



TILL CAPITAL LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Six Months Ended June 30, 2018 and 2017

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

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 interim unaudited condensed consolidated financial statements for the three and six months ended June 30, 2018 and related notes that have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and the audited consolidated financial statements for the year ended December 31, 2017 and related notes that were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All amounts in this MD&A are stated in United States dollars unless otherwise indicated. This MD&A is prepared as of August 24, 2018.

Additional information related to Till, including its Annual Information Form, is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. Till's website is www.tillcap.com.

BACKGROUND AND CORE BUSINESS

Till is an insurance holding company domiciled in Bermuda. Through two of Till's wholly-owned subsidiaries, Resource Re Ltd. ("RRL") and Omega General Insurance Company ("Omega"), Till provides property and casualty insurance and reinsurance. Till operates in a single segment, specifically insurance.

RRL, a Bermuda domiciled company, was organized to offer reinsurance coverage to a select group of insurance companies, e.g., captive insurers, privately-held insurers, and other global insurers and reinsurers. RRL entered into its initial reinsurance contracts effective December 31, 2014. Those initial reinsurance contracts were novated in September 2015. RRL currently does not have any active reinsurance contracts in force. RRL may participate in reinsurance contracts using the Multi-Strat Re platform to underwrite medium- to long-term property and casualty business, as acceptable opportunities are identified. RRL also owns 64% of the outstanding shares of Silver Predator Corp. ("SPD"), a Canadian-based junior mineral exploration company that has historically been engaged in exploring for and developing economically viable silver and gold deposits in the United States, with a focus on Nevada and Idaho. SPD is not currently engaged in any mining or exploration activities; however, a drill program for its Copper King property is being considered for late 2018.

Omega underwrites direct insurance and reinsurance business. As a reinsurer, Omega provides assumption reinsurance to insurance companies that want to exit the Canadian market, and to insurance companies that want to transfer all of their remaining claim liabilities on particular books of business; those arrangements are commonly referred to as "run-off" or "loss portfolio transfer" assumption business. Omega also is a primary insurer, direct writer, for insurance companies looking to write Canadian business, but lacking the appropriate Canadian insurance licenses. In that capacity, Omega acts as the direct writer, or fronting company, for a specific insurance company and typically will cede most or all of that fronted business to that insurer. Omega has three sources of revenue, namely, (i) premiums on portfolio transfer transactions and fees related to managing Canadian branch offices in "run-off", (ii) assumption reinsurance, including servicing fees in certain transactions, and (iii) premiums on direct business.

TILL CAPITAL LTD.

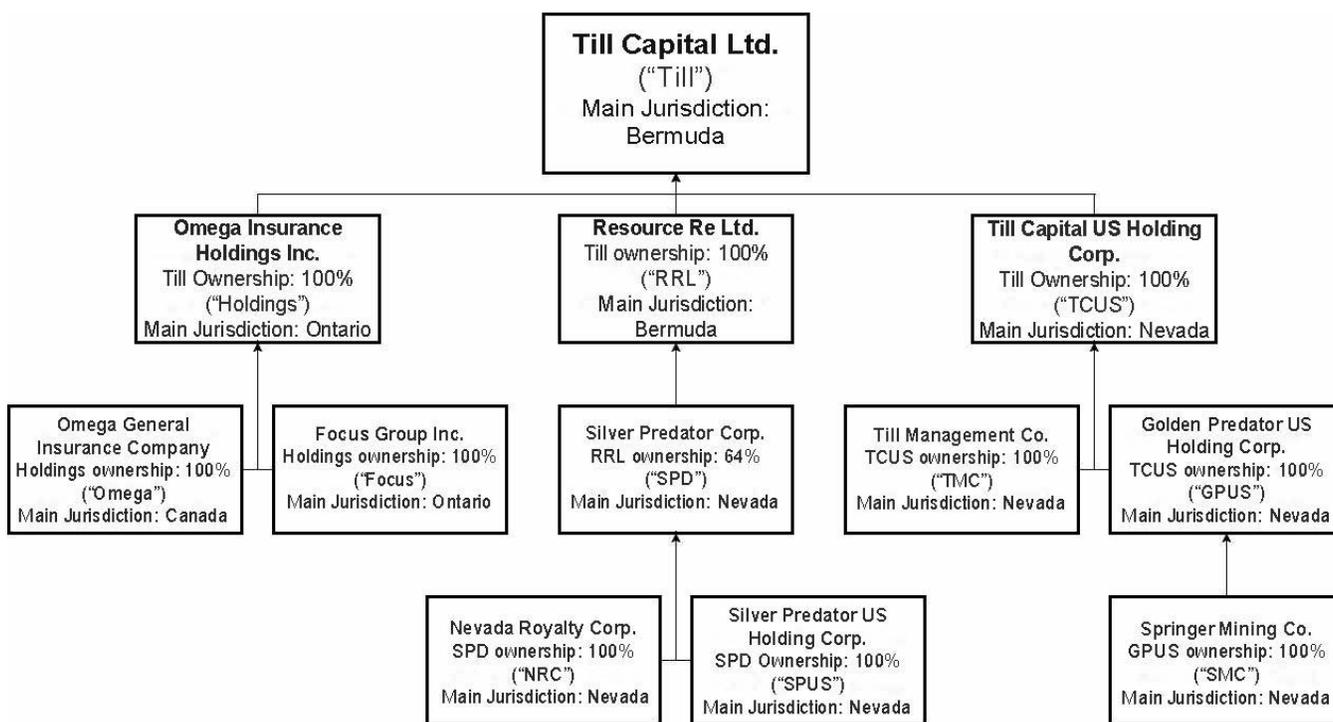
Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

