



**TILL CAPITAL CORPORATION**

**INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the Three Months Ended March 31, 2021 and 2020**

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

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The attached interim unaudited condensed consolidated financial statements for the three months ended March 31, 2021 and 2020 have been prepared by and are the responsibility of Till Capital Corporation'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.

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**TILL CAPITAL CORPORATION**Interim Unaudited Condensed Consolidated Statements of Loss  
(Stated in US dollars)

	Notes	Three Months Ended March 31	
		2021	2020
<b>Revenue</b>			
Investment income (loss), net	5(d)	\$ (43,717)	\$ 139,379
Other revenue		—	100,000
		(43,717)	239,379
<b>Expenses</b>			
General and administrative expenses		130,542	159,057
Salaries and benefits		205,459	117,202
Stock-based compensation	12(b)	209,410	—
Foreign exchange income (loss)		(7,358)	19,529
Other expenses		2,663	2,588
		540,716	298,376
<b>Loss before income taxes and loss on equity method investments from continuing operations</b>		<b>(584,433)</b>	<b>(58,997)</b>
Loss on equity investments	5(b)	(48,686)	—
<b>Loss from continuing operations</b>		<b>(633,119)</b>	<b>(58,997)</b>
<b>Income (loss) from discontinued operations</b>	14		
Income (loss) from discontinued operations		302,369	(284,561)
Income tax expense		(52,898)	—
<b>Income (loss) from discontinued operations</b>		249,471	(284,561)
<b>Net loss</b>		<b>\$ (383,648)</b>	<b>\$ (343,558)</b>
<b>Loss attributable to:</b>			
Shareholders of Till Capital Corporation		\$ (347,489)	\$ (323,225)
Non-controlling interests		(36,159)	(20,333)
<b>Net loss</b>		<b>\$ (383,648)</b>	<b>\$ (343,558)</b>
<b>Basic and diluted loss per restricted voting share from continuing operations attributable to the shareholders of Till Capital Corporation</b>		<b>\$(0.19)</b>	<b>\$(0.01)</b>
<b>Basic and diluted income (loss) per restricted voting share from discontinued operations attributable to the shareholders of Till Capital Corporation</b>		<b>\$0.08</b>	<b>\$(0.09)</b>
<b>Basic and diluted loss per restricted voting share attributable to the shareholders of Till Capital Corporation</b>		<b>\$(0.11)</b>	<b>\$(0.10)</b>
<b>Weighted average number of restricted voting shares outstanding</b>		<b>3,191,462</b>	<b>3,191,462</b>

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

**TILL CAPITAL CORPORATION**Interim Unaudited Condensed Consolidated Statements of Comprehensive Loss  
(Stated in US dollars)

		Three Months Ended March 31	
	Notes	2021	2020
<b>Net loss</b>		<b>\$ (383,648)</b>	<b>\$ (343,558)</b>
<b>Other comprehensive income (loss) from continuing operations</b>			
Reclassification of realized gain from available for sale investments	5(e)	43,230	—
Item that may be reclassified subsequently to net loss:			
Change in cumulative foreign exchange translation adjustment		34,263	(5,215)
<b>Other comprehensive income (loss) from continuing operations</b>		<b>77,493</b>	<b>(5,215)</b>
<b>Other comprehensive income (loss) from discontinued operations</b>			
Change in net unrealized gain on available for sale investments	5(e)	(121,678)	(63,858)
Item that may be reclassified subsequently to net loss:			
Change in cumulative foreign exchange translation adjustment		130,111	(660,942)
<b>Other comprehensive income (loss) from discontinued operations</b>		<b>8,433</b>	<b>(724,800)</b>
<b>Total comprehensive loss</b>		<b>\$ (297,722)</b>	<b>\$ (1,073,573)</b>
<b>Total comprehensive loss attributable to:</b>			
Shareholders of Till Capital Corporation		\$ (277,757)	\$ (1,055,043)
Non-controlling interests		(19,965)	(18,530)
<b>Total comprehensive loss</b>		<b>\$ (297,722)</b>	<b>\$ (1,073,573)</b>

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

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

	Notes	March 31, 2021	December 31, 2020
<b>Current assets</b>			
Cash and cash equivalents		\$ 946,875	\$ 1,793,687
Investments	5(a)	309,035	259,834
Investments, equity method	5(b)	3,219,477	2,744,163
Assets held for sale	3	58,953,460	56,665,496
Other current assets	10	115,021	142,993
<b>Total current assets</b>		<b>63,543,868</b>	<b>61,606,173</b>
<b>Non-current assets</b>			
Royalty and mineral interests	9	382,786	382,786
Other non-current assets		129,608	130,726
<b>Total non-current assets</b>		<b>512,394</b>	<b>513,512</b>
<b>Total assets</b>		<b>\$ 64,056,262</b>	<b>\$ 62,119,685</b>
<b>Current liabilities</b>			
Liabilities held for sale	3	\$ 44,496,295	\$ 42,442,406
Accounts payable and other liabilities	11	150,218	179,218
<b>Total liabilities</b>		<b>\$ 44,646,513</b>	<b>\$ 42,621,624</b>
<b>Shareholders' equity</b>			
Share capital		\$ 3,191	\$ 3,191
Contributed surplus		40,851,483	40,649,665
Accumulated other comprehensive loss		(759,613)	(829,345)
Deficit		(20,765,915)	(20,418,426)
Equity attributable to shareholders of Till Capital Corporation		19,329,146	19,405,085
Non-controlling interests		80,603	92,976
<b>Total shareholders' equity</b>		<b>\$ 19,409,749</b>	<b>\$ 19,498,061</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 64,056,262</b>	<b>\$ 62,119,685</b>

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 May 26, 2021 and signed on their behalf by:

/s/ Scott McLeod

Scott McLeod, Director

**TILL CAPITAL CORPORATION**

Interim Unaudited Condensed Consolidated Statements of Shareholders' Equity

(Stated in US dollars)

