr. Way nor Mr. Martin intended to falsify HCC's consolidated financial statements
- On February 20, 2007, Stephen L. Way retired as Chairman of the Board of Directors
  - Mr. Way voluntarily paid HCC the difference between the initial strike price and closing price on the new measurement date for options he had exercised that were incorrectly priced
  - Furthermore, Mr. Way voluntarily agreed to forgo any further compensation including any bonus as well as severance pay
- On November 13, 2007, Stephen L. Way incorporated HIIG's predecessor company, Southwest Insurance Partners, Inc.

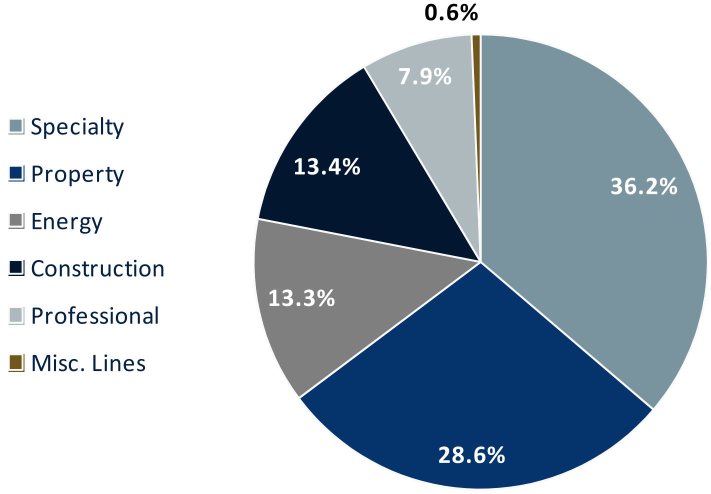
(1) This charge represented 0.19% of HCC's $1.7 billion shareholders' equity as at December 31, 2005

HIIG Overview

Overview

- HIIG was formed in 2010 through a merger between a specialty insurance startup (formed in 2007 by Stephen Way) and a specialty insurance company owned by a consortium of private equity investors
  - Several members of HIIG's senior management team are ex-HCC executives
- Gross Written Premiums of ~$380 million(1) and ~$200 million of Adjusted Stockholders' Equity(2) for the year ending, and as at, December 31 2013 respectively
- Insurance company subsidiaries are rated A- (Excellent) or better by A.M. Best
- 162 employees as at March 5, 2014
- Headquartered in Houston with offices in Atlanta, Birmingham, Chicago and New York

Lines of Business – 2013 GWP(1)

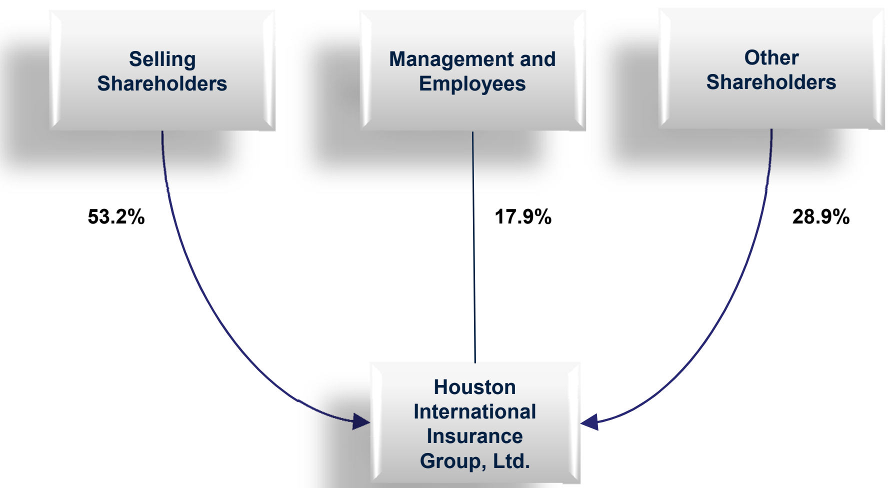


* For year ending December 31, 2013 (unaudited)

Principles and Strategy

- Underwriting Discipline
  - Profitable underwriting ahead of premium growth
- Mitigation of Risk
  - Experienced underwriting team who understand nuances of specialized lines of business
- Capital Preservation
  - Focused on downside protection vs. upside potential
- Controlled Growth
  - Organic (opportunistic)
  - M&A (selective acquisitions of underwriting agencies)
- Conservative Reserving
  - Minimize impact of extraordinary events

Shareholders (as at December 31, 2013)



(1) For the year ending December 31, 2013 (unaudited and Non-GAAP); Refer to Appendix A for Non-GAAP disclosures
(2) Adjusted Stockholders' Equity is defined as HIIG's unaudited Stockholders' Equity as at December 31, 2013 adjusted for (i) the Treasury Purchase as part of the Initial Acquisition, (ii) an agreed upon adjustment to the deferred tax asset, and (iii) other minor adjustments, all as defined in the Initial Secondary Purchase Agreement and Second Acquisition Purchase Agreement, as applicable

HIIG Overview

Historical Timeline

November 2007: Formed Southwest Insurance Partners, Inc. (“SWIP”)

December 2007: Acquired Southwest Risk, L.P. (“SWR”), Bunker Hill Underwriters Agency (“BHUA”), and Great Midwest Insurance Company (“GMIC”)

September 2008: Acquired National Health Insurance Company (“NHIC”)

December 2010: Merged SWIP and Lightyear Delos Acquisition Corp. (“LYDAC”) to form Houston International Insurance Group, Ltd. (“HIIG”)

Sold SWR to unaffiliated private equity firm and retained partial ownership. Entity was renamed ClearView Holdings LLC (HIIG currently has ~25% interest)

March 2011: Acquired Casualty & Surety, Inc. (“CSI”), an underwriting agency focused on small and medium size coal and natural gas mining operations and related contractors

December 2011: Sold non-affiliated BHU programs

October 2012: Sold NHIC to an unaffiliated insurance group

December 2012: Acquired assets of Axiom Insurance Managers Agency, LLC (“Axiom”), an underwriting agency focused on the Hospitality sector

2007 | 2008 | 2009 | 2010 | 2011 | 2012

HIIG has built a robust specialty insurance platform with licenses (admitted and surplus) throughout the US, and is prepared to accelerate its growth

