TILL CAPITAL LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015 AND TEN MONTHS ENDED DECEMBER 31, 2014

The following management's discussion and analysis ("MD&A") of the activities, results of operations, and financial position of Till Capital Ltd. ("Till") should be read in conjunction with the audited consolidated financial statements for the twelve months ended December 31, 2015 and the audited consolidated financial statements for the ten months ended December 31, 2014 and related notes that have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts in this MD&A are stated in United States dollars unless otherwise indicated. This report was approved by Till's Board of Directors for issuance on May 12, 2016.

Additional information related to Till, and its subsidiaries, including their Annual Information Forms can be found on SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar .

Till's website is www.tillcap.com.

BACKGROUND AND CORE BUSINESS

Till was incorporated under the laws of Bermuda on August 20, 2012 under the name Resource Holdings Ltd. On March 19, 2014, Resource Holdings Ltd. changed its name to Till Capital Ltd. in accordance with Till's bye-laws and Section 10 of the Bermuda Companies Act 1981, as amended (the "Companies Act"). Till is an exempted holding company with its principal place of business at Continental Building, 25 Church Street, Hamilton HM12, Bermuda. Till's registered office is Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda and its registered agent is Compass Administration Services Ltd.

On April 17, 2014, Till completed a corporate reorganization Plan of Arrangement (the "Arrangement") whereby shares of Americas Bullion Royalty Corp. ("AMB") were exchanged on a 100:1 ratio for shares of Till. Upon completion of the Arrangement, Till's shares commenced trading as Till Capital Ltd. (symbol TIL) on the TSX Venture Exchange ("TSX-V") and AMB's shares were delisted from the Toronto Stock Exchange ("TSX"). Till filed a Registration Statement with the United States Securities and Exchange Commission that became effective May 12, 2015 and its shares commenced trading on Nasdaq on May 26, 2015.

As part of the Arrangement, AMB sold the majority of its mining and mineral assets to Silver Predator Corp. ("SPD") and Golden Predator Mining Corp. ("GPY"), formerly Northern Tiger Resources Inc., in return for controlling interests, collateralized notes, and royalty interests.

Till was formed to respond to the market need for more capacity for certain types of insurance and reinsurance. Till conducts its reinsurance business through Resource Re Ltd. ("RRL"), a wholly-owned subsidiary of Till that was incorporated in Bermuda on August 20, 2012 and licensed as a Class 3A insurance company in Bermuda by the Bermuda Monetary Authority ("BMA") on August 28, 2013. RRL operates through the Multi-Strat Re Ltd. ("MSRE") program as a global property and casualty reinsurer to acquire medium to long-term customized reinsurance contracts with capped liabilities and diversification in specialty property and casualty lines. MSRE is a Bermuda based privately-held reinsurance company.

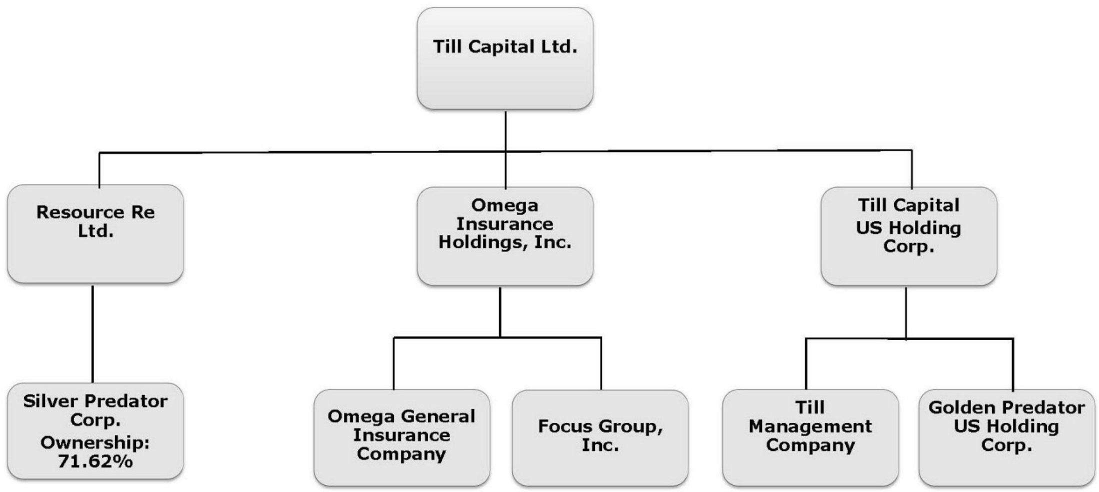
RRL's business strategy is to produce both underwriting profits from reinsurance policies and investment returns by investing reinsurance premiums and corporate capital. RRL generates underwriting income by offering reinsurance coverage to a select group of insurance companies, captive insurers that wish to redeploy capital more productively, profitable privately-held insurers with capital constraints that limit growth or wish to redeploy capital more productively, and insurers and reinsurers that are under regulatory, capital, or ratings stress. RRL's investment team has extensive experience in finance, trading, and operations.

On May 15, 2015, Till acquired all of the issued and outstanding shares of Omega Insurance Holdings, Inc. ("Omega"), a privately-held Toronto, Canada based insurance provider, including its subsidiaries, Omega General Insurance Company (a fully licensed insurance company) and Focus Group, Inc. Omega's mission is to offer secure, innovative, and customized solutions for insurers/reinsurers exiting the market and organizations with unique insurance needs in a cost effective manner. Omega's expertise in both the Canadian run-off phase and the Canadian start-up phase for a foreign insurance company gives Omega a strategic advantage in its two main target markets:

- To provide those insurers wishing to access the Canadian market an ability to do so in an efficient manner through fronting arrangements and other means.
- To provide those insurers wishing to exit the Canadian market, through a dedicated company with experience in handling run-off business, an ability to facilitate such an exit so that their financial, legal, and moral obligations are met on a continuing basis, while being able to repatriate surplus capital in a more timely fashion.

On September 2, 2015, Till entered into a separation agreement with Mr. William M. Sheriff, a former officer and director, whereby 7,100,000 shares of Till's controlled subsidiary GPY, were transfered to Mr. Sheriff. As a result, Till no longer has a controlling interest in GPY. Accordingly, Till consolidated GPY through September 2, 2015 and recognized a loss from loss of control of subsidiary in the amount of $2,911,774. The remaining GPY shares are accounted for as an available for sale investment. Although Till owned 33% of the issued and outstanding shares of GPY as of December 31, 2015, Till does not have significant influence or control over GPY. Till has no common directors or management personnel with GPY and Till has agreed to vote in favor of management's slate of directors for the GPY Board and not exercise Till's voting rights in regard to any financings until at least March 2017.

A summary of Till's legal structure at the date of filing this report is summarized in the following chart:



In conjunction with the Arrangement, Till changed its year end from February 28, which was the year end of AMB, to December 31 to synchronize its financial reporting with that of comparable companies within the insurance industry. Pursuant to IFRS, AMB was the accounting acquirer in the Arrangement, therefore, historical comparative results presented herein include those of AMB.

Till completed a quasi-reorganization effective December 31, 2014 to restate its share capital to an amount equal to its then issued and outstanding shares multiplied by the par value per share of $0.001, or $3,569. The quasi-reorganization also eliminated Till's historical deficit and increased contributed surplus. Because assets had been stated at approximate fair values, the quasi-reorganization had no effect on reported assets.

A quasi-reorganization is an accounting process and transaction that results in eliminating the accumulated deficit in retained earnings. This accounting process and transaction is limited to a reclassification of accumulated deficits as a reduction of share capital. Till implemented the quasi-reorganization effective December 31, 2014 upon completion of Till's revised business strategy and operating plans, and, as a result thereof, entered into the insurance and reinsurance business.

CORPORATE DEVELOPMENTS, SIGNIFICANT TRANSACTIONS, AND FACTORS AFFECTIING RESULTS OF OPERATONS

US listing

To provide Till with timely access to public capital markets should it require additional capital for insurance and reinsurance programs, capital expenditures, acquisitions, or other general corporate purposes, Till completed a US exchange listing to broaden its access to capital markets. Till's Registration Statement, filed with the United States Securities and Exchange Commission ("SEC") on Form 20-F as a Foreign Private Issuer, became effective on May 12, 2015 and Till's shares commenced trading on Nasdaq on May 26, 2015.

