TILL CAPITAL CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2020 and 2019

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Till Capital Corporation ("Till") were prepared by management in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"). Where necessary, management has made informed judgments and estimates in accounting for transactions that were not complete at the balance sheet date.

Management has established processes, which are in place, to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance, and cash flows of Till, as of the dates of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of Till and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling that responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of Till. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of Till for issuance to its shareholders.

Management recognizes its responsibility for conducting Till's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Till's independent auditors, PricewaterhouseCoopers LLP, are appointed by Till's shareholders to conduct an audit in accordance with generally accepted auditing standards in Canada, and their report follows.

"Brian P. Lupien"	*"Weiying Zhu"*
Brian P. Lupien Chief Executive Officer	Weiying Zhu Chief Financial Officer

Vancouver, BC

May 5, 2021

Independent auditor's report

To the Shareholders of Till Capital Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Till Capital Corporation and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of loss for the years ended December 31, 2020 and 2019;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Eric Talbot.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 5, 2021

TILL CAPITAL CORPORATION
Consolidated Statements of Loss
(Stated in US dollars)

	Notes	Years Ended December 31 2020	2019
Revenue			
Investment income (loss), net	6(d)	$ (549,948)	$ 109,642
Other revenue		100,000	50,000
		(449,948)	159,642
Expenses			
General and administrative expenses		573,799	600,602
Salaries and benefits		464,443	400,392
Impairment loss	4	314,725	—
Mineral property write-off	10	169,692	—
Stock-based compensation		—	44,026
Foreign exchange loss		3,694	43,884
Other expenses (income)		(8,276)	12,353
		1,518,077	1,101,257
Loss before income taxes and loss on equity method investments from continuing operations		**(1,968,025)**	**(941,615)**
Current income tax benefit (expense)		21,039	(77,736)
Deferred income tax expense		—	(37,000)
Loss on equity investments	6(b)	(405,837)	—
Loss from continuing operations		**(2,352,823)**	**(1,056,351)**
Income from discontinued operations	16		
Income from discontinued operations		899,066	324,190
Income tax benefit (expense)		(151,852)	66,678
Income from discontinued operations		747,214	390,868
Net loss		**$ (1,605,609)**	**$ (665,483)**
Loss attributable to:			
Shareholders of Till Capital Corporation		$ (1,559,539)	$ (562,959)
Non-controlling interests		(46,070)	(102,524)
Net loss		**$ (1,605,609)**	**$ (665,483)**
Basic and diluted loss per restricted voting share from continuing operations attributable to the shareholders of Till Capital Corporation		**$(0.72)**	**$(0.30)**
Basic and diluted income per restricted voting share from discontinued operations attributable to the shareholders of Till Capital Corporation		**$0.23**	**$0.12**
Basic and diluted loss per restricted voting share attributable to the shareholders of Till Capital Corporation		**$(0.49)**	**$(0.18)**
Weighted average number of restricted voting shares outstanding		**3,191,462**	**3,191,462**

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

TILL CAPITAL CORPORATION
Consolidated Statements of Comprehensive Loss
(Stated in US dollars)

	Notes	Years Ended December 31 2020	2019
Net loss		**$ (1,605,609)**	**$ (665,483)**
Other comprehensive income (loss) from continuing operations			
Change in net unrealized gain on available for sale investments	6(e)	—	29,999
Reclassification of realized gain from available for sale investments	6(e)	—	(109,616)
Item that may be reclassified subsequently to net loss:			
Change in cumulative foreign exchange translation adjustment		4,570	62,911
Other comprehensive income (loss) from continuing operations		**4,570**	**(16,706)**
Other comprehensive income from discontinued operations			
Change in net unrealized gain on available for sale investments	6(e)	262,211	113,165
Item that may be reclassified subsequently to net loss:			
Change in cumulative foreign exchange translation adjustment		178,722	376,529
Other comprehensive income from discontinued operations		**440,933**	**489,694**
Total comprehensive loss		**$ (1,160,106)**	**$ (192,495)**
Total comprehensive loss attributable to:			
Shareholders of Till Capital Corporation		$ (1,160,780)	$ (104,327)
Non-controlling interests		674	(88,168)
Total comprehensive loss		**$ (1,160,106)**	**$ (192,495)**

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

TILL CAPITAL CORPORATION
Consolidated Statements of Financial Position
(Stated in US dollars)

	Notes	December 31, 2020	December 31, 2019
Current assets			
Cash and cash equivalents		$ 1,793,687	$ 4,901,013
Investments	6(a)	259,834	1,494,494
Investments, equity method	6(b)	2,744,163	—
Assets held for sale	4	56,665,496	55,234,781
Other current assets	11	142,993	528,924
Total current assets		**61,606,173**	**62,159,212**
Non-current assets			
Royalty and mineral interests	10	382,786	504,435
Other non-current assets		130,726	205,189
Total non-current assets		**513,512**	**709,624**
Total assets		**$ 62,119,685**	**$ 62,868,836**
Current liabilities			
Liabilities held for sale	4	$ 42,442,406	$ 41,974,786
Accounts payable and other liabilities	12	179,218	235,883
Total liabilities		**$ 42,621,624**	**$ 42,210,669**
Shareholders' equity			
Share capital		$ 3,191	$ 3,191
Contributed surplus		40,649,665	40,649,665
Accumulated other comprehensive loss		(829,345)	(1,228,104)
Deficit		(20,418,426)	(18,858,887)
Equity attributable to shareholders of Till Capital Corporation		19,405,085	20,565,865
Non-controlling interests		92,976	92,302
Total shareholders’ equity		**$ 19,498,061**	**$ 20,658,167**
Total liabilities and shareholders' equity		**$ 62,119,685**	**$ 62,868,836**

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

The consolidated financial statements were approved by the Board of Directors on May 5, 2021 and signed on their behalf by:

