TILL CAPITAL CORPORATION

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2022 and 2021

(Expressed in United States Dollars)

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

The attached interim unaudited condensed consolidated financial statements for the three months ended March 31, 2022 and 2021 have been prepared by and are the responsibility of Till Capital Corporation's ("Till") management and have been approved by the Audit Committee of Till. Till's independent auditor has not performed a review of these interim unaudited condensed consolidated financial statements.

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

	Notes	Three Months Ended March 31 2022	2021
Revenue			
Investment income (loss), net	5(d)	$ 250,215	$ (43,717)
		250,215	(43,717)
Expenses			
General and administrative expenses		248,954	130,542
Salaries and benefits		157,117	205,459
Stock-based compensation	13(b)	26,290	209,410
Foreign exchange income (loss)		505	(7,358)
Other expenses		39,108	2,663
		471,974	540,716
Loss before income taxes and loss on equity method investments from continuing operations		**(221,759)**	**(584,433)**
Loss on equity method investments	5(b)	(20,000)	(48,686)
Loss from continuing operations		**(241,759)**	**(633,119)**
Income (loss) from discontinued operations	15		
Income from discontinued operations		275,949	302,369
Deferred income tax expense		(45,411)	(52,898)
Income from discontinued operations		230,538	249,471
Net loss		**$ (11,221)**	**$ (383,648)**
Income (loss) attributable to:			
Shareholders of Till Capital Corporation		$ 17,788	$ (347,489)
Non-controlling interests		(29,009)	(36,159)
Net loss		**$ (11,221)**	**$ (383,648)**
Basic and diluted loss per restricted voting share from continuing operations attributable to the shareholders of Till Capital Corporation		**$(0.06)**	**$(0.19)**
Basic and diluted income per restricted voting share from discontinued operations attributable to the shareholders of Till Capital Corporation		**$0.07**	**$0.08**
Basic and diluted income (loss) per restricted voting share attributable to the shareholders of Till Capital Corporation		**$0.01**	**$(0.11)**
Weighted average number of restricted voting shares outstanding		**3,191,462**	**3,191,462**

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

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

	Notes	Three Months Ended March 31 2022	2021
Net loss		**$ (11,221)**	**$ (383,648)**
Other comprehensive income (loss) from continuing operations			
Reclassification of realized loss from available for sale investments		—	43,230
Change in net unrealized income on available for sale investments, net of tax	5(e)	(177,443)	—
Item that may be reclassified subsequently to net income (loss):			
Change in cumulative foreign exchange translation adjustment		97,403	34,263
Other comprehensive income (loss) from continuing operations		**(80,040)**	**77,493**
Other comprehensive income (loss) from discontinued operations			
Change in net unrealized loss on available for sale investments	5(e)	(311,786)	(121,678)
Item that may be reclassified subsequently to net loss:			
Change in cumulative foreign exchange translation adjustment		129,601	130,111
Other comprehensive income (loss) from discontinued operations		**(182,185)**	**8,433**
Total comprehensive loss		**$ (273,446)**	**$ (297,722)**
Total comprehensive income (loss) attributable to:			
Shareholders of Till Capital Corporation		$ (289,404)	$ (277,757)
Non-controlling interests		15,958	(19,965)
Total comprehensive loss		**$ (273,446)**	**$ (297,722)**

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

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

	Notes	March 31, 2022	December 31, 2021
Current assets			
Cash and cash equivalents		$ 497,362	$ 611,407
Investments	5(a)	10,987,151	10,913,996
Investments, equity method	5(b)	2,188,510	2,075,640
Assets held for sale	3	59,903,245	56,655,293
Other current assets	10	152,064	196,205
Total current assets		**73,728,332**	**70,452,541**
Non-current assets			
Royalty and mineral interests	9	302,908	298,767
Other non-current assets		137,390	143,147
Total non-current assets		**440,298**	**441,914**
Total assets		**$ 74,168,630**	**$ 70,894,455**
Current liabilities			
Notes payable	11	$ 1,449,067	$ 1,212,000
Liabilities held for sale	3	45,888,759	42,698,420
Accounts payable and other liabilities	11	162,293	68,368
Total current liabilities		**47,500,119**	**43,978,788**
Non-current liabilities			
Deferred income tax liability		1,593,961	1,593,961
Total non-current liabilities		**1,593,961**	**1,593,961**
Total liabilities		**$ 49,094,080**	**$ 45,572,749**
Shareholders' equity			
Share capital		$ 3,191	$ 3,191
Contributed surplus		40,969,467	40,956,938
Accumulated other comprehensive loss		(488,434)	(181,242)
Deficit		(15,595,406)	(15,613,194)
Equity attributable to shareholders of Till Capital Corporation		24,888,818	25,165,693
Non-controlling interests		185,732	156,013
Total shareholders' equity		**$ 25,074,550**	**$ 25,321,706**
Total liabilities and shareholders' equity		**$ 74,168,630**	**$ 70,894,455**