Change of presentation currency

Till anticipates raising capital primarily in the US market. Accordingly, Till's Board of Directors made a decision to change Till's financial statements' presentation currency from Canadian dollars to US dollars starting with the second quarter of 2015 so that investors in the US can better understand Till's financial results and financial position and so that the financial statements are more comparable to other companies in the US market.

The audited consolidated financial statements have been prepared in US dollars as if the US dollars had been the presentation currency since January 1, 2015, and all of the comparative prior period financial statements have been restated to US dollars in accordance with International Accounting Standard ("IAS") 21, *"The Effect of Changes in Foreign Exchange Rates"* ("IAS 21"). The functional currency for Till is the US dollar. For purposes of presentation of the comparative financial statements, all assets and liabilities have been converted to US dollars at the rate prevailing at the end of the reporting period. It was not practical to determine the historic rates of exchange for shareholders' equity, given that the predecessor company was Americas Bullion Royalty Corp. ("AMB"). Accordingly, the balances at March 1, 2013 for shareholders' equity have been converted at the spot exchange rate of CDN$1.025 to US$1.000. Thereafter, profit and loss for the period is converted to US dollars at the average exchange rate for the period. Other equity transactions are converted at the date of the transaction or at the average exchange rate for the period depending on the nature of the underlying transaction. The exchange rates used in the converting Canadian dollars to US dollars were as follows:

	Twelve Months Ended December 31, 2015	Ten Months Ended December 31, 2014	Twelve Months Ended February 28, 2014
Spot exchange rate at period end	1.3870	1.1627	1.1133
Average exchange rate for the period	1.2785	1.1054	1.0461

Basic and diluted loss per restricted voting share is calculated on the loss for the period expressed in US dollars attributed to the shareholders of Till Capital Ltd. divided by the weighted average number of shares outstanding.

Acquisition of Omega

On May 15, 2015, Till completed the acquisition of Omega Insurance Holdings, Inc., a privately-held Toronto, Canada based insurance provider, including its subsidiaries, Omega General Insurance Company (a fully licensed insurance company) and Focus Group Inc.

The purchase price of $14,042,084 represents 1.2 times the book value as of the closing date, and includes an additional amount of $730,994 for pending insurance transactions in process. Till paid $12,262,988 on May 15, 2015 and $402,682 in June 2015. One of the two then pending insurance transactions closed in August 2015, for which Till paid $238,095 on August 31, 2015. The other insurance transaction was closed in October 2015, for which Till paid $456,349 on October 30, 2015. All payments are subject to a 5% hold-back of $681,970, which holdback was paid to Omega shareholders on March 25, 2016.

Reinsurance agreements

On February 17, 2015, Till announced that its wholly-owned subsidiary, RRL, entered into its first reinsurance policy effective as of December 31, 2014, arranged through MRSE, for $5.05 million of net premium with a claim liability cap of $6.49 million.

On August 28, 2015, Till announced that it had novated its two reinsurance contracts held by its wholly-owned subsidiary, RRL. The total dollar value of the novated agreements is $5.3 million. The novations released RRL from its liabilities under these reinsurance contracts.

Changes to Till's officers and board of directors

On September 2, 2015, Till announced that Mr. William Sheriff (Mr. Sheriff) resigned as Chairman and Chief Executive Officer ("CEO") of Till and from all of his board and executive positions with Till and all of its wholly-owned subsidiaries as of September 1, 2015. The Board appointed Mr. William A. Lupien, a Director of Till and it's Chief Investment Officer, to serve as Interim CEO. On January 7, 2016 Mr. William Lupien resigned as Interim CEO of Till Capital Ltd., and Till appointed Dr. Terry Rickard as its Interim Chief Executive Officer of Till while it pursues the recruitment of a CEO having a strong reinsurance/insurance background.

On October 15, 2015, Till held its Annual General and Special Meeting in Las Vegas, Nevada. All of the proposed candidates, Alan S. Danson, William A. Lupien, Wayne Kauth, Roger M. Loeb, and John T. Rickard were duly elected as directors for the ensuing year.

The following former Directors resigned from Till's Board of Directors: Barry Rayment on June 14, 2015, David Atkins on July 31, 2015, Blair Shilleto on August 5, 2015, William Harris on August 17, 2015, Thomas Skimming on August 18, 2015, and Joseph Taussig on September 2, 2015.

Ms. Janet Lee-Sheriff resigned as Executive Vice President on July 31, 2015. On January 22, 2016, Mr. Timothy Leybold resigned as Chief Financial Officer of Till and each of its subsidiaries.

On March 17, 2016, Till appointed Mr. Brian Lupien as its Chief Financial Officer and Ms. Weiying ("Mary") Zhu as its Treasurer.

Coeur Communications retained as investor relations firm

Till has retained the services of Coeur Communications as Till’s investor relations firm effective August 19, 2015. Coeur Communications is an investor relations and corporate governance solutions firm based in Coeur d’Alene, Idaho. Led by Monique Hayes, who has over 25 years combined experience in marketing, corporate governance, and investor relations for small public reporting companies, Coeur Communications’ goal is to provide the core elements for small public companies to communicate their story to shareholders.

Taussig Capital Ltd. engagement agreement

In July 2015, Till entered into a non-exclusive engagement agreement (the "Agreement") between Till and Taussig Capital Ltd. ("TCL"), a company incorporated in Bermuda. Pursuant to the Agreement and subsequent amendment, TCL serves as a non-exclusive advisor to Till in connection with a proposed financing of no less than $50 million in equity capital from strategic investors (the "Proposed Financing") on a best efforts basis.

The Agreement also provides that, after completion of the Proposed Financing, the strategic investors, who may themselves be asset managers, will be allowed to manage 100% of their invested capital as part of Till's reinsurance related assets.

Mr. Joseph Taussig, a principal of TCL, is also a principal of MSRE with whom Till's wholly-owned reinsurance subsidiary, RRL, has previously entered into a separate agreement for underwriting and related services in support of its reinsurance business.

Investment portfolio

Till is exclusively in the insurance business. On April 17, 2014, to obtain a TSX-V listing, Till completed the acquisition of AMB. Till considers the assets acquired to be part of its investment portfolio that includes direct interests in publicly traded mining companies (mainly SPY and GPY) and their underlying assets. Till continually assesses the extent of investment allocation in the mining industry and may sell these assets as part of its investment strategy. As of December 31, 2015, SPD has approximately CDN$7 million of its CDN$9 million of assets categorized as available for sale assets as described in the next section. SPD is consolidated into Till's financial statements as Till owns 72% of this entity. As of December 31, 2015, Till's 33% investment in GPY with value of $985,278 is categorized as an available for sale asset due to the arrangement made with Mr. Sheriff at the time of his resignation from Till.

Assets held for sale

In the second quarter of 2015, Till's controlled subsidiary, SPD, announced its intention to realize value from assets by initiating a process to sell all, or part, of the tangible and intangible assets at some of its properties in Nevada. SPD's Board of Directors and management committed to a plan to sell two of SPD's assets, namely, the Springer mining and mineral assets and the Taylor mill. During 2015, negotiations related to the sale of these assets occurred. SPD currently considers that it is highly probable that the sales of the Springer mining and mineral assets and the Taylor mill assets will be completed within one year. Thus, pursuant to IFRS 5, "*Non-current Assets Held for Sale and Discontinued Operations"* ("IFRS 5"), those assets are classified as assets held for sale and are measured at the lower of carrying amount and fair value less cost to sell at December 31, 2015. SPD used the market approach to estimate the fair value less costs to sell at December 31, 2015 by using observed market comparable transactions in the United States. There have been no writedowns of those assets to date as fair value less costs to sell exceeds the carrying amount.