/s/ Scott McLeod
Scott McLeod, Director

TILL CAPITAL CORPORATION
Consolidated Statements of Shareholders' Equity
(Stated in US dollars)

	Capital Stock			Accumulated other comprehensive income (loss)							
	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	Deficit	Equity attributable to shareholders of Till Capital Corporation	Non-controlling interests	Total
Balance, December 31, 2018	**3,191,462**	**$ 3,191**	**$ 40,621,440**	**$ (366,917)**	**$ 346,345**	**$ (618,498)**	**$ (1,047,666)**	**$ (18,295,928)**	**$ 20,641,967**	**$ 164,669**	**$ 20,806,636**
Year Ended December 31, 2019:											
Net loss	—	—	—	—	—	—	—	(562,959)	(562,959)	(102,524)	(665,483)
Other comprehensive income (loss)	—	—	—	(79,617)	48,555	113,165	376,529	—	458,632	14,356	472,988
Total comprehensive income (loss)	—	—	—	(79,617)	48,555	113,165	376,529	(562,959)	(104,327)	(88,168)	(192,495)
Stock-based compensation	—	—	28,225	—	—	—	—	—	28,225	15,801	44,026
Balance, December 31, 2019	**3,191,462**	**$ 3,191**	**$ 40,649,665**	**$ (446,534)**	**$ 394,900**	**$ (505,333)**	**$ (671,137)**	**$ (18,858,887)**	**$ 20,565,865**	**$ 92,302**	**$ 20,658,167**
Year Ended December 31, 2020:											
Net loss	—	—	—	—	—	—	—	(1,559,539)	(1,559,539)	(46,070)	(1,605,609)
Other comprehensive income (loss)	—	—	—	—	(42,174)	262,211	178,722	—	398,759	46,744	445,503
Total comprehensive income (loss)	—	—	—	—	(42,174)	262,211	178,722	(1,559,539)	(1,160,780)	674	(1,160,106)
Balance, December 31, 2020	**3,191,462**	**$ 3,191**	**$ 40,649,665**	**$ (446,534)**	**$ 352,726**	**$ (243,122)**	**$ (492,415)**	**$ (20,418,426)**	**$ 19,405,085**	**$ 92,976**	**$ 19,498,061**

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

TILL CAPITAL CORPORATION
Consolidated Statements of Cash Flows
(Stated in US dollars)

	Notes	Years Ended December 31 2020	2019
Cash flows from operating activities			
Net loss from continuing operations		$ (2,352,823)	$ (1,056,351)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense		7,964	10,519
Stock-based compensation		—	44,026
Investment (income) loss	6(d)	549,948	(109,642)
Loss on equity investments	6(b)	405,837	—
Impairment loss	4	314,725	—
Mineral property write-off		169,692	—
Loss on sale of property, plant, and equipment		—	2,621
Gain on property option payment		(100,000)	(50,000)
Changes in operating assets and liabilities:			
Increase (decrease) in accounts payable and other liabilities		(56,666)	4,514
Decrease (increase) in accounts receivable		372,602	(377,999)
Other working capital changes		38,803	(6,719)
Net cash used in continuing operating activities		(649,918)	(1,539,031)
Net cash provided by (used in) discontinued operating activities	16	2,212,115	(585,014)
Net cash provided by (used in) operating activities		1,562,197	(2,124,045)
Cash flows from investing activities			
Sales of investments		46,364,089	28,879,988
Purchases of investments		(45,392,883)	(29,698,043)
Sales (purchases) of equity index futures, net	6(d)	(286,492)	20,316
Purchases of equity method investments	6(b)	(3,150,000)	—
Proceeds from release of reclamation bond		45,199	—
Proceeds from property option payments		100,000	100,000
Proceeds from receivable		—	280,663
Exploration and evaluation costs capitalized		(140,792)	(146,239)
Sales (purchases) of property, plant, and equipment, net		(1,098)	776
Net cash used in continuing investing activities		(2,461,977)	(562,539)
Net cash used in discontinued investing activities	16	(3,028,623)	(785,331)
Net cash used in investing activities		(5,490,600)	(1,347,870)
Cash flows from financing activities			
Net cash used in discontinued financing activities	16	(67,553)	(16,988)
Net cash used in financing activities		(67,553)	(16,988)
Decrease in cash and cash equivalents		**(3,995,956)**	**(3,488,903)**
Effect of foreign exchange rate		**10,166**	**226,969**
Change in cash of discontinued operations in assets held for sale		**878,464**	**1,207,345**
Cash and cash equivalents, beginning of year		**4,901,013**	**6,955,602**
Cash and cash equivalents, end of year		**$ 1,793,687**	**$ 4,901,013**

The accompanying notes are an integral part of these 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. 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 years ended December 31, 2020 and 2019 were approved and authorized for issuance by Till's Board of Directors on May 5, 2021.

In December 2019, a novel strain of the coronavirus (COVID-19) emerged, the virus has spread to Canada and the U.S. However, 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. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with IFRS.

(a) Statement of compliance

In the opinion of management, the accompanying consolidated financial statements contain all normal and recurring adjustments necessary to fairly present the consolidated financial position of Till and its subsidiaries at December 31, 2020 and 2019 and the results of operations and cash flows for the years then ended.

These consolidated financial statements have been prepared on an historical cost basis except for certain financial instruments, stock-based awards, and assets held for sale that have been measured at fair value.

(b) Held for sale and discontinued operations

Starting in 2019 and continuing in 2020, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. *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").

<u>Insurance claim reserves:</u>

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.

<u>Classification and valuation of assets held for sale:</u>

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

<u>Significant influence over investments:</u>

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 8.3% ownership of IGT at December 31, 2020. In concluding that Till has significant influence while holding less than

(Stated in US dollars)

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 and a separate officer of Till held management/advisor roles in IGT and the same director of Till held the role of Chairman of the management committee of IGT's significant subsidiary Tintic Consolidated Metals LLC ("TCM") on IGT's behalf.

b. *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 December 31, 2020 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

c. *Equity method investments*

IGT and IG Far East LLC ("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 (see also Note 6(b) and Note 18(c)). 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.