HIIG Overview

Merger of Specialty Insurance Companies

- In December 2010, Southwest Insurance Partners, Inc. ("SWIP") merged its business with Lightyear Delos Acquisition Corporation ("LYDAC"), a portfolio company owned by a consortium of private equity investors, to form HIIG
- LYDAC gave SWIP a substantial insurance platform, with insurance licenses largely throughout the 50 states on both an admitted and non-admitted basis
- LYDAC had been an underperforming insurance business writing premium through managing general agencies, and its investors turned to Stephen Way to help fix the business
- Upon the closing of the merger in 2010, LYDAC took a charge to increase reserves related to businesses put into "run-off" (now classified as Non-Continuing Operations)
- Despite the reserve charge taken on closing, subsequent adverse reserve development not anticipated in the "run-off" business has resulted in substantial losses for HIIG in 2011 – 2013

Management Action Post-Acquisition

Soon after the closing of the LYDAC merger, HIIG management took decisive action to limit the adverse issues related to the acquired business:

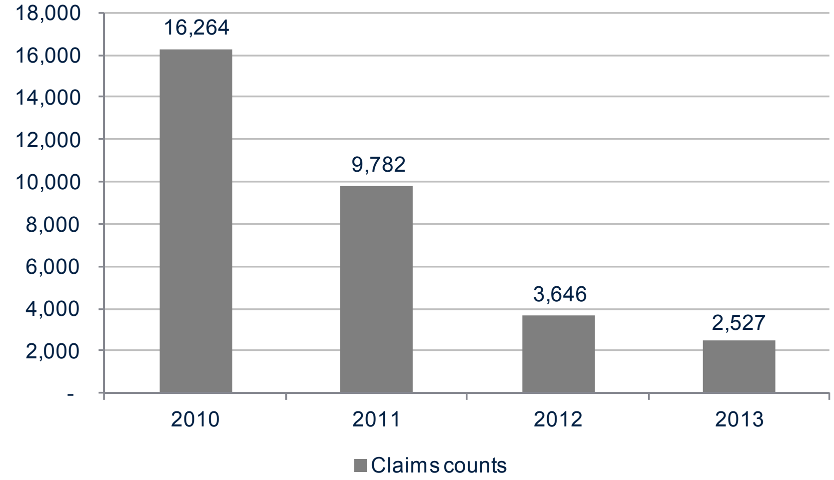
- Immediately terminated virtually all senior management of LYDAC, replacing them with HIIG employees
- Terminated 24 of 26 programs written by LYDAC, substantially reducing the premiums written by the business on a go-forward basis
- Implemented a program to aggressively close claim files – file count has fallen substantially since the completion of the merger
- Performed significant case file review to better understand risk exposures

As a result of significant reserve strengthening from 2011 – 2013, and the actions implemented by management, we believe the risk of further development of this "run-off" book has been significantly reduced

WESTAIM

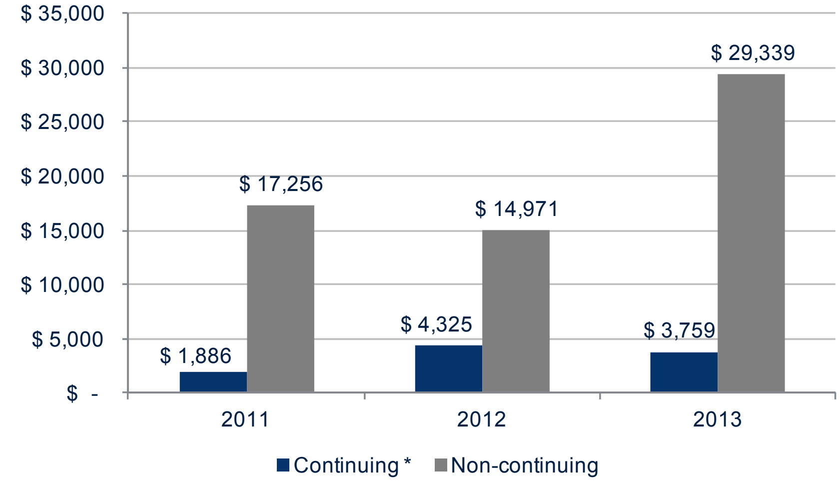
HIIG Overview

Claim Counts – Non-Continuing (in 000s) *



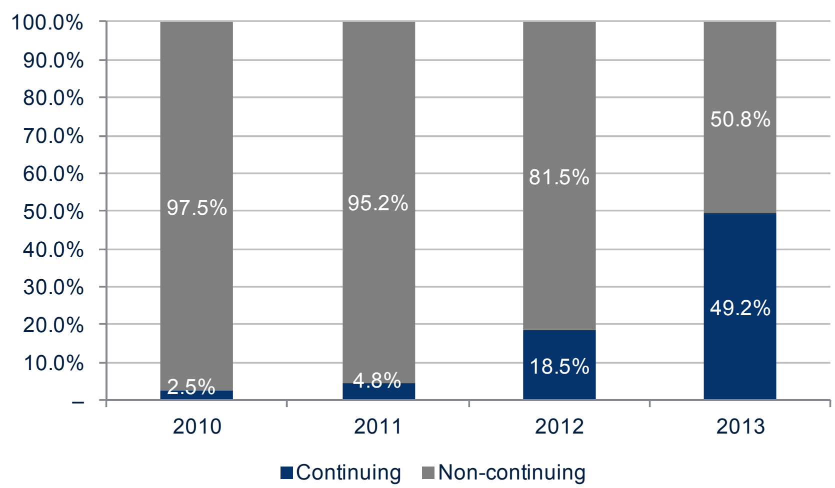
* 2010 and 2011 claim counts estimate by HIIG management based on historic statutory filings

Prior Period Adverse Development (in 000s)