Revision of GPY promissory note

Till has a $2,463,262 note receivable from GPY as of December 31, 2015. On September 2, 2015, Till announced that it renegotiated the terms of the note to require payment in cash only, thereby removing GPY's current right to pay with shares of GPY valued at CDN$0.35 per share, and securing repayment of the note against GPY's Brewery Creek and 3 Aces properties. In return for those changes, Till has agreed to (a) an extended repayment schedule, with the first payment due to Till on June 1, 2016, and consisting of CDN$500,000, plus any then-outstanding accounts payable owed by GPY to Till, plus accrued interest, and with subsequent annual payments of principal plus accrued interest extending to June 1, 2019; (b) a transfer to GPY of Till's 0.5% net smelter royalty ("NSR") on GPY's Brewery Creek property and its 1% NSR on GPY's Sonora Gulch property; and (c) for a period of 18 months, vote in favor of management's slate of directors for the GPY Board and not exercise its voting rights in regard to any financing(s) of GPY. The renegotiated terms of this promissory note are in keeping with Till's investment strategy by requiring payment in cash rather than in shares of GPY.

Normal course issuer bid

On September 25, 2015, Till announced that it has initiated a new normal course issuer bid ("NCIB"). Under the new NCIB, Till intends to bid for up to 265,502 common shares, representing 10% of the 2,655,025 shares forming Till's public float. Till's Board of Directors believes that the current and recent market prices for Till's common shares do not give full effect to their underlying value and that, accordingly, the purchase of common shares under the NCIB will increase the proportionate share interest of, and be advantageous to, all remaining shareholders. Till also believes the NCIB purchases will provide increased liquidity to current shareholders who would like to sell their shares. Purchased shares will be returned to treasury and canceled. Purchases subject to the bid will be carried out pursuant to open market transactions through the facilities of the TSX-V/Nasdaq by Canaccord Genuity on behalf of Till.

Under a prior NCIB which commenced on September 23, 2014 and expired on September 23, 2015, Till purchased 183,400 common shares through open market purchases, all of which have been returned to treasury and canceled.

GPY share options

As part of the separation agreement between Till and Mr. Sheriff, Till granted Mr. Sheriff two assignable options, each with a term of 18 months, to purchase the balance of Till's ownership of 11,812,154 GPY shares. The initial derivative liability associated with those options was $163,868 and is included in the loss on loss of control. Thereafter, the financial derivative is reported at fair value. As of December 31, 2015, the carrying amount is $337,684. That amount will continue to be reported at fair value until expiry of the options on March 1, 2017 when the carrying amount at that date will be $nil. If an option is exercised prior to that date, the carrying amount of the financial derivative will be included in the proceeds upon sale of the investment.

The first option to purchase up to 5,500,000 of Till's GPY shares, according to a staggered schedule and price, is as follows:

a) if exercised by September 30, 2015, at CDN$0.11 per share
b) if exercised by October 31, 2015, at CDN$0.12 per share
c) if exercised by November 30, 2015, at CDN$0.13 per share
d) if exercised by December 23, 2015, at CDN$0.14 per share, and
e) if exercised after December 23, 2015 and before March 1, 2017, at CDN$0.15 per share

The second option is to purchase up to 6,312,154 of Till's GPY shares before March 1, 2017 at CDN$0.15 per share. Till can accelerate the expiry of either option to a date 45 days after it gives notice to the holder at any time after the ten-day volume-weighted average price ("VWAP") of the GPY shares is at or above CDN$0.25 per share. The closing price of GPY shares on December 31, 2015 was CDN$0.13.

In 2015, the total expense from the issuance of the options described above was $355,719. This expense will be recovered as the options are exercised or expire. Through the date of the filing of this report, Mr. Sheriff has exercised a total of 1,300,000 GPY share options. The first transaction was completed on September 30, 2015 for 500,000 shares at an exercise price of CDN$0.11 per share and the second transaction was completed on October 30, 2015 for 800,000 shares at an exercise price of CDN$0.12 per share. Till currently owns approximately 28% of the outstanding shares of GPY. For reference purposes, as of December 31, 2015, the exchange rate of CDN$ and US$ is CDN$1.00 equals US$0.72.

Change of auditor

On December 23, 2015, Till announced that it had changed its auditor from KPMG Audit Limited to Grant Thornton LLP. Grant Thornton LLP was previously the auditor for Omega. There were no reservations in the former auditor's reports on any of Till's financial statements relating to the period during which the former auditor was Till's auditor. There were no reportable events between Till and the former auditor.

OVERVIEW

2015 Highlights

- Completion of Omega acquisition on May 15, 2015
- Commencement of trading on Nasdaq on May 26, 2015
- Cash, cash equivalents, and Investments of $26,623,072 as of December 31, 2015
- Completion of two assumption reinsurance/portfolio transfer transactions in 2015
- Continual execution of investment strategy relating to extent of investments held in mining industry
- Announcement of intent to seek a strategic investor

Review of operations

For the twelve months ended December 31, 2015, Till reported a net loss of $15,632,814 due primarily to the following:

- Mineral property impairment of $5,434,227 primarily related to the write-down of the Taylor assets owned by Till's controlled subsidiary SPD. With mineral properties written down to $1,089,804 as of December 31, 2015, Till does not expect material mineral property impairment in the future.
- Loss from loss of control of subsidiary of $2,911,774 as a result of the loss of control of GPY on September 30, 2015. The remaining GPY shares owned by RRL are now accounted for as an available for sale investment.
- General and administrative expenses of $2,663,318 and staff costs of $2,159,117. The general and administrative and staff costs included separation payments to some of Till's former officers. As a result of the workforce reduction at Till's corporate office, Till expects the general and administrative and staff costs to be less than $2 million in 2016.
- Investment loss of $1,165,612 primarily due to the bear market in resource stocks.
- Foreign exchange loss of $678,665 due to the strengthening of the US$ with respect to the CDN$, going from US$0.8566 per CDN$ at the beginning of 2015 to near its recent low of US$0.7217 per CDN$ at the end of 2015 (a 16% loss).

<u>Omega</u>

On May 15, 2015, Till completed the acquisition of Omega Insurance Holdings Inc., a privately-held Toronto, Canada based insurance provider, including its subsidiaries, Omega General Insurance Company (a fully licensed insurance company) and Focus Group, Inc. for a purchase price of $14,042,084. The acquisition has been accounted for as a business combination which has resulted in recognition of goodwill in the amount of $3,368,321.

Omega General Insurance Company's primary insurance business is assumption reinsurance / portfolio transfer business, whereby it acquires various blocks of run-off insurance business from companies looking to exit a geographical location or line of business. Omega General's secondary business is direct insurance premium business, often as part of a fronting arrangement for foreign insurers (including captive insurance companies).

Focus Group Inc., has been providing management and consulting services to the insurance industry for over 25 years, and has developed significant experience and expertise in managing the operations of foreign insurance companies who want to operate in Canada without establishing a fully staffed Canadian operation.

The operating results of Omega from May 15, 2015 to December 31, 2015 are as follows:

Insurance premiums written	$ 20,693,110
Insurance premiums ceded	(20,764,179)
Consulting income	285,872
Investment income	336,773
Total revenue	551,576
Net claims, adjustment expenses, and underwriting expenses	371,742
General and administrative expenses	651,520
Income taxes	22,079
Net loss	$ (493,765)

During 2015, Omega increased its portfolio of run-off insurance business through the completion of two assumption reinsurance/ portfolio transfer transactions with branches of foreign insurance companies looking to exit the Canadian market.

As of December 31, 2015, Omega has cash of $512,265, investments of $18,868,702, claim liabilities of $15,768,895, and claims ceded of $7,845,902.

Resource Re Ltd.

On August 28, 2015, RRL novated its two reinsurance contracts. The total dollar value of the novated agreements is $5.3 million. The novations released RRL from its liabilities under these reinsurance contracts, thus freeing up the required capital. RRL generated a net underwriting loss of $200,994 in 2015. As of December 31, 2015, RRL does not hold any reinsurance contracts. RRL intends to resume writing reinsurance contracts when additional capital is available.

REVIEW OF INVESTMENTS AND INVESTMENT PERFORMANCE

Investment policies and strategy

Till's overall portfolio includes the portfolios of both of its wholly-owned subsidiaries, Omega and RRL. Till continually assesses the extent of investment allocation in the mining industry and may sell these assets as part of its investment strategy. Going forward, investments in both portfolios will be principally allocated to one of the following two strategies:

Highly liquid investments - Investments in highly liquid securities with a maturity of less than 30 days or that can be converted to cash within 10 days. The percentage of Company investments allocated to highly liquid investments is expected to range between 70% and 100%.

