The Westaim Corporation Reports 2013 Fourth Quarter Results

Toronto, Canada – March 12, 2014 – The Westaim Corporation ("Westaim") today announced it recorded a net loss of $2.0 million or $0.15 per share for the quarter ended December 31, 2013 compared to a net loss of $1.0 million or $0.07 per share for the quarter ended December 31, 2012. For the year ended December 31, 2013, Westaim recorded a net loss of $3.7 million or $0.27 per share compared to a net income of $103.0 million or $7.80 per share for the year ended December 31, 2012. At December 31, 2013, Westaim's shareholders' equity was $30.9 million or $2.22 per share compared to $34.6 million or $2.49 per share at December 31, 2012.

"We are pleased with the recently announced two-stage investment in Houston International Insurance Group, Ltd. ("HIIG"), a global specialty insurance company led by its Chairman and Chief Executive Officer, Stephen L. Way, who previously founded and led HCC Insurance Holdings, Inc. (NYSE: "HCC") to become a multi-billion dollar global specialty insurer, achieving significant shareholder returns", said Cameron MacDonald, President and Chief Executive Officer of Westaim. "The HIIG transaction will allow Westaim to align itself with a dynamic insurance industry executive with a proven track record".

Westaim's Q4, 2013 results include $1.9 million of professional fees incurred in connection with the investment in HIIG which are expected to be reimbursed upon closing. The following table shows an adjusted book value of $2.36 per share as at December 31, 2013, after excluding these fees.

Book value per share - at December 31	$	2.22
Adjustment for exclusion of professional fees expected to be reimbursed		0.14
Adjusted book value per share - at December 31	$	2.36

Westaim is a publicly traded Canadian-based investment company that invests directly and indirectly through acquisitions, joint ventures and other arrangements, with the objective of providing its shareholders with capital appreciation and real wealth preservation. Westaim's strategy is to pursue investment opportunities with a focus towards the financial services industry and grow shareholder value (as measured by book value per share) at above average rates over the long-term.

Westaim's common shares are listed on the TSX Venture Exchange under the trading symbol WED.

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Certain portions of this press release as well as other public statements by Westaim contain forward-looking statements. Such forward-looking statements include but are not limited to statements concerning: strategies, alternatives and objectives to maximize value for shareholders; expectations and assumptions relating to Westaim's business plan; the effect of adverse changes in equity markets or Westaim's operations; expectations regarding Westaim's assets and liabilities; Westaim's ability to retain key employees, management's belief that its estimates for determining the valuation of Westaim's assets and liabilities are appropriate; Westaim's views regarding potential future remediation costs; the effect of changes to interpretations of tax legislation on income tax provisions in future periods; and Westaim's determination that the adoption of new accounting standards will not have a material impact on its financial statements. These statements are based on current expectations that are subject to risks, uncertainties and assumptions and Westaim can give no assurance that these expectations are correct. Westaim's actual results could differ materially from those anticipated by forward-looking statements for various reasons generally beyond Westaim's control, including but not limited to: (i) Westaim's ability to complete the HIIG acquisition or any portion thereof on the terms agreed to or at all, (ii) Westaim's ability to raise the funds required to complete the second tranche of the HIIG acquisition on favourable terms or at all, (iii) difficult economic conditions or a prolonged economic downturn may adversely affect Westaim's business; (iv) Westaim may not be able to realize its investment objectives or its liquid assets may prove to be insufficient to meet future obligations; (v) Westaim and/or HIIG may have undisclosed liabilities; (vi) Westaim may require significant additional funding; (vii) changes in market conditions or deterioration in underlying investments; (viii) general economic, market, financing, regulatory and industry developments and conditions, and (ix) other risk factors set forth herein or in Westaim's Annual Information Form or other public filings. Westaim disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments or otherwise except as required by law. All forward-looking statements are expressly qualified in their entirety by this cautionary statement.

Westaim uses both IFRS and non-generally accepted accounting principles ("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. Management believes these measures allow for a more complete understanding of the underlying business. These measures are used to monitor Westaim's results and should not be viewed as a substitute for those determined in accordance with IFRS. Reconciliations of such measures to the most comparable IFRS figures are included herein. 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. The Company believes that this is a useful measurement as the relative increase or decrease from period to period in book value per share should approximate over the long-term the relative increase or decrease in the intrinsic value of the business, but is not necessarily equivalent to the net realizable value of the Company's assets per share. Adjusted book value per share represents shareholders' equity at the end of the period, determined on an IFRS basis and adjusted to include or exclude one or more items required by IFRS but which are either unusual or non-recurring, divided by the total number of common shares outstanding on the same date.