	Capital Stock			Accumulated other comprehensive income (loss)					Deficit	Equity attributable to shareholders of Till Capital Corporation	Non-controlling interests	Total
	Shares	Amount	Contributed surplus	Continuing operations available for sale investments	Continuing operations currency translation adjustment	Discontinued operations available for sale investments	Discontinued operations currency translation adjustment					
<b>Balance, December 31, 2019</b>	<b>3,191,462</b>	<b>\$ 3,191</b>	<b>\$ 40,649,665</b>	<b>\$ (446,534)</b>	<b>\$ 394,900</b>	<b>\$ (505,333)</b>	<b>\$ (671,137)</b>	<b>\$ (18,858,887)</b>	<b>\$ 20,565,865</b>	<b>\$ 92,302</b>	<b>\$ 20,658,167</b>	
Three Months Ended March 31, 2020:												
Net loss	—	—	—	—	—	—	—	(323,225)	(323,225)	(20,333)	(343,558)	
Other comprehensive income (loss)	—	—	—	—	(7,018)	(63,858)	(660,942)	—	(731,818)	1,803	(730,015)	
Total comprehensive income loss	—	—	—	—	(7,018)	(63,858)	(660,942)	(323,225)	(1,055,043)	(18,530)	(1,073,573)	
<b>Balance, March 31, 2020</b>	<b>3,191,462</b>	<b>\$ 3,191</b>	<b>\$ 40,649,665</b>	<b>\$ (446,534)</b>	<b>\$ 387,882</b>	<b>\$ (569,191)</b>	<b>\$ (1,332,079)</b>	<b>\$ (19,182,112)</b>	<b>\$ 19,510,822</b>	<b>\$ 73,772</b>	<b>\$ 19,584,594</b>	
<b>Balance, December 31, 2020</b>	<b>3,191,462</b>	<b>\$ 3,191</b>	<b>\$ 40,649,665</b>	<b>\$ (446,534)</b>	<b>\$ 352,726</b>	<b>\$ (243,122)</b>	<b>\$ (492,415)</b>	<b>\$ (20,418,426)</b>	<b>\$ 19,405,085</b>	<b>\$ 92,976</b>	<b>\$ 19,498,061</b>	
Three Months Ended March 31, 2021:												
Net loss	—	—	—	—	—	—	—	(347,489)	(347,489)	(36,159)	(383,648)	
Other comprehensive income (loss)	—	—	—	27,062	34,237	(121,678)	130,111	—	69,732	16,194	85,926	
Total comprehensive income (loss)	—	—	—	27,062	34,237	(121,678)	130,111	(347,489)	(277,757)	(19,965)	(297,722)	
Stock-based compensation	—	—	209,410	—	—	—	—	—	209,410	—	209,410	
Decrease of controlling interest in subsidiary	—	—	(7,592)	—	—	—	—	—	(7,592)	7,592	—	
<b>Balance, March 31, 2021</b>	<b>3,191,462</b>	<b>\$ 3,191</b>	<b>\$ 40,851,483</b>	<b>\$ (419,472)</b>	<b>\$ 386,963</b>	<b>\$ (364,800)</b>	<b>\$ (362,304)</b>	<b>\$ (20,765,915)</b>	<b>\$ 19,329,146</b>	<b>\$ 80,603</b>	<b>\$ 19,409,749</b>	

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

**TILL CAPITAL CORPORATION**Interim Unaudited Condensed Consolidated Statements of Cash Flows  
(Stated in US dollars)

	Notes	Three Months Ended March 31	
		2021	2020
<b>Cash flows from operating activities</b>			
Net loss from continuing operations		\$ (633,119)	\$ (58,997)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense		1,118	2,090
Stock-based compensation	12(b)	209,410	—
Investment (income) loss	5(d)	43,717	(139,379)
Loss on equity investments	5(b)	48,686	—
Changes in operating assets and liabilities:			
Decrease in accounts receivable		856	378,528
Increase (decrease) in accounts payable and other liabilities		(29,000)	20,807
Other working capital changes		59,783	37,021
Net cash provided by (used in) continuing operating activities		(298,549)	240,070
Net cash provided by (used in) discontinued operating activities	14	(662,460)	1,423,622
Net cash provided by (used in) operating activities		(961,009)	1,663,692
<b>Cash flows from investing activities</b>			
Sales of investments		20,481,126	22,649,382
Purchases of investments		(20,555,033)	(21,474,385)
Sales of equity index futures, net	5(d)	24,220	39,914
Purchases of equity method investments	5(b)	(524,000)	(2,000,000)
Exploration and evaluation costs capitalized		(8,838)	(7,119)
Purchases of property, plant, and equipment, net		—	(1,098)
Net cash used in continuing investing activities		(582,525)	(793,306)
Net cash provided by (used in) discontinued investing activities	14	579,482	(1,228,141)
Net cash used in investing activities		(3,043)	(2,021,447)
<b>Cash flows from financing activities</b>			
Net cash used in discontinued financing activities	14	(18,440)	(15,039)
Net cash used in financing activities		(18,440)	(15,039)
<b>Decrease in cash and cash equivalents</b>		<b>(982,492)</b>	<b>(372,794)</b>
<b>Effect of foreign exchange rate</b>		<b>71,311</b>	<b>(233,570)</b>
<b>Change in cash of discontinued operations in assets held for sale</b>		<b>64,369</b>	<b>47,912</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>1,793,687</b>	<b>4,901,013</b>
<b>Cash and cash equivalents, end of period</b>		<b>\$ 946,875</b>	<b>\$ 4,342,561</b>

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

## TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(Stated in US dollars)

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### 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. On November 22, 2019, Till Capital Ltd. redomiciled to British Columbia, Canada under the Business Corporations Act and was renamed Till Capital Corporation ("Till"). Till's registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada.

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 as of 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. During 2019, Till initiated a plan to sell Holdings, see Note 2(b).

These consolidated financial statements for the three months ended March 31, 2021 and 2020 were approved and authorized for issuance by Till's Audit Committee on May 26, 2021.