Long-term opportunities - Longer-term opportunistic investments where Till expects to achieve asymmetrical returns and disposition optionality that may include equity investments, debt financing arrangements, and other structured investments. Holding periods are expected to be one to three years. The percentage of Till's investments allocated to long-term opportunities is expected to range between 0% and 30%.

Investments

Till's investments at December 31, 2015 (excluding cash of $1,519,881) totaled $25,103,191, and are primarily made up of marketable securities.

Investments in securities as of December 31, 2015:

Government bonds and guaranteed investment certificates	$18,971,319
Public companies – natural resource sector	3,483,055
Public companies – all other sectors	1,529,212
Private companies – natural resource sector	1,019,605
Private companies – all other sectors	100,000
	$25,103,191

Investment performance

For 2015, total loss on investments, before net investment expenses of $457,652, was $707,960, as summarized in the following table:

Security	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Equities	$ (1,273,486)	$ 395,366	$ (878,120)
Options, warrants, and futures	(204,277)	244,947	40,670
Bonds	(42,579)	10,417	(32,162)
Gold bullion	(19,542)	—	(19,542)
Foreign currencies	134,435	46,759	181,194
TOTAL	$ (1,405,449)	$ 697,489	$ (707,960)

Losses in equities are mostly due to positions in the resource and energy sectors. The gains in options, warrants, and futures is mostly due to an increase in the value of warrants held by Till, partially offset by trading losses in futures contracts. The small losses in bonds and gold bullion are attributable to normal market volatility. The gain in foreign currency is due almost entirely to trading between US$ and CDN$. Overall investment performance in 2015 was impacted by the requirement to hold a substantial fraction of the total investment portfolio in liquid positions, in anticipation of providing cash upon the closing of the Omega purchase. This purchase was originally expected to close by the beginning of 2015, but was delayed until May 15, 2015, awaiting regulatory approval.

OUTLOOK

Till's shares began trading on the Nasdaq stock exchange on May 26, 2015. Till expects that the listing of its shares in the US will broaden its access to capital markets and intends to pursue the issuance of additional share capital in the near term to expand its underwriting capacity, fund purchases of additional insurance and reinsurance contracts, consider acquisitions in the insurance/ reinsurance industry, and for general corporate purposes. Till has entered into an engagement agreement with Taussig Capital Ltd. to raise no less than $50 million in equity capital, which agreement is more fully described herein under Corporate Developments, Significant Transactions, and Factors Affecting Results of Operations. There can be no assurance that Till and Taussig Capital Ltd. will be successful in raising additional equity capital.

The insurance markets in which Till operates have historically been cyclical. During periods of excess underwriting capacity, as defined by the availability of capital, competition can result in lower pricing and less favorable policy terms and conditions for insurers and reinsurers. Till has entered the reinsurance business at a time when the reinsurance capital is at its highest, and, as such, the margins that can be earned on some reinsurance programs are now at low levels. Till expects to find its own market niche in acquisitions such as Omega and agreements with MSRE to generate underwriting income. Historically, underwriting capacity has been affected by several factors, including industry losses, the impact of catastrophes, changes in legal and regulatory guidelines, new entrants, investment results (including interest rate levels), and the credit ratings and financial strength of competitors. RRL anticipates writing new reinsurance premiums to modestly outpace claims paid in an effort to grow the business. Till realizes that, in the early years, the possibility of “netting” whereby new premiums are used to pay outstanding claims within the same period is unlikely. As such, Till intends to maintain flexibility in the liquidity of investable assets and/or excess capacity in letters of credit to maintain sufficient available assets to cover claim payments.

On May 15, 2015, Till acquired Omega Insurance Holdings, Inc for approximately $14.0 million. Omega has a history of profitable operations and Till expects Omega will continue to generate operating income that will be consolidated with Till's financial results going forward.

Till's investment strategies will be a key aspect for generating future profitability. Omega's investment strategy has previously been focused exclusively in Canadian federal and provincial government bonds that historically have provided stable but low returns. Omega expects to make revisions to its investment policy to enhance future investment returns.

Till's Registration Statement with the United States Securities and Exchange Commission ("SEC") that became effective May 12, 2015 was filed on Form 20-F as a Foreign Private Issuer. Till expects that its status as a Foreign Private Issuer may change in 2016, and, if the status changes, Till will begin reporting in accordance with SEC rules and regulations applicable to United States domestic issuers.

SELECTED FINANCIAL INFORMATION

	December 31, 2015	December 31, 2014
Revenue	$ (5,986,550)	$ 7,084,980
Loss for the period	$ (15,632,814)	$ (5,807,592)
Total assets	$ 51,262,639	$ 52,816,013

Till entered the reinsurance business as a result of the Reorganization in April 2014 and secured its first reinsurance contracts in December 2014 for total premiums earned of $6,402,804. In 2014, Till also earned investment income of $605,989 and had other income of $76,187. In 2015, Till novated insurance contracts that reduced revenue by $5,246,208. Till had net insurance premiums (after ceding) of a negative $71,069. Investment income was a loss of $1,165,612 and other income was $496,339.

Financial position

The decrease in cash of $15,514,570 to $1,519,881 during 2015 (2014 - $17,034,451) is primarily due to the payment for the Omega acquisition of $12,896,775 (net of cash received).

Investments increased by $15,811,851 to $25,103,191 during 2015 (2014 - $9,291,340) due primarily to the acquisition of Omega in May 2015 and the inclusion of Omega's investments in Till's investments at December 31, 2015, partly offset by trading losses, changes in the fair market value of investments, and the net sales of investments, resulting in a decrease in investments with a corresponding increase in cash and cash equivalents, less net realized losses.

Assets held for sale at December 31, 2015 of $4,762,394 (December 31, 2014 - $nil) are a result of certain assets at Till's controlled subsidiary, SPD, being classified as assets held for sale during 2015.

There were no reinsurance contract receivables at December 31, 2015 (December 31, 2014 - $6,087,262) due to payment of the prior-period balance in 2015, and no new contracts written in 2015. RRL's reinsurance contracts were fully novated during 2015.

At December 31, 2015, premiums and ceded claims receivable were $1,994,350 (December 31, 2014 - $nil), unpaid claims ceded were $7,845,902 (December 31, 2014 - $nil), unearned premiums ceded were $1,479,632 (December 31, 2014 - $nil), deferred policy acquisition costs were $465,472 (December 31, 2014 - $nil), claims and ceded premiums payable were $2,110,536 (December 31, 2014 - $nil), unearned premiums were $1,786,120 (December 31, 2014 - $nil), and unearned commissions were $400,752 (December 31, 2014 - $nil). Those increases are all attributable to the Omega acquisition.

Insurance contract liabilities increased to $15,768,895 at December 31, 2015 (December 31, 2014 - $6,771,623) due primarily to including Omega's insurance contract liabilities of $15,768,895 from the Omega acquisition in May 2015, partly offset by the decrease of RRL's insurance contract liabilities to $nil as a result of RRL's reinsurance contracts being fully novated during 2015.

Selected annual information

	Twelve Months Ended December 31, 2015	**Ten Months Ended December 31, 2014* Restated****	**Twelve Months Ended February 28, 2014 Restated****
Net revenue (negative revenue)	($5,986,550)	$7,084,980	$13,435
Net loss	($15,632,814)	($5,807,592)	($20,699,612)
Net loss for Till shareholders	($13,988,085)	($5,000,555)	($20,699,612)
Basic and diluted Income (loss) per share of Till	($4.05)	($1.50)	($11.89)
At end of period:			
Total assets	$51,262,639	$52,816,013	$34,039,205
Total non-current liabilities	—	$259,535	$305,336

*In 2014, Till changed its year-end from February 28 to December 31. As a result, Till's period ended December 31, 2014 consists of ten months beginning March 1, 2014 and ending December 31, 2014.
**See Change in presentation currency on page 3.

Prior to April 2014, AMB was involved in mining exploration and evaluation activities and previously had not generated significant operating revenue. AMB incurred administrative and other overhead expenses to support its exploration and evaluation activities, and, as such, had net losses.