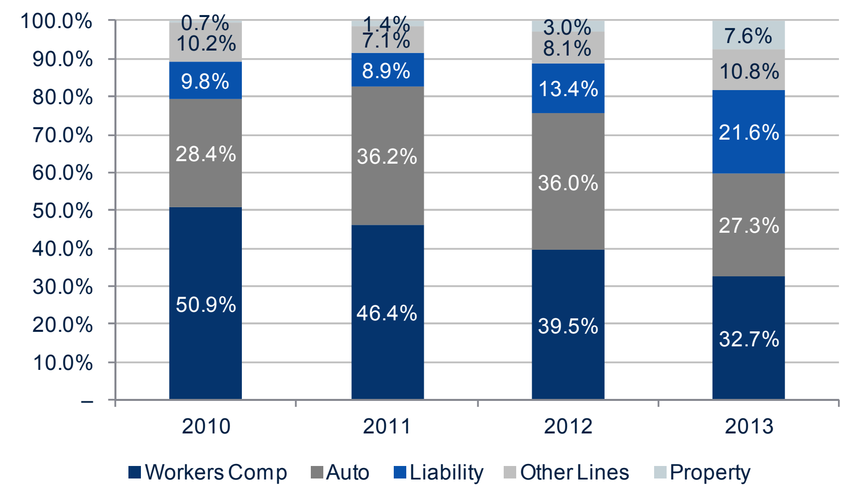
* Continuing business includes inherited Louisiana trucking program (RISCOM), that contributed $(0.2), $3.6, and $7.7 million of prior period adverse development for 2011, 2012 and 2013 respectively

Net Reserves – Continuing vs. Non-Continuing *



* Non-GAAP measures and HIIG management estimates, please refer to disclosure in Appendix A of this presentation

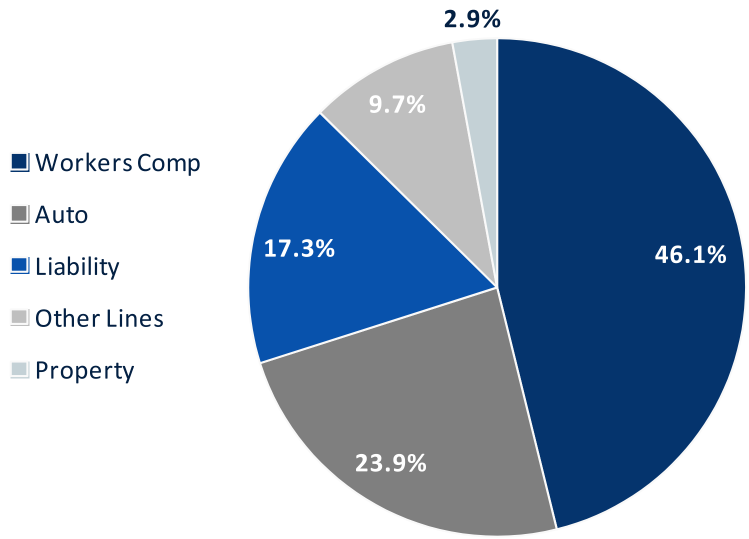
Net Reserves – Type of Insurance *



* Non-GAAP measures and HIIG management estimates, please refer to disclosure in Appendix A of this presentation

HIIG Overview

Non-Continuing Net Reserves as at Dec 31, 2013 *



Non-Continuing Net Reserves = $121.7 million as at Dec 31, 2013

Management Actions

- To address adverse development trends, in early 2013 Stephen Way implemented a restructuring of the claims operation:
  - Replaced certain claims directors
  - Instituted an extensive file review to analyze case reserves
  - Accelerated the pace of case file closures
- These organizational and personnel changes were made to the claims department to provide a better focus on the review and settlement of claims in a timely manner
- This resulted in significant reserve strengthening and visibility into the Non-Continuing reserves at December 31, 2013

Due to the reserve strengthening implemented in 2011-2013 and the steps taken by HIIG management, the risks associated with the Non-Continuing net reserves are expected to be significantly reduced

* Non-GAAP measures, please refer to disclosure in Appendix A of this presentation

HIIG Overview

Underwriting

Lines of Business	Description	Type of Insurance	2013 GWP *
Construction	Cranes; Specialty Contractors and Heavy Transport	General Liability, Auto Liability, Excess Liability, Property/Inland Marine, Workers Compensation	$51.3 million
Energy	Mining and Onshore Oil & Gas	General Liability, Auto Liability, Excess Liability, Property/Inland Marine, Workers Compensation	$50.9 million
Professional	Miscellaneous E&O and D&O including Lawyers; Regional banks and Home Health Providers	Errors & Omissions Liability, Directors & Officers Liability, Fidelity Bonds	$30.4 million
Specialty	Niche business including Hospitality; Pest Control; Artisan Contractors; Commercial Auto (small risks principally in Louisiana) and Texas WC	Primarily General Liability and in some cases Auto Liability, Property, Texas Workers Compensation	$138.9 million
Transactional Property	Catastrophe risks; Large Fortune 1000 type accounts	Domestic and International property catastrophe risks	$109.5 million
Miscellaneous Lines			$2.5 million

The team has an average of 25 years of underwriting experience successfully writing these lines of business

* For the year ending December 31, 2013 (unaudited and Non-GAAP); Refer to Appendix A for Non-GAAP disclosures

HIIG Overview

Growth Plan

- HIIG's growth is expected to come both organically and through selected acquisitions, much like the early years of HCC
- Internal growth opportunities
  - Capitalizing on opportunities to write profitable business based on renewed capital base
  - Hiring high quality underwriters that have profitable books of business
  - Current infrastructure is designed to support growth, allowing for significant operating leverage
- Expects to focus on acquiring underwriting agencies, not insurance companies
  - No residual exposure to balance sheet issues
  - Business can be transferred without potential rate reductions
  - Enhanced distribution
  - Specific underwriting expertise
  - Superior returns on capital
- Plans 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 ($564.3 million) are currently conservatively invested (fixed income portfolio duration of approximately 3 years)
  - Opportunity to optimize portfolio return moving forward

Management's successful track record of acquisitions makes this a key growth strategy, particularly in a soft rate environment

HIIG Overview

Income Statement – Continuing Operations[1]

Dec 31, Fiscal Year End	Historical 2011 [1]	Historical 2012 [1]	Unaudited 2013 [1]
Gross Written Premiums	$ 98,799	$ 181,831	$ 383,584
Net Written Premiums	54,496	125,328	275,072
Net Earned Premiums	38,356	84,841	207,833
Losses Incurred & LAE	26,340	54,252	127,077
Net Acquisition Costs	4,400	10,250	34,455
Operating Expenses	23,079	35,629	38,858
Total Underwriting Expenses	53,819	100,131	200,391
Underwriting Income (Loss)	**(15,464)**	**(15,290)**	**7,443**
Total Invesment Income	6,239	13,531	10,405
Other Income, net of expenses	261	2,282	3,198
Operating Income (Loss)	**(8,963)**	**524**	**21,045**
Interest Expense	6,185	4,435	4,308
Pre-tax Income	**(15,148)**	**(3,911)**	**16,737**
Tax expense (benefit)	(3,061)	(2,670)	5,858
Net Income (Loss) [1]	**$ (12,088)**	**$ (1,241)**	**$ 10,879**
Non-Continuing Operations, net of taxes	(14,549)	(12,446)	(15,700)
Non-recurring items, net of taxes	(4,122)	(16,233)	-
Net Income (Loss) Reported	**$ (30,759)**	**$ (29,920)**	**$ (4,821)**
Loss Ratio	68.7%	63.9%	61.1%
Acquisition Ratio	11.5%	12.1%	16.6%
Operating Expense Ratio	60.2%	42.0%	18.7%
Combined Ratio (Continuing Operations)	**140.3%**	**118.0%**	**96.4%**

Figures in US $000's

(1) The statement of operations of HIIG for the years ended December 31, 2011, 2012 and 2013 have been presented on a non-GAAP basis to exclude income and expenses related to non-continuing operations, and certain other one-time non-recurring items. In the view of HIIG management, this non-GAAP presentation may provide investors with useful information regarding its historical results. Please see the cautionary statements and disclaimers related to the use of non-GAAP measures, and a reconciliation between GAAP and non-GAAP measures for the fiscal years ended December 31, 2011, 2012 and 2013 provided in Appendix A of this presentation

HIIG Overview

Preliminary Adjusted Balance Sheet as at December 31, 2013[(1)]

Unaudited and Preliminary Adjusted Balance Sheet			
Assets		**Liabilities**	
Fixed Income Securities, at fair value	$ 401,716	Loss and Loss Adjustment Expense Reserves	$ 376,489
Equity Securities	13,309	Unearned Premium	197,265
Investment in Partnership	3,792	Deferred Ceding Commissions	3,175
Investment in Affiliates	10,128	Premium Balances Payable	24,632
Land and Real Estate	358	Commissions Payable to Agents	1,370
Cash and Cash Equivalents	77,184	Surplus Lines Taxes Payable	46
Restricted Cash and Short Term Investments	15,051	Accrued Expenses and Accounts Payable	33,511
Short Term Investments	42,079	Loan Payable	40,000
Receivable (Payable) for Unsettled Trades	771	Trust Preferred Note Payable	59,794
Total Invested Assets	**564,387**	**Total Liabilities**	**736,282**
Premium Receivables, Net	49,356	**Stockholders' Equity**	
Reinsurance Recoverable, Net	139,023	Common Stock, Net of Treasury Stock	312
Reinsurance Receivable, Net	14,274	Additional Paid In Capital	376,199
Ceded Unearned Premiums	58,773	Unrealized Gains/(Losses), Net	(3,248)
Deferred Policy Acquisition Costs	24,960	Retained Earnings	(174,981)
Property and Equipment, Net	11,086	**Total Stockholders' Equity**	**198,281**
Federal Tax Recoverable	169		
Deferred Tax Asset	17,046		
Goodwill	22,557		
Intangible Assets	24,566		
Other Assets	8,366		
Total Assets	**$ 934,564**	**Total Liabilities and Stockholders' Equity**	**$ 934,564**

Figures in US $000's

(1) This Preliminary Adjusted Balance Sheet consists of HIIG's (unaudited) preliminary balance sheet as at December 31, 2013 adjusted for (i) the Treasury Purchase as part of the Initial Acquisition, as such terms are defined in Westaim's press release dated March 12, 2014 relating to the Acquisition (the "Press Release"), (ii) an agreed upon adjustment to the deferred tax asset, and (iii) other minor adjustments, all as defined in the Initial Secondary Purchase Agreement and Second Acquisition Purchase Agreement, as applicable, as such terms are defined in the Press Release. This balance sheet is unaudited and subject to change

HIIG Acquisition Overview

Section 4

HIIG Acquisition Overview

Overview

- Westaim, through Westaim HIIG Limited Partnership, has agreed to purchase a significant interest in Houston International Insurance Group, Ltd. ("HIIG") (collectively, the "Transaction") through:
  - The acquisition of common shares of HIIG owned by certain private equity investors, which represents ~53% of the common shares outstanding (the "Private Equity Interest")
  - The subscription for a treasury offering of HIIG common shares to raise $60 million (the "Treasury Offering")
- The Transaction is expected to be completed at approximately 0.87x 2013 Adjusted Stockholders' Equity
- The Transaction is structured in two stages, which may be completed concurrently:

Stage I

Westaim HIIG Limited Partnership

Investment: $75 million

- $15 million to purchase part of the Private Equity Interest (14.1% of common shares outstanding)

- $60 million treasury offering

Pro-forma Ownership: ~42.5%

Investors: Stephen L. Way, Global Insurance Investors, Westaim and others

Board Representation: 6 of 10

Valuation: 0.89x Dec 31, 2013 Adjusted Stockholders' Equity

Stage II

Westaim HIIG Limited Partnership

Investment: ~$38.7 million (~$41.2 million incl. transaction costs)

- Obligation(1) to acquire remaining Private Equity Interest

- Conditional on the Partnership raising necessary financing to complete Stage II on terms reasonably satisfactory to the Partnership

- Cancellation of shares(2)

Pro-forma Ownership: ~67.1%

Investors: Partnership financing

Board Representation: Elected by majority vote (expected to be 6 of 8)

