



Westaim provides update on Arena Investors and announces release date for Q4 and Full Year 2020 results

Note: All dollar amounts in this press release are expressed in U.S. dollars, except as otherwise noted.

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES.

Toronto, Canada – January 27, 2021 – The Westaim Corporation (“Westaim” or the “Company”) (TSXV: WED) today announces that the invested and committed assets under management (“AUM”) of Arena Investors, LP (“Arena Investors”), an entity over which Westaim has a significant interest, has grown to \$2.2 billion as of January 1, 2021. AUM is a key component to drive operating leverage for Arena Investors.

This AUM growth was assisted by the final close in December 2020 of Arena Special Opportunities Partners I, LP and Arena Special Opportunities Partners (Cayman) I, LP with total committed capital of \$519 million. This December 2020 close exceeds the \$300 million target that was set for these funds, which was launched in March 2020. Arena Investors' latest fund invests in asset-backed, credit-oriented investments presented by the economic disruption and market dislocations from the COVID-19 pandemic.

"With an investment strategy grounded in our 20 plus years of experience investing globally across divergent economic downturns, Arena Investors is well-positioned to find value in all economic environments, especially today's," said Dan Zwirn, Arena Investors Chief Executive Officer and Chief Investment Officer. "The COVID-19 pandemic has caused newfound disruption to both society and the global economy and moved trends we were already seeing, especially in the industries that have been most heavily impacted. While much has changed, our flexible approach has allowed us to adjust quickly and continually identify attractive opportunities to deliver value to our investors including Westaim."

"We expect the continuation of the positive inflow of AUM which will deliver operating leverage in the Arena Investors business moving forward" said J Cameron MacDonald, President and Chief Executive Officer of Westaim.

"Lastly, we want to announce that Westaim is expected to release its fourth quarter and full year 2020 results after the TSX Venture Exchange closes on March 25, 2021. To complement our Westaim earnings release, a quarterly supplemental earnings report will also be released and posted on westaim.com to provide details of the results from the Company's investments in Skyward Specialty Insurance Group (formerly known as HIIG), Arena Investors, and the Arena FINCOs."

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 Skyward Specialty Insurance Group (formerly known as HIIG), Arena Investors, and Arena FINCOs. HIIG, Arena Investors, and Arena FINCOs are defined in the notes to Westaim's unaudited consolidated financial statements for the three and nine months ended September 30, 2020 and 2019 and the MD&A. Westaim's common shares are listed and posted for trading on the TSX Venture Exchange under the trading symbol WED.

About Arena Investors

Arena Investors is an institutional asset manager, founded in partnership with Westaim. With \$2.2 billion of invested and committed assets under management as of January 1, 2021, and a team of over 60 employees in offices globally, Arena Investors provides creative solutions for those seeking capital in special situations. The firm brings individuals with decades of experience, a track record of comfort with complexity, and the flexibility to engage in transactions not typically addressed by conventional financial institutions.

Westaim Contacts:

J. Cameron MacDonald, President and Chief Executive Officer or
Robert T. Kittel, Chief Operating Officer
The Westaim Corporation
info@westaim.com
(416) 969-3333

Arena Media Contacts:

Lindsay Jablonski
pro-arena@prosek.com

Arena Investor Contacts:

Parag Shah
ir@arenaco.com

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

*This press release contains information that may constitute “forward-looking information” or “forward-looking statements” within the meaning of applicable Canadian laws (collectively, “**Forward-looking Statements**”). All information contained herein that is not clearly historical in nature may constitute Forward-looking Statements. In some cases, Forward-looking Statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “plan”, “anticipate”, “intend”, “potential”, “estimate”, “believe” or the negative of these terms, or other similar expressions intended to identify Forward-looking Statements. Some of the Forward-looking Statements contained in this press release include statements with respect to the growth of the Company, market trends, positive inflow of AUM and the timing of release of the Company’s 2020 results. Forward-looking Statements are necessarily based upon a number of estimates and assumptions, including current market trends and past performance of the Company. While considered reasonable by management of Westaim, these estimates and assumptions are inherently subject to significant business, economic and competitive risks, financial results, results, performance or achievements expressed or implied by those Forward-looking Statements and the Forward-looking Statements are not guarantees of future performance and may differ materially from actual results. A discussion of some of the material risks applicable to the Company can be found in Westaim’s annual information form for its fiscal year ended December 31, 2019 (the “AIF”) and its MD&A for the three and nine month periods ended September 30, 2020.*

The Forward-looking Statements included in this news release are made as of the date of this news release and except as otherwise required by applicable law, Westaim expressly disclaims any intention or obligation to update publicly any Forward-looking Statements, whether as a result of new information, future events or otherwise.