Net revenue increased in the ten months ended December 31, 2014 primarily due to insurance premiums written of $6.4 million and investment income of $0.6 million. Net revenue decreased in 2015 due to the novation of insurance contracts of $5.2 million and investment losses of $1.0 million.

Net loss decreased in the ten months ended December 31, 2014 principally due to a reduction in mineral property impairments compared to the twelve months ended February 28, 2014. Net loss increased in 2015 due to lower net revenue, increased mineral property impairments, and a $2.7 million loss from the loss of control of a subsidiary.

Total assets increased over the three periods primarily due to the Arrangement in April 2014.

Non-current liabilities decreased to $nil with the sale of Till's property in Hayden, ID and the repayment of the associated debt.

Results of operations for the twelve months ended December 31, 2015 compared to the ten months ended December 31, 2014

The loss for the 2015 period was $15,632,814 (2014 - loss of $5,807,592). Individual items contributing to this increase in the loss are as follows:

- Net premiums earned in 2015 were negative $71,069, which amount is the net of premiums written of $20,693,110 and premiums ceded to reinsurers of $20,764,179 (2014 - $6,402,804). The 2015 premiums earned are from Omega as a result of Till acquiring Omega on May 15, 2015. The 2014 premiums earned were from RRL, RRL did not enter into new contracts in 2015.

- As a result of RRL's insurance contract novations, Till reversed premium revenue of $5,246,208 (2014 - $nil) and reversed claims and claim adjustment expenses of $5,113,010 (2014 - $nil).

- Net investment loss was $1,165,612 in 2015 (2014 - income of $605,989) as a result of trading expenses and losses, principally in futures contracts and equities. Active daily trading in S&P 500 and NASDAQ futures contracts resulted in losses in 2015 due to abnormally low intraday volatility. Investment losses were mitigated by currency trading gains, principally between US dollars and Canadian dollars, and net investment income from Omega. Investment gains from 2014 were primarily the result of an increase in the market value of core positions.

- Other income in 2015 was $496,339 (2014 - $76,187) due principally to consulting service revenue of $285,871 from Omega, other consulting service revenue of $40,870, royalty income of $40,000, and option income of $87,666 in 2015.

- Claims and claim adjustment expenses decreased $6,750,898 to $371,742 in 2015 (2014 - $7,122,640) due to no new reinsurance contracts entered into by RRL compared to $7,122,640 in 2014 related to reinsurance contracts RRL entered into in the fourth quarter of 2014. The $371,742 claims and claim adjustment expenses in 2015 are from Omega.

- General and administrative expenses in 2015 increased $118,519 to $2,663,318 (2014 - $2,544,799) due to higher general and administrative expenses since the acquisition of Omega, partly offset by reduced exploration and development activity by Till's controlled subsidiaries as well as lower legal and professional expenses. The higher legal and professional expenses in 2014 were due principally to Till's Arrangement activities.

- Staff costs increased in 2015 $1,089,269 to $2,159,117 (2014 - $1,069,848) due to higher staff costs since the acquisition of Omega, the payment to Mr. Sheriff according to the separation agreement that Till entered into with Mr. Sheriff on September 2, 2015, and other separation payments to officers of Till.

- Stock-based compensation decreased in 2015 $117,028 to $309,044 (2014 - $426,072) due to a lower 2015 expense of options issued ($215,426), partly offset by the issuance of 171,000 warrants to MSRE ($98,398).

- Mineral property impairments increased in 2015 $2,125,348 to $5,434,227 (2014 - $3,308,879). The 2015 impairment was primarily related to the writedown in the Taylor assets owned by Till's controlled subsidiary, SPD. In 2014, impairment expenses were due to impairments on property transferred from SPD and Northern Tiger Resources Inc. as part of the Arrangement. SPD also recorded writedowns and sold its interests in several properties as a result of the management's decision to cease exploration on those properties.

- Foreign exchange loss decreased $303,565 in 2015 to $678,665 (2014 - $982,230) as a result of greater weakening of the Canadian dollar compared to the US dollar in 2015 compared to 2014.

Cash flows for the twelve months ended December 31, 2015 compared to the ten months ended December 31, 2014

Cash outflows from operating activities in 2015 increased $116,776 to $5,173,509 (2014 - $5,290,285) primarily due to the increase in unpaid claims ceded and other insurance assets net of the increase in insurance contract liabilities as a result of the Omega acquisition, a larger loss adjusted for non-cash items due primarily to increased general and administrative expenses and staff costs, partially offset by a favorable change in accounts payable, accrued liabilities, and other working capital.

Cash flows from investing activities in 2015 decreased $21,590,899 to outflows of $9,058,303 (2014 - inflows of $12,532,596) due primarily to the Omega acquisition of $12,896,775 (net of cash received) in 2015. In 2014, Till received proceeds from sales of mineral properties and royalties of $14,049,698, partly offset by the net sales of investment of $3,192,573 in 2015 compared to the net purchases of investment of $111,490 in 2014.

For 2014, cash flows from financing activities were $8,842,488 primarily as a result of cash received as part of the Arrangement.

Summary of quarterly results

	2015				2014*			Fiscal year ended February 28, 2014
	Q4	Q3	Q2	Q1	Q3**	Q2**	Q1**	Q4**
Net revenues (negative revenues)	$(1,123,817)	$(4,384,526)	$ (217,466)	$ (260,741)	$ 6,291,024	$(1,824,946)	$ 2,618,902	$ —
Net income (loss)	(3,524,030)	(5,710,014)	(3,090,770)	(3,308,000)	(3,913,204)	(3,552,004)	1,657,616	(23,649,007)
Net income (loss) for Till shareholders	(3,478,365)	(4,507,516)	(3,094,872)	(2,907,332)	(3,398,911)	(3,402,503)	1,800,859	(23,649,007)
Basic and diluted Income (loss) per share of Till	$ (1.03)	$ (1.31)	$ (0.90)	$ (0.81)	$ (1.09)	$ (0.94)	$ 0.62	$ (13.12)

*In 2014, Till changed its year-end from February 28 to December 31. As a result, Till's 2014 reporting period consists of ten months beginning March 1, 2014 and ending December 31, 2014, and Till's prior-year first quarter reporting period consists of the four months ended June 30, 2014.
**Restated. See Change in presentation currency on page 3.

Prior to 2014, AMB was involved in mining exploration and evaluation activities and previously had not generated operating revenue. AMB incurred administrative and other overhead expenses to support its exploration and evaluation activities, and, as such, had net losses on a quarterly basis.

In the fourth quarter of the fiscal year ended February 28, 2014, AMB incurred impairment losses of $17 million primarily related to its Yukon properties, including the Brewery Creek and Gold Dome projects.

In the four months ended June 30, 2014, following the Arrangement,Till had net investment revenue of $2.6 million offset by $3.3 million in operating expenses for a net loss before tax of $0.7 million. Till also recognized a reversal of a prior tax liability of $2.4 million that resulted in net income of $1.7 million.

In the three months ended September 30, 2014, Till incurred a net investment loss of $1.8 million and operating expenses of $1.8 million, resulting in a loss of $3.6 million.

In the three months ended December 31, 2014, net revenue was $6.3 million as a result of Till's entry into the reinsurance business, and a loss of $3.9 million primarily as a result of impairment charges on mineral interests of Till's controlled subsidiaries.

In the first quarter of 2015, Till incurred a net investment loss of $0.3 million and operating expenses of $3.0 million.

In the second quarter of 2015, Till incurred a net investment loss of $0.3 million, premiums earned and other income of $0.1 million, and operating expenses of $2.9 million.

In the third quarter of 2015, Till incurred premiums earned and other income of $1.0 million, a net investment loss of $0.1 million, a reversal of premiums earned of $5.2 million, a reversal of claims and claims adjustment expenses of $5.1 million, mineral property impairment of $3.4 million, and operating expenses of $3.1 million. The reversal of premiums earned and claims and claims adjustment expenses are a result of the novation of RRL's reinsurance contracts.