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

The interim unaudited condensed consolidated financial statements were approved by the Audit Committee on May 26, 2022 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, 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**
Three Months Ended March 31, 2021:											
Net loss	—	—	—	—	—	—	—	(347,489)	(347,489)	(36,159)	(383,648)
Other comprehensive income (loss)	—	—	—	27,062	34,237	(121,678)	130,111	—	69,732	16,194	85,926
Total comprehensive income (loss)	—	—	—	27,062	34,237	(121,678)	130,111	(347,489)	(277,757)	(19,965)	(297,722)
Stock-based compensation	—	—	209,410	—	—	—	—	—	209,410	—	209,410
Decrease of controlling interest in subsidiary	—	—	(7,592)	—	—	—	—	—	(7,592)	7,592	—
Balance, March 31, 2021	**3,191,462**	**3,191**	**40,851,483**	**(419,472)**	**386,963**	**(364,800)**	**(362,304)**	**(20,765,915)**	**19,329,146**	**80,603**	**19,409,749**
Balance, December 31, 2021	**$ 3,191,462**	**$ 3,191**	**$ 40,956,938**	**$ 388,446**	**$ 413,857**	**$ (547,754)**	**$ (435,791)**	**$ (15,613,194)**	**$ 25,165,693**	**$ 156,013**	**$ 25,321,706**
Three Months Ended March 31, 2022:											
Net income (loss)	—	—	—	—	—	—	—	17,788	17,788	(29,009)	(11,221)
Other comprehensive income (loss)	—	—	—	(187,259)	62,252	(311,786)	129,601	—	(307,192)	44,967	(262,225)
Total comprehensive income (loss)	—	—	—	(187,259)	62,252	(311,786)	129,601	17,788	(289,404)	15,958	(273,446)
Stock-based compensation	—	—	26,290	—	—	—	—	—	26,290	—	26,290
Decrease of controlling interest in subsidiary	—	—	(13,761)	—	—	—	—	—	(13,761)	13,761	—
Balance, March 31, 2022	**3,191,462**	**$ 3,191**	**$ 40,969,467**	**$ 201,187**	**$ 476,109**	**$ (859,540)**	**$ (306,190)**	**$ (15,595,406)**	**$ 24,888,818**	**$ 185,732**	**$ 25,074,550**

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

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

	Notes	Three Months Ended March 31 2022	Three Months Ended March 31 2021
Cash flows from operating activities			
Net loss from continuing operations		$ (241,759)	$ (633,119)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense		1,512	1,118
Stock-based compensation	13(b)	26,290	209,410
Investment (income) loss	5(d)	(250,215)	43,717
Loss on equity investments	5(b)	20,000	48,686
Interest expense	11	37,067	—
Changes in operating assets and liabilities:			
Increase (decrease) in accounts payable and other liabilities		93,925	(29,000)
Decrease in accounts receivable		1,132	856
Other working capital changes		37,131	59,783
Net cash used in continuing operating activities		(274,917)	(298,549)
Net cash provided by (used in) discontinued operating activities	15	93,850	(662,460)
Net cash used in operating activities		(181,067)	(961,009)
Cash flows from investing activities			
Sales of investments		—	20,481,126
Purchases of investments		—	(20,555,033)
Sales of equity index futures, net	5(d)	—	24,220
Purchases of equity method investments	5(b)	(132,870)	(524,000)
Proceeds from from release of reclamation bond	9	4,244	—
Exploration and evaluation costs capitalized		(7,527)	(8,838)
Net cash used in continuing investing activities		(136,153)	(582,525)
Net cash provided by (used in) discontinued investing activities	15	(342,147)	579,482
Net cash used in investing activities		(478,300)	(3,043)
Cash flows from financing activities			
Proceeds from note payable	11	200,000	—
Net cash provided by continuing financing activities		200,000	—
Net cash used in discontinued financing activities	15	(19,184)	(18,440)
Net cash provided by (used in) financing activities		180,816	(18,440)
Decrease in cash and cash equivalents		**(478,551)**	**(982,492)**
Effect of foreign exchange rate		**112,405**	**71,311**
Change in cash of discontinued operations in assets held for sale		**252,101**	**64,369**
Cash and cash equivalents, beginning of year		**611,407**	**1,793,687**
Cash and cash equivalents, end of period		**$ 497,362**	**$ 946,875**

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

1. NATURE OF OPERATIONS

Till was incorporated under the laws of Bermuda on August 20, 2012 under the name Resource Holdings Ltd. On March 19, 2014, Resource Holdings Ltd. changed its name to Till Capital Ltd. 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's investment portfolio includes 7.6% ownership of IG Tintic LLC ("IGT"), the majority owner of Tintic Consolidated Metals LLC ("TCM"), which holds a substantial consolidated land package of over 14,000 acres of mineral rights, including 7,000 acres of surface rights, in the East Tintic Mining District near Provo, Utah. TCM is currently producing gold and silver from the Trixie mine and is exploring the re-commissioning of at least two other mines in the district. In January 2022, IGT entered into a definitive agreement to sell its interest in TCM, see Note 5.

Till, through its wholly-owned subsidiary Till Management Company ("TMC"), owns 33.3% of IG Far East ("IGFE"), a private company with a majority interest in the Durmin gold property in east Russia. Till also owns, through its wholly-owned subsidiary Golden Predator US Holding Corp. ("GPUS"), the Carlin Vanadium Property in Nevada, US, which is currently under an option agreement, see Note 9.

Till owns 59.69% of the outstanding shares of Silver Predator Corp. ("SPD"), a Canadian-based public junior mineral exploration company that has historically been engaged in exploring for and developing economically viable silver and gold deposits in the United States, with a focus on Nevada and Idaho. SPD is not currently engaged in any mining or exploration activities; however, a drilling program for its Copper King property is being considered.

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 interim unaudited condensed consolidated financial statements for the three months ended March 31, 2022 and 2021 were approved and authorized for issuance by Till's Audit Committee on May 26, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. *Statement of compliance*

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

The accounting policies applied in these interim unaudited condensed consolidated financial statements are presented herein and are based on IFRS as issued and applicable as of May 26, 2022, the date the Audit Committee approved the financial statements. The accounting policies have been applied consistently to all periods presented in these interim unaudited condensed consolidated financial statements.

These interim unaudited condensed consolidated financial statements should be read in conjunction with Till’s audited annual financial statements for the year ended December 31, 2021. Those financial statements disclose information for the year ended December 31, 2021 that is material to the understanding of these interim unaudited condensed consolidated financial statements.

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

b. *Held for sale and discontinued operations*

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

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

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

c. *Use of estimates and areas of judgement*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and other disclosures in these interim unaudited condensed consolidated financial statements. Amounts in the interim unaudited condensed consolidated financial statements represent Till’s best estimates and assumptions; however, the actual amounts could differ materially from those estimates. Till’s principal use of estimates and assumptions include the valuation of private company membership interests, 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 IGT and 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.

During 2021, Till's discontinued operation Omega was notified of a significant loss related to a single policy originally issued by an insurance company (the predecessor insurance company) in 1966. As the result of an assumption reinsurance transaction in 2010, Omega may have assumed responsibility for this insurance policy from the predecessor insurance company. The insurance policy limit is $19,206,146, and the predecessor's share of that policy was 44%. The policyholder has started an action to establish that coverage exists under the policy. Omega has enuring reinsurance coverage for the total loss however the collectability of reinsurance remains uncertain as the reinsurance policy also dates back to 1966, and reinsurance coverage relating to the 2010 assumption reinsurance agreement has not been confirmed.

There is a lack of information available related to the total incurred loss as well as the collectability of reinsurance. However, management's best estimate of the loss including provisions for adverse deviation, legal and administration expenses is $1,256,402. Management has assumed 50% of the reinsurance coverage as collectable which results in a net incurred liability to the Company of $627,801. This estimate is largely based on Omega's interpretation of possible exposure and other considerations.

This estimate of loss may change materially as new information emerges related to the loss, collectability of reinsurance and other factors which may take years to determine. The current estimate of loss may or may not be indicative of the settlement with the insured and the difference may be material.

Omega believes that its overall practices of establishing the provision for unpaid claims and adjustment expenses have been consistently applied over many years, and that its provisions have resulted in reasonable approximations of the ultimate cost of claims incurred.

Classification and valuation of assets held for sale:

Till follows the guidance of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations,* ("IFRS 5") for the classification of assets held for sale. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to dispose ("FVLCD"). Estimates are made in the measurement of FVLCD. In assessing classification, Till considers all currently available information, including results of ongoing sales processes.

d. Basis of consolidation

The accompanying interim unaudited condensed consolidated financial statements include the accounts of Till, its wholly-owned subsidiaries, and its majority interest in 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.

(Stated in US dollars)

(i) Subsidiaries

Subsidiaries are entities that Till owns, either directly or indirectly. Till's wholly-owned subsidiaries and any entity in which Till has a majority investment interest at March 31, 2022 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	59.69%	Mineral exploration

e. Equity method investments

IGFE is an entity that is 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 Note 5(b)). 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 (loss). 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.

f. Currency translation and foreign exchange

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

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

(Stated in US dollars)

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

	Three Months Ended March 31	
	2022	2021
Exchange rate at year end	US$1 = Cdn$1.2496	US$1 = Cdn$1.2575
Average exchange rate for the year	US$1 = Cdn$1.2662	US$1 = Cdn$1.2666

g. *Cash and cash equivalents*

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

h. *Financial instrument contracts*

Till classifies or designates all of its financial assets as either available for sale (“AFS”), held for trading (“HFT”), loans, or receivables. Till classifies or designates all of its financial liabilities as either fair value through profit and loss ("FVPL") or other financial liabilities.