Till's other subsidiaries include Till Management Company ("TMC"), Golden Predator US Holding Corp. ("GPUS"), Omega Insurance Holdings, Inc. ("Holdings"), and Focus Group Inc. ("Focus"). TMC provides investment advisory and investment management services, GPUS provides personnel services, financial accounting, corporate and compliance, and other back-office support to Till and its subsidiaries, Holdings is the holding company for Omega and Focus, and Focus provides management services to Omega and consulting and management services to third-party insurers and others.

The following chart sets forth Till's corporate structure as of June 30, 2018:



The discussion of Till's financial condition and results of operations that follows is intended to provide summarized information to assist the reader in understanding Till's interim unaudited condensed consolidated financial statements for the three and six months ended June 30, 2018, as well as to provide summary explanations as regards the primary factors for financial statement changes between specified periods. This discussion should be read in conjunction with Till's annual financial statements for the year ended December 31, 2017 that were prepared in accordance with U.S. GAAP. Those financial statements disclose information for the year ended December 31, 2017 that is material to the understanding of the interim unaudited condensed consolidated financial statements and this MD&A.

CORPORATE DEVELOPMENTS, SIGNIFICANT TRANSACTIONS, AND FACTORS AFFECTING RESULTS OF OPERATIONS

(a) Voluntary delisting of Till's restricted voting shares from Nasdaq and deregistration with the SEC

On April 13, 2018, Till announced that its Board of Directors had approved the voluntary delisting of Till's restricted voting shares from the Nasdaq Capital Market ("Nasdaq") and the subsequent voluntary

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

deregistration of Till's restricted voting shares with the U.S. Securities and Exchange Commission (the "SEC"). Those actions resulted in Till's restricted voting shares no longer being listed on Nasdaq and the suspension of Till's reporting obligations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Till continues to list its restricted voting shares on the TSX Venture Exchange ("TSXV").

In accordance with the resolutions adopted by Till's Board of Directors, Till filed certain notices and certifications, including Form 25 and Form 15 with the SEC. Till filed Form 25 in connection with the delisting of its restricted voting shares from Nasdaq on April 23, 2018. Form 25 became effective ten days after it was filed. As a result, Till's restricted voting shares are no longer listed on Nasdaq effective May 3, 2018.

Till also filed Form 15 to deregister its restricted voting shares with the SEC concurrent with the effectiveness of the Form 25 on May 3, 2018. As of filing the Form 15 on May 3, 2018, the obligation of Till to file reports under the Exchange Act, including Forms 10-K, 10-Q, and 8-K, was immediately suspended. Other Exchange Act filing requirements terminated with the effectiveness of deregistration under Section 12(g) of the Exchange Act on August 1, 2018.

(b) Change in accounting policies

Till's interim unaudited condensed consolidated financial statements for the three and six months ended June 30, 2018 were prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, and also IFRS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

Prior to March 31, 2018, Till's financial statements were prepared in accordance with U.S. GAAP to comply with registration requirements of the SEC. With the voluntary delisting of Till's restricted voting shares from Nasdaq and deregistration with the SEC, Till now prepares its financial statements in accordance with IFRS to comply with registration requirements of the TSXV.