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 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.

d. *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.

(Stated in US dollars)

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:

	Years Ended December 31	
	2020	2019
Exchange rate at year end	US$1 = Cdn$1.2732	US$1 = Cdn$1.2988
Average exchange rate for the year	US$1 = Cdn$1.3415	US$1 = Cdn$1.3269

e. 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.

f. 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.

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.

g. *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.

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.

h. 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 feasibilityand 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 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.

i. 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.

j. 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.

k. 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.

l. 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 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.

m. *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.

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 investments.

p. *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 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.

4. 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 loss of $689,458 and a goodwill impairment of $332,343 were recorded at December 31, 2019, and 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).

(Stated in US dollars)

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

	December 31, 2020	December 31, 2019
Holdings assets held for sale:		
Cash and cash equivalents	$ 1,209,703	$ 2,088,167
Investments	15,442,275	11,518,222
Real estate property held for sale	557,397	608,898
Unpaid losses and loss adjustment expenses ceded	7,599,554	7,108,469
Unearned premiums ceded	10,802,846	11,733,402
Premiums receivable and reinsurance recoverables	13,825,439	14,973,746
Deferred policy acquisition costs	1,850,201	1,929,492
Right of use asset	120,409	—
Deferred income tax asset	196,996	—
Other assets	53,250	38,778
Total Holdings assets held for sale	$ 51,658,070	$ 49,999,174
Holdings liabilities held for sale:		
Reserve for unpaid losses and loss adjustment expenses	$ 11,454,610	$ 10,694,017
Unearned premiums	12,876,197	13,921,365
Reinsurance payables	13,144,662	12,758,965
Payables and accruals	2,157,766	1,785,171
Unearned commissions	2,236,550	2,226,143
Lease liability	126,419	187,021
Other liabilities	438,777	391,549
Total Holdings liabilities held for sale	$ 42,434,981	$ 41,964,231

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.

(Stated in US dollars)

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

	December 31, 2020	December 31, 2019
SMC assets held for sale:		
Cash	$ 14,454	$ 16,545
Accounts receivable	98,050	2,000
Reclamation bonds	32,401	32,401
Prepaid expenses	6,789	18,241
Mineral properties	1,260,600	1,167,852
Property, plant, and equipment	3,595,132	3,998,568
Total SMC assets held for sale	**$ 5,007,426**	**$ 5,235,607**
Total SMC liabilities held for sale	**$ 7,425**	**$ 10,555**

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

	December 31, 2020	December 31, 2019
Assets held for sale:		
Holdings	$ 51,658,070	$ 49,999,174
SMC	5,007,426	5,235,607
Total assets held for sale	$ 56,665,496	$ 55,234,781
Liabilities held for sale:		
Holdings	$ 42,434,981	$ 41,964,231
SMC	7,425	10,555
Total liabilities held for sale	$ 42,442,406	$ 41,974,786

5. 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 $5,870 (Cdn$7,474) for the first year, $6,115 (Cdn$7,785) for the second year, and $6,360 (Cdn$8,097) for the third year. The three-year lease was accounted for in accordance with IFRS 16. At December 31, 2020, Holdings was classified as discontinued operations (see Note 16) and its assets and liabilities were classified as held for sale (see Note 4).

(Stated in US dollars)

Lease liabilities maturity schedule	
2019	$ 15,635
2020	64,362
2021	70,231
2022	56,188
	$ 206,416

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

	December 31, 2020	December 31, 2019
Right-of-use asset		
Beginning balance	$ —	$ —
Addition	—	198,436
Depreciation	(65,302)	(16,593)
FVLCD adjustment	185,485	(185,485)
Adjustment due to currency conversion	226	3,642
Ending balance	$ 120,409	$ —
Lease liabilities		
Beginning balance	$ 187,021	$ —
Addition	—	198,436
Interest on lease liabilities	6,467	1,906
Lease payments	(67,553)	(16,988)
Adjustment due to currency conversion	484	3,667
Ending balance	$ 126,419	$ 187,021

	Years Ended December 31	
	2020	2019
Depreciation expense for right-of-use asset	$ 65,302	$ 16,593
Interest expense on lease liabilities	$ 6,467	$ 1,906
Total cash outflow for leases	$ 67,553	$ 16,988

6. INVESTMENTS

(a) Investments

	December 31, 2020			December 31, 2019		
	Cost Basis	Unrealized Loss	Fair Value	Cost Basis	Unrealized Loss	Fair Value
Held for trading	$ 270,683	$ (10,849)	$ 259,834	$ 1,732,363	$ (237,869)	$ 1,494,494
Total	**$ 270,683**	**$ (10,849)**	**$ 259,834**	**$ 1,732,363**	**$ (237,869)**	**$ 1,494,494**

(Stated in US dollars)

Investments included in assets held for sale:

	December 31, 2020			December 31, 2019		
	Cost Basis	Unrealized Gain (Loss)	Fair Value	Cost Basis	Unrealized Loss	Fair Value
Held for trading	$ 4,277,916	$ (24,174)	$ 4,253,742	$ 1,154,912	$ (10,806)	$ 1,144,106
Available for sale	10,897,135	291,398	11,188,533	10,382,428	(8,312)	10,374,116
Total	**$ 15,175,051**	**$ 267,224**	**$ 15,442,275**	**$ 11,537,340**	**$ (19,118)**	**$ 11,518,222**

(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 December 31, 2020, the 950,900 units represented 8.3% of the outstanding units of IGT. 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.

Balance, December 31, 2019	**$ —**
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	(342,260)
Balance, December 31, 2020	**$ 2,357,740**

IGT reported no other comprehensive income during the year ended December 31, 2020.

The assets and liabilities of IGT are summarized in the following table:

	December 31, 2020
Current assets	$ 901,157
Non-current assets	28,226,534
	29,127,691
Current liabilities	7,666,857
Non-current liabilities	5,210,213
Non-controlling interest	823,321
	13,700,391
Net assets	**$ 15,427,300**

(Stated in US dollars)

Reconciliation of IGT's net assets to Till's carrying value as at December 31, 2020 is as follows:

Balance, December 31, 2019	**$**	**—**
Initial recognition on January 13, 2020		20,000,000
Equity loss		(4,036,701)
Decrease due to dilution		(535,999)
Balance, December 31, 2020	**$**	**15,427,300**

	December 31, 2020	
Till's share of IGT's net assets	$	1,231,794
Allocation to mineral properties		1,125,946
Carrying value	**$**	**2,357,740**

	Year Ended December 31, 2020	
Revenue	$	—
Costs and Expenses:		
General and administrative		6,101,657
Land ownership maintenance		40,191
Total costs and expenses		6,141,848
Loss from operations		(6,141,848)
Net other income		474,674
Net loss		**(5,667,174)**
Less: Net loss attributable to noncontrolling interest		(1,630,473)
Net loss attributable to IGT	**$**	**(4,036,701)**

IG Far East LLC

Till, through TMC, invested $450,000 for a 33.3% ownership in IGFE. That investment is accounted for under the equity method of accounting. IGFE has a substantial interest in the Durmin gold property in east Russia.

Balance, December 31, 2019	**$**	**—**
Acquisitions – purchase 33.3% interest in IGFE		450,000
Equity loss		(63,577)
Balance, December 31, 2020	**$**	**386,423**

(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.

(Stated in US dollars)

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 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	—
Total investments	**$ 15,702,109**	**$ 8,183,887**	**$ 7,518,222**	**$ —**

	Fair Value at December 31, 2019			
	Total	Level 1	Level 2	Level 3
Held for trading	$ 1,494,494	$ 1,494,494	$ —	$ —
Held for sale:				
Held for trading	1,144,106	—	1,144,106	—
Available for sale	10,374,116	4,483,008	5,891,108	—
Total investments	**$ 13,012,716**	**$ 5,977,502**	**$ 7,035,214**	**$ —**

(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.

(Stated in US dollars)

	Years Ended December 31 2020	2019
Net gain (loss) from held for trading investments:		
Equity index futures	$ (286,492)	$ 20,316
All other securities	145,788	35,400
Net realized gain from available for sale investments	—	107,481
Net interest and dividends	5,369	92,957
Gain on sale of royalty	—	379,579
Investment related expenses	(414,613)	(526,091)
Investment gain (loss), net	**$ (549,948)**	**$ 109,642**

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

	Years Ended December 31 2020	2019
Equity securities	$ —	$ 29,999
Discontinued operations:		
Canadian government bonds and provincial bonds	114,481	55,755
Equity securities - bond funds	147,730	57,410
	262,211	143,164
Reclassification of realized gain from available for sale investments	—	(109,616)
Total included in other comprehensive income	**$ 262,211**	**$ 33,548**

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

The December 31, 2020 and December 31, 2019 unpaid losses, loss adjustment expenses, and reinsurance amounts ceded were classified as held for sale. (See Note 4 and 16 for more details.)

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

	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
Reserve for unpaid losses and LAE	**$ 11,454,610**	**$ 7,599,554**	**$ 3,855,056**

(Stated in US dollars)

	December 31, 2019		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Undiscounted amounts	$ 10,305,196	$ 6,852,078	$ 3,453,118
Adjustment for discount rate	(552,048)	(208,654)	(343,394)
Adjustment for provision for adverse developments	940,869	465,045	475,824
Reserve for unpaid losses and LAE	**$ 10,694,017**	**$ 7,108,469**	**$ 3,585,548**

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

	Years Ended December 31					
	2020			2019		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Balance, beginning of year	**$ 10,694,017**	**$ 7,108,469**	**$ 3,585,548**	**$ 14,411,889**	**$ 9,879,699**	**$ 4,532,190**
Losses and LAE incurred for insured events related to:						
Current year	50,349,153	49,955,565	393,588	43,264,588	43,018,057	246,531
Prior year	(597,382)	(505,805)	(91,577)	(2,207,391)	(1,013,419)	(1,193,972)
Total incurred	49,751,771	49,449,760	302,011	41,057,197	42,004,638	(947,441)
Losses and LAE paid:						
Current year	(46,996,243)	(46,975,999)	(20,244)	(40,515,890)	(40,514,336)	(1,554)
Prior year	(2,237,734)	(2,143,331)	(94,403)	(4,890,776)	(4,689,794)	(200,982)
Total paid	(49,233,977)	(49,119,330)	(114,647)	(45,406,666)	(45,204,130)	(202,536)
Adjustment due to currency conversion	242,799	160,655	82,144	631,597	428,262	203,335
Balance, end of year	**$ 11,454,610**	**$ 7,599,554**	**$ 3,855,056**	**$ 10,694,017**	**$ 7,108,469**	**$ 3,585,548**

(c) Effects of discounting

For the year ended December 31, 2020, Till has discounted its best estimate of claims provisions at a rate of 2.07% (year ended December 31, 2019 - 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.

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

	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
Provision for outstanding claims	**$ 3,594,297**	**$ (248,979)**	**$ 509,738**	**$ 3,855,056**

	December 31, 2019			
	Undiscounted	Effect of discounting	Effect of PFADs	Discounted
Insurance contract liabilities	$ 10,305,196	$ (552,048)	$ 940,869	$ 10,694,017
Reinsurance asset	6,852,078	(208,654)	465,045	7,108,469
Provision for outstanding claims	**$ 3,453,118**	**$ (343,394)**	**$ 475,824**	**$ 3,585,548**

(d) Cumulative incurred claims, including existing claims, reported claims, and IBNR for each successive underwriting year at each reporting date, together with cumulative payments to date for the year ended December 31, 2020

The following tables are presented on an underwriting year basis as opposed to an accident year basis. As a result, the reserves at the "one year later" point can normally be expected to increase. Assuming the reserves develop as expected, there will be premium earned in the subsequent year to offset the incurred claims.

Gross ($000's omitted)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
End of year	$ 9,050	$ 11,514	$ 14,262	$ 17,407	$ 17,980	$ 25,873	$ 34,093	$ 37,201	$ 44,899	$ 52,784	$ 52,784
One year later	9,637	11,312	14,347	18,078	18,431	25,909	34,702	37,304	44,811	—	44,811
Two years later	9,275	11,175	14,328	17,892	18,077	25,847	34,895	37,176	—	—	37,176
Three years later	8,938	11,309	14,156	17,848	18,389	25,836	35,195	—	—	—	35,195
Four years later	9,146	11,349	14,119	17,853	16,415	25,703	—	—	—	—	25,703
Five years later	9,112	11,528	14,079	17,776	15,855	—	—	—	—	—	15,855
Six years later	10,851	11,426	13,996	17,687	—	—	—	—	—	—	17,687
Seven years later	11,458	11,428	14,143	—	—	—	—	—	—	—	14,143
Eight years later	11,287	11,427	—	—	—	—	—	—	—	—	11,427
Nine years later	11,074	—	—	—	—	—	—	—	—	—	11,074
Cumulative payments to date	(9,711)	(11,336)	(13,820)	(17,687)	(13,887)	(25,234)	(34,078)	(36,505)	(43,966)	(49,518)	(255,742)
Current reserve	1,363	91	323	—	1,968	469	1,117	671	845	3,266	10,113

Current reserve for underwriting years prior to 2011	407
Unallocated adjustment expense reserve	229
Adjustment for discount rate	(298)
Adjustment for provision for adverse developments	1,004
Total gross outstanding claim liabilities at December 31, 2020	**$ 11,455**

Net of reinsurance ($000's omitted)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
End of year	$ 6,410	$ 7,761	$ 8,138	$ 10,642	$ (530)	$ 239	$ 313	$ 211	$ 156	$ 275	$ 275
One year later	7,577	8,280	8,703	11,369	(745)	447	657	435	307	—	307
Two years later	7,400	8,333	8,709	11,369	(779)	450	821	444	—	—	444
Three years later	7,367	8,462	8,708	11,370	(755)	449	906	—	—	—	906
Four years later	7,599	8,609	8,708	11,370	(1,035)	449	—	—	—	—	449
Five years later	7,643	8,804	8,706	11,372	(1,141)	—	—	—	—	—	(1,141)
Six years later	8,153	8,772	8,706	11,372	—	—	—	—	—	—	11,372
Seven years later	8,084	8,751	8,706	—	—	—	—	—	—	—	8,706
Eight years later	7,916	8,734	—	—	—	—	—	—	—	—	8,734
Nine years later	7,707	—	—	—	—	—	—	—	—	—	7,707
Cumulative payments to date	(6,349)	(8,699)	(8,666)	(11,372)	1,327	(236)	(647)	(96)	(6)	(21)	(34,765)
Current reserve	1,358	35	40	—	186	213	259	348	301	254	2,994

Current reserve for underwriting years prior to 2010	373
Unallocated adjustment expense reserve	229
Adjustment for discount rate	(249)
Adjustment for provision for adverse developments	508
Total net outstanding claim liabilities at December 31, 2020	**$ 3,855**

(e) Reconciliation of net to gross reserve for unpaid loss and loss adjustment expenses

	December 31 2020	December 31 2019
Unpaid Loss and Loss Adjustment Expense, net of ceded amounts	$ 3,855,056	$ 3,585,548
Ceded Unpaid Loss and Loss Adjustment Expense	7,599,554	7,108,469
Unpaid Loss and Loss Adjustment Expense	**$ 11,454,610**	**$ 10,694,017**

8. UNEARNED PREMIUMS AND UNEARNED PREMIUMS CEDED

The following table is a summary of changes in unearned premiums and unearned premiums ceded. (The December 31, 2020 and December 31, 2019 unearned premiums and unearned premiums ceded were classified as held for sale. See Note 4 for details.)

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Unearned Premiums	Unearned Premiums Ceded	Net	Unearned Premiums	Unearned Premiums Ceded	Net
Balance, beginning of year	**$13,921,365**	**$11,733,402**	**$ 2,187,963**	**$13,714,347**	**$11,814,767**	**$ 1,899,580**
Premiums written	84,697,532	84,008,345	689,187	71,797,266	70,824,585	972,681
Premiums earned	(85,955,150)	(85,115,433)	(839,717)	(72,270,582)	(71,486,551)	(784,031)
Adjustment due to currency conversion	212,450	176,532	35,918	680,334	580,601	99,733
Balance, end of year	**$12,876,197**	**$10,802,846**	**$ 2,073,351**	**$13,921,365**	**$11,733,402**	**$ 2,187,963**

(Stated in US dollars)

9. DEFERRED POLICY ACQUISITION COSTS

The following table is a summary of changes in deferred policy acquisition costs. (The December 31, 2020 and December 31, 2019 deferred policy acquisition costs were classified as held for sale. See Note 4 for details.)

	Year Ended December 31, 2020	Year Ended December 13, 2019
Balance, beginning of year	**$ 1,929,492**	**$ 1,939,853**
Acquisition costs deferred	24,204,160	20,633,237
Amortization of deferred policy acquisition costs	(24,283,451)	(20,643,598)
Balance, end of year	**$ 1,850,201**	**$ 1,929,492**

10. ROYALTY AND MINERAL INTERESTS

Royalty and mineral interests are summarized as follows:

	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
Total	**$ 504,435**	**$ 48,043**	**$ (169,692)**	**$ 382,786**

	Balance December 31, 2018	Capitalized exploration costs	Option payments received	Balance December 31, 2019
Carlin Vanadium Property	$ 176,315	$ —	$ (50,000)	$ 126,315
Other properties	169,692	—	—	169,692
SPD properties	116,015	48,255	—	164,270
Royalty interests	44,158	—	—	44,158
Total	**$ 506,180**	**$ 48,255**	**$ (50,000)**	**$ 504,435**

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.