AFS financial assets include private company equity investments, 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. Objective evidence of impairment for private company equity securities would include significant transactions for the equity of the private company at prices less than the estimated market value. 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 and warrants, all of which are held by Till for 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 income (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 carried at FVPL are recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized income and losses arising from changes in the fair value of the financial liabilities held at FVTPL are included in the consolidated statement of income (loss) in the period in which they arise.

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

i. *Insurance contracts*

(i) *Product classification*

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

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

(ii) *Premium revenue and unearned premiums*

Insurance premiums written are recognized on the date that coverage begins. For the types of short-term insurance policy written by Till's insurance subsidiary, Omega, with fixed expiry dates, those written premiums are deferred as unearned premiums and recognized in earned premiums on a pro rata basis over the term of the contracts.

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

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

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

(iii) *Unpaid claims and adjustment expenses*

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

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

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

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

(iv) Acquisition expenses

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

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

(v) Reinsurance

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

(vi) Assumption reinsurance transactions

A premium is charged to other insurance companies for assuming the liabilities on an accepted portfolio of insurance policies, or a portion thereof.

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

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

j. Mineral interests

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical feasibility and commercial viability of a mineral resource have been demonstrated, the capitalized costs of the related property are transferred to mining assets.

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

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

k. Property, plant, and equipment

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

l. *Impairment of assets*

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

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

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

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

m. *Revenue from contracts with customers*

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

n. *Taxation*

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

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

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

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

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

o. Loss per share

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

p. Employee benefits

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

q. Segment reporting

Till operates in a single segment, that being investments.

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

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

IFRS 9 is a three-part standard that replaces IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 became effective for fiscal years beginning on or after January 1, 2018. However, Till meets the eligibility criteria of the temporary exemption from IFRS 9 as provided by IFRS 4, *Insurance Contracts,* and has elected to defer the application of IFRS 9 until the January 1, 2023 effective date of the new insurance contracts standard, IFRS 17, *Insurance Contracts,* ("IFRS 17"). Till is currently evaluating the impact that IFRS 9, in conjunction with IFRS 17, will have on its consolidated financial statements in future periods.

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

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

(ii) IFRS 17, *Insurance Contracts*

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

IFRS 17 provides a general model for the recognition of insurance contracts, as well as a simplified model (premium allocation approach) for short-duration contracts, that will be applicable for most property and casualty insurance contracts. The standard requires a company to measure insurance contracts using updated 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:

i 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.

ii 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.

iii 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.

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

The effective date of IFRS 17 is January 23, 2023. Earlier application is permitted if IFRS 9 is also applied. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impractical, the entity is required to select either a modified retrospective approach or a fair value approach. Till plans to adopt the new standard on the required effective date together with IFRS 9 (see above). Till expects the new standard will result in significant changes to accounting policies for insurance contract liabilities; however, the impact on Till's consolidated financial statements has not yet been determined.

3. ASSETS AND LIABILITIES HELD FOR SALE

Omega Insurance Holdings, Inc.

During the year ended December 31, 2019, Till initiated a plan to sell Holdings, including its subsidiaries, Omega and Focus, all of which operate and are based in Canada. Pursuant to IFRS 5, Holdings was classified as a discontinued operation and Holding's assets and liabilities were classified as held for sale. A fair value measurement was performed periodically assessing the fair value of Holdings’ assets and liabilities less costs to sell.

(Stated in US dollars)

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

	March 31, 2022	December 31, 2021
Holdings assets held for sale:		
Cash and cash equivalents	$ 794,793	$ 1,046,894
Investments	17,455,022	17,220,792
Unpaid losses and loss adjustment expenses ceded	8,264,628	7,865,551
Unearned premiums ceded	12,196,643	10,308,111
Premiums receivable and reinsurance recoverables	14,423,637	13,555,036
Deferred policy acquisition costs	1,556,232	1,340,323
Right of use asset	35,052	51,824
Deferred income tax asset	138,044	181,417
Other assets	40,458	54,521
Total Holdings assets held for sale	$ 54,904,509	$ 51,624,469
Holdings liabilities held for sale:		
Reserve for unpaid losses and loss adjustment expenses	$ 13,415,201	$ 13,054,526
Unearned premiums	13,951,541	11,944,954
Reinsurance payables	14,445,177	12,131,804
Payables and accruals	1,371,285	2,925,960
Unearned commissions	2,433,187	2,312,624
Lease liability	38,378	56,427
Other liabilities	228,983	225,766
Total Holdings liabilities held for sale	$ 45,883,752	$ 42,652,061

On June 21, 2021, Till and Accelerant Holdings ("Accelerant") announced that they executed a share purchase agreement for Accelerant to acquire from Till, Holdings and its two wholly-owned subsidiaries Omega and Focus ("Omega Companies"). Accelerant will pay Till an aggregate purchase price of 1.15 times the aggregate book value of the Omega Companies, or approximately $10,374,000 as of March 31, 2022, in exchange for all of the issued and outstanding shares of Holdings. Completion of the transaction is subject to approval of Canada's Office of the Superintendent of Financial Institutions, the TSX Venture Exchange, and certain other customary consents and provincial insurance regulatory filings.