In December 2019, a novel strain of the coronavirus (COVID-19) emerged, the virus has spread to Canada and the U.S. The extent to which the coronavirus will impact Till's business in the future, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time. In particular, the continued spread of the coronavirus could materially and adversely impact Till's operations and business, including without limitation, its stock valuation, employee health and productivity, significant reduction in the market value of Till's investments, including its mining investments, and assets held for sale, restrictions or delays to SPD's planned exploration activities, ability to raise financing, and other factors, including those related to market demand for precious and/or base metals, which are beyond Till's control. Those factors may have a material and adverse effect on Till's business, financial condition, and results of operations.

### 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 May 26, 2021, 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, 2020. Those financial statements disclose information for the year ended December 31, 2020 that is material to the understanding of these interim unaudited condensed consolidated financial statements.

## TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(Stated in US dollars)

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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.

*b. Held for sale and discontinued operations*

Starting in 2019 and continuing in 2021, Till followed a plan to sell Holdings and its subsidiaries, Omega and Focus, all of which operate, and are based, in Canada. As a result of that decision, pursuant to IFRS that are the basis for Till's financial reporting practices, Holdings is required to be classified as held for sale and be considered a discontinued operation. During the sale process, Holdings continues to operate as normal operations of Till.

Springer Mining Company ("SMC"), a wholly-owned subsidiary of Till, owns the Springer underground mine and mill complex, various water rights, a current tungsten mineral resource, approximately 3,700 acres of private land, unpatented claims, and substantially all permits required for mining operations. That property is located southwest of Winnemucca, Nevada. Till's Board of Directors and management are committed to selling SMC. As a result, pursuant to IFRS, the assets and liabilities of SMC are classified as held for sale.

There can be no assurance that the sale processes of Holdings and SMC will result in any transaction.

*c. Use of estimates and areas of judgement*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. Amounts in the 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, projection of unpaid loss and loss expense adjustment reserves, assessment of reinsurance recoverables, including any provision for uncollectible reinsurance, and composition of deferred income tax assets and liabilities. In addition, the preparation of financial statements requires management to make judgments in applying accounting policies. The judgment that has the most significant effect on the amounts recognized in the financial statements is the judgment in determining whether Till has significant influence over its investments in IG Tintic LLC ("IGT") and IG Far East LLC ("IGFE").

Insurance 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 constitute the majority of the liability in the accompanying 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 the estimated 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 reinsurers.

Classification and valuation of assets held for sale:

Till follows the guidance of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, ("IFRS 5") for the classification of assets held for sale. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to dispose ("FVLCD"). Estimates are made in the measurement of

## TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

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(Stated in US dollars)

FVLCD. In assessing classification, Till considers all currently available information, including results of ongoing sales processes.

### Significant influence over investments:

Significant influence is presumed to exist where there is neither control nor joint control and Till has over 20% of the voting rights. Significant influence can also arise where Till holds less than 20% of the voting rights if it has the opportunity to participate in the financial and operating policy decisions affecting the entity. Management has applied significant judgment in concluding that Till has significant influence over IGT even though it has only 7.9% ownership of IGT at March 31, 2021. In concluding that Till has significant influence while holding less than 20% of the voting rights, management considered that Till had the opportunity to participate in the financial and operating policy decisions affecting IGT as a director of Till is Chairman of the management committee of IGT's significant subsidiary Tintic Consolidated Metals LLC ("TCM") on IGT's behalf.

### *d. Basis of consolidation*

The accompanying consolidated financial statements include the accounts of Till, its wholly-owned subsidiaries, and its majority interest in Silver Predator Corp. ("SPD"), a publicly-held company that is deemed to be a controlled subsidiary of Till.

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 March 31, 2021 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	62.6%	Mineral exploration

### *e. Equity method investments*

IGT and IGFE are entities that are neither controlled nor jointly controlled by Till, and over which, pursuant to the following criteria in accordance with IAS 28, *Investments in Associates and Joint Ventures*, Till is deemed to have significant influence. Significant influence (see also Note 5(b) and Note 16(c)) is presumed to exist where there is neither control nor joint control and Till has over 20% of the voting rights. Significant influence can also arise where Till holds less than 20% of the voting rights if it has the opportunity to participate in the financial and operating policy decisions affecting the entity.

Under the equity method of accounting, the investment is recorded initially at cost to Till. In subsequent periods, the carrying amount of each investment is adjusted for Till's share of each investment's retained post-acquisition profit or loss and other comprehensive income. Adjustments are made to profit and loss to bring the investment's

## TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

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accounting policies in line with those of Till. If Till's share of losses in the investment equals or exceeds its interest in that investment, including any unsecured receivables, Till would not recognize any further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the investment.

*f. 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 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.

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

	Three Months Ended March 31	
	2021	2020
Exchange rate at period end	US\$1 = Cdn\$1.2575	US\$1 = Cdn\$1.4187
Average exchange rate for the period	US\$1 = Cdn\$1.2666	US\$1 = Cdn\$1.3449

*g. Cash and cash equivalents*

For the purposes of the 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.

*h. 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 and corporate bond exchange traded funds, 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 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.

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Notes to the Interim Unaudited Condensed Consolidated Financial Statements

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(Stated in US dollars)

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HFT financial assets include equity securities, all of which are held by Till for active trading, and principal at risk notes held by Omega. HFT financial assets are reported at fair value on the 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 consolidated statements of loss.

Financial assets classified or designated as loans or receivables are reported at fair value on the 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 consolidated statements of financial position from the issuance date and are subsequently reported at amortized cost using the effective interest rate method.

*i. Insurance contracts*

*(i) Product classification*

An insurance policy 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 generally transfers financial risk.

Once a policy 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 the types of short-term insurance policy written by Till's insurance subsidiary, Omega, 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.

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 policy being reinsured.

Reinsurance premiums are included in income calculated on a pro rata basis over the term of the underlying insurance policies. The 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.