In the fourth quarter of 2015, Till incurred negative revenue of $1.0 million as a result of insurance premiums ceded to reinsurers being higher than insurance premiums written and operating expenses of $1.4 million.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2015, Till had working capital of $18,956,390 including cash of $1,519,881, as compared to a working capital of $24,781,054, including cash of $17,034,451 at December 31, 2014. Also included in working capital at December 31, 2015 were investments with a market value of $25,103,191 (December 31, 2014 - $9,291,340). Till has no meaningful long-term debt.

Till expects to invest in insurance, reinsurance, and business acquisitions that will require additional capital. Till does not presently anticipate that it will incur any material indebtedness in the ordinary course of business other than temporary borrowings directly related to the management of the investment portfolio.

Till manages capital on an aggregate basis, as well as individually for each regulated entity. Its insurance subsidiaries are subject to the regulatory capital requirements defined by Office of Superintendent of Financial Institutions (Canada) ("OSFI") for Omega and the Bermuda Monetary Authority ("BMA") for RRL.

The following tables show the terms to maturity of investments and the maturity of financial liabilities:

	Less than 1 year	From 1 to 5 years	Over 5 years	No specific maturity	Total
Cash and cash equivalents	$ 1,519,881	$ —	$ —	$ —	$ 1,519,881
Fixed-income securities	3,951,504	10,906,186	4,113,629	—	18,971,319
Common shares	5,012,267	—	—	1,119,605	6,131,872
	$ 10,483,652	$ 10,906,186	$ 4,113,629	$ 1,119,605	$ 26,623,072

	Less than 1 year	From 1 to 5 years	Over 5 years	No specific maturity	Total
Provision for claims	$ 5,450,760	$ 8,112,692	$ 2,205,443	$ —	$ 15,768,895
Claims and ceded premiums payable	2,110,536	—	—	—	2,110,536
Accounts payable and accrued liabilities	4,915,495	—	—	—	4,915,495
	$ 12,476,791	$ 8,112,692	$ 2,205,443	$ —	$ 22,794,926

Till's objectives when managing capital consist of:

- Ensuring policyholders in the insurance and reinsurance subsidiaries are well protected while maintaining strong regulatory capital levels (see Regulatory capital section below).
- Maximizing long-term shareholder value by optimizing capital used to operate and grow Till.

Till views capital as a scarce and strategic resource. This resource protects the financial well-being of the organization, and is also critical in enabling Till to pursue strategic business opportunities. Adequate capital also acts as a safeguard against possible unexpected losses, and as a basis for confidence in Till by shareholders, policyholders, creditors, and others. For the purpose of capital management, Till has defined capital as shareholders' equity, excluding accumulated other comprehensive income ("AOCI"). Capital is monitored by Till's Board of Directors. Till's insurance subsidiaries are subject to a minimum amount of capital which, in the case of Omega, is CDN$10 million and, in the case of RRL, is $1 million. Those amounts are not available to satisfy financial liabilities of the parent company or other subsidiaries. Both Omega and RRL are in compliance with those requirements.

Regulatory capital

Till manages capital on an aggregate basis, as well as individually for each regulated entity. Its insurance subsidiaries are subject to the regulatory capital requirements defined by OSFI for Omega and by the BMA for RRL.

Omega

OSFI has established an industry-wide supervisory target capital ratio of 150% to provide an amount above the minimum requirement. Management of Omega has set an internal target of 200%. To ensure that there is minimal risk of breaching the supervisory target, Omega has established a higher internal threshold in excess of which, under normal circumstances, Till will maintain its capital. Total capital available in Omega principally represents total shareholders' equity less specific deductions for disallowed assets, including goodwill and intangible assets, net of related deferred tax liabilities. Total capital required is calculated by classifying assets and liabilities into categories and applying prescribed risk factors to each category. That amount is further increased by an operational risk margin, based on the overall riskiness of a P&C insurer (its capital required) and its premium volume. Capital required is then reduced by a credit for diversification between investment risk and insurance risk. Reinsurance is utilized to protect Till's capital from catastrophic loss.

At December 31, 2015, Omega had total capital available of CDN$9.2 million and a total capital required of CDN$2.3 million. The Minimum Capital Test ratio is 409% compared to a minimum Capital Test Ratio of 100% with a 150% supervisory target for Canadian property and casualty insurance companies as established by OSFI. In addition to that test, there is a minimum capital requirement in Canada of CDN$10 million set by OSFI as the minimum amount of capital for an insurance company; Omega has met that requirement.

Resource Re Ltd.

RRL is registered as a Class 3A insurer under The Bermuda Insurance Act 1978 and related regulations (the "Act") that requires that RRL file a statutory financial return and maintain certain measures of solvency and liquidity. As of December 31, 2015, RRL met the required Minimum General Business Solvency Margin and the required Minimum Liquidity Ratio.

The required Minimum General Business Solvency Margin at December 31, 2015 was $1,000,000 (December 31, 2014 - $1,213,089). RRL's statutory capital and surplus at December 31, 2015 was $3,660,932 (December 31, 2014 - $39,106,637).

The Minimum Liquidity Ratio is the ratio of the insurer's relevant assets to its relevant liabilities. The minimum allowable ratio is 75%. RRL's relevant assets at December 31, 2015 were $5,655,463 (December 31, 2014 - $28,838,065) and 75% of its relevant liabilities as of December 31, 2015 were $28,671 (December 31, 2014 - $5,380,019).

Distributions by RRL to Till are restricted to the extent that any such distribution would result in RRL not meeting the required Minimum General Business Solvency Margin or the required Minimum Liquidity Ratio.

FINANCIAL INSTRUMENTS

Till reviews its investment portfolio together with the reinsurance operations on a periodic basis to ensure that Till has sufficient capital to withstand modeled losses on either or both of its investment and reinsurance portfolios. Till periodically analyzes both its assets and liabilities, including the components of risk in the portfolio, such as concentration risk and liquidity risk.

OUTSTANDING SHARE DATA

At December 31, 2015 and through the date of this filing, Till had 3,429,284 issued and outstanding common shares, and 167,641 outstanding stock options and 179,500 outstanding warrants.

OFF BALANCE SHEET ARRANGEMENTS

At December 31, 2015, Till had no material off-balance sheet arrangements.

SUBSEQUENT EVENTS

On January 7, 2016, Mr. William Lupien resigned as Interim Chief Executive Officer of Till Capital Ltd., and Till appointed Dr. Terry Rickard as its Interim Chief Executive Officer.

On January 22, 2016, Mr. Timothy Leybold resigned as Chief Financial Officer of Till Capital Ltd. and each of its subsidiaries.

On March 17, 2016, Till appointed Mr. Brian P. Lupien as its Chief Financial Officer and Ms. Weiying ("Mary") Zhu as its Treasurer.

On March 25, 2016, Till made the final payment on the purchase of Omega in the amount of $681,970 representing the 5% hold-back amount in accordance with the share purchase agreement.

On April 27, 2016, Till announced that, subject to TSX-V approval, it has amended the terms of the two promissory notes that RRL had issued to SPD. The terms on the original $4,500,000 promissory note have been amended to extend the due date of the second payment of $1,500,000 plus interest to July 18, 2016 and the interest rate was increased from 4% to 10% beginning April 16, 2016. The terms on the $400,000 short-term note have been amended to extend the payment due date from April 30, 2016 to June 15, 2016.

RELATED PARTY DISCLOSURES

Key management personnel comprise all members of Till's Board of Directors and executive officers. The compensation of key management personnel comprises salaries, fees, share-based awards, and other employee benefits. Total compensation amounted to $1.6 million for 2015 (2014 - $0.8 million).

Till is party to service agreements with SPD whereby Till provides accounting, corporate communications, and other management services on a cost-plus recovery basis, and was party to service agreements with GPY whereby Till provided similar services as to SPD on a cost-plus recovery basis. The agreements with GPY were terminated on July 31, 2015. During 2015 , Till charged SPD a total of $242,786 (2014 - $149,638) and GPY a total of $82,082 (2014 - $73,908).

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the applicable accounting policies. Those judgments and estimates are based on management's knowledge of the relevant facts and circumstances, input from certain contractors, taking into account previous experience, but actual results may differ from the amounts reported in the financial statements.