U.S. GAAP policies stipulate that exploration and evaluation expenditures on properties that Till has the legal rights to explore are to be expensed, and insurance contracts are to be reported on an undiscounted basis. Till has elected under IAS to capitalize all exploration and evaluation expenses until such time that Till believes that further expenditures will provide profitable future economic benefit, and to report insurance contracts on a discounted basis. Till's policies are disclosed in note 2(h) and 2(g) of the interim unaudited condensed consolidated financial statements for the three and six months ended June 30, 2018 and the restatement of comparatives at and as of the respective periods in 2017 are detailed in note 2(n).

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

(c) Assets and Liabilities Held for Sale and Discontinued Operations

(i) Holdings

In the third quarter of 2017, Till initiated a plan to sell its wholly-owned subsidiary Holdings, including Holdings' wholly-owned subsidiaries, Omega and Focus. Holdings was acquired by Till on May 15, 2015. Till's management and Board of Directors believe the sale of Holdings will better position Till's operations for the benefit of its shareholders.

Till has engaged an investment adviser to facilitate the sale of Holdings. There can be no assurance that that process will result in any transaction.

In accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5"), the assets and liabilities of Holdings have been classified as held for sale on Till's statements of financial condition and the operations attributed to Holdings have been classified as discontinued operations on Till's statements of income (loss). Pursuant to IFRS 5, a loss of \$1.55 million was realized in 2017 as a result of the decision to sell Holdings, including estimated costs related thereto.

(ii) Springer Mining Company ("SMC")

In 2015, Till's controlled subsidiary SPD announced its intention to realize value from some of its assets by initiating a process to sell all, or part, of the tangible and mineral property assets at some of its properties in Nevada. SPD's Board of Directors and management were committed to a plan to sell SMC and active negotiations have been held related to those assets. However, there can be no assurance that the process will result in any transaction.

In January 2017, SPD, in exchange for the release of a related party debt owed to RRL, gave 100% of its full ownership of SMC to RRL. Ownership of SMC was, in turn, transferred to Till's wholly-owned subsidiary, GPUS. The approximately \$0.2 million impact of that transaction is included within the decrease in non-controlling interests with no other impact on consolidation. Till's Board of Directors and management are committed to a plan to sell SMC.

OUTLOOK

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 entered the reinsurance business at a time when the available reinsurance capital was quite high, and, as such, the margins that can be earned on some reinsurance programs are now at low levels. 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.

The potential sales of Holdings and SMC are intended to provide Till with additional liquid capital.

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

Till's investment strategies will be a key aspect for generating future profitability. Those strategies include trading methods that seek to take advantage of market expertise to profitably trade securities.

FINANCIAL HIGHLIGHTS

(amounts in millions, except for per share data)

	2018		2017				2016	
	Apr - Jun 2018	Jan - Mar 2018	Oct - Dec 2017	Jul - Sep 2017	Apr - Jun 2017	Jan - Mar 2017	Oct - Dec 2016	Jul - Sep 2016
Revenue (loss)	\$ (0.18)	\$ (1.60)	\$ (0.09)	\$ (0.50)	\$ 0.69	\$ 0.84	\$ (0.04)	\$ 1.36
Income (loss) from continuing operations attributable to the shareholders of Till	\$ (0.24)	\$ (2.11)	\$ (0.71)	\$ (0.88)	\$ —	\$ 0.23	\$ (0.70)	\$ 1.07
Income (loss) attributable to the shareholders of Till	\$ (0.43)	\$ (2.34)	\$ (0.72)	\$ (2.94)	\$ (0.05)	\$ 0.20	\$ (0.70)	\$ 1.03
Basic and diluted income (loss) per share from continuing operations attributable to the shareholders of Till	\$(0.07)	\$(0.64)	\$(0.21)	\$(0.26)	\$0.00	\$0.07	\$(0.20)	\$0.31
Basic and diluted income (loss) per share attributable to the shareholders of Till	\$(0.13)	\$(0.71)	\$(0.21)	\$(0.88)	\$(0.02)	\$0.06	\$(0.20)	\$0.30
Total assets	\$ 69.47	\$ 72.50	\$ 74.21	\$ 74.29	\$ 71.06	\$ 64.34	\$ 46.86	\$ 50.36
Total non-current financial liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Revenue (loss) at Till is predominately determined by investment returns, which are subject to volatility. Loss from investing activities for the three months ended June 30, 2018 totaled \$0.18 million and was predominately due to investment related expenses, including the impairment of the Tyche Trading System ("Tyche"), an intangible asset, partially offset by securities trading gains.