Valuation: 0.84x Dec 31, 2013 Adjusted Stockholders' Equity

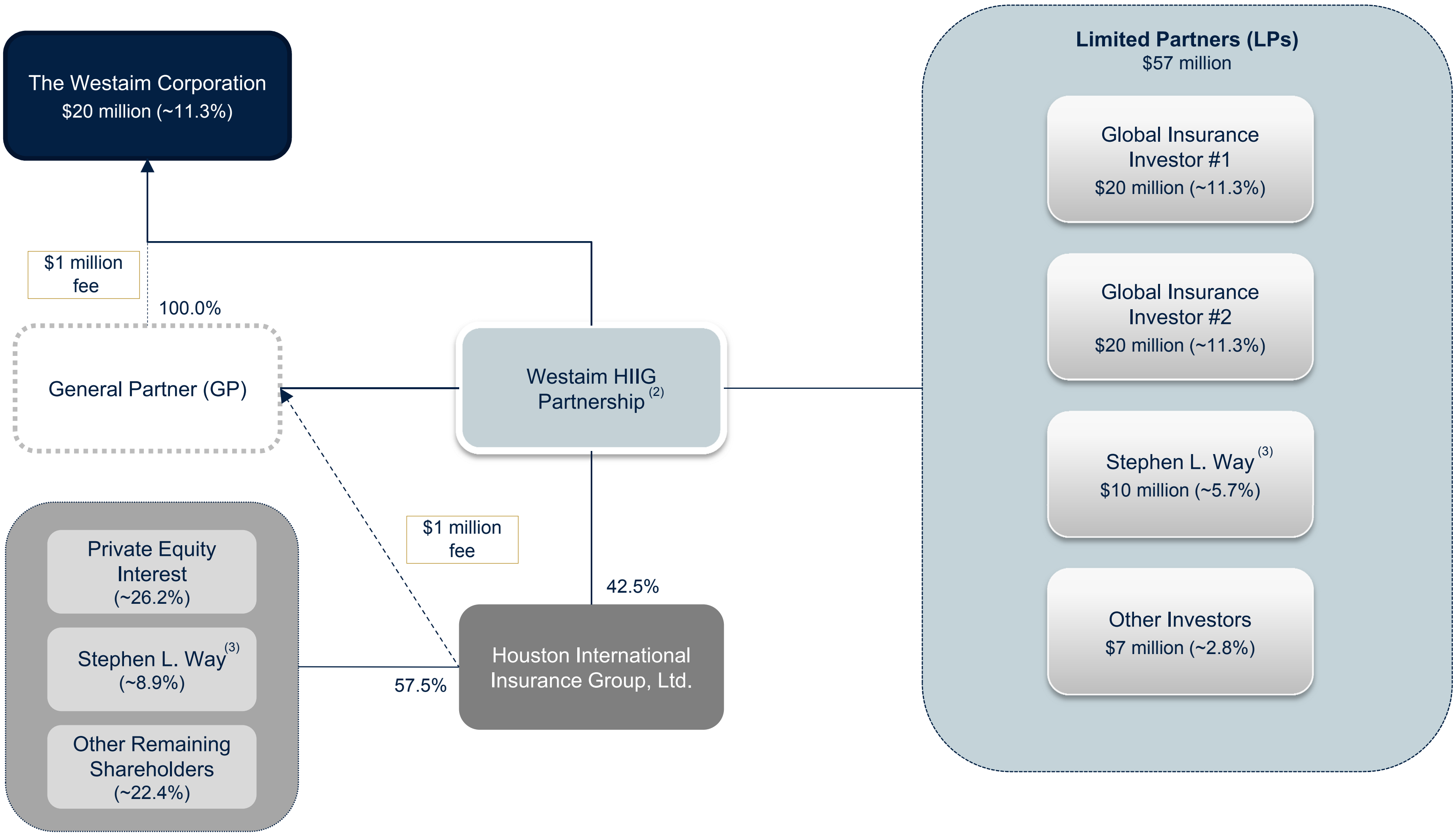
Figures in US $

(1) If closing of Stage II does not occur within 6 months of Stage I, Westaim shall be required to pay a termination fee of $1 million to the selling shareholders

(2) If closing of Stage II occurs, the Partnership will return certain shares from the treasury purchase in Stage 1 to HIIG for cancellation

HIIG Acquisition Overview

Stage I – Structure[1]



Figures in US $

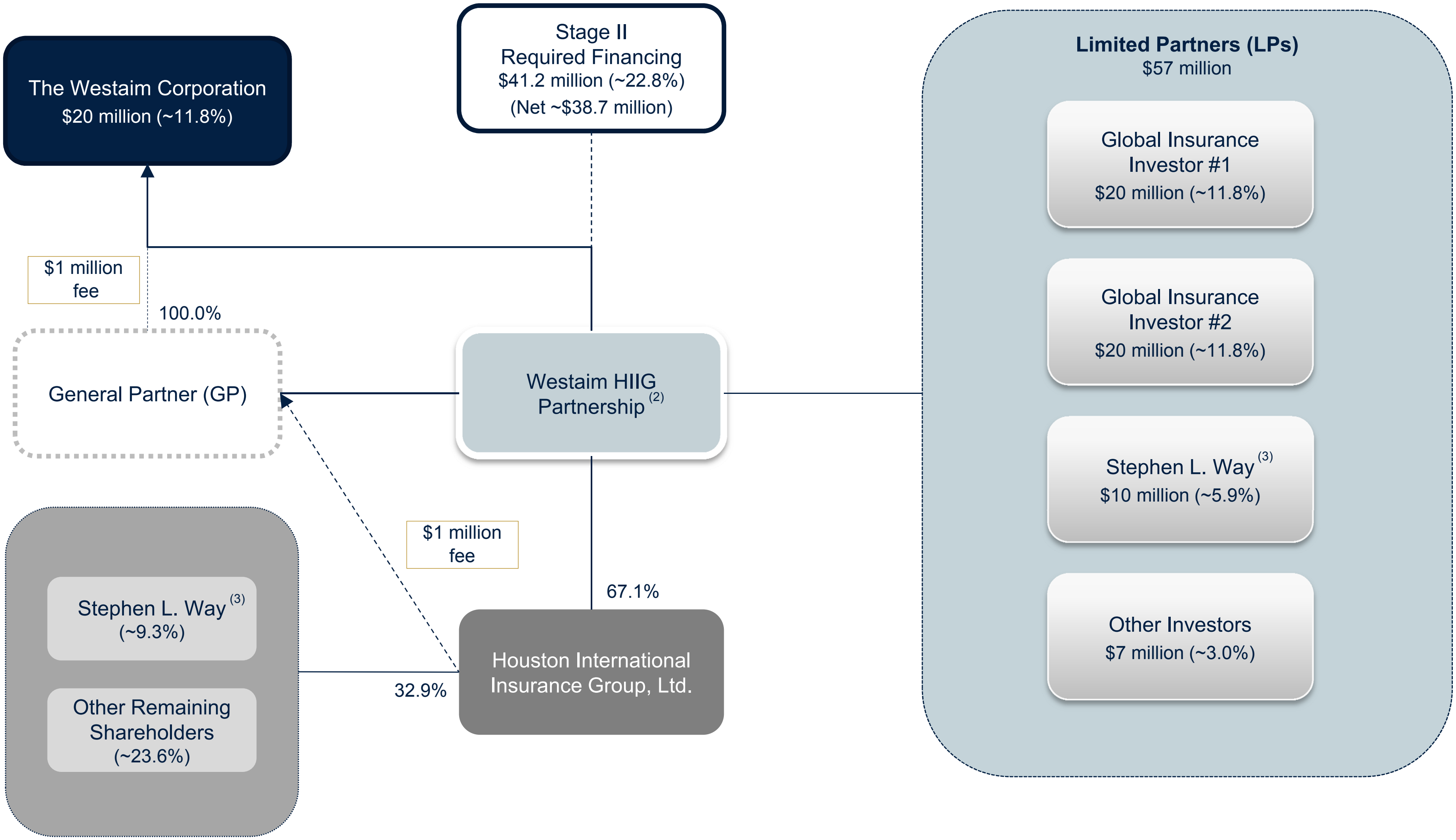
(1) Assumes December 31, 2013 Adjusted Stockholders' Equity of ~$200 million