(Stated in US dollars)

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 December 31, 2020.

11. OTHER CURRENT ASSETS

Other assets are summarized as follows:

	December 31, 2020	December 31, 2019
Accounts receivable	$ 7,563	$ 380,165
Prepaid expenses and deposits	135,430	148,759
Total other assets	**$ 142,993**	**$ 528,924**

12. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities are summarized as follows:

	December 31, 2020	December 31, 2019
Accounts payable	$ 132,859	$ 161,418
Accrued payroll	46,359	30,716
Other liability	—	43,749
Total accounts payable and other liabilities	**$ 179,218**	**$ 235,883**

(Stated in US dollars)

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year Ended December 31	
	2020	2019
Loss from continuing operations for the year before income tax	$ (2,373,862)	$ (941,615)
Income from discontinued operations for the year before income tax	899,066	324,190
Loss for the year before income tax	(1,474,796)	(617,425)
Expected income tax recovery	$ (431,200)	$ (166,705)
Impact of different foreign statutory tax rates on earnings of subsidiaries	39,300	6,972
Permanent difference	(95,051)	59,546
Impact of future tax rate changes	302,219	(1,365,023)
True-up of prior-year provision to statutory tax returns	237,823	(281,381)
Impairment loss	—	186,154
Change in unrecognized deductible temporary differences and other	77,723	1,608,495
Total income tax expense	**$ 130,814**	**$ 48,058**
Consisting of:		
Current income tax expense (recovery)	$ (21,039)	$ 77,736
Deferred income tax expense (recovery)	151,852	(29,678)
Total income tax expense	**$ 130,813**	**$ 48,058**
Income tax expense (benefit) from continuing operations	$ (21,039)	$ 114,736
Income tax expense (benefit) from discontinued operations	151,852	(66,678)
Total income tax expense	**$ 130,813**	**$ 48,058**

(Stated in US dollars)

The significant components of Till's deferred income tax assets (liabilities) recognized are as follows:

	December 31 2020		December 31 2019	
Deferred income tax assets:				
Reserves	$	196,034	$	350,009
Losses available for future periods		—		25,961
Property and equipment		8,176		8,784
Deferred income tax assets	$	204,210	$	384,754
Deferred income tax liabilities:				
Exploration and evaluation assets	$	—	$	(23,997)
Property and equipment		—		(1,964)
Deferred income tax liabilities	$	—	$	(25,961)
Net deferred income tax asset before fair value measurement	$	204,210	$	358,793
Unrecognized deferred tax asset		—		(358,793)
Reclassification to AHFS		(204,210)		—
Net deferred income tax asset	**$**	**—**	**$**	**—**

The significant components of Till's unrecognized temporary differences and tax losses are as follows:

	December 31, 2020		Expiry Date Range	December 31, 2019		Expiry Date Range
Temporary differences:						
Non-capital losses available for future period	$	61,141,756	2022 to indefinitely	$	60,529,000	2022 to indefinitely
Exploration and evaluation assets	$	18,337,058	No expiry date	$	18,257,000	No expiry date
Property and equipment	$	5,687,181	No expiry date	$	5,378,000	No expiry date
Marketable securities	$	86,261	No expiry date	$	85,000	No expiry date
Investment tax credits	$	31,310	$2,030	$	31,000	2030
Reserves and other	$	814,397	No expiry date	$	1,465,000	No expiry date

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. 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 December 31, 2020 and 2019, there were 3,191,462 of issued and outstanding Till restricted voting shares.

(Stated in US dollars)

(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 year ended December 31, 2020, Till did not recognize stock-based compensation related to options (year ended December 31, 2019 - $44,026). At December 31, 2020, Till has 11,000 stock options outstanding with an exercise price of Cdn$7 (US$5.50) expiring December 1, 2021.

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 December 31, 2020, Till has no warrants outstanding.

In May 2019, SPD granted 2,275,000 incentive stock options to directors, officers, and a consultant 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. At December 31, 2020, 1,950,000 of the 2,275,000 stock options remain outstanding.

The warrants and options outstanding in the following table are shown with historical amounts:

	Stock Options	
	Number	Weighted average exercise price (Canadian $)
Outstanding, December 31, 2018	117,500	$9.55
Expired	(100,000)	$10.00
Outstanding, December 31, 2019	17,500	$7.00
Expired	(6,500)	$7.00
Outstanding, December 31, 2020	11,000	$7.00
Exercisable, December 31, 2020	11,000	$7.00

The intrinsic value of outstanding Till stock options at December 31, 2020 is nil.

(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. Till made no purchases of its restricted voting shares under that renewed NCIB. The NCIB was again renewed in May 2020.

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.

(Stated in US dollars)

(d) Treasury shares

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

15. 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 11,000 restricted voting shares were outstanding at December 31, 2020 (December 31, 2019 - 17,500). 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 years ended December 31, 2020 and 2019.

