



MATERIAL CHANGE REPORT

FORM 51-102F3

1. **Name and Address of Company:**

WesternOne Inc. (the “**Corporation**”)
Suite 910, 925 West Georgia Street
Vancouver, BC V6C 3L2

2. **Date of Material Change:**

November 13, 2017

3. **News Release:**

News releases reporting the material change, among other disclosure regarding the Corporation’s financial results for the three and nine months ended September 30, 2017 and the appointment of Jason Gray as a director of the Corporation, were issued by the Corporation on November 13 and November 21, 2017 through Newswire. A copy of the news releases dated November 13 and November 21, 2017 are attached hereto as Schedule A and Schedule B, respectively.

4. **Summary of Material Change:**

On November 13, 2017, the Corporation announced it had entered into an asset-based credit agreement (the “**ABL Agreement**”) with a Canadian chartered bank (the “**Bank**”) under which a three-year \$35.0 million secured revolving credit facility (the “**ABL Facility**”) is to be offered upon satisfaction of certain conditions precedent by the Corporation. On November 21, 2017, the Corporation announced the closing of the ABL Facility.

5. **Full Description of Material Change:**

On November 13, 2017, the Corporation announced it had entered into the ABL Agreement with the Bank under which the three-year \$35.0 million secured revolving ABL Facility is to be offered upon satisfaction of certain conditions precedent by the Corporation. On November 21, 2017, the Corporation announced the closing of the ABL Facility. In conjunction with the closing of the ABL Facility, the Corporation drew funds under the ABL Facility to fully repay the outstanding balance of its currently existing \$20.0 million demand facility. At closing, the Corporation’s senior bank indebtedness, net of cash on hand, was \$7.0 million.

Under the ABL Agreement, drawn amounts under the ABL Facility will be limited by a borrowing base, the calculation of which will include certain eligible assets of the Corporation. The ABL Facility will be supported by security in favour of the Bank over all of the assets of the Corporation and its material subsidiaries. Interest rates on borrowings

will be, at the Corporation's option, based on banker's acceptances, London Interbank Offered Rate, or the Bank's Canadian prime rate or US base rate, plus in each case an applicable margin.

The ABL Agreement contains restrictive covenants, including restrictions on the incurrence of indebtedness, financial maintenance covenants and restrictions on payments to affiliates, debenture holders and shareholders, as well as events of default and representations and warranties.

As part of the process, the Corporation engaged an external appraisal company to perform an equipment inspection and appraisal of its rental fleet and vehicles in July 2017. The appraised fair market value of the related assets was \$87.0 million, based on a net book value for accounting purposes of \$62.1 million as at May 31, 2017.

A copy of the ABL Agreement is available on SEDAR at www.sedar.com.

Forward-Looking Information

Certain statements in this material change report may constitute "forward-looking" information that involves known and unknown risks, uncertainties and other factors, and it may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information includes, without limitation, statements with respect to: the limitation of amounts drawn under the ABL Facility by a borrowing base and the inclusion of certain eligible assets of the Corporation in respect of the borrowing base; and the security granted by the Corporation for the ABL Facility; the interest rates on borrowing in respect of the ABL Facility. Actual events or results may differ materially.

Forward-looking information contained in this material change report is based on certain key expectations and assumptions made by the Corporation, including, without limitation: net receivables are collectible, payments to suppliers will continue under current terms, the stability of the economy in Western Canada; the impact of the current economic climate in Western Canada on the Corporation's operations will remain consistent with the Corporation's current expectations; the increased competitive environment in which the Corporation and its business units operate; a protracted period of lower crude oil prices; rental rates will be subject to supply-related and competitive pressure in 2017 and 2018; the supply and demand for the Corporation's products and services and the related impact on the pricing on such products and services will remain consistent with the Corporation's current expectations; management's assessment of future plans and operations; the Corporation will be able to grow through acquisitions and organic expansion; the Corporation will be able to: (i) fund debt maturities and to meet current and future obligations; (ii) collect net receivables; (iii) integrate newly acquired businesses; (iv) maintain payments to suppliers under current terms; and (v) expand its product offering and customer base; critical accounting estimates; the Corporation will be able to discharge its liabilities; the impact from the wind-down of the Corporation's Australian operations will remain consistent with the Corporation's current expectations; the impact on rental rates from supply-related and competitive pressure will remain consistent with the Corporation's current expectations;

rental activity levels are expected to continue its moderate growth trend; and the contractual requirements of the Corporation under the bank credit facilities are met. Although the forward-looking information contained in this material change report is based upon what the Corporation's management believes to be reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this material change report. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, and a description of these factors can be found under "Risk Factors" in the Corporation's Annual Information Form dated March 30, 2017 and MD&A dated November 13, 2017, which are both available on SEDAR (www.sedar.com).