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

(3) Includes investment through family trusts associated with Stephen L. Way

HIIG Acquisition Overview

Stage II – Structure(1)(4)



Figures in US $

(1) Assumes December 31, 2013 Adjusted Stockholders' Equity of ~$200 million
(2) Limited Partnership established and controlled by Westaim to acquire an ownership interest in HIIG
(3) Includes investment through family trusts associated with Stephen L. Way
(4) If closing of Stage II occurs, the Partnership will return certain shares from the treasury purchase in Stage 1 to HIIG for cancellation

HIIG Acquisition Overview

Conclusion

- Opportunity to partner with management and co-invest with two world-class insurance companies to acquire a controlling interest in a growing specialty insurer at a discount to its book value
  - Private equity investors investment in HIIG is reaching maturity and certain investors are now seeking to harvest its investment
  - Two investment partners are global participants in the insurance industry and provide additional expertise
- Management has a proven strategy with an execution track record of significant shareholder value creation
  - HIIG management expects to focus on organic growth of current business lines complemented by selective acquisitions of niche MGU (Managing General Underwriting) platforms
  - This strategy was employed by Stephen L. Way at HCC
- Profitable continuing business with risks associated with non-continuing business expected to be reduced
  - Continuing business generated a profit in 2013, and its growth is expected to accelerate as operating leverage improves
  - Changes implemented in claims handling has improved visibility into non-continuing book of business
- Conservative expectations with potential upside in expected returns through various opportunities, such as:
  - Lower expense ratios are possible (currently ~35% in 2013 while management was able to achieve average expense ratios of ~26% at HCC) as business achieves appropriate scale
  - Higher returns will be targeted through better allocation and management of investment portfolio (return on equity affected significantly by changes in investment yield)
  - Management expects to pursue accretive acquisitions of underwriting agencies (a key part of management's strategy)

Opportunity to receive above average risk-adjusted returns with strong upside potential as HIIG management continues to execute its growth strategy

HIIG Financials – GAAP Reconciliation

Appendix A

Disclaimer

Non-GAAP Measures and Other Information

HIIG uses both GAAP and non-GAAP measures to assess performance. While the non-GAAP measures disclosed herein have been derived from HIIG's financial statements for the years ended December 31, 2011 (audited), 2012 (audited) and 2013 (unaudited), the Corporation cautions readers that non-GAAP measures do not have a standardized meaning under GAAP and are unlikely to be comparable to similar measures used by other companies. A reconciliation between GAAP and all non-GAAP measures used in this document can be found in the following pages of this Appendix A.

Management of the Corporation and HIIG believe that such information will better enable investors to understand HIIG's core business lines and will facilitate comparison of the Corporation's future performance to HIIG's historical results. The Corporation cautions, however, that the financial performance and trends illustrated in this document may not be representative of actual future results.

Several adjustments have been made to HIIG's historical results in preparing this presentation to exclude results from operations of certain lines of business no longer written by HIIG and certain non-recurring expenses. While the adjustments and assumptions used in this document are believed by management to be a reasonable presentation of HIIG's financial performance, no assurance can be given that the adjusted historical non-GAAP information contained herein provides an accurate reflection of the results that would have been achieved and may not be representative of actual future results.

Certain totals, subtotals and percentages may not reconcile exactly due to rounding.

HIIG Financials – GAAP Reconciliation

Fiscal 2011 Income Statement

	Audited Dec 31, 2011	Adjustments Non-Continuing (1)	Reclassification (2)	Non-Recurring (3)	Total	Non-GAAP Dec 31, 2011
Gross Premiums Written	218,211	(119,412)	-	-	(119,412)	98,799
Less: Ceded Written	87,387	(43,084)	-	-	(43,084)	44,303
Net Written Premiums	130,824	(76,328)	-	-	(76,328)	54,496
Revenues						
Net premiums earned	192,257	(153,901)	-	-	(153,901)	38,356
Net commission & fee income	7,500	(6,644)	-	-	(6,644)	856
Other income	-	-	2,205	-	2,205	2,205
Net investment income	11,483	(3,076)	-	-	(3,076)	8,407
Net realized gain (losses)	6,148	(2,482)	(5,834)	-	(8,316)	(2,168)
Other than temporary impairment loss	(5,834)	-	5,834	-	5,834	-
Total revenues	211,554	(166,103)	2,205	-	(163,898)	47,656
Expenses						
Net Losses and loss adjustment expenses	159,251	(132,911)	-	-	(132,911)	26,340
Policy acquisition costs	34,909	(32,714)	2,205	-	(30,509)	4,400
Operating expenses	48,433	(22,521)	(1,000)	(1,832)	(25,354)	23,079
Interest expense	6,185	-	-	-	-	6,185
Non-operating expenses	1,800	-	1,000	-	1,000	2,800
Total expenses	250,578	(188,146)	2,205	(1,832)	(187,774)	62,804
Income (loss) before federal income tax expense	(39,024)	22,043	-	1,832	23,876	(15,148)
Federal income tax expense (benefit)	(10,864)	7,162	-	641	7,803	(3,061)
Net income (loss) from continuing	**(28,160)**	**14,881**	**-**	**1,191**	**16,072**	**(12,088)**
Net loss from discontinued operations, net of taxes	(2,599)	(11,950)	-	-	(11,950)	(14,549)
Non-recurring items, net of taxes	-	(2,931)	-	(1,191)	(4,122)	(4,122)
Net income (loss) reported	**(30,759)**	**-**	**-**	**-**	**-**	**(30,759)**