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 GPUS, another wholly-owned subsidiary of Till. Till is committed to selling SMC. Pursuant to IFRS 5, SMC's assets and liabilities are classified as held for sale.

In March, 2022, Till signed a non-binding Memorandum of Understanding ("MOU") with a private company ("Purchaser") for its potential acquisition of the Springer Tungsten Mine and Mill ("Springer"). The terms of the non-binding MOU include $2,600,000 in cash for the deed and ownership of Springer. Additional consideration will be an agreement to provide Till with an NSR royalty for total consideration of $5,000,000. After the completion of the payment of $5,000,000, Purchaser will continue to pay an NSR royalty to Till on ores milled at the Springer Mill.

(Stated in US dollars)

Till and the Purchaser intend to continue negotiations to reach a binding agreement for the sale of Springer which Till anticipates will include the terms contained in the MOU. Any final purchase agreement will be subject among other things to the approval of the Till Board of Directors and the managers of the Purchaser.

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

	March 31, 2022	December 31, 2021
SMC assets held for sale:		
Cash	$ 6,626	$ 34,427
Reclamation bonds	32,401	32,401
Prepaid expenses	38,338	46,010
Mineral properties	1,364,389	1,361,004
Property, plant, and equipment	3,556,982	3,556,982
Total SMC assets held for sale	**$ 4,998,736**	**$ 5,030,824**
Total SMC liabilities held for sale	**$ 5,007**	**$ 46,359**

At December 31, 2021, Till performed an impairment assessment of the SMC assets held for sale, and as a result, no impairment or impairment reversal was recorded.

Total assets and liabilities held for sale

	March 31, 2022	December 31, 2021
Assets held for sale:		
Holdings	$ 54,904,509	$ 51,624,469
SMC	4,998,736	5,030,824
Total assets held for sale	$ 59,903,245	$ 56,655,293
Liabilities held for sale:		
Holdings	$ 45,883,752	$ 42,652,061
SMC	5,007	46,359
Total liabilities held for sale	$ 45,888,759	$ 42,698,420

4. LEASES

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 $5,981 (Cdn$7,474) for the first year, $6,230 (Cdn$7,785) for the second year, and $6,480 (Cdn$8,097) for the third year. The three-year lease was accounted for in accordance with IFRS 16. At March 31, 2022, Holdings was classified as discontinued operations (see Note 15) and its assets and liabilities were classified as held for sale (see Note 3).

(Stated in US dollars)

Lease liabilities maturity schedule		
2019	$	15,930
2020		65,578
2021		71,557
2022		57,249
	$	210,314

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

		March 31, 2022		December 31, 2021
Right-of-use asset				
Beginning balance	$	51,824	$	120,409
Depreciation		(17,296)		(69,876)
Adjustment due to currency conversion		524		1,291
Ending balance	$	35,052	$	51,824
Lease liabilities				
Beginning balance	$	56,427	$	126,419
Interest on lease liabilities		560		3,941
Lease payments		(19,184)		(75,265)
Adjustment due to currency conversion		575		1,332
Ending balance	$	38,378	$	56,427

	Three Months Ended March 31			
		2022		2021
Depreciation expense for right-of-use asset	$	17,296	$	17,291
Interest expense on lease liabilities	$	560	$	1,339
Total cash outflow for leases	$	19,184	$	18,440

5. INVESTMENTS

(a) Investments

	March 31, 2022			December 31, 2021		
	Cost Basis	Unrealized Income	Fair Value	Cost Basis	Unrealized Income (Loss)	Fair Value
Held for trading	$ 205,852	$ 250,277	$ 456,129	$ 713,462	$ (507,609)	$ 205,853
Available for sale	9,509,000	1,022,022	10,531,022	9,509,000	1,199,143	10,708,143
Total	**$ 9,714,852**	**$ 1,272,299**	**$ 10,987,151**	**$ 10,222,462**	**$ 691,534**	**$ 10,913,996**

(Stated in US dollars)

Investments included in assets held for sale:

	March 31, 2022			December 31, 2021		
	Cost Basis	Unrealized Loss	Fair Value	Cost Basis	Unrealized Income (Loss)	Fair Value
Held for trading	$ 370,010	$ (10,759)	$ 359,251	$ 396,691	$ (18,907)	$ 377,784
Available for sale	17,297,795	(202,024)	17,095,771	16,769,134	73,874	16,843,008
Total	**$ 17,667,805**	**$ (212,783)**	**$ 17,455,022**	**$ 17,165,825**	**$ 54,967**	**$ 17,220,792**

(b) *Equity method investments*

IG Far East LLC

During the three months ended March 31, 2022, Till, through TMC, invested $132,870 in IGFE (year ended December 31, 2021 - $1,836,177) to maintain its 33.3% interest. That investment is accounted for under the equity method of accounting. IGFE has a 60% interest in the Durmin gold property in east Russia.