Areas of estimation and judgment that have the most significant effect on the amounts recognized in the financial statements include:

Valuation of insurance and reinsurance claim liabilities and reinsurance assets

Estimates must be made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of incurred but not yet reported ("IBNR") claims. A significant amount of time may pass before the ultimate claims cost can be established with certainty, and, for some types of policies, IBNR claims form the majority of the liability in the accompanying balance sheets.

The ultimate cost of outstanding claims is estimated by using a range of actuarial claim projection techniques. The principal assumption underlying those techniques is that a company's past claims development experience can be used to project future claims development and hence ultimate claims costs. Those techniques extrapolate the development of paid and incurred losses based on the observed development of earlier years and expected loss ratios. Large claims are usually separately addressed either by being reserved at the value of loss adjuster estimates or are separately projected to estimate their future development. Additional qualitative judgment is used to assess the extent that past trends may not apply in the future when estimating the ultimate cost of claims.

Estimates are also made for the portion of the ultimate cost of outstanding claims that will be recoverable from reinsurance ceded policies.

The carrying value of insurance and reinsurance contract liabilities at December 31, 2015 was $17,955,767 (2014 - $6,771,623).

	December 31, 2015	December 31, 2014 Restated*
Provision for outstanding claims	$ 15,768,895	$ 6,771,623
Unearned premiums	1,786,120	—
Unearned commissions	400,752	—
Total insurance contract liabilities	$ 17,955,767	$ 6,771,623

* See Change of presentation currency on page 3

The carrying value of the reinsurance contract assets at December 31, 2015 was $9,791,006 (2014 - $nil).

	December 31, 2015	December 31, 2014
Unpaid claims ceded	$ 7,845,902	$ —
Unearned premiums ceded	1,479,632	—
Deferred policy acquisition costs	465,472	—
Total insurance contract assets	$ 9,791,006	$ —

Impairment of goodwill

The recoverable amount of goodwill related to the Omega business has been determined based on a value in use calculation using cash flow projections based on historic results for six years and financial budgets approved by senior management covering a four-year period. A pre-tax Till-specific risk-adjusted discount rate is used.

The key assumptions used for the value in use impairment calculation are:

- The ability of Omega to maintain the existing fronting contracts and add further contracts.
- The ability of Omega to close further portfolio transfer transactions for companies that wish to exit the Canadian market.
- The run-off of existing claims liabilities will approximate the existing provisions related thereto.

Business combinations

Till accounts for business combinations using the guidelines specified in IFRS 3. The acquisition method is used in accounting for business combinations. The purchase price is determined by the cash and other consideration, including contingent consideration issued in the transaction. Acquisition costs are expensed as incurred. Till recognizes identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Pro forma financial information

In Note 5 to the audited consolidated financial statements, the pro forma financial information related to the Omega acquisition is presented in accordance with IFRS 3. The unaudited pro forma financial information represents the combined results of Till's operations as if the Omega acquisition had occurred at the beginning of the periods presented. The unaudited pro forma financial information was presented for informational purposes only and is not indicative of the results of operations that would have occurred if the acquisition had taken place at the beginning of the periods presented, nor is it indicative of future operating results.

Valuation of mineral interests

From time to time, should Till acquire exploration and development properties in a portfolio, Till makes a determination of the fair value attributable to each of the properties within the total portfolio. When Till conducts further exploration on acquired properties, it may determine that certain of the properties do not support the values applied at the time of acquisition. If such a determination is made, the property is written down to its recoverable amount, which determination could have a material effect on the balance sheet and consolidated statements of comprehensive loss. This determination requires significant judgment. In making this judgment, Till evaluates, among other factors, the results of exploration and evaluation activities to date and future plans to explore and evaluate a mineral property.

Income taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences") and losses carried forward.

The determination of the ability of Till to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of Till. Management is required to assess whether it is "probable" that Till will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices, and other factors could result in revisions to the estimates of the benefits to be realized or the timing of the utilization of the losses.

Fair value measurement of Level 3 investments

Level 3 investments are assets or liabilities that cannot be measured or can only be partially measured using observable market inputs. These include private and unlisted equity securities where observable inputs are not available. The unobservable inputs for Till's Level 3 investments relate principally to an estimate of private company investments in the mining industry that require an assessment of mineral quantities, commodity prices, and costs of production. Where possible, management obtains external evidence of value relating to each investment and considers this information in assessing fair value such as previous trades in the entity and mineral data reports for mining entities. Fair values for the Level 3 investments are derived based on unobserved inputs and management's assumptions developed from available information using the services of an investment adviser. See Note 8 to the audited consolidated financial statements.

Loss of significant influence

Judgment is required as to the extent of influence that Till has over other entities. Till considers the extent of voting power over the entity, the power to participate in financial and operating policy decisions of the entity, representation on the board of directors, material transactions between the entities, interchange of management personnel and provision of essential technical information.

CHANGES TO ACCOUNTING STANDARDS

New standards not yet adopted

Till is currently evaluating the impact of the following pronouncements and has not yet determined the impact on its consolidated financial statements:

<u>Financial Instruments</u>

IFRS 9, "*Financial Instruments*" ("IFRS 9"), addresses the classification, measurement, and recognition of financial assets and financial liabilities. The IASB has previously issued versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication of IFRS 9 is the complete version of the Standard, replacing earlier versions of IFRS 9 and superseding the guidance relating to the classification and measurement of financial instruments in IAS 39, "*Financial Instruments*: *Recognition and Measurement*". Additionally, IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets, and some modifications related to hedge accounting. This final version of IFRS 9 will become effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

Revenue from Contracts with Customers

IFRS 15, *"Revenue from Contracts with Customers"* ("IFRS 15"), replaces IAS 11, "*Construction Contracts"*, IAS 18, "*Revenue*", IFRIC 13, "*Customer Loyalty Programmes*", IFRIC 15, "*Agreements for the Construction of Real Estate*", IFRIC 18, *"Transfer of Assets From Customers",* and Standard Interpretations Committee ("SIC") 31, "*Revenue - Barter Transaction Involving Advertising Services*". IFRS 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contract(s) with customers. This revenue standard introduces a single, principles-based, five-step model for the recognition of revenue when control of a good or service is transferred to the customer and requires the reporting entity to identify the contract(s) with the customer, identify the performance obligations in the contract(s), determine transaction price, allocate the transaction price, and recognize revenue when a performance obligation is satisfied. IFRS 15 is intended to enhance disclosures about revenue to help investors better understand the nature, amount, timing, and uncertainty of revenue and cash flows from contracts with customers and to improve the comparability of revenue from contracts with customers. This standard will become effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

Leases

On January 13, 2016, the IASB issued IFRS 16, "*Leases"* ("IFRS 16"), under which all leases are to be included on the balance sheets of lessees, except for those that meet the limited exception criteria. This standard is effective for annual periods beginning on or after January 1, 2019.

FINANCIAL RISK MANAGEMENT

Insurance risk

Till principally issues general insurance contracts in personal property, commercial property and liability lines of business. Under these general insurance contracts, Till is exposed to certain risks defined in the general insurance contracts, usually for durations of one to twelve months.

In addition to general insurance contracts, Till also assumes portfolios of existing claims from other insurers through assumption reinsurance transactions. These portfolios of claims could be from any line of business that the transferring insurer wrote in the past. Under these assumption reinsurance transactions, Till is exposed to certain risks defined in the underlying insurance contracts that were originally written by the transferring insurer.

The principal risk Till faces under both general insurance contracts and assumption reinsurance transactions is that the actual claims and benefit payments, or the timing thereof, differs from the expectations used to price the general insurance contacts or assumption reinsurance transactions. That risk is influenced by the frequency of claims, severity of claims, emergence of unknown claims, actual benefits paid and subsequent development of long-term claims. For long-tail claims that take years to settle, Till is also exposed to inflation risk. Till's objective is to ensure that sufficient reserves are available to cover these liabilities.

Risk exposure is mitigated by diversification across a portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategies and guidelines. Inflation risk is also mitigated by taking expected inflation into account when estimating insurance contract liabilities.

Risk exposure is also mitigated through the use of various claim review strategies and guidelines to reduce the risk exposure for Till.

Till purchases reinsurance as part of its risk mitigation strategies. Reinsurance is placed on both a proportional and non-proportional basis. The use of proportional and non-proportional reinsurance varies by line of business.