Income (loss) from continuing operations attributable to the shareholders of Till is also substantially determined by investment returns and asset valuations. Expenses, such as general and administrative and salaries and benefits, have been declining due to the efforts of Till's management to reduce expenses. However, losses from continuing operations have not decreased due primarily to asset write-downs Till has recorded over the prior eight quarters.

Income (loss) attributable to the shareholders of Till includes continuing operations and the discontinued operations of Holdings which includes the write-down of Holdings in the third quarter 2017 due to its classification as held for sale. The loss from discontinued operations for the three months ended June 30, 2018 totaled \$0.19 million and was predominately due to higher net insurance losses and loss adjustment expenses and general and administrative expenses. In prior quarters, Holdings had also often reported quarterly losses. Those losses were predominantly related to expenses arising from a single insurance program underwritten by Omega.

Over the prior eight quarters, total assets are relatively unchanged since the addition of assets from the introduction of a new insurance program by Omega in early 2017. The decline in total assets of \$3.03 million in the three months ended June 30, 2018 was predominately due to losses from investment activities

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

as well as a reduction in unearned premiums ceded, premiums receivable, and reinsurance recoverables that corresponds to a reduction in unearned premiums and reinsurance payables in the three months ended June 30, 2018.

(a) Results of operations for the three months ended June 30, 2018

The loss for the three months ended June 30, 2018 increased \$0.27 million to \$0.34 million (three months ended June 30, 2017 - \$0.07 million). Individual items contributing to that increase in loss are as follows:

- Net investment loss for the three months ended June 30, 2018 decreased \$0.18 million to \$0.20 million (three months ended June 30, 2017 - \$0.38 million). Investment gains from securities trading and interest and dividends increased \$0.44 million for the three months ended June 30, 2018 compared to the three months ended June 30, 2017. That was partially offset by an increase in investment related expenses of \$0.27 million for the three months ended June 30, 2018 compared to the three months ended June 30, 2017 due primarily to the impairment of Tyche in 2018.
- Gain on sale of property, plant, and equipment for the three months ended June 30, 2018 decreased to \$nil (three months ended June 30, 2017 - gain of \$1.07 million) due to no sales of property, plant, or equipment during the three months ended June 30, 2018.
- Expenses for the three months ended June 30, 2018 decreased \$0.78 million to income of \$0.09 million (three months ended June 30, 2017 - expense of \$0.69 million) due principally to lower general and administrative expenses of \$0.47 million and a recovery of exploration expenses at SPD of \$0.27 million.
- Loss from discontinued operations for the three months ended June 30, 2018 increased \$0.14 million to \$0.19 million (three months ended June 30, 2017 - \$0.05 million) due primarily to higher net losses and loss adjustment expenses and general and administrative expenses, partially offset by higher investment income.

(b) Results of operations for the six months ended June 30, 2018

The loss for the six months ended June 30, 2018 increased \$2.84 million to \$2.70 million (six months ended June 30, 2017 - income of \$0.14 million). Individual items contributing to that increase in loss are as follows:

- Net investment loss for the six months ended June 30, 2018 increased \$2.26 million to \$1.85 million (six months ended June 30, 2017 - income of \$0.41 million) primarily as a result of losses in equity index futures contracts trading. Net investment income for the six months ended June 30, 2017 was primarily due to profitable trading of equity index futures contracts and option trading strategies, and an increase in the market value of a legacy natural resource investment that was liquidated during 2017.

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

- Gain on sale of property, plant, and equipment for the six months ended June 30, 2018 decreased to \$nil (six months ended June 30, 2017 - gain of \$1.08 million) due to no sales of property, plant, or equipment during the six months ended June 30, 2018.
- Expenses for the six months ended June 30, 2018 decreased \$0.86 million to \$0.42 million (six months ended June 30, 2017 - \$1.28 million) due principally to lower general and administrative expenses of \$0.5 million and a recovery of exploration expenses a SPD of \$0.27 million.
- Loss from discontinued operations for the six months ended June 30, 2018 increased \$0.36 million to \$0.43 million (six months ended June 30, 2017 - \$0.07 million) due primarily to losses from investing activities.