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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, adverse claim development, and recoverability of reinsurance balances.

The 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 consolidated statements of financial position and in the consolidated statements of 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 policies, or a portion thereof.

When the underlying insurance policies are fully expired, the premiums are 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.

During the period when the underlying insurance policies are not fully expired, the premiums are 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.

### *j. 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 feasibility and commercial viability of a mineral resource have been demonstrated, the capitalized costs of the related property are transferred to mining assets.

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

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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.

### *k. 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.

### *l. 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 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.

### *m. 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 utilize the benefits provided by Till's services and performance.

### *n. 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

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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 income 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.

*o. Loss per share*

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

*p. Employee benefits*

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

*q. Segment reporting*

Till operates in a single segment, that being investments.

*r. New standard adopted and standards and interpretations not yet adopted*

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

IFRS 9 is a three-part standard that replaces IAS 39, *Financial Instruments: Recognition and Measurement*. 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*, and has elected to defer the application of IFRS 9 until the January 1, 2023 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 income or loss.

*(ii) 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 applicable for most property and casualty insurance contracts. The standard requires a company to measure insurance contracts using updated

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estimates and assumptions that give effect to the timing of cash flows and any uncertainty relating to the underwritten 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 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.
- 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 or 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 contracts.

The effective date of IFRS 17 is January 23, 2023. 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; however, the impact on Till's consolidated financial statements has not yet been determined.

### 3. ASSETS AND LIABILITIES HELD FOR SALE

#### **Omega Insurance Holdings, Inc.**

During the year ended December 31, 2019, Till initiated a plan to sell Holdings, including its subsidiaries, Omega and Focus, all of which operate and are based in Canada. Pursuant to IFRS 5, Holdings was classified as a discontinued operation and Holding's assets and liabilities were classified as held for sale. A fair value measurement was performed periodically assessing the fair value of Holdings' assets and liabilities less costs to sell. A gain of \$689,458 was recorded at December 31, 2020 as a result of the increased FVLCD. See Note 16 and Note 21(a) of Till's audited consolidated financial statements for the years ended December 31, 2020 and 2019.

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The assets and liabilities held for sale of Holdings are as follows:

	March 31, 2021	December 31, 2020
<b>Holdings assets held for sale:</b>		
Cash and cash equivalents	\$ 1,145,334	\$ 1,209,703
Investments	15,700,247	15,442,275
Real estate property held for sale	—	557,397
Unpaid losses and loss adjustment expenses ceded	8,109,912	7,599,554
Unearned premiums ceded	12,005,379	10,802,846
Premiums receivable and reinsurance recoverables	15,370,647	13,825,439
Deferred policy acquisition costs	1,330,915	1,850,201
Right of use asset	104,496	120,409
Deferred income tax asset	155,070	196,996
Other assets	50,785	53,250
<b>Total Holdings assets held for sale</b>	<b>\$ 53,972,785</b>	<b>\$ 51,658,070</b>
<b>Holdings liabilities held for sale:</b>		
Reserve for unpaid losses and loss adjustment expenses	\$ 12,232,379	\$ 11,454,610
Unearned premiums	14,078,428	12,876,197
Reinsurance payables	14,349,151	13,144,662
Payables and accruals	983,224	2,157,766
Unearned commissions	2,268,132	2,236,550
Lease liability	110,772	126,419
Other liabilities	469,706	438,777
<b>Total Holdings liabilities held for sale</b>	<b>\$ 44,491,792</b>	<b>\$ 42,434,981</b>

**Springer Mining Company**

SMC, a wholly-owned subsidiary of Till, owns the Springer underground mine and mill complex, various water rights, a current tungsten mineral resource, approximately 3,700 acres of private land, unpatented claims, and substantially all permits required for mining operations. That property is located southwest of Winnemucca, Nevada. In January 2017, SPD, in exchange for the full release of a related party debt owed to a subsidiary of Till, gave 100% of its full ownership of SMC to that subsidiary. Full ownership of SMC was, in turn, transferred by that subsidiary to Golden Predator US Holding Corp. ("GPUS"), another wholly-owned subsidiary of Till.

Till is committed to selling SMC. A letter of intent for the acquisition of SMC was signed in December 2020, initiating a period of exclusivity during which the potential acquirer has certain rights. Pursuant to IFRS 5, SMC's assets and liabilities were classified as held for sale.

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The assets and liabilities held for sale of SMC are as follows:

	March 31, 2021	December 31, 2020
<b>SMC assets held for sale:</b>		
Cash	\$ 52,174	\$ 14,454
Accounts receivable	(450)	98,050
Reclamation bonds	32,401	32,401
Prepaid expenses	31,980	6,789
Mineral properties	1,269,438	1,260,600
Property, plant, and equipment	3,595,132	3,595,132
<b>Total SMC assets held for sale</b>	<b>\$ 4,980,675</b>	<b>\$ 5,007,426</b>
<b>Total SMC liabilities held for sale</b>	<b>\$ 4,503</b>	<b>\$ 7,425</b>

At December 31, 2020, Till performed an impairment assessment of the SMC assets held for sale, and as a result, an impairment loss of \$314,725 was recorded at December 31, 2020.

**Total assets and liabilities held for sale**

	March 31, 2021	December 31, 2020
<b>Assets held for sale:</b>		
Holdings	\$ 53,972,785	\$ 51,658,070
SMC	4,980,675	5,007,426
<b>Total assets held for sale</b>	<b>\$ 58,953,460</b>	<b>\$ 56,665,496</b>
<b>Liabilities held for sale:</b>		
Holdings	\$ 44,491,792	\$ 42,434,981
SMC	4,503	7,425
<b>Total liabilities held for sale</b>	<b>\$ 44,496,295</b>	<b>\$ 42,442,406</b>

**4. LEASES**

Till leases its office in Hayden, ID U.S. on a month-to-month basis. Till elected not to apply IFRS 16, *Leases*, ("IFRS 16") for that short-term lease.

In the third quarter of 2019, Focus, a subsidiary of Till's wholly-owned held for sale subsidiary Holdings, entered into an agreement to lease its office for three years, effective October 1, 2019, with a monthly lease payment of \$5,944 (Cdn\$7,474) for the first year, \$6,191 (Cdn\$7,785) for the second year, and \$6,439 (Cdn\$8,097) for the third year. The three-year lease was accounted for in accordance with IFRS 16. At March 31, 2021, Holdings was classified as discontinued operations (see Note 14) and its assets and liabilities were classified as held for sale (see Note 3).

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**Lease liabilities maturity schedule**

2019	\$	15,830
2020		65,166
2021		71,108
2022		56,889
	\$	208,993

The right-of-use asset, lease liabilities, and related expenses are summarized as follows:

	March 31, 2021	December 31, 2020
<b>Right-of-use asset</b>		
Beginning balance	\$ 120,409	\$ —
Depreciation	(17,291)	(65,302)
FVLCD adjustment	—	185,485
Adjustment due to currency conversion	1,378	226
Ending balance	\$ 104,496	\$ 120,409

**Lease liabilities**

Beginning balance	\$ 126,419	\$ 187,021
Interest on lease liabilities	1,339	6,467
Lease payments	(18,440)	(67,553)
Adjustment due to currency conversion	1,454	484
Ending balance	\$ 110,772	\$ 126,419

	Three Months Ended March 31	
	2021	2020
Depreciation expense for right-of-use asset	\$ 17,291	\$ —
Interest expense on lease liabilities	\$ 1,339	\$ 1,933
Total cash outflow for leases	\$ 18,440	\$ 16,672

**5. INVESTMENTS***(a) Investments*

	March 31, 2021			December 31, 2020		
	Cost Basis	Unrealized Loss	Fair Value	Cost Basis	Unrealized Loss	Fair Value
Held for trading	\$ 358,665	\$ (49,630)	\$ 309,035	\$ 270,683	\$ (10,849)	\$ 259,834
<b>Total</b>	<b>\$ 358,665</b>	<b>\$ (49,630)</b>	<b>\$ 309,035</b>	<b>\$ 270,683</b>	<b>\$ (10,849)</b>	<b>\$ 259,834</b>

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Investments included in assets held for sale:

	March 31, 2021			December 31, 2020		
	Cost Basis	Unrealized Gain	Fair Value	Cost Basis	Unrealized Gain (loss)	Fair Value
Held for trading	\$ 4,253,073	\$ 147,419	\$ 4,400,492	\$ 4,277,916	\$ (24,174)	\$ 4,253,742
Available for sale	11,150,126	149,629	11,299,755	10,897,135	291,398	11,188,533
<b>Total</b>	<b>\$ 15,403,199</b>	<b>\$ 297,048</b>	<b>\$ 15,700,247</b>	<b>\$ 15,175,051</b>	<b>\$ 267,224</b>	<b>\$ 15,442,275</b>

*(b) Equity method investments*IG Tintic LLC

Till, through Till Management Company ("TMC"), invested \$2,000,000 on January 13, 2020 for 880,900 units representing a 10.0% ownership in IGT. Of that amount, \$1,153,562 was allocated to net assets and \$846,438 was allocated to additional mineral property value. On December 17, 2020, TMC invested \$700,000 for 70,000 additional units. Of that amount, \$78,232 was allocated to net assets and \$621,768 was allocated to additional mineral property value. At March 31, 2021, Till owns 950,900 units of IGT, which, in 2021, completed a private financing, selling 600,000 units at \$10 per unit and diluting Till's ownership to 7.9%. The investment is accounted for under the equity method of accounting. IGT is the majority owner of TCM that owns a substantial consolidated land package of mineral and surface rights in the East Tintic Mining District near Provo, Utah.

	March 31, 2021	December 31, 2020
<b>Balance, beginning of year</b>	<b>\$ 2,357,740</b>	<b>\$ —</b>
Acquisition – purchase of 880,900 units on January 13, 2020	—	2,000,000
Acquisition – purchase of 70,000 units on December 17, 2020	—	700,000
Equity loss	(15,651)	(342,260)
<b>Balance, end of period</b>	<b>\$ 2,342,089</b>	<b>\$ 2,357,740</b>

IG Far East LLC

During the three months ended March 31, 2021, Till, through TMC, invested \$524,000 in IGFE (year ended December 31, 2020 - \$450,000) to maintain its 33.3% interest. That investment is accounted for under the equity method of accounting. IGFE has a substantial interest in the Durmin gold property in east Russia.

	March 31, 2021	December 31, 2020
<b>Balance, beginning of year</b>	<b>\$ 386,423</b>	<b>\$ —</b>
Acquisitions	524,000	450,000
Equity loss	(33,035)	(63,577)
<b>Balance, end of period</b>	<b>\$ 877,388</b>	<b>\$ 386,423</b>

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*(c) 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 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. Omega's investments in government bonds and principle at risk notes 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.

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

	Fair Value at March 31, 2021			
	Total	Level 1	Level 2	Level 3
Held for trading	\$ 309,035	\$ 309,035	\$ —	\$ —
Held for sale:				
Held for trading	4,400,493	3,279,105	1,121,388	—
Available for sale	11,299,754	4,691,452	6,608,302	—
<b>Total investments</b>	<b>\$ 16,009,282</b>	<b>\$ 8,279,592</b>	<b>\$ 7,729,690</b>	<b>\$ —</b>

	Fair Value at December 31, 2020			
	Total	Level 1	Level 2	Level 3
Held for trading	\$ 259,834	\$ 259,834	\$ —	\$ —
Held for sale:				
Held for trading	4,256,425	3,195,252	1,061,173	—
Available for sale	11,185,850	4,728,801	6,457,049	—
<b>Total investments</b>	<b>\$ 15,702,109</b>	<b>\$ 8,183,887</b>	<b>\$ 7,518,222</b>	<b>\$ —</b>

*(d) Investment gain (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.

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	Three Months Ended March 31	
	2021	2020
Net gain (loss) from held for trading investments:		
Equity index futures	\$ 24,220	\$ 39,914
All other securities	(19,971)	198,669
Net realized loss from available for sale investments	(42,326)	—
Net interest and dividends	1	5,272
Investment related expenses	(5,641)	(104,476)
<b>Investment gain (loss), net</b>	<b>\$ (43,717)</b>	<b>\$ 139,379</b>

*(e) Net change in unrealized gain or loss on available for sale investments:*

	Three Months Ended March 31	
	2021	2020
Equity securities	\$ —	\$ —
Discontinued operations:		
Canadian government bonds and provincial bonds	(30,171)	78,389
Equity securities - bond funds	(91,507)	(142,247)
	(121,678)	(63,858)
Reclassification of realized loss from available for sale investments	43,230	—
<b>Total included in other comprehensive income</b>	<b>\$ (78,448)</b>	<b>\$ (63,858)</b>

**6. UNPAID LOSSES, LOSS ADJUSTMENT EXPENSES, AND REINSURANCE AMOUNTS CEDED**

The March 31, 2021 and December 31, 2020 unpaid losses, loss adjustment expenses, and reinsurance amounts ceded were classified as held for sale. (See Note 2 and 14 for more details.)

*(a) Reserve for unpaid losses and loss adjustment expenses (“LAE”)*

	March 31, 2021		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Undiscounted amounts	\$ 11,519,854	\$ 7,661,403	\$ 3,858,451
Adjustment for discount rate	(302,187)	(50,099)	(252,088)
Adjustment for provision for adverse developments	1,014,712	498,608	516,104
<b>Reserve for unpaid losses and LAE</b>	<b>\$ 12,232,379</b>	<b>\$ 8,109,912</b>	<b>\$ 4,122,467</b>

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	December 31, 2020		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Undiscounted amounts	\$ 10,750,872	\$ 7,156,575	\$ 3,594,297
Adjustment for discount rate	(298,461)	(49,482)	(248,979)
Adjustment for provision for adverse developments	1,002,199	492,461	509,738
<b>Reserve for unpaid losses and LAE</b>	<b>\$ 11,454,610</b>	<b>\$ 7,599,554</b>	<b>\$ 3,855,056</b>

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

	Three Months Ended March 31					
	2021			2020		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
<b>Balance, beginning of year</b>	<b>\$ 11,454,610</b>	<b>\$ 7,599,554</b>	<b>\$ 3,855,056</b>	<b>\$ 10,694,017</b>	<b>\$ 7,108,469</b>	<b>\$ 3,585,548</b>
Losses and LAE incurred for insured events related to:						
Current period	14,961,024	14,948,417	12,607	11,311,852	11,291,133	20,719
Prior period	823,646	520,939	302,707	(233,127)	(305,280)	72,153
<b>Total incurred</b>	<b>15,784,670</b>	<b>15,469,356</b>	<b>315,314</b>	<b>11,078,725</b>	<b>10,985,853</b>	<b>92,872</b>
Losses and LAE paid:						
Current period	(13,323,598)	(13,323,598)	—	(9,899,993)	(9,898,508)	(1,485)
Prior period	(1,830,876)	(1,733,267)	(97,609)	(1,014,043)	(954,111)	(59,932)
<b>Total paid</b>	<b>(15,154,474)</b>	<b>(15,056,865)</b>	<b>(97,609)</b>	<b>(10,914,036)</b>	<b>(10,852,619)</b>	<b>(61,417)</b>
Adjustment due to currency conversion	147,573	97,867	49,706	(912,361)	(607,696)	(304,665)
<b>Balance, end of period</b>	<b>\$ 12,232,379</b>	<b>\$ 8,109,912</b>	<b>\$ 4,122,467</b>	<b>\$ 9,946,345</b>	<b>\$ 6,634,007</b>	<b>\$ 3,312,338</b>

(c) Effects of discounting

For the three months ended March 31, 2021, Till has discounted its best estimate of claims provisions at a rate of 2.07% (three months ended March 31, 2020 - 2.85%) based on the yield on its insurance-related 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.

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

	March 31, 2021			
	Undiscounted	Effect of discounting	Effect of PFADs	Discounted
Insurance contract liabilities	\$ 11,519,854	\$ (302,187)	\$ 1,014,712	\$ 12,232,379
Reinsurance asset	7,661,403	(50,099)	498,608	8,109,912
<b>Provision for outstanding claims</b>	<b>\$ 3,858,451</b>	<b>\$ (252,088)</b>	<b>\$ 516,104</b>	<b>\$ 4,122,467</b>

	December 31, 2020			
	Undiscounted	Effect of discounting	Effect of PFADs	Discounted
Insurance contract liabilities	\$ 10,750,872	\$ (298,461)	\$ 1,002,199	\$ 11,454,610
Reinsurance asset	7,156,575	(49,482)	492,461	7,599,554
<b>Provision for outstanding claims</b>	<b>\$ 3,594,297</b>	<b>\$ (248,979)</b>	<b>\$ 509,738</b>	<b>\$ 3,855,056</b>

**7. UNEARNED PREMIUMS AND UNEARNED PREMIUMS CEDED**

The following table is a summary of changes in unearned premiums and unearned premiums ceded. (The March 31, 2021 and December 31, 2020 unearned premiums and unearned premiums ceded were classified as held for sale. See Note 3 for details.)

	Three Months Ended			Year Ended		
	March 31, 2021			December 31, 2020		
	Unearned Premiums	Unearned Premiums Ceded	Net	Unearned Premiums	Unearned Premiums Ceded	Net
<b>Balance, beginning of year</b>	<b>\$12,876,197</b>	<b>\$10,802,846</b>	<b>\$ 2,073,351</b>	<b>\$13,921,365</b>	<b>\$11,733,402</b>	<b>\$ 2,187,963</b>
Premiums written	27,471,019	27,086,607	384,412	84,697,532	84,008,345	689,187
Premiums earned	(26,437,031)	(26,026,619)	(410,412)	(85,955,150)	(85,115,433)	(839,717)
Adjustment due to currency conversion	168,243	142,545	25,698	212,450	176,532	35,918
<b>Balance, end of year</b>	<b>\$14,078,428</b>	<b>\$12,005,379</b>	<b>\$ 2,073,049</b>	<b>\$12,876,197</b>	<b>\$10,802,846</b>	<b>\$ 2,073,351</b>

**8. DEFERRED POLICY ACQUISITION COSTS**

The following table is a summary of changes in deferred policy acquisition costs. (The March 31, 2021 and December 31, 2020 deferred policy acquisition costs were classified as held for sale. See Note 3 for details.)

	Three Months Ended	Year Ended
	March 31, 2021	December 31, 2020
<b>Balance, beginning of year</b>	<b>\$ 1,850,201</b>	<b>\$ 1,929,492</b>
Acquisition costs deferred	6,937,312	24,204,160
Amortization of deferred policy acquisition costs	(7,456,598)	(24,283,451)
<b>Balance, end of year</b>	<b>\$ 1,330,915</b>	<b>\$ 1,850,201</b>

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**9. ROYALTY AND MINERAL INTERESTS**

Royalty and mineral interests are summarized as follows:

	Balance December 31, 2020	Capitalized exploration costs	Mineral property write- off	Balance March 31, 2021
Carlin Vanadium Property	\$ 126,315	\$ —	\$ —	\$ 126,315
SPD properties	212,313	—	—	212,313
Royalty interests	44,158	—	—	44,158
<b>Total</b>	<b>\$ 382,786</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 382,786</b>

  

	Balance December 31, 2019	Capitalized exploration costs	Mineral property write- off	Balance December 31, 2020
Carlin Vanadium Property	\$ 126,315	\$ —	\$ —	\$ 126,315
Other properties	169,692	—	(169,692)	—
SPD properties	164,270	48,043	—	212,313
Royalty interests	44,158	—	—	44,158
<b>Total</b>	<b>\$ 504,435</b>	<b>\$ 48,043</b>	<b>\$ (169,692)</b>	<b>\$ 382,786</b>

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 Nevada, 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% Net Smelter Return ("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 December 15, 2020, GPUS had received an additional \$75,000 and Optionee had completed expenditures in excess of \$650,000 on the Carlin Vanadium Property. All required payments and expenditures have been made and the option is in good standing as of March 31, 2021.

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### 10. OTHER CURRENT ASSETS

Other assets are summarized as follows:

	March 31, 2021	December 31, 2020
Accounts receivable	\$ 6,707	\$ 7,563
Prepaid expenses and deposits	108,314	135,430
<b>Total other assets</b>	<b>\$ 115,021</b>	<b>\$ 142,993</b>

### 11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities are summarized as follows:

	March 31, 2021	December 31, 2020
Accounts payable	\$ 103,795	\$ 132,859
Accrued payroll	46,423	46,359
<b>Total accounts payable and other liabilities</b>	<b>\$ 150,218</b>	<b>\$ 179,218</b>

### 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 March 31, 2021, there were 3,191,462 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.

On January 28, 2021, Till granted an aggregate of 300,000 incentive stock options to directors, officers, and consultants of Till in accordance with Till's existing stock option plan to purchase up to 300,000 common shares of Till. The incentive stock options vest over two years and may be exercised at a price of Cdn\$12.00 per option for a period of four years from the date of grant.

During the three months ended March 31, 2021, Till recognized stock-based compensation of \$209,410 (three months ended March 31, 2020 - \$nil).

At March 31, 2021, Till had 311,000 stock options outstanding with a weighted average exercise price of \$11.82 (US\$9.40).

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	Stock Options	
	Number	Weighted average exercise price (Canadian \$)
Outstanding, December 31, 2020	11,000	\$ 7.00
Issued	300,000	12.00
Outstanding, March 31, 2021	311,000	\$ 11.82
Exercisable	113,000	\$ 11.51

At March 31, 2021, incentive stock options were outstanding as follows:

Number	Exercise price (Canadian \$)	Expiry date
11,000	\$ 7.00	December 1, 2021
300,000	\$ 12.00	January 27, 2025

The fair value of all compensatory options granted is estimated on grant date using the Black-Scholes-Merton option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	2021
Risk-free interest rate	0.52%
Expected life	4 years
Volatility	61.41%
Dividend rate	n/a

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 March 31, 2021, Till has no warrants outstanding.

*(c) Normal course issuer bid*

On May 7, 2020, Till announced that the TSX Venture Exchange (TSXV) accepted Till's notice of intention to renew its NCIB. Under the renewed NCIB, Till intends to repurchase for cancellation up to 236,300 common shares, representing 10% of the 2,363,003 shares forming Till's public float. The purchases are to be made through the facilities of TSX Venture Exchange by Haywood Securities Inc., on behalf of Till. Till made no purchase of its restricted voting shares in 2020 or 2021.

*(d) Treasury shares*

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

**13. LOSS PER SHARE**

Till uses the treasury stock method to calculate diluted loss per share. Following the treasury stock method, the numerator for Till's diluted loss per share calculation remains unchanged from the basic 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 311,000 restricted voting shares were outstanding at March 31, 2021 (December 31, 2020 - 11,000). Those stock options were excluded in the calculation of diluted earnings per share because the exercise price of the options was greater than the weighted average market value of the restricted voting shares in the three months ended March 31, 2021 and 2020.

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**14. DISCONTINUED OPERATIONS**

During the year ended December 31, 2019, Till initiated a plan to sell Holdings and its wholly-owned subsidiaries, Omega and Focus, all of which operate, and are based, in Canada. As a result of that decision, pursuant to IFRS, Holdings is considered to be a discontinued operation and is reported as discontinued operations on Till's Consolidated Statements of Loss, Consolidated Statements of Comprehensive Loss, and Consolidated Statements of Cash Flows.