Figures in US $ 000s

(1) Non-Continuing Operations represents the financial results of certain business written by HIIG in the applicable fiscal year that was cancelled by HIIG management in the years ended December 31, 2011, 2012 and 2013. It was deemed by HIIG management that eliminating these results would better reflect the results of operations of HIIG as they exist on December 31, 2013 for the fiscal year ended December 31, 2011

(2) Reclassification represents amounts reclassified from presentation in the audited financial statements to, in the view of HIIG's management, better reflect the results of HIIG for the fiscal year ended December 31, 2011

(3) Non-Recurring Items represents income and costs related to events that have been deemed by HIIG management to be either one time or non-recurring in nature. It was considered by HIIG management that eliminating these results would better reflect the results of operations of the Continuing Operations of HIIG for the fiscal year ended December 31, 2011

HIIG Financials – GAAP Reconciliation

Fiscal 2012 Income Statement

	Audited	Adjustments: Non-Continuing	Adjustments: Reclassification	Adjustments: Non-Recurring	Adjustments: Total	Non-GAAP
	Dec 31, 2012	(1)	(2)	(3)		Dec 31, 2012
Gross Premiums Written	241,614	(59,783)	-	-	(59,783)	181,831
Less: Ceded Written	104,131	(47,628)	-	-	(47,628)	56,503
Net Written Premiums	137,483	(12,155)	-	-	(12,155)	125,328
Revenues						
Net premiums earned	116,711	(31,870)	-	-	(31,870)	84,841
Net commission & fee income	443	(9)	-	-	(9)	434
Other income	422	(179)	3,555	-	3,376	3,798
Net investment income	8,259	-	-	900	900	9,159
Net realized gain (losses)	(7,198)	12,454	(884)	-	11,570	4,372
Other than temporary impairment loss	(884)	-	884	-	884	-
Total revenues	117,753	(19,604)	3,555	900	(15,149)	102,604
Expenses						
Net Losses and loss adjustment expenses	93,036	(38,784)	-	-	(38,784)	54,252
Policy acquisition costs	14,813	(8,118)	3,555	-	(4,563)	10,250
Operating expenses	37,233	296	(1,000)	(900)	(1,604)	35,629
Interest expense	4,435	-	-	-	-	4,435
Non-operating expenses	950	-	1,000	-	1,000	1,950
Total expenses	150,467	(46,606)	3,555	(900)	(43,951)	106,516
Income (loss) before federal income tax expense	(32,714)	27,003	-	1,800	28,803	(3,911)
Federal income tax expense (benefit)	(4,606)	2,606	-	(670)	1,936	(2,670)
Net income (loss) from continuing	**(28,108)**	**24,397**	**-**	**2,470**	**26,867**	**(1,241)**
Net loss from discontinued operations, net of taxes	(1,812)	(10,634)	-	-	(10,634)	(12,446)
Non-recurring items, net of taxes	-	(13,763)	-	(2,470)	(16,233)	(16,233)
Net income (loss) reported	**(29,920)**	**-**	**-**	**-**	**-**	**(29,920)**

Figures in US $ 000s

(1) Non-Continuing Operations represents the financial results of certain business written by HIIG in the applicable fiscal year that was cancelled by HIIG management in the years ended December 31, 2011, 2012 and 2013. It was deemed by HIIG management that eliminating these results would better reflect the results of operations of HIIG as they exist on December 31, 2013 for the fiscal year ended December 31, 2012

(2) Reclassification represents amounts reclassified from presentation in the audited financial statements to, in the view of HIIG's management, better reflect the results of HIIG for the fiscal year ended December 31, 2012

(3) Non-Recurring Items represents income and costs related to events that have been deemed by HIIG management to be either one time or non-recurring in nature. It was considered by HIIG management that eliminating these results would better reflect the results of operations of the Continuing Operations of HIIG for the fiscal year ended December 31, 2012

HIIG Financials – GAAP Reconciliation

Fiscal 2013 Income Statement

	Preliminary Unaudited Dec 31, 2013	Adjustments Non-Continuing (1)	Reclassification (2)	Non-Recurring (3)	Total	Preliminary Non-GAAP Dec 31, 2013
Gross Premiums Written	400,701	(17,117)	-	-	(17,117)	383,584
Less: Ceded Written	115,521	(7,009)	-	-	(7,009)	108,512
Net Written Premiums	285,180	(10,108)	-	-	(10,108)	275,072
Revenues						
Net premiums earned	221,219	(13,386)	-	-	(13,386)	207,833
Net commission & fee income	1,859	3	-	-	3	1,861
Other income	633	(632)	3,749	-	3,117	3,749
Net investment income	5,589	-	-	-	-	5,589
Net realized gain (losses)	7,007	-	(2,191)	-	(2,191)	4,816
Other than temporary impairment loss	(2,191)	-	2,191	-	2,191	-
Total revenues	234,115	(14,015)	3,749	-	(10,266)	223,849
Expenses						
Net Losses and loss adjustment expenses	160,828	(33,750)	-	-	(33,750)	127,077
Policy acquisition costs	33,626	(2,920)	3,749	-	829	34,455
Operating expenses	42,033	(2,174)	(1,000)	-	(3,174)	38,858
Interest expense	4,308	-	-	-	-	4,308
Non-operating expenses	1,413	-	1,000	-	1,000	2,413
Total expenses	242,207	(38,844)	3,749	-	(35,095)	207,112
Income (loss) before federal income tax expense	(8,092)	24,829	-	-	24,829	16,737
Federal income tax expense (benefit)	(3,271)	9,129	-	-	9,129	5,858
Net income (loss) from continuing	**(4,821)**	**15,700**	**-**	**-**	**15,700**	**10,879**
Net loss from discontinued operations, net of taxes	-	(15,700)	-	-	(15,700)	(15,700)
Non-recurring items, net of taxes	-	-	-	-	-	-
Net income (loss) reported	**(4,821)**	**-**	**-**	**-**	**-**	**(4,821)**