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. Forward-looking information reflects management's current beliefs and is based on information currently available to the Corporation. The forward-looking information is made as of the date of this material change report and the Corporation assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

No significant facts otherwise required to be disclosed in this report have been omitted.

8. **Executive Officer:**

The following executive officer of the Corporation is knowledgeable about the material change and may be contacted respecting the change:

Carlos Yam
Chief Financial Officer
Phone: (604) 678-4042
Email: cyam@weq.ca

9. **Date of Report:**

November 22, 2017

SCHEDULE A

**NEWS RELEASE
DATED NOVEMBER 13, 2017**



WesternOne Inc. Reports 2017 Q3 Results, Announces New Credit Facility and Appoints New Director

VANCOUVER, BC (November 13, 2017) WesternOne Inc. (“**WesternOne**”) (Toronto Stock Exchange: WEQ and WEQ.DB) today announced the release of its financial results for the three and nine months ended September 30, 2017.

The results, consisting of WesternOne’s unaudited interim financial statements for the three and nine months ended September 30, 2017 and Management’s Discussion and Analysis (“**MD&A**”) dated November 13, 2017, are available on SEDAR (www.sedar.com).

2017 Q3 financial summary:

- Consolidated revenue from continuing operations was \$12.8 million which decreased 3.0% compared to \$13.2 million in the prior year period. During the quarter, both heat and aerial rental activity levels increased from the prior year period as a result of continued strength in the construction sector in BC and a gradual economic recovery in Alberta primarily driven by increased residential and industrial construction activity. The year-over-year increase of 5.2% in rental volumes, however, was negatively impacted by rate compression due to continued competition in primary markets resulting in a net decline of 7.1% or \$0.8 million in rentals and related service revenues. Partially offsetting the decline was an increase in product sales, which grew 17.2% or \$0.4 million mainly due to higher fuel sales and related services driven by the rental volume growth.
- Gross profit and adjusted EBITDA (as defined below) were \$1.7 million and negative \$1.7 million respectively, compared to the respective amounts of \$2.2 million and negative \$1.2 million in the prior year period. The decline was mainly due to the net impact from rental rate compression, increased operating costs from elevated levels of fleet on rent, and lower profit contribution from reduced level of fleet disposals to preserve fleet available on hand.
- Net cash from operating activities of continuing operations was negative \$1.2 million, compared to negative \$0.2 million in the prior year period. The decline was mainly due to reduced earnings and working capital changes. Net change in cash position from continuing operations was negative \$7.0 million, compared to positive \$1.6 million in the prior year period. Other major factors leading to the net change in cash position in Q3 included ordinary fleet capital expenditures and debt principal repayments and related interest.
- Net loss from continuing operations attributable to shareholders was \$6.7 million (\$0.39 per share), compared to \$12.5 million (\$1.14 per share) in prior year period. Included in net loss were non-cash finance expenses relating to changes in the fair value of convertible debentures at quarter-end. Excluding the related non-cash effects on an after-tax basis, net loss would have been \$6.8 million (\$0.40 per share), compared to net loss of \$5.6 million (\$0.51 per share) in the prior year period.

Summary Financial Overview <i>(\$ millions except per share amounts)</i>	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Revenue from Continuing Operations	\$ 12.8	\$ 13.2	\$ 52.9	\$ 48.2
Gross Profit from Continuing Operations	1.7	2.2	14.5	15.7
Adjusted EBITDA ^{(1) (2)}	(1.7)	(1.2)	2.6	4.9
Net Loss from Continuing Operations ⁽²⁾	(6.7)	(12.5)	(21.3)	(30.8)
Net Income (Loss) from Discontinued Operations ⁽²⁾	1.2	(1.3)	(1.6)	(9.5)
Net Loss ⁽²⁾	(5.5)	(13.8)	(22.9)	(40.3)
Loss per share from Continuing Operations ^{(2) (3)}	(0.39)	(1.14)	(1.25)	(6.93)
Loss per share ^{(2) (3)}	(0.32)	(1.26)	(1.35)	(9.08)