16. 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:

	Years Ended December 31	
	2020	2019
Revenue from discontinued operations:		
Insurance premiums written	$ 84,697,532	$ 71,797,266
Insurance premiums ceded to reinsurers	(84,008,345)	(70,824,585)
Change in unearned premiums	150,531	(188,650)
Net insurance premiums earned	839,718	784,031
Fees - Chief agency	281,774	284,875
Fees - Consulting	—	21,086
Rent revenue	—	301
Investment income	221,121	234,778
Total revenue	1,342,613	1,325,071
Expenses from discontinued operations:		
Losses and loss adjustment expenses, net	302,011	(947,440)
General and administrative expenses	230,618	315,188
Salaries and benefits	600,376	611,332
FVLCD adjustment	(689,458)	1,021,801
Total expenses	443,547	1,000,881
Income from discontinued operations before income taxes	899,066	324,190
Income tax recovery (expense)	(151,852)	66,678
Income from discontinued operations	$ 747,214	$ 390,868

(Stated in US dollars)

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

	Years Ended December 31 2020	2019
Cash flows from discontinued operating activities		
Net income from discontinued operations	$ 747,214	$ 390,868
Non-cash items:		
Amortization of capital assets	71,469	20,748
Receipt of real estate property from reinsurance settlement	—	(738,682)
Gain on investments	(221,121)	(234,778)
Income tax (benefit) expense	151,852	(66,678)
Write-down of real estate asset	183,687	—
Interest expense	—	1,906
FVLCD adjustment	(689,458)	1,021,801
	243,643	395,185
Net loss adjusted for non-cash items		
(Increase) decrease in premiums receivable and reinsurance recoverables	1,375,589	(219,641)
Increase (decrease) in unpaid losses, LAE, and amounts ceded	187,364	(1,149,977)
Increase in reinsurance payables	396,847	306,777
Decrease in deferred policy acquisition costs	112,075	108,041
(Increase) decrease in deferred income tax asset	1,705	(1,515)
Increase (decrease) in unearned premiums	(150,530)	188,650
Increase (decrease) in accounts payable and other liabilities	46,078	(212,687)
Other working capital changes	(656)	153
Total working capital changes	1,968,472	(980,199)
Total operating cash flows provided by (used in) discontinued operations	2,212,115	(585,014)
Investing cash flows from discontinued operations		
Sales of investments	7,809,035	19,766,995
Purchases of investments	(10,829,828)	(20,532,734)
Purchases of equity index futures, net	—	(19,592)
Purchases of property, plant, and equipment	(7,830)	—
Total investing cash flows used in discontinued operations	(3,028,623)	(785,331)
Financing cash flows from discontinued operations		
Lease payments	(67,553)	(16,988)
Total financing cash flows used in discontinued operations	$ (67,553)	$ (16,988)

(Stated in US dollars)

17. SEGMENT INFORMATION

Till operates in a single segment, that being investments.

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

	Years Ended December 31	
	2020	2019
Bermuda	$ —	$ 140,489
Canada	(42,336)	384,347
United States	(407,612)	(365,194)
Total	**$ (449,948)**	**$ 159,642**

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

	December 31,	
	2020	2019
Canada	$ 24,158	$ 105,870
United States	379,484	513,190
Total	**$ 403,642**	**$ 619,060**

18. 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 year ended December 31, 2020, total compensation amounted to $0.56 million (year ended December 31, 2019 - $0.57 million). 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 $60,000 for the year ended December 31, 2020, (year ended December 31, 2019 - $60,000) 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.

Mr. William Lupien, Till's 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 3(c) and Note 6(b).

As of December 31, 2020, one of Till's directors is SPD's CEO and director, another one of Till's directors is a SPD director, and Till's Chief Investment Officer is a director of SPD.

19. 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 December 31, 2020, Omega had total capital available of Cdn$11.1 (US$8.7) million (December 31, 2019 - Cdn$10.0 (US$7.7) million) and a total capital required of Cdn$3.6 (US$2.83) million (December 31, 2019 - Cdn$2.5 (US$1.9) million) resulting in a MCT of 304% (December 31, 2019 of 397%). As of December 31, 2020 and December 31, 2019, Omega is in compliance with OSFI's MCT requirements.

20. 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.

(Stated in US dollars)

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 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.

The following tables summarize the maturity profile of Till's financial assets and financial liabilities. For insurance contract liabilities and reinsurance assets, maturity profiles are based on the estimated timing of cash outflows.

December 31, 2020	Up to 1 year	1 - 5 years	5 - 10 years	10+ years	No specific maturity	Total
Financial assets:						
Cash and cash equivalents	$ 1,793,687	$ —	$ —	$ —	$ —	$ 1,793,687
Held for trading securities	—	—	—	—	259,834	259,834
Total financial assets	**$ 1,793,687**	**$ —**	**$ —**	**$ —**	**$ 259,834**	**$ 2,053,521**
Financial liabilities:						
Payables and accruals	$ 179,218	$ —	$ —	$ —	$ —	$ 179,218
Total financial liabilities	**$ 179,218**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 179,218**

(Stated in US dollars)

December 31, 2019	Up to 1 year	1 - 5 years	5 - 10 years	10+ years	No specific maturity	Total
Financial assets:						
Cash and cash equivalents	$ 4,901,013	$ —	$ —	$ —	$ —	$ 4,901,013
Held for trading securities	—	—	—	—	1,494,494	1,494,494
Total financial assets	**$ 4,901,013**	**$ —**	**$ —**	**$ —**	**$ 1,494,494**	**$ 6,395,507**
Financial liabilities:						
Payables and accruals	$ 192,133	$ —	$ —	$ —	$ 43,750	$ 235,883
Total financial liabilities	**$ 192,133**	**$ —**	**$ —**	**$ —**	**$ 43,750**	**$ 235,883**