(c) Cash flows for the six months ended June 30, 2018

Cash outflows from operating activities for the six months ended June 30, 2018 decreased \$0.37 million to \$0.65 million (six months ended June 30, 2017 - \$1.02 million) due to higher income adjusted for noncash items offset by unfavorable working capital changes and increased cash used in the discontinued operation.

Cash outflows from investing activities for six months ended June 30, 2018 increased \$0.68 million to cash outflows of \$2.24 million (six months ended June 30, 2017 - \$1.56 million) primarily due to proceeds received from the sale and option of mineral properties for the six months ended June 30, 2017.

Cash flows from financing activities for the six months ended June 30, 2018 decreased to \$nil (six months ended June 30, 2017 - \$2.57 million) due to proceeds from a note receivable in the six months ended June 30, 2017.

(d) Financial position

Cash decreased \$2.77 million to \$3.13 million (December 31, 2017 - \$5.90 million) primarily due to operating expenses and investment losses.

Assets held for sale decreased \$1.86 million to \$61.15 million (December 31, 2017 - \$63.01 million) due primarily to fluctuations resulting from insurance renewals at Omega and investment losses during the six months ended June 30, 2018.

Liabilities held for sale decreased \$1.20 million to \$49.67 million (December 31, 2017 - \$50.87 million) due primarily to fluctuations resulting from insurance renewals at Omega during the six months ended June 30, 2018.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2018, Till had working capital of \$15.21 million including cash of \$3.13 million, as compared to working capital of \$18.33 million, including cash of \$5.90 million, at December 31, 2017. Included in

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

working capital at June 30, 2018 were investments with a market value of \$0.67 million (December 31, 2017 - \$0.66 million). Till has no long-term debt.

Till expects to invest in insurance, reinsurance, and other investment opportunities that will require additional capital. Till does not presently have any plans to incur any material indebtedness in the ordinary course of business, but does plan to continue to incur temporary borrowings directly related to certain derivative investments included in its 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 the Office of Superintendent of Financial Institutions (Canada) (“OSFI”) for Omega and the Bermuda Monetary Authority for RRL.

Till’s objectives when managing capital consist of:

- Ensuring that policyholders in the insurance and reinsurance subsidiaries are protected while complying with regulatory capital requirements.
- Maximizing long-term shareholder value by optimizing capital generated and used by Till.

Till views capital as a scarce and strategic resource. That resource protects the financial well-being of the organization, and is 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. Capital is monitored by Till's Board of Directors. Till's insurance subsidiaries are subject to minimum capital requirements, which amounts are not available to satisfy liabilities of Till or other subsidiaries.

(a) RRL

RRL is registered under The Bermuda Insurance Act 1978 and related regulations that require RRL to file a statutory financial return and maintain certain measures of solvency and liquidity. The required Minimum General Business Solvency Margin at June 30, 2018 was \$1 million. 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 June 30, 2018 were \$4.8 million (December 31, 2017 - \$7.2 million) and 75% of its relevant liabilities as of June 30, 2018 and December 31, 2017 was \$0.2 million. As of June 30, 2018 and December 31, 2017, RRL is in compliance with those requirements.

(b) Omega

OSFI has set out expectations of a 100% MCT as the minimum and have also set out 150% MCT as the supervisory target for Canadian property and casualty insurance companies. As of June 30, 2018, Omega had total capital available of Cdn\$7.5 (US\$5.7) million (December 31, 2017 - Cdn \$8.4 (US\$6.7) million) and a total capital required of Cdn\$2.6 (US\$2.0) million (December 31,

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

2017 - Cdn\$2.5 (US\$2.0) million) resulting in a MCT of 291% (December 31, 2017 - 331%). As of June 30, 2018 and December 31, 2017, Omega is in compliance with OSFI's MCT requirement.

OUTSTANDING SHARE DATA

At June 30, 2018 and through the date of this filing, Till had 3,290,884 issued and outstanding common shares, and 117,500 outstanding stock options with a weighted average exercise price of Cdn\$9.55 (US \$7.25) and 176,500 outstanding warrants with a weighted average exercise price of Cdn\$9.47 (US\$7.19).

RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

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. During the three and six months ended June 30, 2018, total compensation amounted to \$0.14 million and \$0.28 million, respectively (three and six months ended June 30, 2017 - \$0.14 million and \$0.45 million, respectively).

(b) Service agreements

Till is party to service agreements with SPD whereby Till provides accounting and corporate communications services on a cost-plus recovery basis. Till charged SPD \$9,000 per quarter for the three and six month periods ended June 30, 2018 and 2017 for those services.

OFF BALANCE SHEET ARRANGEMENTS

At June 30, 2018, Till had no material off-balance sheet arrangements or any obligations that trigger material financing, liquidity, market, or credit risk to Till.

CRITICAL ACCOUNTING ESTIMATES

The preparation of interim unaudited condensed 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, and taking into account previous experience, but actual results may differ from the amounts reported in the financial statements.

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

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

(a) Valuation of insurance and reinsurance 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 statements of financial position.

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 are expected to be recoverable from reinsurance ceded policies.

The carrying value of insurance and reinsurance contract liabilities at June 30, 2018 and December 31, 2017 is as follows:

	June 30, 2018	December 31, 2017
Reserve for unpaid losses and loss adjustment expenses	\$ 15,292,481	\$ 16,081,794
Unearned premiums	16,604,702	16,145,047
Unearned commissions	2,333,332	2,350,776
Total insurance and reinsurance contract liabilities	\$ 34,230,515	\$ 34,577,617

The carrying value of reinsurance contract assets at June 30, 2018 and December 31, 2017 is as follows:

	June 30, 2018	December 31, 2017
Unpaid losses and loss adjustment expenses ceded	\$ 9,801,340	\$ 10,094,946
Unearned premiums ceded	14,335,227	13,850,156
Deferred policy acquisition costs	2,148,554	2,140,591
Total reinsurance contract assets	\$ 26,285,121	\$ 26,085,693

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

(b) Valuation of mineral properties

Till follows the guidance of IFRS 6, *Exploration for and Evaluation of Mineral Resources*, to determine when a mineral property asset is impaired. That determination requires significant judgment. In making that judgment, Till evaluates, among other factors, the results of exploration and evaluation activities to date and Till's future plans to explore and evaluate a mineral property.

CHANGES TO ACCOUNTING STANDARDS

(a) New standards not yet adopted

(i) Financial Instruments

The IASB has published IFRS 9, *Financial Instruments* ("IFRS 9"), which replaces IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 is effective for fiscal years beginning on or after January 1, 2018. However, Till meets the eligibility criteria of the temporary exemption from IFRS 9 as provided by IFRS 4, *Insurance Contracts* ("IFRS 4") and has elected to defer the application of IFRS 9 until the effective date of the new insurance contracts standards IFRS 17, *Insurance Contracts* on January 1, 2021. The adoption of IFRS 9 is expected to have a material impact on Till's classification and measurement of its financial assets.

The IASB has issued amendments to IFRS 4 to address concerns of insurers about the different effective dates for IFRS 9 and the upcoming new standard on insurance contracts. The amendments allow insurance entities to elect one of two options:

- The deferral approach provides entities, whose predominant activities are to issue contracts within the scope of IFRS 4, a temporary exemption to continue using IAS 39 instead of IFRS 9 until January 1, 2021.
- The overlay approach can be applied to eligible financial assets and provides an option for all issuers of insurance contracts to reclassify from profit or loss to other comprehensive income any additional accounting volatility that may arise from applying IFRS 9 before the upcoming new standard on insurance contracts.

Till will assess the effect of those changes on its financial statements prior to the effective date of January 1, 2021.

(ii) Leases

On January 13, 2016, the IASB issued IFRS 16, *Leases*, 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 and is not expected to have a material impact on Till's financial statements.

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

FINANCIAL RISK MANAGEMENT

(a) Insurance risk

Omega principally underwrites insurance lines of business that include personal property, commercial property, and liability lines of business. The various coverages underwritten have specific insurance contracts that set forth the specific insurance risk exposures, including the duration of the coverage, Omega is exposed to certain risks defined in the insurance contracts, generally for durations of one to three years.

In addition to underwriting general insurance contracts, Omega also assumes portfolios of existing business that are in run-off from other insurers through assumption reinsurance transactions. Those portfolios could be from any line of business that the transferring insurer underwrote prior to the effective date of assumption. Under those assumption reinsurance transactions, Omega is exposed to certain risks defined in the underlying insurance contracts that were originally written by the transferring insurer.

The principal risk that Omega 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 assumptions and/or expectations used to price the general insurance contracts or assumption reinsurance transactions. That insurance risk is influenced by the frequency of claims, severity of claims, emergence of unknown claims, actual benefits paid, and subsequent development of claims, in particular long-tail claims. For long-tail claims that take years to settle, Till is also exposed to inflation risk. Till's objective is to ascertain, based on the business insured and other factors, that sufficient reserves are available to cover known and unknown liabilities related to the business written and assumed.

Risk exposure is mitigated by diversification across a portfolio of insurance contracts and geographical areas and by the use of various underwriting and claim review strategies. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities. Omega 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 are estimated in a manner consistent with the underlying claim liabilities and in accordance with the reinsurance contracts. Although Omega has reinsurance arrangements in effect, Omega is not relieved of its obligations to its policyholders and, thus, a credit risk exposure exists with respect to such reinsurance arrangements.

The key assumption underlying the valuation of the reserve for unpaid losses and loss adjustment expense ("LAE") is that the future loss development will follow a similar pattern to past loss development experience, including average claim costs, claim handling costs, and other claim factors for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future. In addition, consideration is given to available industry data/information. Judgment is further used to assess the extent to which external factors, such as inflation, court decisions, and government legislation, may affect the estimates. Other factors that may affect the reliability of loss

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

and LAE assumptions include any variation in interest rates, claim settlement delays, and changes in foreign exchange rates.

(b) Liquidity risk

Liquidity risk is the risk that Till is unable to meet its financial obligations as they come due. Till manages that risk by continuous monitoring of its working capital to determine that its cash, cash equivalents, and liquid investments exceed its estimated obligations.

(c) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its obligations. Till's credit risk is primarily attributable to cash and cash equivalents, investments, premiums receivable, and reinsurance recoverables. Till has policies in place to limit and monitor its exposure to individual issuers and classes of issuers of investments. Till's insurance and reinsurance policies are distributed by brokers and agents who manage cash collection on its behalf and Till monitors its exposure as regards the activities of those brokers and agents. Till has policies in place that limit its exposure to individual reinsurers, and Till conducts regular review processes to assess the creditworthiness of reinsurers with whom it transacts business. In addition, Till holds collateral for certain of its reinsurance arrangements.

RISKS

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

- Governmental actions, including, but not limited to, implementation of new U.S. federal and state, Bermuda, and Canadian 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 or divestitures of businesses, and other matters within the purview of insurance regulators.
- Till is subject to the risk of possibly becoming an investment company under U.S. federal securities law.
- Insurance regulations to which Till's subsidiaries are, or may become, subject, and potential changes thereto, could have a significant and negative effect on Till's business.
- Unforeseen adverse outcomes in litigation or other legal or regulatory proceedings involving Till, its subsidiaries, or affiliates.

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

- The number and severity of insurance claims.

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

- Changes in facts and circumstances affecting assumptions used in determining loss and LAE reserves, including, but not limited to, the number and severity of insurance claims, changes in claim handling procedures, and claim closure and development patterns.
- The impact of inflation on insurance claims, including, but not limited to, the effects of personal injury claims and property 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.

(c) 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 those entities are or may be rated.
- The level of success and costs incurred in realizing or maintaining economies of scale, implementing significant business initiatives, including those related to, but not limited to, expenses, claims, consolidations, reorganizations, technology, integration of acquired businesses and divestitures of businesses.
- Absolute and relative performance of Till's products and services, including, but not limited to, the level of success achieved in designing and introducing new insurance products.
- 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.

(d) 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 certain investments held by Till that may be thinly traded or that are subject to other market considerations.
- Till's outstanding common shares are not widely held, and, accordingly, the market for those shares may be more volatile and less liquid than the securities of other publicly traded companies.

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

- Absolute and relative performance of investments held by Till, including derivative and resource related investments.
- Investments in junior and intermediate resource companies that may have a significantly higher degree of volatility risk than other types of investments.
- Changes in insurance industry trends and significant industry developments.
- Changes in consumer trends and significant consumer or product 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, 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.
- Failure to maintain the security of personal data that may result in lost business, reputational harm, legal costs, and regulatory penalties.

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.

TILL CAPITAL LTD.

Management's Discussion and Analysis

For the three and six months ended June 30, 2018 and 2017

(Stated in U.S. dollars)

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.