	March 31, 2022	December 31, 2021
Balance, beginning of year	**$ 2,075,640**	**$ 386,423**
Acquisitions	132,870	1,836,177
Equity loss	(20,000)	(146,960)
Balance, end of period	**$ 2,188,510**	**$ 2,075,640**

IG Tintic LLC

Till owns approximately 7.6% of the outstanding units of IGT. The investment was accounted for under the equity method of accounting until June 30, 2021. IGT is the majority owner of TCM that owns a substantial consolidated land package of mineral and surface rights in the East Tintic Mining District near Provo, Utah.

	March 31, 2022	December 31, 2021
Balance, beginning of year	**$ —**	**$ 2,357,740**
Equity loss	—	(116,159)
Transfer to AFS investments	—	(2,241,581)
Balance, end of period	**$ —**	**$ —**

On July 1, 2021, Till, due to no longer having significant influence over IGT, reclassified IGT from equity method investment to available for sale investment reported at fair value. That resulted in income of $7,267,420.

In January 2022, IGT entered into a definitive agreement with Osisko Development Corp. (TSXV: ODV) ("Osisko Development") to sell its 75% participation in TCM (the "Transaction") in exchange for aggregate consideration of approximately $130 million comprised of cash and Osisko Development shares as well as a 1% net smelter return royalty on the entire property owned by TCM.

The Transaction is subject to normal course regulatory approvals and the satisfaction of customary closing conditions, including the execution of ancillary agreements and acceptance of TSX Venture Exchange. The IGT transaction and the acquisition of the remaining 25% of TCM from Ruby Hollow LLC require that closing of each transaction will happen simultaneously and one cannot close without the other. Subject to the satisfaction of those conditions. The Transaction is expected to close in the second quarter of 2022.

(Stated in US dollars)

(c) *Fair value measurement*

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

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

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

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

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

Till's investments in exchange traded funds, guaranteed investment certificates, and public companies are classified as Level 1 investments because the fair values are based on quoted prices in active markets for identical assets that are reported at fair value. Till's investments in public company warrants and 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's investment in IGT is classified as Level 3 because the value of that investment cannot be measured using observable market inputs. The fair value of Till's investment in IGT as of March 31, 2022 was calculated based on a definite agreement to sell its interest in TCM.

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

	Fair Value at March 31, 2022			
	Total	Level 1	Level 2	Level 3
Continuing Operations:				
Held for trading	456,129	$ 38,089	$ 418,040	$ —
Available for sale	10,531,022	24,674	—	10,506,348
	10,987,151	62,763	418,040	10,506,348
Held for sale:				
Held for trading	359,251	—	359,251	—
Available for sale:				—
Government debt securities	12,468,243	—	12,468,243	—
Corporate bond exchange traded funds	4,559,781	4,559,781	—	—
Accrued investment income	67,747	67,747	—	—
Total available for sale	17,095,771	4,627,528	12,468,243	—
	17,455,022	4,627,528	12,827,494	—
Total investments	**$ 28,442,173**	**$ 4,690,291**	**$ 13,245,534**	**$ 10,506,348**

(Stated in US dollars)

	Fair Value at December 31, 2021			
	Total	Level 1	Level 2	Level 3
Continuing Operations:				
Held for trading	205,853	$ 17,336	$ 188,517	$ —
Available for sale	10,708,143	—	—	10,708,143
	10,913,996	17,336	188,517	10,708,143
Held for sale:				
Held for trading	377,784	—	377,784	—
Available for sale:				—
Government debt securities	12,032,432	—	12,032,432	—
Corporate bond exchange traded funds	4,782,225	4,782,225	—	—
Accrued investment income	28,351	16,468	11,883	—
Total available for sale	16,843,008	4,798,693	12,044,315	—
	17,220,792	4,798,693	12,422,099	—
Total investments	**$ 28,134,788**	**$ 4,816,029**	**$ 12,610,616**	**$ 10,708,143**

(d) Investment income (loss), net

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

	Three Months Ended March 31	
	2022	2021
Net income (loss) from held for trading investments:		
Equity index futures	$ —	$ 24,220
All other securities	250,217	(19,971)
Net realized loss from available for sale investments	—	(42,326)
Investment related expenses	(2)	(5,640)
Investment income (loss), net	**$ 250,215**	**$ (43,717)**

(Stated in US dollars)

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

	Three Months Ended March 31	
	2022	2021
Continued operations:		
Equity securities	$ (177,443)	$ —
Reclassification of realized loss from available for sale investments	—	43,230
	(177,443)	43,230
Discontinued operations:		
Canadian government bonds and provincial bonds	(167,080)	(30,171)
Equity securities - bond funds	(144,706)	(91,507)
	(311,786)	(121,678)
Total included in other comprehensive income	**$ (489,229)**	**$ (78,448)**

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

The March 31, 2022 and December 31, 2021 unpaid losses, loss adjustment expenses, and reinsurance amounts ceded were classified as held for sale. (See Note 3 and 15 for more details.)