Amounts recoverable from reinsurers (reinsurance assets) are estimated in a manner consistent with the underlying claim liabilities and in accordance with the reinsurance contracts. Although Till has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit risk exposure exists with respect to such reinsurance agreements.

The following table sets out the concentration of insurance claim liabilities by line of business:

	December 31, 2015			December 31, 2014 Restated (Note 2)		
	Insurance Liability	Reinsurance Asset	Net	Insurance Liability	Reinsurance Asset	Net
Automobile	$ 2,371,266	$ 1,510,079	$ 861,187	$ —	$ —	$ —
Aircraft	229,574	102,454	127,120	—	—	—
Property	1,728,404	1,544,560	183,844	—	—	—
Liability	10,931,443	4,688,809	6,242,634	—	—	—
Other	508,208	—	508,208	—	—	—
Reinsurance	—	—	—	6,771,623	—	6,771,623
Total	$ 15,768,895	$ 7,845,902	$ 7,922,993	$ 6,771,623	$ —	$ 6,771,623

Key assumptions underlying the valuation of the insurance claim liabilities are that Till's future claims development will follow a similar pattern to past claims development experience, including average claim costs, claim handling costs, claim inflation factors, and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future. Judgment is further used to assess the extent to which external factors such as court decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, claim settlement delays, and changes in foreign exchange rates.

A 5% increase in the net outstanding claim liabilities as of December 31, 2015 would have resulted in a decrease to comprehensive income of approximately $396,000 (2014 - approximately $482,000).

A 5% decrease in the net outstanding claim liabilities as of December 31, 2015 would have resulted in an increase to comprehensive income of approximately $396,000 (2014 - approximately $482,000).

Liquidity risk

Liquidity risk is the risk that Till is unable to meet its financial obligations as they come due. Till manages this risk by management of its working capital to assess that the estimated expenditures will not exceed share capital and debt financings, or proceeds from property sales or option exercises.

The following tables show the terms to maturity of investments and the maturity of financial liabilities:

	Less than 1 year	From 1 to 5 years	Over 5 years	No specific maturity	Total
Cash and cash equivalents	$ 1,519,881	$ —	$ —	$ —	$ 1,519,881
Fixed-income securities	3,951,504	10,906,186	4,113,629	—	18,971,319
Common and preferred shares	5,012,267	—	—	1,119,605	6,131,872
	$ 10,483,652	$ 10,906,186	$ 4,113,629	$ 1,119,605	$ 26,623,072

	Less than 1 year	From 1 to 5 years	Over 5 years	No specific maturity	Total
Provision for claims	$ 5,450,760	$ 8,112,692	$ 2,205,443	$ —	$ 15,768,895
Claims and ceded premiums payable	2,110,536	—	—	—	2,110,536
Accounts payable and accrued liabilities	4,915,495	—	—	—	4,915,495
	$ 12,476,791	$ 8,112,692	$ 2,205,443	$ —	$ 22,794,926

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Till's credit risk is primarily attributable to cash and cash equivalents, investments, balances receivable from policyholders and reinsurers, and reclamation bonds. Till has policies in place to limit and monitor its exposure to individual issuers and classes of issuers of investments. Till's credit exposure to any one individual policyholder is not material. Till's insurance and reinsurance policies are distributed by brokers and agents who manage cash collection on its behalf and Till monitors its exposure to brokers and agents. Till has policies in place that limit its exposure to individual reinsurers and conducts regular review processes to assess the creditworthiness of reinsurers with whom it transacts business. Reclamation bonds consist of term deposits and guaranteed investment certificates that have been invested with reputable financial institutions from which management believes the risk of loss to be minimal.

Till's maximum exposure to credit risk is limited to the carrying amount of financial assets as follows:

	December 31, 2015	December 31, 2014	February 28, 2014
		Restated (Note 2)	Restated (Note 2)
Class of financial assets, at carrying amounts			
Bonds	18,971,319	—	—
Listed equity securities	5,012,267	7,540,422	465,400
Private placements	1,119,605	1,555,584	116,893
Gold Bullion	—	195,334	214,850
Cash and cash equivalents	1,519,881	17,034,451	2,588,528
Receivables	12,303,513	6,087,262	—
	38,926,585	32,413,053	3,385,671

Equity price risk

The impact on net loss and other comprehensive income of a 5% increase applied to the price of all common and preferred shares would be an increase in net income in 2015 of $231,003 (2014 - $429,682) and comprehensive income of $306,594 (2014 - $454,800) and a 5% decrease would be a decrease in net income of $231,003 (2014 - $429,682) and comprehensive income of $306,594 (2014 - $454,800).

RISKS

Factors related to the legal and regulatory environment in which Till and its subsidiaries operate

Governmental actions, including, but not limited to, implementation of new laws and regulations, and court decisions interpreting existing laws and regulations or policy provisions.

Uncertainties related to regulatory approval of insurance rates, policy forms, insurance products, license applications, dividends from insurance subsidiaries, acquisitions of businesses, and other matters within the purview of state insurance regulators.

Factors related to insurance claims and related reserves in Till's insurance businesses

The number and severity of insurance claims.

Changes in facts and circumstances affecting assumptions used in determining loss and loss adjustment expense reserves, including, but not limited to, the number and severity of insurance claims and development patterns.

The impact of inflation on insurance claims.

Developments related to insurance policy claims and coverage issues, including, but not limited to, interpretations or decisions by courts or regulators that may govern or influence losses incurred.

Orders, interpretations, or other actions by regulators that impact the reporting, adjustment, and payment of claims.

Changes in the pricing or availability of reinsurance, or in the financial condition of reinsurers and amounts recoverable therefrom.

Factors related to Till's ability to compete

Changes in the ratings by rating agencies of Till and/or its insurance company subsidiaries with regard to credit, financial strength, claims paying ability, and other areas on which Till is rated.

The level of success and costs incurred in realizing or maintaining economies of scale, implementing significant business consolidations, reorganizations, and technology initiatives, and integrating acquired businesses.

Absolute and relative performance of Till’s products or services, including, but not limited to, the level of success achieved in designing and introducing new insurance products and execution of Till's investment strategies.

The ability of Till to maintain the availability of critical systems and manage technology initiatives cost-effectively to address insurance industry developments and regulatory requirements.

Heightened competition, including, with respect to pricing, entry of new competitors and alternate distribution channels, introduction of new technologies, refinements of existing products, and development of new products by current or future competitors.

Factors related to the business environment in which Till and its subsidiaries operate

Changes in general economic conditions, including, but not limited to, performance of financial markets, interest rates, inflation, unemployment rates, and fluctuating values of particular investments held by Till.

Absolute and relative performance of investments held by Till.

Changes in insurance industry trends and significant industry developments.

Changes in capital requirements, including the calculations thereof, used by regulators and rating agencies.

Regulatory, accounting, or tax changes that may affect the cost of, or demand for, Till's products or services or after-tax returns from Till's investments.

Changes in distribution channels, methods, or costs resulting from changes in laws or regulations, lawsuits, or market forces.

Increased costs and risks related to cybersecurity and information technology, including, but not limited to, identity theft, data breaches, and system disruptions affecting services and actions taken to minimize the risks thereof.

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A, and in certain documents incorporated by reference herein, contain "forward-looking statements" within the meaning of applicable securities legislation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Till to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Till believes the expectations pertaining to those forward-looking statements are reasonable, but there may be other factors that cause actions, events, or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

In particular, this MD&A includes forward-looking statements pertaining, among others, to the following matters:

- business strategy, strength, and focus;
- proposed future expenditures;
- the satisfaction of certain conditions in respect of certain properties in which Till may obtain an interest;
- the granting of regulatory approvals;
- the timing and receipt of regulatory approvals;
- the resource potential of Till's properties;
- the estimated quantity and quality of mineral resources;
- projections of market prices, costs, and the related sensitivity of distributions;
- expectations regarding the ability to raise capital;
- treatment under governmental regulatory regimes and tax laws, and capital expenditure programs;
- expectations with respect to Till's future working capital position; and
- capital expenditure programs.

Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements in this MD&A are made as of the date of filing this report or, in the case of documents incorporated by reference herein, as of the date of such documents. Till does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws.