TILL CAPITAL LTD.

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Nine Months Ended September 30, 2019 and 2018

Notice of Non-review of Interim Unaudited Condensed Consolidated Financial Statements

The attached interim unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2019 and 2018 have been prepared by and are the responsibility of Till Capital Ltd.'s ("Till") management and have been approved by the Audit Committee of Till. Till's independent auditor has not performed a review of these interim unaudited condensed consolidated financial statements.

TILL CAPITAL LTD.
Interim Unaudited Condensed Consolidated Statements of Loss
(Stated in US dollars)

	Note	Three Months Ended September 30 2019	Three Months Ended September 30 2018	Nine Months Ended September 30 2019	Nine Months Ended September 30 2018
Revenue					
Insurance premiums written	6	$ 17,870,389	$ 15,406,123	$ 52,934,863	$ 46,904,453
Insurance premiums ceded to reinsurers	6	(17,731,479)	(15,179,896)	(52,249,283)	(45,935,251)
Net insurance premiums written		138,910	226,227	685,580	969,202
Change in unearned premiums		88,836	79,738	120,399	(17,780)
Net insurance premiums earned		227,746	305,965	805,979	951,422
Investment income (loss), net	4(c)	41,279	(473,485)	94,508	(2,387,956)
Other revenue		66,999	91,733	275,560	390,956
	14	**336,024**	**(75,787)**	**1,176,047**	**(1,045,578)**
Expenses					
Gross losses and loss adjustment expenses		11,101,199	9,131,510	31,979,874	27,867,362
Losses and loss adjustment expenses ceded to reinsurers		(11,070,911)	(9,040,941)	(31,668,535)	(27,128,100)
Net losses and loss adjustment expenses	5(b)	30,288	90,569	311,339	739,262
General and administrative expenses		141,181	101,897	410,163	816,153
Salaries and benefits		256,760	258,630	756,980	836,848
Stock-based compensation	12	145	314	43,950	1,400
Goodwill impairment	9	—	1,097,612	—	1,097,612
Exploration expense recovery		—	—	—	(271,242)
Foreign exchange (gain) loss		(2,227)	6,754	4,140	(3,057)
Other expenses		2,364	2,552	7,600	7,180
		428,511	**1,558,328**	**1,534,172**	**3,224,156**
Share of net losses of equity method investment		—	(35,868)	—	(113,932)
Loss before income tax		**$ (92,487)**	**$ (1,669,983)**	**$ (358,125)**	**$ (4,383,666)**
Income tax recovery (expense)		1,103	4,075	(1,147)	(8,444)
Net loss		**$ (91,384)**	**$ (1,665,908)**	**$ (359,272)**	**$ (4,392,110)**
Income (loss) attributable to:					
Shareholders of Till Capital Ltd.		(78,432)	(1,654,280)	(301,385)	(4,453,679)
Non-controlling interests		(12,952)	(11,628)	(57,887)	61,569
Net loss		**$ (91,384)**	**$ (1,665,908)**	**$ (359,272)**	**$ (4,392,110)**
Basic and diluted loss per restricted voting share attributable to the shareholders of Till Capital Ltd.		**$(0.02)**	**$(0.50)**	**$(0.09)**	**$(1.35)**
Weighted average number of restricted voting shares outstanding		**3,191,462**	**3,290,884**	**3,191,462**	**3,290,884**

The accompanying notes are an integral part of these interim unaudited condensed consolidated financial statements.

(Stated in US dollars)

		Three Months Ended September 30		Nine Months Ended September 30	
	Note	2019	2018	2019	2018
Net loss		**$ (91,384)**	**$ (1,665,908)**	**$ (359,272)**	**$ (4,392,110)**
Other comprehensive income (loss)					
Change in cumulative foreign exchange translation adjustment		(97,064)	113,992	225,354	(523,507)
Change in net unrealized gain (loss) on available for sale investments	4(d)	(28,237)	56,234	131,871	(51,682)
Reclassification of realized (gain) loss from available for sale investments	4(d)	63	34,532	(72,649)	34,532
Other comprehensive income (loss)		**(125,238)**	**204,758**	**284,576**	**(540,657)**
Total comprehensive loss		**$ (216,622)**	**$ (1,461,150)**	**$ (74,696)**	**$ (4,932,767)**
Total comprehensive income (loss) attributable to:					
Shareholders of Till Capital Ltd.		(206,779)	(1,457,228)	(25,127)	(4,983,520)
Non-controlling interests		(9,843)	(3,922)	(49,569)	50,753
Total comprehensive loss		**$ (216,622)**	**$ (1,461,150)**	**$ (74,696)**	**$ (4,932,767)**

The accompanying notes are an integral part of these interim unaudited condensed consolidated financial statements.

TILL CAPITAL LTD.
Interim Unaudited Condensed Consolidated Statements of Financial Position
(Stated in US dollars)

	Note	September 30 2019	December 31 2018
Assets			
Cash and cash equivalents		$ 9,522,841	$ 10,251,114
Investments	4(a)	11,719,622	10,541,452
Unpaid losses and loss adjustment expenses ceded	5	10,424,831	9,879,699
Unearned premiums ceded	6	12,363,710	11,814,767
Premiums receivable and reinsurance recoverables		14,209,918	14,042,266
Deferred policy acquisition costs	7	2,029,510	1,939,853
Assets held for sale	3	5,209,323	5,119,702
Property, plant, and equipment		28,122	44,457
Royalty and mineral interests	8	478,682	506,180
Deferred income tax asset		283,924	275,619
Goodwill	9	325,944	316,411
Other assets	10	563,937	681,162
Total assets		**$ 67,160,364**	**$ 65,412,682**
Liabilities			
Reserve for unpaid losses and loss adjustment expenses	5	14,756,663	14,411,889
Unearned premiums	6	14,199,678	13,714,347
Reinsurance payables		15,087,591	14,133,878
Unearned commissions		2,198,195	2,091,136
Liabilities held for sale	3	3,105	23,425
Accounts payable and other liabilities	11	139,242	231,371
Total liabilities		**$ 46,384,474**	**$ 44,606,046**
Shareholders' equity			
Share capital		3,191	3,191
Contributed surplus		40,649,616	40,621,440
Accumulated other comprehensive loss		(1,410,478)	(1,686,736)
Deficit		(18,597,313)	(18,295,928)
Equity attributable to shareholders of Till Capital Ltd.		20,645,016	20,641,967
Non-controlling interests		130,874	164,669
Total shareholders’ equity		**$ 20,775,890**	**$ 20,806,636**
Total liabilities and shareholders' equity		**$ 67,160,364**	**$ 65,412,682**

The accompanying notes are an integral part of these interim unaudited condensed consolidated financial statements.

The interim unaudited condensed consolidated financial statements were approved by the Audit Committee on November 19, 2019 and signed on their behalf by:

/s/ Wayne Kauth

Wayne Kauth, Director

TILL CAPITAL LTD.
Interim Unaudited Condensed Consolidated Statements of Shareholders' Equity
(Stated in US dollars)

	Capital Stock								
	Shares	Amount	Contributed surplus	Treasury stock	Accumulated other comprehensive income (loss)	Deficit	Equity attributable shareholders of Till	Non-controlling interests	Total
Balance, December 31, 2017	**3,290,884**	**$ 3,291**	**$ 40,619,841**	**$ —**	**$ (945,848)**	**$ (16,505,928)**	**$ 23,171,356**	**$ 104,361**	**$ 23,275,717**
Net income (loss)	—	—	—	—	—	(4,453,679)	(4,453,679)	61,569	(4,392,110)
Other comprehensive loss	—	—	—	—	(529,841)	—	(529,841)	(10,816)	(540,657)
Total comprehensive income (loss)	—	—	—	—	(529,841)	(4,453,679)	(4,983,520)	50,753	(4,932,767)
Purchase of treasury shares	—	—	—	(55,091)	—	—	(55,091)	—	(55,091)
Stock-based compensation	—	—	1,400	—	—	—	1,400	—	1,400
Balance, September 30, 2018	**3,290,884**	**$ 3,291**	**$ 40,621,241**	**$ (55,091)**	**$ (1,475,689)**	**$ (20,959,607)**	**$ 18,134,145**	**$ 155,114**	**$ 18,289,259**
Balance, December 31, 2018	**3,191,462**	**$ 3,191**	**$ 40,621,440**	**$ —**	**$ (1,686,736)**	**$ (18,295,928)**	**$ 20,641,967**	**$ 164,669**	**$ 20,806,636**
Net loss	—	—	—	—	—	(301,385)	(301,385)	(57,887)	(359,272)
Other comprehensive income	—	—	—	—	276,258	—	276,258	8,318	284,576
Total comprehensive income (loss)	—	—	—	—	276,258	(301,385)	(25,127)	(49,569)	(74,696)
Stock-based compensation	—	—	28,176	—	—	—	28,176	15,774	43,950
Balance, September 30, 2019	**3,191,462**	**$ 3,191**	**$ 40,649,616**	**$ —**	**$ (1,410,478)**	**$ (18,597,313)**	**$ 20,645,016**	**$ 130,874**	**$ 20,775,890**

The accompanying notes are an integral part of these interim unaudited condensed consolidated financial statements.

(Stated in US dollars)

	Note	Nine Months Ended September 30 2019	2018
Cash flows from operating activities			
Net loss		$ (359,272)	$ (4,392,110)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense		8,078	157,339
Stock-based compensation	12	43,950	1,400
Loss on sale of property, plant, and equipment		4,621	—
Write-off of intangible asset		—	340,203
Investment (income) loss	4(c)	(94,508)	2,387,956
Loss on equity method investment		—	113,932
Gain on property option payment		(50,000)	(50,000)
Goodwill impairment		—	1,097,612
Changes in operating assets and liabilities:			
Decrease in premiums receivable and reinsurance recoverables		254,488	1,199,222
Decrease in unpaid losses, LAE, and amounts ceded, net		(335,667)	(476,082)
Increase (decrease) in reinsurance payables		525,926	(581,888)
Increase in unearned commissions		43,879	124,782
Increase in deferred policy acquisition costs		(31,211)	(118,602)
(Decrease) increase in unearned premiums and unearned premiums ceded		(120,398)	17,780
(Decrease) increase in accounts payable and other liabilities		(92,129)	115,716
Other working capital changes		(63,437)	(382,537)
Net cash used in operating activities		(265,680)	(445,277)
Cash flows from investing activities			
Sales of investments		42,088,640	71,985,383
Purchases of investments		(42,885,822)	(74,221,549)
Sales (purchases) of equity index futures, net	4(c)	81,289	(1,311,159)
Purchases of equity method investment		—	(124,880)
Proceeds from property option payments		100,000	75,000
Proceeds from receivable		149,953	—
Exploration and evaluation costs capitalized		(102,841)	—
Sales (purchases) of property, plant, and equipment, net		776	(12,402)
Development costs capitalization		—	(162,009)
Net cash used in investing activities		(568,005)	(3,771,616)
Cash flows from financing activities			
Purchases of treasury shares		—	(55,091)
Net cash used in financing activities		—	(55,091)
Decrease in cash and cash equivalents		**(833,685)**	**(4,271,984)**
Effect of foreign exchange rate changes on cash and cash equivalents		**105,412**	**(176,878)**
Cash and cash equivalents, beginning of year		**10,251,114**	**9,549,062**
Cash and cash equivalents, end of period		**$ 9,522,841**	**$ 5,100,200**

The accompanying notes are an integral part of these interim unaudited condensed consolidated financial statements.

1. NATURE OF OPERATIONS

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. Till is an exempted holding company with its principal place of business and registered office at Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda. Till's registered agent is Compass Administration Services Ltd.

Till was formed to respond to the market need for more capacity for certain types of insurance and reinsurance. Resource Re Ltd. ("RRL") was incorporated in Bermuda as a wholly-owned subsidiary of Till in August 2012 and licensed as a Class 3A insurance company in Bermuda by the Bermuda Monetary Authority ("BMA") in August 2013. In July 2019, RRL submitted an application to the BMA to deregister as a Class 3A Insurer. That deregistration became effective August 9, 2019. On October 9, 2019, Till was issued a Certificate of Merger in accordance with the provisions of Section 108 of the Bermuda Companies Act 1981, as amended, thereby merging RRL into Till effective September 17, 2019.

On May 15, 2015, Till acquired all of the issued and outstanding shares of Omega Insurance Holdings, Inc. ("Holdings"), a privately-held Toronto, Canada based holding company, including its subsidiaries, Omega General Insurance Company ("Omega"), a fully licensed insurance company, and Focus Group Inc. ("Focus"), an insurance consulting and services company. The business strategy for Holdings is to produce underwriting profits and investment-related returns by investing reinsurance premiums and corporate capital.

These interim unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2019 and 2018 were approved and authorized for issue by Till's Audit Committee on November 19, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These interim unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting* ("IAS 34"). These interim unaudited condensed consolidated financial statements comply with IAS 34; however, they do not include all of the information required for full annual financial statements.

The accounting policies applied in these interim unaudited condensed consolidated financial statements are presented herein and are based on IFRS as issued and applicable as of November 19, 2019, the date the Audit Committee approved the financial statements. The accounting policies have been applied consistently to all periods presented in these interim unaudited condensed consolidated financial statements.

These interim unaudited condensed consolidated financial statements should be read in conjunction with Till's audited annual financial statements for the year ended December 31, 2018. Those financial statements disclose information for the year ended December 31, 2018 that is material to the understanding of these interim unaudited condensed consolidated financial statements.

These interim unaudited condensed consolidated financial statements have been prepared on an historical cost basis, with the exception of certain financial instruments and stock-based awards that have been measured at fair value.

The basic and diluted loss per restricted voting share are calculated based on Till's loss attributed to Till's shareholders divided by the weighted average number of Till restricted voting shares outstanding during the period.

(b) Held for sale and discontinued operation

In the third quarter of 2017, Till initiated a plan to sell its wholly-owned subsidiary Holdings, including Holdings' subsidiaries, Omega and Focus, all of which are based in Canada. As a result of that decision, Holdings was required to be classified as held for sale and was also required to be considered a discontinued operation. However, in the fourth quarter of 2018, Till's Board of Directors and management concluded: i) a sale of Holdings was unlikely to be completed in one year, ii) Holdings no longer qualified as held for sale, and iii) Holdings should be classified as a continuing operation for the year ended December 31, 2018. In accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the results of Holdings previously presented in discontinued operations have been reclassified and included in loss from continuing operations for all periods presented herein.

(c) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and other disclosures in these interim unaudited condensed consolidated financial statements. Amounts in the interim unaudited condensed consolidated financial statements represent Till's best estimates and assumptions; however, the actual amounts could differ materially from those estimates. Till's principal use of estimates and assumptions include the valuation of royalty and mineral interests, valuation of intangibles, assessment of goodwill impairment, projection of unpaid loss and loss expense adjustment reserves, assessment of reinsurance recoverable including any provision for uncollectible reinsurance, and valuation of deferred income tax assets.

Claim Reserves:
Estimates are made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported at the reporting date ("IBNR"). A significant amount of time may pass before the ultimate claim costs can be established with certainty, and, for some types of insurance policies, IBNR claim reserves form the majority of the liability in the accompanying interim unaudited condensed consolidated 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, the ultimate claim 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 based on loss adjuster estimates or are separately projected to estimate their future development. Additional qualitative judgment is used to assess the extent to which 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.

Fair Value:
The application of the purchase method of accounting for business combinations requires the use of significant estimates and assumptions in determining the fair value of assets acquired and liabilities assumed to properly allocate the purchase price. The estimates of the fair value of the assets acquired and liabilities assumed are based on assumptions believed to be reasonable using established valuation techniques that consider a number of factors. Assets acquired and liabilities assumed in connection with business combinations are recorded based on their respective fair values at the date of acquisition. Goodwill is calculated as the excess of the cost of the acquired entity over the net fair value of the assets acquired and the liabilities assumed.

The fair values of quoted investments are determined based on the closing prices on the last business day of the reporting period from recognized exchanges (e.g., Nasdaq, the New York Stock Exchange, etc.), recognized indices, or pricing vendors. Securities that do not have quoted prices available in active markets are valued using observable inputs such as quoted prices in inactive markets, quoted prices in active markets for similar instruments, benchmark interest rates, broker quotes, and other relevant inputs.

Income Taxes:
Till estimates the provision for income taxes and the composition of its deferred income tax assets and deferred income tax liabilities. Till's operations are, in part, subject to foreign tax laws where interpretations, regulations, and legislation are complex and subject to change. As a result, there are usually some tax matters in question that may, on resolution

(Stated in US dollars)

in the future, result in adjustments to the amount of current or deferred income tax assets or liabilities, and those adjustments could be material to Till's financial position and results of operations.

The determination of the ability of Till to utilize tax losses carried forward to offset income taxes payable in the future and to utilize temporary differences that will reverse in the future requires management to exercise judgment and make assumptions about Till's future performance. Management is required to assess whether Till is more likely, than not able, to benefit from those tax losses and temporary differences. Changes in the timing of revenue, economic conditions, metal prices, and other factors having an impact on future taxable income streams could result in revisions to the estimates of benefits to be realized or Till's assessments of its ability to utilize tax losses before expiry. Those revisions could be material to Till's financial position and results of operation.

(d) Basis of consolidation

The accompanying interim unaudited condensed consolidated financial statements include the accounts of Till and its wholly-owned subsidiaries, together with its majority investment interest in Silver Predator Corp. ("SPD"), accounted for as described below.

All intercompany transactions and balances between Till and its subsidiaries have been eliminated in consolidation.

Where necessary, adjustments are made to the results of the subsidiaries to bring their accounting policies in sync with those used by Till.

(i) Subsidiaries

Subsidiaries are entities that Till owns, either directly or indirectly. Till's wholly-owned subsidiaries and any entity in which Till has a majority investment interest at September 30, 2019 are as follows:

Name of wholly-owned subsidiary or majority investment interest	Country of Incorporation	Functional Currency	Proportion of Ownership Interest	Principal Activity
Omega Insurance Holdings, Inc.	Canada	Canadian	100%	Holding company
Omega General Insurance Company	Canada	Canadian	100%	Insurance
Focus Group Inc.	Canada	Canadian	100%	Insurance consulting
Till Capital US Holding Corp.	USA	US	100%	Holding company
Till Management Company	USA	US	100%	Investment management
Golden Predator US Holding Corp.	USA	US	100%	Management services
Springer Mining Company	USA	US	100%	Mineral exploration
Silver Predator Corp.	Canada	Canadian	64%	Mineral exploration

(e) Currency translation and foreign exchange

Till has determined the US dollar to be its functional currency. Transactions denominated in currencies other than the functional currency are reported using the exchange rates prevailing on the dates of the transactions. At each financial statement date, monetary items denominated in foreign currencies are translated at the rates prevailing on the financial statement date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in the period in which they occur.

For the purpose of presenting these interim unaudited condensed consolidated financial statements, the assets and liabilities of Till's foreign operations, being those entities that have a functional currency different from that of Till, are translated into US dollars at the rate of exchange prevailing at the end of the reporting period. Opening balances in shareholders' equity are translated at their historic rates. Transactions in shareholders' equity and income and expenses are translated at the average exchange rates for the period where those rates approximate the rates on the dates of transactions, and, where exchange differences occur, they are recognized as a component of equity.

(Stated in US dollars)

The exchange rates used in converting Canadian dollars to US dollars were as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
Exchange rate at period end	US$1 = Cdn$1.3243	US$1 = Cdn$1.2945	US$1 = Cdn$1.3243	US$1 = Cdn$1.2945
Average exchange rate for the period	US$1 = Cdn$1.3206	US$1 = Cdn$1.3069	US$1 = Cdn$1.3292	US$1 = Cdn$1.2876

(f) Cash and cash equivalents

For the purposes of the interim unaudited condensed consolidated statements of financial position, cash and cash equivalents comprise cash on hand, demand deposits, and short-term highly-liquid investments with an initial maturity of three months or less that are readily convertible into cash and that are subject to an insignificant risk of change in value.

(g) Financial instrument contracts

Till classifies or designates all of its financial assets as either available for sale (“AFS”), held for trading (“HFT”), loans, or receivables. Till classifies or designates all of its financial liabilities as other financial liabilities.

AFS financial assets include government debt securities, corporate bond exchange traded funds, and equity securities, all of which are intended to be held for an indefinite period of time, and which may be sold in response to needs for liquidity or in response to changes in market conditions. AFS financial assets are reported at fair value on the interim unaudited condensed consolidated statements of financial position from the trade date (i.e., the date that Till commits to purchase or sell the financial asset). Any subsequent changes in fair values are reported, net of income taxes, in Other Comprehensive Income (“OCI”) until the financial asset is disposed of or has become impaired. When an AFS financial asset is disposed of, or has become impaired, the accumulated fair value adjustments recognized in Accumulated Other Comprehensive Income (“AOCI”) are transferred to net investment income and a corresponding adjustment (net of income taxes) is made to OCI.

A provision for impairment for AFS financial assets is established when there is objective evidence that the investment is impaired. Objective evidence of impairment for debt securities would include one or more loss events that occurred after initial recognition and that has an impact on the estimated future cash flows of the debt security. Objective evidence of impairment for corporate bond exchange traded funds includes a significant, a prolonged, or a significant and prolonged decline in the fair value of an investment below cost. Till considers an unrealized loss of 5.0% or more to be significant, an unrealized loss of 18 consecutive months to be prolonged, and an unrealized loss of 2.5% or more for 12 consecutive months to be significant and prolonged.

HFT financial assets include equity securities, all of which are held for active trading, and principal at risk notes. HFT financial assets are reported at fair value on the interim unaudited condensed consolidated statements of financial position from the trade date (i.e., the date that Till commits to purchase or sell the financial asset). Any subsequent changes in fair values are reported in the interim unaudited condensed consolidated statements of loss.

Financial assets classified or designated as loans or receivables are reported at fair value on the interim unaudited condensed consolidated statements of financial position from the issuance date and are subsequently reported at amortized cost using the effective interest rate method. A provision for impairment for loans or receivables is established when there is objective evidence that a loan or receivable is impaired.

Financial liabilities classified or designated as other financial liabilities are reported at fair value on the interim unaudited condensed consolidated statements of financial position from the issuance date and are subsequently reported at amortized cost using the effective interest rate method.

(h) Insurance contracts

(i) Product classification

An insurance contract is a contract where an insurance company (the insurer) has accepted insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. As a general guideline, the insurance company determines whether it has insurance risk by comparing expected benefits payable if the insured event occurs with expected benefits payable if the insured event does not occur. An insurance contract can also transfer financial risk.

Once a contract has been classified as an insurance contract, it remains classified as an insurance contract for the remainder of its lifetime, even if the insurance risk reduces during that period.

(ii) Premium revenue and unearned premiums

Insurance premiums written are recognized on the date that coverage begins. For short-term insurance contracts with fixed expiry dates, those written premiums are deferred as unearned premiums and recognized in earned premiums on a pro rata basis over the term of the contracts. For long-term insurance contracts with no fixed expiry dates, those written premiums are deferred as unearned premiums until the insured event has occurred and the premium becomes due from the policyholder.

Insurance premiums written and insurance premiums earned also include any adjustments arising in the accounting period for premiums receivable with respect to business written in prior accounting periods.

Insurance premiums ceded to reinsurers are recorded, deferred as reinsurance assets, and recognized in earned premiums on the same basis as the underlying insurance contracts being reinsured.

Reinsurance premiums are included in income calculated on a pro rata basis over the term of the underlying insurance policies. Reinsurers' share of unearned premiums are recognized as assets using principles consistent with the method for establishing the related unearned premium liability.

(iii) Unpaid claims and adjustment expenses

The provision for unpaid claims includes loss adjustment expenses and represents the estimated amount required to settle all reported claims incurred. Provision is also made for claims incurred but not reported based on the type of business written. Those amounts are discounted to recognize the time value of money, and are also reviewed and updated periodically, with resulting adjustments, if any, included in the current results of operations.

The computation of unpaid claims takes into account the time value of money using market discount rates based on the underlying investment portfolio.

The process of determining the provision for unpaid claims necessarily involves risks that the actual results may deviate from the reported best estimates. Those risks vary in proportion to the length of the estimation period and the volatility of each component comprising the liabilities. To recognize the uncertainty in establishing those best estimates and to allow for possible deterioration in experience, actuaries are required to use explicit margins for adverse deviation in assumptions for asset defaults, reinvestment risk, claims development, and recoverability of reinsurance balances.

Reinsurers' shares of unpaid claims, net of any required provisions for doubtful amounts, are recognized as assets using principles consistent with the method for establishing the related unpaid claim liability.

(iv) Acquisition expenses

Commissions, premium taxes, and other expenses relating directly to the acquisition of premiums are deferred and amortized over the terms of the related policies to the extent they are considered recoverable from unearned premiums.

At the end of each reporting period, a liability adequacy test is performed to determine whether unearned premiums, net of deferred policy acquisition costs, are sufficient to cover the estimated future costs associated with the unexpired period of the insurance policies. Any deficiencies are recognized immediately as a reduction in deferred acquisition expenses. Any portion of the estimated future costs in excess of the deferred policy acquisition costs would be accrued as a liability.

(v) Reinsurance

Reinsurance balances are reported on the interim unaudited condensed consolidated statements of financial position and in the interim unaudited condensed consolidated statements of income (loss) on a gross basis to recognize the credit risk related to reinsurance and related obligations to policyholders.

(vi) Assumption reinsurance transactions

A premium is charged to other insurance companies for assuming the liabilities on an accepted portfolio of insurance contracts.

When the underlying insurance policies are fully expired, the premium is recognized as income on the date when it is determined that the risks and rewards relating to the portfolio liabilities have transferred to Till. At the same time, Till records the actuarially determined estimate of unpaid claims, including loss adjustment expenses, the impact of any existing reinsurance on the portfolio transferred and other costs of the transaction are recorded.

During the period when the underlying insurance policies are not fully expired, the premium is recognized as income on a pro rata basis over the term of the remaining underlying insurance policies. The impact of any reinsurance ceded on the portfolio is recognized as an expense at the time the reinsurance contract is entered into.

(i) Mineral interests

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units-of-production method on commencement of production.

If it is determined that capitalized acquisition, exploration, and evaluation costs are not recoverable, or the property is abandoned, or management has determined there is an impairment in value, the property is written down to its recoverable amount. Mineral properties are reviewed for impairment when facts and circumstances suggest that the carrying amounts may exceed their recoverable amounts.

From time to time, Till acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After all costs relating to a property have been recovered, further payments received are reported as an exploration expense recovery in the current results of operations.

(j) Property, plant, and equipment

Property, plant, and equipment are carried at cost less accumulated depreciation and any impairment charges. Depreciation is recorded on a straight-line basis over the estimated useful life of the asset. Residual values and useful lives are reviewed annually. Impairment losses and gains and losses on disposals of property, plant, and equipment are reported in the current results of operations.

(k) Impairment of assets

Assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment is assessed at the level of cash-generating units ("CGU") that are identified as the smallest identifiable group of assets that generates cash inflows and that are largely independent of the cash inflows from other assets. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of value in use and fair value less costs of disposal ("FVLCD").

The value in use is the net present value of expected future cash flows of the relevant CGU in its current condition, both from continuing use and ultimate disposal. For value in use, recent cost levels are considered, together with expected changes in costs that are compatible with the current condition of the business and that meet the requirements of IFRS.

The best evidence of FVLCD is the value obtained from an active market or binding sale agreement. Where neither exists, FVLCD is based on the best information available to correlate with the amount a market participant would pay for the CGU in an arm's length transaction. That amount is often estimated using discounted cash flow techniques.

(l) Revenue from contracts with customers

Revenue from contracts with customers is based on the principle that revenue is recognized when control of goods or services are transferred to a customer. For consulting and management services revenue, Till recognizes revenue over the term of the relevant agreements as customers simultaneously receive and consume the benefits provided by Till's services and performance.

(m) Taxation

Income tax expense comprises current and deferred income tax. Current income tax and deferred income tax are recognized in income or loss except to the extent that they relate to items recognized directly in equity or in OCI.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted as of the reporting date.

Deferred income tax is recognized in respect of unused tax losses and credits, as well as temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on enacted or substantively enacted laws as of the reporting date. The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be realized.

A deferred income tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences, only to the extent that it is probable that future taxable income will be available against which they can be utilized.

Deferred income tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, associates, and joint arrangements to the extent it is probable those differences will not reverse in the foreseeable future.

(n) Employee benefits

Wages, salaries, and related benefits are accrued in the period in which the employees provide the associated services.

(o) Segment reporting

Till operates in a single segment, that being insurance.

(p) New standard adopted and standards and interpretations not yet adopted

(i) IFRS 16, *Leases* ("IFRS 16")

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 set forth therein, was adopted effective for the year ending December 31, 2019 with no material impact on Till's interim unaudited condensed consolidated financial statements.

(ii) IFRS 9, *Financial Instruments* ("IFRS 9")

IFRS 9 is a three-part standard that replaces IAS 39, *Financial Instruments: Recognition and Measurement,* ("IAS 39"). IFRS 9 became 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 January 1, 2022 effective date of the new insurance contracts standard IFRS 17, *Insurance Contracts,* ("IFRS 17"). Till is currently evaluating the impact that IFRS 9, in conjunction with IFRS 17, will have on its consolidated financial statements in future periods.

In accordance with the requirements of the temporary deferral, Till is required to present additional disclosure related to the classification and fair value of financial assets, as well as their credit rating.

Following the adoption of IFRS 9, the measurement of the group of assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding will be determined based on either Till's business model objectives, or whether Till has elected to apply the fair value option to eliminate an accounting mismatch. That determination will be made at a later date. The assets in the other than SPPI group will be required to be measured at fair value through profit or loss.

Information about the credit risk exposure for Till's SPPI investments in Government debt securities is disclosed in Note 18.

(iii) IFRS 17, *Insurance Contracts*

In May 2017, the IASB issued IFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure that replaces IFRS 4 and introduces consistent accounting for all insurance contracts.

IFRS 17 provides a general model for the recognition of insurance contracts, as well as a simplified model (premium allocation approach) for short-duration contracts, that will be applied to most property and casualty insurance contracts. The standard requires a company to measure insurance contracts using updated estimates and assumptions that give effect to the timing of cash flows and any uncertainty relating to insurance contracts. Additionally, IFRS 17 requires a company to recognize income as it delivers insurance services.

The main features of the simplified new accounting model for property and casualty insurance contracts are summarized as follows:

- A portfolio is a group of contracts covering similar risks and managed together as a single pool. As such, contracts are to be grouped for allocation of deferred policy acquisition costs, the calculation of risk adjustment, the determination of onerous contracts, and the application of the discount rate.

- Insurance liabilities are to be discounted at a rate that takes into consideration the characteristics of the liabilities (as opposed to a rate based on asset returns) and the duration of each portfolio. Entities are to report the effect of changes in discount rates either in net income or in OCI, according to their accounting policy choice.

(Stated in US dollars)

- Changes in balance sheet presentation where unearned premiums are to correspond to premiums received in advance, while accounts receivable are to be comprised of amounts not received when revenue is recognized. In the consolidated statement of income (loss), direct premiums written are no longer to be presented (only earned premiums). Also, insurance results are to be presented without the impact of discounting. Amounts relating to financing and changes in discount rates are to be shown separately.

- Extensive disclosures are to be made to provide information on the recognized amounts from insurance contracts and the nature and extent of risks arising from those contract.

In November 2018, the IASB proposed to delay the implementation of IFRS 17 by one year to January 1, 2022. Earlier application is permitted if IFRS 9 is also applied. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impractical, the entity is required to select either a modified retrospective approach or a fair value approach. Till plans to adopt the new standard on the required effective date together with IFRS 9 (see above). Till expects the new standard will result in significant changes to accounting policies for insurance contract liabilities, but the impact on Till's consolidated financial statements has not yet been determined.

3. ASSETS AND LIABILITIES HELD FOR SALE

In January 2017, SPD, in exchange for the release of a related party debt owed to a subsidiary of Till, gave 100% of its full ownership of Springer Mining Company ("SMC") to that subsidiary. Ownership of SMC was, in turn, transferred to Till's other wholly-owned subsidiary, Golden Predator US Holding Corp. ("GPUS"). Till's Board of Directors and management are committed to a plan to sell SMC. The SMC assets and liabilities held for sale as of September 30, 2019 and December 31, 2018 are summarized as follows:

	September 30 2019	December 31 2018
SMC assets held for sale:		
Cash and accounts receivable	$ 18,673	$ 1,345
Reclamation bonds	32,401	32,401
Prepaid expenses	9,474	17,520
Mineral properties	1,150,207	1,069,868
Property, plant, and equipment	3,998,568	3,998,568
Total SMC assets held for sale	**$ 5,209,323**	**$ 5,119,702**
Total SMC liabilities held for sale	**$ 3,105**	**$ 23,425**

At December 31, 2018, Till performed an impairment assessment of the SMC assets held for sale. Based on a previous appraisal and updated for more recent market activity, Till has concluded that the FVLCD of the SMC assets held for sale exceed their carrying value. The FVLCD of the SMC assets held for sale is subject to significant estimation uncertainty and changes in the market could materially impact the FVLCD.

(Stated in US dollars)

4. INVESTMENTS

(a) Investments

	September 30 2019	December 31 2018
Held for trading securities (i)	$ 1,544,970	$ 465,998
Available for sale securities (ii)	10,174,652	10,075,454
Total investments	**$ 11,719,622**	**$ 10,541,452**

(i) Held for trading securities

	September 30, 2019			December 31, 2018		
	Cost Basis	Unrealized Loss	Fair Value	Cost Basis	Unrealized Gain/(Loss)	Fair Value
Equity securities - natural resource sector	$ 28,852	$ (276)	$ 28,576	$ 125,577	$ 12,973	$ 138,550
Equity securities - all other sectors	1,611,559	(95,165)	1,516,394	600,479	(273,031)	327,448
Total	**$ 1,640,411**	**$ (95,441)**	**$ 1,544,970**	**$ 726,056**	**$ (260,058)**	**$ 465,998**

(ii) Available for sale securities

	September 30, 2019			December 31, 2018		
	Cost Basis	Unrealized Gain/(Loss)	Fair Value	Cost Basis	Unrealized Gain/(Loss)	Fair Value
Canadian government and provincial bonds	$ 5,815,704	$ (42,214)	$ 5,773,490	$ 6,511,555	$ (115,313)	$ 6,396,242
Equity securities- bond funds	4,324,156	77,006	4,401,162	3,462,234	11,244	3,473,478
Equity securities- natural resource sector	17,396	(17,396)	—	142,369	63,365	205,734
Total	**$ 10,157,256**	**$ 17,396**	**$ 10,174,652**	**$ 10,116,158**	**$ (40,704)**	**$ 10,075,454**

(b) Fair value measurement

The fair value of securities in Till's investment portfolio is estimated using the following techniques:

Level 1 - Assets or liabilities with quoted prices in active markets. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - Assets or liabilities that are measured using observable market data and are not allocable to Level 1. Measurements are based, in particular, on prices for comparable assets and liabilities that are traded on active markets, prices on markets that are not considered active, as well as inputs derived from such prices or market data.

Level 3 - Assets or liabilities that cannot be measured or can only be partially measured using observable market inputs. The measurement of such instruments draws principally on valuation models and methods.

Till determines the estimated fair value of each individual security utilizing the highest level inputs available.

Till's investments in exchange traded bond funds, guaranteed investment certificates, and public companies are classified as Level 1 investments because the fair values are based on quoted prices in active markets for identical assets that are reported at fair value. Till's investments in government bonds and public company warrants are classified as Level 2 investments because the fair value is measured using observable market data but identical assets are not quoted in active markets. Till has had no Level 3 investments during the last two years.

(Stated in US dollars)

The fair value hierarchy of Till's investment holdings is as follows:

	Fair Value at September 30, 2019			
	Total	Level 1	Level 2	Level 3
Held for trading	$ 1,544,970	$ 1,544,970	$ —	$ —
Available for sale	10,174,652	4,401,162	5,773,490	—
Total investments	**$ 11,719,622**	**$ 5,946,132**	**$ 5,773,490**	**$ —**

	Fair Value at December 31, 2018			
	Total	Level 1	Level 2	Level 3
Held for trading	$ 465,998	$ 465,998	$ —	$ —
Available for sale	10,075,454	3,679,212	6,396,242	—
Total investments	**$ 10,541,452**	**$ 4,145,210**	**$ 6,396,242**	**$ —**

(c) *Investment income (loss), net*

Till calculates the gain or loss realized on the sale of investments by comparing the sales price (fair value) to the cost or amortized cost of the security sold. Till determines the cost or amortized cost of the bonds sold using the specific-identification method and all other securities sold using the average cost method.

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
Net gain (loss) from held for trading investments				
Equity index futures	$ 37,074	$ (280,406)	$ 81,289	$ (1,311,159)
All other securities	(16,631)	17,209	110,797	(137,448)
Net realized gain (loss) from available for sale investments	(69)	(34,532)	70,508	(34,532)
Net interest and dividends	85,946	55,065	260,372	172,182
Investment related expenses	(65,041)	(230,821)	(428,458)	(1,076,999)
Investment income (loss), net	**$ 41,279**	**$ (473,485)**	**$ 94,508**	**$ (2,387,956)**

(Stated in US dollars)

(d) Net change in unrealized gain or loss on available for sale investments

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
Canadian government bonds and provincial bonds	$ (2,575)	$ (23,311)	$ 73,099	$ (47,709)
Equity securities - bond funds	(21,919)	(27,261)	65,761	(56,152)
Equity securities - natural resource sector	(3,743)	106,806	(6,989)	52,179
	(28,237)	56,234	131,871	(51,682)
Reclassification of realized (gain) loss from available for sale investments	63	34,532	(72,649)	34,532
Total included in other comprehensive income (loss)	**$ (28,174)**	**$ 90,766**	**$ 59,222**	**$ (17,150)**

5. UNPAID LOSSES, LOSS ADJUSTMENT EXPENSES, AND REINSURANCE AMOUNTS CEDED

(a) Reserve for unpaid losses and loss adjustment expenses ("LAE")

	September 30, 2019		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Undiscounted amounts	$ 14,370,799	$ 10,208,113	$ 4,162,686
Adjustment for discount rate	(1,064,713)	(585,970)	(478,743)
Adjustment for provision for adverse developments	1,450,577	802,688	647,889
Reserve for unpaid losses and LAE	**$ 14,756,663**	**$ 10,424,831**	**$ 4,331,832**

	December 31, 2018		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Undiscounted amounts	$ 14,037,311	$ 9,669,320	$ 4,367,991
Adjustment for discount rate	(1,033,573)	(568,832)	(464,741)
Adjustment for provision for adverse developments	1,408,151	779,211	628,940
Reserve for unpaid losses and LAE	**$ 14,411,889**	**$ 9,879,699**	**$ 4,532,190**

(Stated in US dollars)

(b) *Summary of changes in outstanding losses and LAE and amounts ceded*

	Nine Months Ended September 30					
	2019			2018		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Balance, beginning of year	**$14,411,889**	**$ 9,879,699**	**$4,532,190**	**$16,081,794**	**$10,094,946**	**$5,986,848**
Losses and LAE incurred for insured events related to:						
Current period	31,055,585	30,972,648	82,937	26,757,780	26,636,685	121,095
Prior period	924,289	695,887	228,402	1,109,582	491,415	618,167
Total incurred	31,979,874	31,668,535	311,339	27,867,362	27,128,100	739,262
Losses and LAE paid:						
Current period events	(28,888,004)	(28,886,783)	(1,221)	(24,797,126)	(24,791,747)	(5,379)
Prior period events	(3,180,984)	(2,535,199)	(645,785)	(3,943,021)	(2,733,056)	(1,209,965)
Total paid	(32,068,988)	(31,421,982)	(647,006)	(28,740,147)	(27,524,803)	(1,215,344)
Adjustment due to currency conversion	433,888	298,579	135,309	(492,276)	(309,820)	(182,456)
Balance, end of period	**$14,756,663**	**$10,424,831**	**$4,331,832**	**$14,716,733**	**$ 9,388,423**	**$5,328,310**

(c) *Effects of discounting*

For the nine months ended September 30, 2019, Till has discounted its best estimate of claims provisions at a rate of 3.02% (nine months ended September 30, 2018 - 2.68%) based on the yield on its investments.

To recognize the uncertainty in establishing those best estimates, to allow for possible deterioration in experience, and to provide greater comfort that the actuarial liabilities are adequate to pay future costs, Till includes Provisions for Adverse Deviations ("PFADs") in some assumptions relating to claim development, reinsurance recoveries, and future investment income. The PFADs selected are in the mid-range of those recommended by the Canadian Institute of Actuaries for claim development and future investment income and are in the low range of those recommended by the Canadian Institute of Actuaries for reinsurance recoveries.

The effects of discounting and PFADs on unpaid claims and adjustment expenses are as follows:

	September 30, 2019			
	Undiscounted	Effect of discounting	Effect of PFADs	Discounted
Insurance contract liabilities	$ 14,370,799	$ (1,064,713)	$ 1,450,577	$ 14,756,663
Reinsurance asset	10,208,113	(585,970)	802,688	10,424,831
Provision for outstanding claims	**$ 4,162,686**	**$ (478,743)**	**$ 647,889**	**$ 4,331,832**

(Stated in US dollars)

	December 31, 2018			
	Undiscounted	Effect of discounting	Effect of PFADs	Discounted
Insurance contract liabilities	$ 14,037,311	$ (1,033,573)	$ 1,408,151	$ 14,411,889
Reinsurance asset	9,669,320	(568,832)	779,211	9,879,699
Provision for outstanding claims	**$ 4,367,991**	**$ (464,741)**	**$ 628,940**	**$ 4,532,190**

6. UNEARNED PREMIUMS AND UNEARNED PREMIUMS CEDED

The following table is a summary of changes in unearned premiums and unearned premiums ceded:

	September 30, 2019			December 31, 2018		
	Unearned Premiums	Unearned Premiums Ceded	Net	Unearned Premiums	Unearned Premiums Ceded	Net
Balance, beginning of year	**$ 13,714,347**	**$ 11,814,767**	**$ 1,899,580**	**$ 16,145,047**	**$ 13,850,156**	**$ 2,294,891**
Premiums written	52,934,863	52,249,283	685,580	61,518,819	60,718,077	800,742
Premiums earned	(52,862,999)	(52,057,021)	(805,978)	(62,699,427)	(61,688,452)	(1,010,975)
Adjustment due to currency conversion	413,467	356,681	56,786	(1,250,092)	(1,065,014)	(185,078)
Balance, end of period	**$ 14,199,678**	**$ 12,363,710**	**$ 1,835,968**	**$ 13,714,347**	**$ 11,814,767**	**$ 1,899,580**

7. DEFERRED POLICY ACQUISITION COSTS

The changes in deferred policy acquisition costs are summarized as follows:

	September 30 2019	December 31 2018
Balance, beginning of year	**$ 1,939,853**	**$ 2,140,591**
Acquisition costs deferred	14,806,957	17,278,539
Amortization of deferred policy acquisition costs	(14,717,300)	(17,479,277)
Balance, end of period	**$ 2,029,510**	**$ 1,939,853**

(Stated in US dollars)

8. ROYALTY AND MINERAL INTERESTS

Royalty and mineral interests are summarized as follows:

	Balance December 31, 2018	Capitalized exploration costs	Write-down	Option payments received	Balance September 30, 2019
Carlin Vanadium Property	$ 176,315	$ —	$ —	$ (50,000)	$ 126,315
Other properties	169,692	—	—	—	169,692
SPD properties	116,015	22,502	—	—	138,517
Royalty interests	44,158	—	—	—	44,158
Total	**$ 506,180**	**$ 22,502**	**$ —**	**$ (50,000)**	**$ 478,682**

	Balance December 31, 2017	Capitalized exploration costs	Write-down	Option payments received	Balance December 31, 2018
Carlin Vanadium Property	$ 201,315	$ —	$ —	$ (25,000)	$ 176,315
Other properties	169,692	—	—	—	169,692
SPD properties	124,915	21,202	(30,102)	—	116,015
Royalty interests	44,158	—	—	—	44,158
Total	**$ 540,080**	**$ 21,202**	**$ (30,102)**	**$ (25,000)**	**$ 506,180**

(a) Taylor property option

In April 2017, SPD, an entity in which Till has a majority investment interest (64%), entered into an option agreement (the “Taylor Agreement”) with Montego Resources Inc. (“Montego”) pursuant to which Montego has the right to acquire from SPD certain mining claims located in Nevada, USA, commonly referred to as the Taylor Silver Property (the “Taylor Property”).

Under the terms of the Taylor Agreement, Montego can acquire the Taylor Property upon completion of a series of cash payments totaling $1,200,000, issuance of 2,500,000 common shares of Montego to SPD, and expenditures of at least $700,000 on the Taylor Property. Upon completion of the payments, share issuances, and expenditures, Montego will hold a 100% interest in the Taylor Property, subject to a 2% net smelter returns royalty ("NSR") and a 1% net profit royalty that will be retained by SPD.

The payments, share issuances, and expenditures are to be completed in accordance with the following schedule based on the closing date set forth in the Taylor Agreement:

- At closing: $200,000 cash and 500,000 common shares
- 6 months from closing: $100,000 cash and 300,000 common shares
- 12 months from closing: $200,000 cash and 400,000 common shares and expenditures of $100,000
- 24 months from closing: $300,000 cash and 500,000 common shares and expenditures of $250,000
- 36 months from closing: $400,000 cash and 800,000 common shares and expenditures of $350,000

The closing occurred on April 20, 2017 on which date SPD had received $200,000 cash and 500,000 common shares of Montego initially valued at $156,309. On October 19, 2017, SPD received the second installment due from Montego, i.e., $100,000 cash and 300,000 common shares of Montego, initially valued at $45,655. On April 19, 2018, SPD received the third installment due from Montego, i.e., $200,000 cash and 400,000 common shares of Montego, initially valued at $65,973. As of April 19, 2018, Montego had also completed the required $100,000 expenditures.

Option payments are credited against the carrying value of the Taylor Property. Option payments received in excess of the carrying value of the Taylor Property totaled $242,093 for the year ended December 31, 2018 and are recorded as an exploration expense recovery.

As of November 19, 2019 , Montego has not made the fourth installment due on April 20, 2019. SPD has delivered a letter, dated April 30, 2019, to the board of directors of Montego noting that the payment due on April 20, 2019 pursuant to the Taylor Agreement has not been made, and the expenditures required to have been incurred by that date have not been met. Without prejudice to any rights it has under the Taylor Agreement, SPD has not yet terminated the Taylor Agreement and is negotiating with Montego to amend the Taylor Agreement.

(b) Carlin Vanadium property option

In June 2017, GPUS, Till's wholly-owned subsidiary, entered into an option agreement (the "Carlin Vanadium Agreement") with a privately-held unrelated company ("Initial Optionee") pursuant to which Initial Optionee has the right to acquire from GPUS certain mining claims located in Idaho, US commonly referred to as the Carlin Vanadium/ Black Kettle Property (the "Carlin Vanadium Property"). In September 2017, Initial Optionee assigned its rights, interest, obligations, and benefits to and in the Carlin Vanadium Agreement to First Vanadium Corp. ("Optionee").

Under the terms of the Carlin Vanadium Agreement, Optionee can acquire the Carlin Vanadium Property upon completion of a series of cash payments totaling $2,000,000, expenditures of at least $475,000 on the Carlin Vanadium Property, and the granting of a 2% NSR to GPUS on the Carlin Vanadium Property. Upon completion of the payments, expenditures, and issuance of the 2% NSR, Optionee will hold a 100% interest in the Carlin Vanadium Property. Optionee has the right to purchase the NSR for $4 million for the entire 2% NSR or $2 million for 1% (half of the NSR). That right expires at the end of the option period in June 2022.

The payments, expenditures, and NSR grant are to be completed in accordance with the following schedule:

- At closing: $15,000 cash
- On or before December 15, 2017: Expenditures of $50,000
- 12 months from closing: $25,000 cash
- On or before December 15, 2018: Expenditures of an aggregate of $125,000
- 24 months from closing: $50,000 cash
- On or before December 15, 2019: Expenditures of an aggregate of $225,000
- On or before December 15, 2020: Expenditures of an additional $250,000
- On or before December 15, 2021: Expenditures of an additional $250,000 (unless option is exercised)
- On or before 60 months from closing: Expenditures of an additional $122,000 (unless option is exercised)
- On or before 60 months from closing: $2,000,000 cash less any cash payments, not including expenditures
- On or before 60 months from closing: Grant of 2% NSR to GPUS subject to purchase by Optionee

The closing occurred on June 14, 2017 by which date GPUS had received $15,000. By June 14, 2018, GPUS had received an additional $25,000 and Optionee had completed expenditures in excess of $600,000 on the Carlin Vanadium Property.

9. GOODWILL

Goodwill represents the excess of the cost of acquisitions over the fair value of net assets acquired and is not amortized. Goodwill is subject to evaluation for impairment using a recoverable amount based test. That evaluation is performed annually, during the fourth quarter or more frequently if facts and circumstances warrant. The goodwill impairment test involves comparing the recoverable amount of the CGU to the carrying value of the CGU. If the carrying value of the CGU exceeds the recoverable amount of the CGU, Till is required to record an impairment loss as a reduction to the carrying amount of any goodwill associated with that CGU.

At December 31, 2018, a goodwill impairment test was performed. Till determined the recoverable amount of the CGU based on FVLCD. The FVLCD was based on a price-to-book value multiple of 1.15 less cost to dispose. At December 31, 2018, the recoverable amount of $7,138,450 was lower than the carrying value of the CGU and, therefore, Till recorded an impairment of $604,141 against the carrying value of goodwill in the fourth quarter 2018. That impairment was in addition to an impairment to goodwill of $1,097,612 previously recorded in the third quarter of 2018.

(Stated in US dollars)

Reasonably possible movements to the key assumption, price-to-book value multiple, could increase/decrease the calculated recoverable amount. A 0.05 increase or decrease in the price-to-book value multiple would have increased or decreased the recoverable amount and impairment charge recorded in the fourth quarter 2018 by $317,225 and $335,836, respectively.

The goodwill relating to Holdings is presented in the following table:

	September 30 2019	December 31 2018
Balance, beginning of year	**$ 316,411**	**$ 2,218,634**
Impairment	—	(1,701,753)
Foreign currency adjustment	9,533	(200,470)
Balance, end of period	**$ 325,944**	**$ 316,411**

10. OTHER ASSETS

Other assets are summarized as follows:

	September 30 2019	December 31 2018
Prepaid expenses and deposits	$ 182,916	$ 203,840
Reclamation bonds	63,166	63,166
Receivable from IG Copper, LLC	151,060	302,120
Other	166,795	112,036
Total other assets	**$ 563,937**	**$ 681,162**

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities are summarized as follows:

	September 30 2019	December 31 2018
Accounts payable	$ 66,292	$ 139,057
Accrued payroll	29,200	48,564
Other liabilities	43,750	43,750
Total accounts payable and other liabilities	**$ 139,242**	**$ 231,371**

12. SHARE CAPITAL AND RESERVES

(a) Authorized share capital

Till is authorized to issue 12,000,000 shares of restricted voting stock at a par value of $0.001. Shares of Till have restricted voting rights, whereby no single shareholder of Till is able to exercise voting rights for more than 9.9% of the voting rights of the total issued and outstanding Till shares. However, if any one shareholder of Till beneficially owns, or exercises control or direction over, more than 50% of the issued and outstanding Till shares, the 9.9% restriction will no longer apply to the Till shares. At September 30, 2019 and 2018, there were 3,191,462 and 3,290,884, respectively, of issued and outstanding Till restricted voting shares.

(b) Stock options and warrants

Till's Board of Directors may, from time to time and in its sole discretion, award options to acquire shares of the restricted voting stock of Till to directors, employees, and consultants. During the three and nine months ended September 30, 2019, Till recognized stock-based compensation related to options of $145 and $43,950, respectively (three and nine months ended September 30, 2018 - $314 and $1,400, respectively) as a result of consolidating SPD. At September 30, 2019, Till has 17,500 stock options outstanding with a weighted average exercise price of Cdn$7 (US$5.29) and a weighted average remaining term of 1.6 years.

Till's Board of Directors may, from time to time and in its sole discretion, issue warrants to acquire shares of the restricted voting stock of Till. At September 30, 2019, Till has 171,000 warrants outstanding with an exercise price of Cdn$9.50 (US$7.17) that expire on December 31, 2019.

In May 2019, SPD granted 2,275,000 incentive stock options to directors, officers, and consultants to purchase up to 2,275,000 common shares of SPD. Those incentive stock options, which vested on the grant date, have an exercise price of Cdn$0.10 per share and expire three years from the date of grant.

(c) Normal course issuer bid

On May 6, 2019, Till announced that it had renewed its normal course issuer bid ("NCIB"). Under the renewed NCIB, Till has approval to bid for up to 236,300 of its restricted voting shares, representing 10% of the 2,363,003 restricted voting shares that represented Till's public float at that date. Till's Board of Directors believes that market prices for Till's restricted voting shares do not give full effect to their underlying value and that the purchase of restricted voting 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 shareholders who would like to sell their restricted voting shares. Purchases subject to the NCIB will be carried out pursuant to open market transactions through the facilities of the TSXV by Haywood Securities Inc. on behalf of Till.

On April 5, 2018, Till announced that it had renewed its NCIB. Under that NCIB, Till had approval to bid for up to 246,240 of its restricted voting shares, representing 10% of the 2,462,425 restricted voting shares that represented Till's public float at that date. Purchases subject to the NCIB were carried out pursuant to open market transactions through the facilities of the TSXV by Canaccord Genuity Corp. on behalf of Till. During 2018, Till purchased 99,422 restricted voting shares, for $148,397, through the NCIB program all of which were returned to treasury and canceled in 2018.

(d) Treasury shares

Pursuant to an NCIB program approved by Till's directors in September 2014, treasury shares are canceled at cost through retained earnings (deficit).

13. INCOME (LOSS) PER SHARE

Till uses the treasury stock method to calculate diluted income (loss) per share. Following the treasury stock method, the numerator for Till's diluted income (loss) per share calculation remains unchanged from the basic income (loss) per share calculation, as the assumed exercise of Till's stock options and warrants does not result in an adjustment to income or loss.

Stock options to purchase 17,500 restricted voting shares were outstanding at September 30, 2019 and December 31, 2018. Warrants to purchase 171,000 restricted voting shares were outstanding at September 30, 2019 and December 31, 2018. Those stock options and warrants were excluded in the calculation of diluted earnings per share because the exercise prices of the options and warrants were greater than the weighted average market value of the restricted voting shares in the three and nine months ended September 30, 2019 and 2018.

(Stated in US dollars)

14. SEGMENT INFORMATION

Till operates in a single segment, that being insurance.

Till's revenue (loss) is attributable to the following geographical areas:

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
Bermuda	$ 23,419	$ (246,440)	$ 174,273	$ (1,672,080)
Canada	364,963	413,498	1,222,378	1,247,427
United States	(52,358)	(242,845)	(220,604)	(620,925)
Total	**$ 336,024**	**$ (75,787)**	**$ 1,176,047**	**$ (1,045,578)**

The non-current assets (other than financial instruments and deferred income tax assets) are accounted for in the following geographical areas:

	September 30 2019	December 31 2018
Bermuda	$ 104,870	$ 104,870
Canada	347,248	340,196
United States	490,500	531,852
Total	**$ 942,618**	**$ 976,918**

15. 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 includes fees, salaries, share-based awards, and other employee benefits. During the three and nine months ended September 30, 2019, total compensation amounted to $0.16 million and $0.43 million, respectively (three and nine months ended September 30, 2018 - $0.13 million and $0.41 million, respectively). One of Till's directors also serves as the CEO of SPD, and receives $12,000 a year from SPD for his services.

Not included in the compensation amounts disclosed in the preceding paragraph, are significant compensation amounts that were received by a then Till Officer and current Director ("TOD") for serving, in 2018, as a director of IG Copper LLC ("IGC"), a private company in which Till had a substantial investment. Till was given the opportunity to have a representative on IGC's board of directors; the Till Board of Directors authorized TOD to serve in that capacity. As a member of the IGC board of directors, TOD was granted units and warrants, similar to grants made to other members of that board. In addition, in the fourth quarter of 2018, upon the successful completion of a property-sale transaction, TOD, similar to other members of the IGC board, received significant additional compensation in the form of a cash bonus and proceeds from the sale of his IGC units and warrants.

(b) Service agreements

Till is party to service agreements with SPD whereby Till provides administration, accounting, and corporate communications services on a cost-plus recovery basis. Till charged SPD $15,000 and $45,000 during the three and nine months ended September 30, 2019, respectively, (three and nine months ended September 30, 2018 - $9,000 and $27,000, respectively) for those services.

16. CONTINGENT ASSET

Omega has negotiated a settlement for a portion of the damages caused by the insolvency of a reinsurer and Till believes that a favorable outcome is probable. However, the contingent asset has not been recognized as a receivable at September 30, 2019 as settlement is dependent on, among other matters, the satisfactory transfer of certain real estate property, as negotiated. Based on an independent appraisal, and adjusted for expected transfer fees and other costs related to that real estate property, the value of the contingent asset is estimated at $750,000 and title is expected to transfer to Omega before December 31, 2019.

17. CAPITAL MANAGEMENT

(a) Regulatory capital

Till manages capital on an aggregate basis, as well as separately for each regulated entity. Till's insurance subsidiary Omega is subject to the regulatory capital requirements defined by the Office of Superintendent of Financial Institutions (Canada) (“OSFI”) and is subject to minimum capital requirements, which amounts are not available to satisfy liabilities of Till or other subsidiaries.

Till’s objectives when managing capital consist of:

- Ensuring that policyholders in the insurance subsidiary are protected while complying with regulatory capital requirements.
- Complying with regulatory capital requirements.
- Maintaining a strong liquidity position that provides a reasonable return on invested assets.
- 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 AOCI. Capital is monitored by Till's Board of Directors.

(b) Omega

OSFI has set out expectations of a 100% Minimum Capital Test ("MCT") as the minimum and 150% MCT as the supervisory target for Canadian property and casualty insurance companies. As of September 30, 2019, Omega had total capital available of Cdn$8.7 (US$6.6) million (December 31, 2018 - Cdn$8.2 (US$6.0) million) and a total capital required of Cdn$2.4 (US$1.8) million (December 31, 2018 - Cdn$2.3 (US$1.7) million) resulting in a MCT of 360% (December 31, 2018 of 361%). As of September 30, 2019 and December 31, 2018, Omega is in compliance with OSFI's MCT requirements.

18. 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 risks defined in the insurance contracts.

In addition to underwriting general insurance contracts, Omega has also assumed 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 up through the 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 also 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 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 loss year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future. Consideration is also 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 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 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 of 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. Till also holds collateral for certain of its reinsurance arrangements.