- (1) “Adjusted EBITDA” is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. “Adjusted EBITDA” refers to net income or loss from continuing operations before interest, taxes, depreciation and amortization, and other specified items that would impact comparability including, where applicable, non-operational income and expenses, securities-based compensation and other gains or losses. The use of the term “non-operational income and expenses” is defined by WesternOne as those that do not impact operating decisions taken by WesternOne’s management as well as items of an unusual nature that do not reflect WesternOne’s ongoing operations. For a full description of adjusted EBITDA, refer to “Non-IFRS Measures” in the MD&A dated November 13, 2017.
- (2) Represents amount attributable to shareholders.
- (3) Loss per share for prior periods have been adjusted on a retroactive basis to reflect the consolidation of WesternOne’s issued and outstanding common shares on the basis of one post-consolidation common share for every 35 pre-consolidation common shares (the “Consolidation”). The Consolidation was completed on October 31, 2016.

Conference Call

Peter Blake, CEO, and the management team will host a conference call at 11:00am (Eastern time) or 8:00am (Pacific time), on Tuesday, November 14, 2017 to review the financial results and corporate developments for the three and nine months ended September 30, 2017.

To participate in this conference call, please dial one of the following numbers approximately 10 minutes prior to the commencement of the call, and ask to join the WesternOne conference call.

Dial in numbers: Toll Free.....1-888-390-0546
International or Local Toronto.....1-416-764-8688

Conference Call Replay

If you cannot participate on November 14, 2017, a replay of the conference call will be available by dialing one of the following replay numbers. You will be able to dial in and listen to the conference two hours after the meeting end time, and the replay will be available until November 21, 2017. Please enter the Replay ID number 233358 followed by the # key.

Replay Dial-In: Toll Free.....1-888-390-0541
International or Local Toronto.....1-416-764-8677

New Credit Facility

On November 13, 2017, WesternOne entered into an asset-based credit agreement (the “**ABL Agreement**”) with Canadian Imperial Bank of Commerce (the “**Bank**”) under which a three-year \$35.0 million secured revolving credit facility (the “**ABL Facility**”) is to be offered upon satisfaction of certain conditions precedent by WesternOne, at which time WesternOne expects to draw funds under the ABL Facility to fully repay the outstanding balance of its currently existing \$20.0 million demand facility.

Under the ABL Agreement, drawn amounts under the ABL Facility will be limited by a borrowing base, the calculation of which will include certain eligible assets of WesternOne. The ABL Facility will be supported by security in favour of the Bank over all of the assets of WesternOne and its material subsidiaries. Interest rates on borrowings will be, at WesternOne’s option, based on banker’s acceptances, London Interbank Offered Rate, or the Bank’s Canadian prime rate or US base rate, plus in each case an applicable margin.

The ABL Agreement contains restrictive covenants, including restrictions on the incurrence of indebtedness, financial maintenance covenants and restrictions on payments to affiliates, debenture holders and shareholders, as well as events of default and representations and warranties.

As part of the process, WesternOne engaged an external appraisal company to perform an equipment inspection and appraisal of its rental fleet and vehicles in July 2017. The appraised fair market value of the related assets was \$87.0 million, based on a net book value for accounting purposes of \$62.1 million as at May 31, 2017.

“In Q3 our business was supported by favourable year-over-year variances in rental activity levels, a consistent trend that we have observed since the latter part of 2016. While the operating results were weighed down by impact from lingering rental rate compression, we are encouraged that the continued strengthening of rental volumes stemmed from gradual economic recoveries in our primary markets, in particular Alberta’s residential and industrial construction sectors. This is an important factor as we enter into the 2017/18 construction heat season,” said Mr. Peter Blake, CEO of WesternOne.

“We are also very pleased with the execution of the ABL Agreement, which is expected to enhance our financial flexibility at a relatively conservative asset leverage ratio. We would also expect the ABL Facility to provide us with additional liquidity to manage working capital and execute on growth mandates including rental fleet expenditures and acquisitions as opportunities arise,” continued Mr. Blake.

Appointment of New Director

WesternOne is also pleased to announce that Jason Gray has been appointed to WesternOne’s Board of Directors.