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

	March 31, 2022		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Undiscounted amounts	$ 12,951,212	$ 7,997,823	$ 4,953,389
Adjustment for discount rate	(732,394)	(264,565)	(467,829)
Adjustment for provision for adverse developments	1,196,383	531,370	665,013
Reserve for unpaid losses and LAE	**$ 13,415,201**	**$ 8,264,628**	**$ 5,150,573**

	December 31, 2021		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Undiscounted amounts	$ 12,264,969	$ 7,479,055	$ 4,785,914
Adjustment for discount rate	(389,651)	(137,246)	(252,405)
Adjustment for provision for adverse developments	1,179,208	523,742	655,466
Reserve for unpaid losses and LAE	**$ 13,054,526**	**$ 7,865,551**	**$ 5,188,975**

(Stated in US dollars)

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

	Three Months Ended March 31					
	2022			2021		
	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net	Unpaid Losses and LAE	Reinsurance Amounts Ceded	Net
Balance, beginning of year	**$ 13,054,526**	**$ 7,865,551**	**$ 5,188,975**	**$ 11,454,610**	**$ 7,599,554**	**$ 3,855,056**
Losses and LAE incurred for insured events related to:						
Current year	19,171,570	19,155,543	16,027	14,961,024	14,948,417	12,607
Prior year	925,412	1,024,583	(99,171)	823,646	520,939	302,707
Total incurred	20,096,982	20,180,126	(83,144)	15,784,670	15,469,356	315,314
Losses and LAE paid:						
Current year	(17,137,493)	(17,137,493)	—	(13,323,598)	(13,323,598)	—
Prior year	(2,791,184)	(2,761,846)	(29,338)	(1,830,876)	(1,733,267)	(97,609)
Total paid	(19,928,677)	(19,899,339)	(29,338)	(15,154,474)	(15,056,865)	(97,609)
Adjustment due to currency conversion	192,370	118,290	74,080	147,573	97,867	49,706
Balance, end of period	**$ 13,415,201**	**$ 8,264,628**	**$ 5,150,573**	**$ 12,232,379**	**$ 8,109,912**	**$ 4,122,467**

(c) Effects of discounting

For the three months ended March 31, 2022, Till has discounted its best estimate of claims provisions at a rate of 2.70% (three months ended March 31, 2021 - 2.07%) 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:

	March 31, 2022			
	Undiscounted	Effect of discounting	Effect of PFADs	Discounted
Insurance contract liabilities	$ 12,951,212	$ (732,394)	$ 1,196,383	$ 13,415,201
Reinsurance asset	7,997,823	(264,565)	531,370	8,264,628
Provision for outstanding claims	**$ 4,953,389**	**$ (467,829)**	**$ 665,013**	**$ 5,150,573**

	December 31, 2021			
	Undiscounted	Effect of discounting	Effect of PFADs	Discounted
Insurance contract liabilities	$ 12,264,969	$ (389,651)	$ 1,179,208	$ 13,054,526
Reinsurance asset	7,479,055	(137,246)	523,742	7,865,551
Provision for outstanding claims	**$ 4,785,914**	**$ (252,405)**	**$ 655,466**	**$ 5,188,975**

(Stated in US dollars)

7. UNEARNED PREMIUMS AND UNEARNED PREMIUMS CEDED

The following table is a summary of changes in unearned premiums and unearned premiums ceded. (The March 31, 2022 and December 31, 2021 unearned premiums and unearned premiums ceded were classified as held for sale. See Note 3 for details.)

	Three Months Ended March 31, 2022			Year Ended December 31, 2021		
	Unearned Premiums	Unearned Premiums Ceded	Net	Unearned Premiums	Unearned Premiums Ceded	Net
Balance, beginning of year	**$ 11,944,954**	**$ 10,308,111**	**$ 1,636,843**	**$ 12,876,197**	**$ 10,802,846**	**$ 2,073,351**
Premiums written	46,447,581	46,013,952	433,629	115,794,903	114,794,350	1,000,553
Premiums earned	(44,638,994)	(44,298,344)	(340,650)	(116,792,080)	(115,341,181)	(1,450,899)
Adjustment due to currency conversion	198,000	172,924	25,076	65,934	52,096	13,838
Balance, end of period	**$ 13,951,541**	**$ 12,196,643**	**$ 1,754,898**	**$ 11,944,954**	**$ 10,308,111**	**$ 1,636,843**

8. DEFERRED POLICY ACQUISITION COSTS

The following table is a summary of changes in deferred policy acquisition costs. (The March 31, 2022 and December 31, 2021 deferred policy acquisition costs were classified as held for sale. See Note 3 for details.)