The summary of the income presented on the basis of discontinued operations is summarized as follows:

	Three Months Ended March 31	
	2021	2020
<b>Revenue from discontinued operations:</b>		
Insurance premiums written	\$ 27,471,019	\$ 21,052,499
Insurance premiums ceded to reinsurers	(27,086,607)	(20,641,749)
Change in unearned premiums	25,999	(168,586)
<b>Net insurance premiums earned</b>	<b>410,411</b>	<b>242,164</b>
Fees - Chief agency	74,609	70,265
Investment income (loss)	217,963	(413,780)
<b>Total revenue (expense)</b>	<b>702,983</b>	<b>(101,351)</b>
<b>Expenses from discontinued operations:</b>		
Losses and loss adjustment expenses, net	315,314	92,872
General and administrative expenses	(93,426)	(61,673)
Salaries and benefits	178,726	152,011
<b>Total expenses</b>	<b>400,614</b>	<b>183,210</b>
<b>Income (loss) from discontinued operations before income taxes</b>	<b>302,369</b>	<b>(284,561)</b>
Income tax expense	(52,898)	—
<b>Income (loss) from discontinued operations</b>	<b>\$ 249,471</b>	<b>\$ (284,561)</b>

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The summary of cash flows presented on the basis of discontinued operations is summarized as follows:

	Three Months Ended March 31	
	2021	2020
<b>Cash flows from discontinued operating activities</b>		
Net income (loss) from discontinued operations	\$ 249,471	\$ (284,561)
Non-cash items:		
Amortization of capital assets	19,068	5
(Gain) loss on investments	(217,963)	413,780
Income tax expense	52,898	—
	<u>103,474</u>	<u>129,224</u>
Net loss adjusted for non-cash items		
(Increase) decrease in premiums receivable and reinsurance recoverables	(1,362,735)	253,055
Increase in unpaid losses, LAE, and amounts ceded	217,705	31,455
Increase in reinsurance payables	1,235,066	664,481
(Increase) decrease in deferred policy acquisition costs	538,489	(94,105)
Increase in deferred income tax asset	(9,226)	—
Increase (decrease) in unearned premiums	(26,000)	168,586
Increase (decrease) in accounts payable and other liabilities	(1,368,607)	262,297
Other working capital changes	9,374	8,629
Total working capital changes	<u>(765,934)</u>	<u>1,294,398</u>
<b>Total operating cash flows provided by (used in) discontinued operations</b>	<u>(662,460)</u>	<u>1,423,622</u>
<b>Investing cash flows from discontinued operations</b>		
Sales of investments	1,525,777	2,439,706
Purchases of investments	(1,513,593)	(3,660,820)
Sale of real estate asset	571,308	—
Purchases of property, plant, and equipment	(4,010)	(7,027)
<b>Total investing cash flows provided by (used in) discontinued operations</b>	<u>579,482</u>	<u>(1,228,141)</u>
<b>Financing cash flows from discontinued operations</b>		
Lease payments	(18,440)	(15,039)
<b>Total financing cash flows used in discontinued operations</b>	<u>\$ (18,440)</u>	<u>\$ (15,039)</u>

**15. SEGMENT INFORMATION**

Till operates in a single segment, that being investments.

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

	Three Months Ended March 31	
	2021	2020
Canada	\$ (33,197)	\$ (49,844)
United States	(10,520)	289,223
<b>Total</b>	<u>\$ (43,717)</u>	<u>\$ 239,379</u>

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

	March 31, 2021	December 31, 2020
Canada	\$ 24,158	\$ 24,158
United States	378,366	379,484
<b>Total</b>	<b>\$ 402,524</b>	<b>\$ 403,642</b>

### 16. 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 months ended March 31, 2021, total compensation amounted to \$0.34 million (three months ended March 31, 2020 - \$0.14 million) including \$0.19 million stock-based compensation (three months ended March 31, 2020 - \$nil). One of Till's non-independent directors also serves as the CEO of SPD and receives \$12,000 a year from SPD for his services.

#### (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 for the three months ended March 31, 2021, (three months ended March 31, 2020 - \$15,000) for those services.

#### (c) Common management

Dr. John ("Terry") Rickard, a Till director, is the Chairman of the Management Committee of TCM, a subsidiary of IGT, a company over which Till is deemed to have significant influence. He is also a board member of IG Far East, a company over which Till is deemed to have significant influence. Dr. Rickard received compensation of \$0.19 million during the year ended December 31, 2020 from TCM and 20,000 units of IGT. See also Note 2(c) and Note 5(b).

Mr. William Lupien, Till's then Chief Investment Officer, independently accepted a role as an adviser to TCM in December 2019. That advisory role involves assisting TCM with the raising of private investment capital to support TCM's business as it advances from mineral exploration to production. Mr. William Lupien received compensation of \$0.06 million during the year ended December 31, 2020 from IGT. See also Note 2(c) and Note 5(b).

As of March 31, 2021, one of Till's directors is SPD's CEO and director, and another three of Till's directors are SPD directors.

### 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.

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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 March 31, 2021, Omega had total capital available of Cdn\$11.2 (US\$8.9) million (December 31, 2020 - Cdn\$11.1 (US\$8.7) million) and a total capital required of Cdn\$3.6 (US\$2.9) million (December 31, 2020 - Cdn\$3.6 (US\$2.8) million) resulting in a MCT of 314% (December 31, 2020 of 304%). As of March 31, 2021 and December 31, 2020, 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 policies, Omega has also assumed portfolios of existing business that are in run-off from other insurers through reinsurance assumption transactions. Those portfolios could be from any line of business that the transferring insurer underwrote up through the assumption. Under those reinsurance assumption 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 policies and reinsurance assumption 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 policies or reinsurance assumption 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, Omega is also exposed to inflation risk. Omega'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 policies 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

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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.

*(d) Investment risk*

Till is exposed to investment risk to the extent that changes in market conditions impact the value of its investments. To mitigate that risk, Till actively monitors and manages its investments to limit losses.