Mr. Gray is a co-founder and general partner of the Alumni Fund, a venture capital firm made up of alumni from the world's top tech incubators. Prior to founding Alumni Fund, Mr. Gray was a Senior Advisor with MaRS Cleantech Ventures Services where he advised companies on

fundraising, growth, and operations. He was also co-founder and CFO of SunFarmer, an energy finance enterprise focused on developing markets, where he presently serves on the board. Mr. Gray holds an MBA from the University of Calgary.

Forward-looking Information

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Forward-looking information contained in this news release is based on certain key expectations and assumptions made by WesternOne, including, without limitation: net receivables are collectible, payments to suppliers will continue under current terms, the stability of the economy in Western Canada; the impact of the current economic climate in Western Canada on WesternOne’s operations will remain consistent with WesternOne’s current expectations; the increased competitive environment in which WesternOne and its business units operate; a protracted period of lower crude oil prices; rental rates will be subject to supply-related and competitive pressure in 2017 and 2018; the supply and demand for WesternOne’s products and services and the related impact on the pricing on such products and services will remain consistent with WesternOne’s current expectations; management’s assessment of future plans and operations; WesternOne will be able to grow through acquisitions and organic expansion; WesternOne will be able to: (i) fund debt maturities and to meet current and future obligations; (ii) collect net receivables; (iii) integrate newly acquired businesses; (iv) maintain payments to suppliers under current terms; and (v) expand its product offering and customer base; critical accounting estimates; WesternOne will be able to discharge its liabilities; the impact from the wind-down of WesternOne’s Australian operations will remain consistent with WesternOne’s current expectations; the impact on rental rates from supply-related and competitive pressure will remain consistent with the WesternOne’s current expectations; rental activity levels are expected to continue its moderate growth trend; and the contractual requirements of WesternOne under the bank credit facilities are met. Although the forward-looking information contained in this news

release is based upon what WesternOne's management believes to be reasonable assumptions, WesternOne cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this news release. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, and a description of these factors can be found under "Risk Factors" in WesternOne's Annual Information Form dated March 30, 2017 and MD&A dated November 13, 2017, which are both available on SEDAR (www.sedar.com).

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About WesternOne

WesternOne Inc. seeks to acquire and grow businesses in the construction and infrastructure services sectors in Western Canada. Its primary business platform, WesternOne Infrastructure Services, is a leading provider of construction heat services and aerial equipment rentals to businesses in the construction, infrastructure, film and television industries in Western Canada.

Additional Information

Additional information relating to WesternOne and other public filings, is available on SEDAR at www.sedar.com or on WesternOne's website at www.weq.ca.

For investor relations information, please contact:

Andrew Greig, Manager of Investor Relations
WesternOne Inc.
Suite 910, 925 West Georgia Street
Vancouver, BC V6C 3L2
Phone: (604) 678-4042
E-mail: agreig@weq.ca

Trading Symbols

Toronto Stock Exchange: WEQ and WEQ.DB

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS RELEASE.

SCHEDULE B

**NEWS RELEASE
DATED NOVEMBER 21, 2017**



WesternOne Inc. Announces Completion of the New Three-Year \$35 Million Asset-Based Revolving Credit Facility

VANCOUVER, BC (November 21, 2017) WesternOne Inc. (“**WesternOne**”) (Toronto Stock Exchange: WEQ and WEQ.DB) today announced that it has completed the closing of the new three-year \$35 million secured asset-based revolving credit facility (the “**ABL Facility**”) with Canadian Imperial Bank of Commerce (“**CIBC**”), as previously announced on November 13, 2017.

In conjunction with the closing, WesternOne drew funds under the ABL Facility to fully repay the outstanding balance of the previous \$20 million demand facility. At closing, WesternOne’s senior bank indebtedness, net of cash on hand, was \$7.0 million.

Additional information relating to the ABL Facility is available on SEDAR at www.sedar.com or on WesternOne’s website at www.weq.ca.

About WesternOne

WesternOne Inc. seeks to acquire and grow businesses in the construction and infrastructure services sectors in Western Canada. Its primary business platform, WesternOne Infrastructure Services, is a leading provider of construction heat services and aerial equipment rentals to businesses in the construction, infrastructure, film and television industries in Western Canada.

Additional Information

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Trading Symbols

Toronto Stock Exchange: WEQ and WEQ.DB

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ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS
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