

Attention Business/Financial Editors:  
Westaim Announces 2009 Year-end Results

TORONTO, March 8 /CNW/ - The Westaim Corporation announced today that for the year ended December 31, 2009, it recorded net income of \$0.5 million, or 1 cent per share compared to a net loss of \$10.2 million, or 11 cents per share in the previous year. For the three months ended December 31, 2009, the Company posted net income of \$4.7 million, or 5 cents per share, compared to net income of \$2.7 million, or 3 cents per share, in the same period in the previous year.

At December 31, 2009, Westaim had \$62.4 million in consolidated cash and cash equivalents, compared to \$46.8 million at December 31, 2008. In addition, Westaim held ABCP with a book value of \$4.0 million.

"Westaim is transforming into a company with a new focus on the Canadian property and casualty insurance business," said Cameron MacDonald, President & CEO of Westaim. "Westaim has a strong balance sheet, cash resources, and the acquisition of JEVCO Insurance Company is expected to serve as the foundation for creating greater shareholder value over the long term."

In the first quarter of 2010, Westaim announced completion of an amalgamation involving NUCRYST Pharmaceuticals Corp. (formerly a 75% subsidiary of Westaim) pursuant to which NUCRYST shareholders (other than Westaim) received US\$1.77 in cash (US\$8.2 million in the aggregate) and Westaim received all of the shares of the amalgamated company.

Also in the first quarter of 2010, Westaim announced an agreement to purchase JEVCO Insurance Company from Kingsway Financial Services Inc. The purchase of JEVCO is subject to a number of conditions including the receipt of all required consents, authorizations and regulatory approval and is expected to take place on or about March 26, 2010 but in any event prior to April 30, 2010 (unless such date has been extended by the parties). To finance the acquisition, Westaim issued and sold, on a private placement basis, an aggregate of 550 million subscription receipts for aggregate gross proceeds of \$275 million. Such funds, less certain expenses, are being held in escrow pending the completion of the acquisition. Further details regarding the acquisition and the related financing are available in Westaim's management information circular dated February 26, 2010.

A more detailed discussion of Westaim's 2009 consolidated year end results can be found in the 2009 audited consolidated financial statements and Management's Discussion and Analysis, which will be available at [www.westaim.com](http://www.westaim.com) and [www.sedar.com](http://www.sedar.com).

#### About Westaim

Westaim 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 common shares are listed on The Toronto Stock Exchange under the trading symbol WED.

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 the transactions described herein; investment strategies and expected rates of return; and strategic alternatives to maximize value for shareholder. 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 our control, including but not limited to: (i) failure to complete the acquisition referred to herein; (ii) changes in market conditions or deterioration in underlying investments; (iii) general economic, market, financing, regulatory and industry developments and conditions; and (iv) other risk factors set forth in Westaim's Annual Report or Annual Information Form.

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.

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THE WESTAIM CORPORATION

Financial Highlights

(unaudited)

(thousands of Canadian dollars except per share data)

Consolidated Statements of Operations	Three Months Ended December 31		Twelve Months Ended December 31	
	2009	2008	2009	2008
(Loss) income from continuing operations	\$ (3,729)	\$ (2,304)	\$ (5,732)	\$ 1,318
Net income (loss)	4,663	2,746	519	(10,235)
Income (loss) per common share - basic and diluted				
Continuing operations	(0.04)	(0.02)	(0.06)	0.01
Net income (loss)	0.05	0.03	0.01	(0.11)
Weighted average number of common shares outstanding (thousands)				
Basic	94,220	94,215	94,220	94,207
Diluted	94,487	94,215	94,487	94,207

Consolidated Balance Sheets	December 31, 2009	December 31, 2008
Cash and cash equivalents	\$ 62,423	\$ 46,768
Current assets	68,600	59,783
Long term assets	3,967	17,494
Current liabilities	9,039	10,091
Shareholders' equity	49,419	50,002

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(WED.)

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