



THE WESTAIM CORPORATION CONTINUES TO EXPLORE ALTERNATIVES TO ENHANCE THE GROWTH AND VALUE OF HIIG

Toronto, Ontario – April 16, 2018 – The Westaim Corporation (“**Westaim**” or the “**Company**”) (TSXV: “**WED**”) announces that, in view of the ongoing insurance industry consolidation activity and the receipt by Westaim and Houston International Insurance Group, Ltd. (“**HIIG**”) of several unsolicited enquiries, Westaim and HIIG may consider opportunities to enhance the growth and value of HIIG.

J. Cameron MacDonald, President and Chief Executive Officer of Westaim, stated: “*Westaim’s mandate is to align our capital with experienced management teams in order to build great businesses. Under Stephen Way’s leadership for the past four years, HIIG has significantly improved its financial position, acquired and established new business lines, prepared the organization for larger scale and assembled a highly skilled and experienced management team. As a result, HIIG is currently in an excellent position to accelerate the growth of its business, particularly in an improving industry environment*”.

Westaim and HIIG do not intend to set a definitive schedule for the consideration of alternatives or any related process. Westaim does not intend to periodically or otherwise disclose developments with respect to this review unless the Company’s Board determines that disclosure is necessary or appropriate.

About Westaim

Westaim is a Canadian investment company specializing in providing long-term capital to businesses operating primarily within the global financial services industry. The Company 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 over the long-term. Westaim’s investments include significant interests in HIIG and the Arena Group of companies. Westaim’s common shares are listed and posted for trading on the TSX Venture Exchange under the trading symbol WED.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Except for statements of historical fact contained herein, information in this press release may constitute “forward-looking information” within the meaning of Canadian securities laws. Other than statements of historical fact, all statements that involve various known and unknown risks, uncertainties and other factors are “forward-looking statements”. There can be no assurance that such statements will prove accurate. Results and future events could differ materially from those anticipated in such statements. These forward-looking 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) the ability of HIIG to continue to execute on its business strategy during the strategic review process, and the various risks and assumptions customarily related thereto; (ii) the likelihood that the Company will be able to identify and undertake alternatives which enhance shareholder value; (iii) changes in market conditions or deterioration in underlying investments; (iv) general economic, market, financing, regulatory and industry developments and conditions; and (v)

other risk factors set forth in Westaim's annual information form for its fiscal year ended December 31, 2017. Readers of this press release are cautioned not to place undue reliance on these "forward-looking statements". Except as otherwise required by applicable law, Westaim expressly disclaims any intention or obligation to update publicly any forward-looking information, whether as a result of new information, future events or otherwise.