December 31, 2020	Up to 1 year	1 - 5 years	5 - 10 years	10+ years	No specific maturity	Total
Held for sale						
Financial assets:						
Cash and cash equivalents	$ 1,224,157	$ —	$ —	$ —	$ —	$ 1,224,157
Held for trading securities	—	—	1,061,173	—	3,192,569	4,253,742
Available for sale:						
Government debt securities	2,674,535	3,771,367	—	—	—	6,445,902
Corporate bond exchange traded funds	—	—	—	—	4,713,899	4,713,899
Accrued investment income	28,732		—	—	—	28,732
Loans and receivables:						
Receivables	98,050		—	—	—	98,050
Premium and reinsurance receivables	6,015,197	—	—	—	7,810,242	13,825,439
Reinsurance assets	4,945,611	1,903,079	642,476	108,388	—	7,599,554
Total financial assets held for sale	**$14,986,282**	**$ 5,674,446**	**$ 1,703,649**	**$ 108,388**	**$15,716,710**	**$38,189,475**
Held for sale						
Financial liabilities:						
Payables and accruals	$ 9,580,196	$ —	$ —	$ —	$ 5,729,658	$15,309,854
Insurance contract liabilities	6,277,097	3,484,134	1,398,838	294,541	—	11,454,610
Other liabilities	565,196	—	—	—	—	565,196
Total financial liabilities held for sale	**$16,422,489**	**$ 3,484,134**	**$ 1,398,838**	**$ 294,541**	**$ 5,729,658**	**$27,329,660**

(Stated in US dollars)

December 31, 2019	Up to 1 year	1 - 5 years	5 - 10 years	10+ years	No specific maturity	Total
Held for sale						
Financial assets:						
Cash and cash equivalents	$ 2,104,712	$ —	$ —	$ —	$ —	$ 2,104,712
Held for trading securities	—	—	1,144,106	—	—	1,144,106
Available for sale:						
Government debt securities	1,879,466	3,998,154	—	—	—	5,877,620
Corporate bond funds	—	—	—	—	4,468,398	4,468,398
Accrued investment income	28,098	—	—	—	—	28,098
Loans and receivables:						
Receivables	2,000	—	—	—	—	2,000
Premium and reinsurance receivables	5,213,968	—	—	—	9,759,778	14,973,746
Reinsurance assets	4,465,259	1,896,366	664,460	82,384	—	7,108,469
Total financial assets held for sale	**$13,693,503**	**$ 5,894,520**	**$ 1,808,566**	**$ 82,384**	**$14,228,176**	**$35,707,149**
Held for sale						
Financial liabilities:						
Payables and accruals	$ 6,614,284	$ 756,083	$ —	$ —	$ 7,184,324	$14,554,691
Insurance contract liabilities	5,710,186	3,303,819	1,343,548	336,464	—	10,694,017
Other liabilities	457,038	121,532	—	—	—	578,570
Total financial liabilities held for sale	**$12,781,508**	**$ 4,181,434**	**$ 1,343,548**	**$ 336,464**	**$ 7,184,324**	**$25,827,278**

(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.

December 31, 2020 Dominion Bond Rating Service: A.M. Best Company:	AAA A++	AA A+	A A, A-	BBB B++	Less than BBB B++	Not rated	Total
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ —	$ 1,793,687	$ 1,793,687
Held for sale securities	—	—	—	—	—	259,834	259,834
Total	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 2,053,521**	**$ 2,053,521**

(Stated in US dollars)

December 31, 2019 Dominion Bond Rating Service: A.M. Best Company:	AAA A++	AA A+	A A, A-	BBB B++	Less than BBB B++	Not rated	Total
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ —	$ 4,901,013	$ 4,901,013
Held for sale securities	—	—	—	—	—	1,494,494	1,494,494
Total	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 6,395,507**	**$ 6,395,507**

December 31, 2020 Dominion Bond Rating Service: A.M. Best Company:	AAA A++	AA A+	A A, A-	BBB B++	Less than BBB B++	Not rated	Total
Held for sale							
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ —	$1,224,157	$1,224,157
Held for sale securities	—	—	—	—	—	4,253,742	4,253,742
Available for sale:							
Government debt securities	1,472,510	2,484,986	2,488,406	—	—	—	6,445,902
Corporate bond exchange traded funds	60,450	1,163,780	2,073,497	1,416,172	—	—	4,713,899
Accrued investment income	—	—	—	—	—	28,732	28,732
Loans and receivables:							
Receivable	—	—	—	—	—	98,050	98,050
Premium and reinsurance receivables	—	—	—	—	—	13,825,439	13,825,439
Reinsurance assets	1,484,449	25,919	72,259	—	—	6,016,927	7,599,554
Total held for sale	**$3,017,409**	**$3,674,685**	**$4,634,162**	**$1,416,172**	**$ —**	**$25,447,047**	**$38,189,475**

December 31, 2019 Dominion Bond Rating Service: A.M. Best Company:	AAA A++	AA A+	A A, A-	BBB B++	Less than BBB B++	Not rated	Total
Held for sale							
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ —	$ 2,104,712	$ 2,104,712
Held for sale securities	—	—	—	—	—	1,144,106	1,144,106
Available for sale:							
Government debt securities	710,097	3,180,496	1,987,027	—	—	—	5,877,620
Corporate bond funds	64,975	1,577,265	1,612,007	1,214,151	—	—	4,468,398
Accrued investment income	—	—	—	—	—	28,098	28,098
Loans and receivables:							
Receivable	—	—	—	—	—	2,000	2,000
Premium and reinsurance receivables	—	—	—	—	—	14,973,746	14,973,746
Reinsurance assets	1,408,223	43,887	131,660	—	—	5,524,699	7,108,469
Total held for sale	**$2,183,295**	**$4,801,648**	**$3,730,694**	**$1,214,151**	**$ —**	**$23,777,361**	**$35,707,149**

(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.

21. SUBSEQUENT EVENTS

(a) Letter of interest for the acquisition of Holdings

A letter indicating interest for the acquisition of Holdings has recently been executed, initiating a period of exclusivity during which the potential acquirer has certain rights. That exclusivity period has been extended to at least May 15, 2021. The potential acquirer has nearly completed its review of Holdings and is in the late stages of negotiating the final Share Purchase Agreement.

(b) Incentive stock option grant

On January 28, 2021 Till granted an aggregate of 300,000 incentive stock options to directors, officers, and employees of Till in accordance with Till's existing stock option plan. 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. As a result of this grant, Till has 311,000 stock options issued, representing 9.7% of the issued and outstanding share capital.