Figures in US $ 000s

(1) Non-Continuing Operations represents the financial results of certain business written by HIIG in the applicable fiscal year that was cancelled by HIIG management in the years ended December 31, 2011, 2012 and 2013. It was deemed by HIIG management that eliminating these results would better reflect the results of operations of HIIG as they exist on December 31, 2013 for the fiscal year ended December 31, 2013

(2) Reclassification represents amounts reclassified from presentation in the unaudited financial statements to, in the view of HIIG's management, better reflect the results of HIIG for the fiscal year ended December 31, 2013

(3) Non-Recurring Items represents income and costs related to events that have been deemed by HIIG management to be either one time or non-recurring in nature. It was considered by HIIG management that eliminating these results would better reflect the results of operations of the Continuing Operations of HIIG for the fiscal year ended December 31, 2013

Westaim Overview

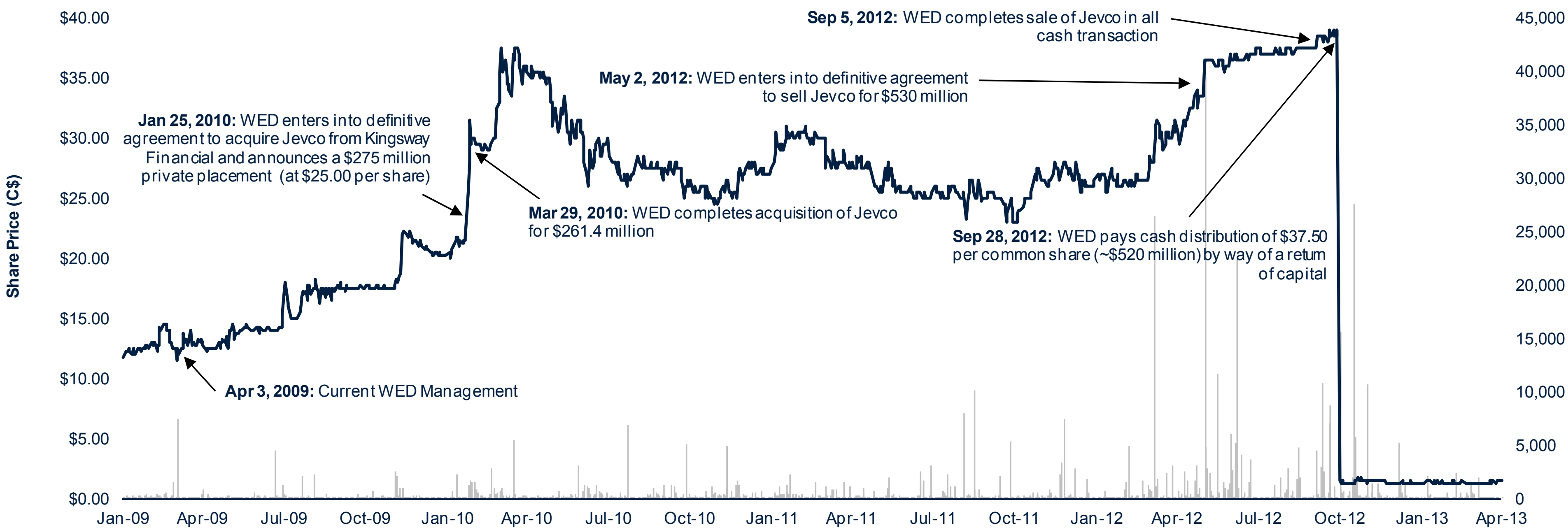
Appendix B

Westaim Overview

History

- Westaim was incorporated in 1996 and spun out of Sherritt International Corporation with investment holdings in technology and related businesses
- From 1996 through 2009, Westaim made several acquisitions and divestitures with varying degrees of success
- In April 2009, as part of a change in strategy, Westaim appointed the current management team to source investment opportunities to help create and enhance value for shareholders
- The first investment, made in early 2010, was the opportunistic purchase of a 100% interest in Jevco for ~C$260 million
- Westaim set out to execute its long-term strategic plan to grow Jevco organically and through acquisitions
- In the fall of 2012, after two and a half years of ownership, Westaim responded to an unsolicited offer for Jevco and closed the sale to Intact Financial Corporation for C$530 million, delivering a 28.9% unlevered IRR(1) on its investment
- Upon the close of the sale of Jevco in September 2012, Westaim paid a special dividend of ~C$520 million to its shareholders

Historical Annotated Stock Chart (2)



(1) Excludes Westaim corporate level costs
(2) Split adjusted prices (on Oct 1, 2013 Westaim affected a 1-for-50 reverse share split); Canadian dollars; Historical data January 2009 – April 2013

Westaim Overview

Jevco Case Study and Value Creation

IDENTIFY	■ Through existing relationships of the Board and management, Westaim sourced the opportunity, negotiated the transaction and secured the required financing
EXECUTE	■ Executed an efficient and detailed due diligence process internally and with the help of outside experts ■ Secured investment from Alberta Investment Management Corporation (“AIMCo”) to backstop a C$275 million capital raise ■ Completed financing with C$148 million from AIMCo and balance from institutional investors ■ Worked with OSFI and insurance regulators to get transaction approval
ENHANCE	■ Assumed capital allocation responsibilities and provided operational support (not involved in day-to-day management) ■ Secured adequate credit rating from A.M. Best to allow Jevco to resume growth ■ Worked with Jevco management to establish its long-term growth and strategic business plan ■ Management incentives were altered to emphasize return on capital as opposed to growth in premiums ■ Internal reporting was overhauled and streamlined to better measure performance ■ Stricter governance and insurance specific oversight was implemented at Jevco
ACQUIRE	■ Pursued platform insurance acquisition opportunities as well as tuck-in acquisitions for Jevco in Canada ■ Evaluated several investment opportunities globally including the acquisition of a global specialty insurance platform
REALIZE	■ Responded quickly to the offer from Intact Financial Corporation ■ Negotiated terms of sale ■ Returned substantially all the proceeds of the sale to shareholders through a tax-efficient return of capital transaction

Through the experience of its Board and senior management, Westaim was able to respond quickly and capitalize on the opportunity to acquire Jevco and create significant value for shareholders

Westaim Overview

Investment Strategy

Value Investing

- Invest in companies at a discount to its intrinsic value

Partnership Approach

- Partner with aligned and capable management teams

Long-term Horizon

- Execute business plan with focus on long-term performance

Business Building

- Provide oversight and capital allocation discipline

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