	Three Months Ended March 31, 2022	Year Ended December 31, 2021
Balance, beginning of year	**$ 1,340,323**	**$ 1,850,201**
Acquisition costs deferred	9,610,856	32,678,473
Amortization of deferred policy acquisition costs	(9,394,947)	(33,188,351)
Balance, end of period	**$ 1,556,232**	**$ 1,340,323**

9. ROYALTY AND MINERAL INTERESTS

Royalty and mineral interests are summarized as follows:

	Balance December 31, 2021	Capitalized exploration costs	Sale of mineral property	Balance March 31, 2022
SPD properties	$ 254,609	4,141	—	258,750
Royalty interests	44,158	—	—	44,158
Total	**$ 298,767**	**$ 4,141**	**$ —**	**$ 302,908**

	Balance December 31, 2020	Capitalized exploration costs	Sale of mineral property	Balance December 31, 2021
Carlin Vanadium Property	$ 126,315	$ —	$ (126,315)	$ —
SPD properties	212,313	46,923	(4,627)	254,609
Royalty interests	44,158	—	—	44,158
Total	**$ 382,786**	**$ 46,923**	**$ (130,942)**	**$ 298,767**

(Stated in US dollars)

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.

On July 6, 2021, Till announced that it had negotiated an amendment to the Carlin Vanadium Agreement which previously allowed the optionee Phenom Resources Corp. (TSXV: PHNM) (formerly First Vanadium Corp., "Phenom") to buy-out the 2% Net Smelter Return ("NSR") royalty granted to GPUS for $4,000,000 at the same time that Phenom exercises the purchase option and acquires 100% in the property. To exercise the option, Phenom was required to pay GPUS $1,900,000 by June 30, 2022.

Under the terms of the amended agreement, Phenom agreed to pay half the final cash payment for the option exercise ($955,000) to GPUS by July 30, 2021, with the balance ($955,000) being due by June 30, 2022.

Phenom also agreed to issue 1,000,000 common share purchase warrants to GPUS within 3 business days of receipt of TSX Venture Exchange approval to the amended agreement, with each warrant being exercisable for one common share at a price of Cdn$0.75 per share for a period of five years from the date of issue of the warrants. The parties further agreed that if Phenom wishes to purchase the NSR royalty, it must do so by paying GPUS $4,000,000 by June 30, 2023. Phenom, in its sole discretion, may extend that deadline on an annual basis for up to 4 additional years, by paying GPUS an additional $250,000 per year on or before June 30 of each year, commencing June 30, 2023, resulting in the latest possible payment deadline being June 30, 2027. The amended agreement was accepted by the TSX Venture Exchange on July 12, 2021.

On July 15, 2021, GPUS received $955,000 and 1,000,000 warrants of Phenom initially valued at $553,897. Option payments are recorded against the carrying value of the Carlin Vanadium Property. Option payments received in excess of the carrying value of the Carlin Vanadium Property totaled $1,382,582 are recorded as exploration expense recovery.

In December 2021, SPD sold its Treasure Hill property in White Pine County, NV to Treasure Hill Resources LLC for cash consideration of $145,000. Till recorded income on disposal of $140,373.

10. OTHER CURRENT ASSETS

Other assets are summarized as follows:

	March 31, 2022	December 31, 2021
Accounts receivable	$ 2,044	$ 3,176
Prepaid expenses and deposits	150,020	193,029
Total other assets	**$ 152,064**	**$ 196,205**

11. NOTES PAYABLE

In December 2021, Till raised $1,200,000 from the issuance of a convertible note to an arm's length purchaser. The note matures on December 30, 2022 and bears interest of i) 1% per month up to and including March 31, 2022, compounded ii) 1.25% per month from April 1, 2022 to June 30, 2022, compounded and iii) 2% per month from July 1, 2022 to maturity, compounded. The note is convertible into common shares of Till on maturity at the holder's option at the greater of i) the 30-day VWAP prior to maturity and ii) $6.05. Interest accrued on the note may be paid in shares at the election of the holder, but will be subject to TSXV approval at the time of such election, including approval of conversion pricing.

(Stated in US dollars)

In March 2022, Till raised $200,000 from the issuance of a convertible note to an arm's length purchaser. The note is pending TSXV approval. The note bears interest of i) 1% per month up to and including July 15, 2022, compounded ii) 1.25% per month from July 16, 2022 to October 31,2022, compounded, and iii) 2% per month from November 1, 2022 to maturity, compounded. The note is convertible into common shares of Till on maturity at the holder's option at the greater of i) the 30-day VWAP prior to maturity and ii) $6.37. Interest accrued on the note may be paid in shares at the election of the holder but will be subject to TSXV approval at the time of such election, including approval of conversion pricing.

The notes payable are classified as Level 3 financial instruments because the value of the notes payable cannot be measured using observable market inputs. The fair value of the notes payable approximates the cash received plus accrued interest given its proximity to period end. Total interest expense on the notes for the three months ended March 31, 2022 was $37,067. There was no change in the fair value of the notes payable at March 31, 2022 since inception.

	Fair Value at March 31, 2022			
	Total	Level 1	Level 2	Level 3
Notes Payable	**$ 1,449,067**	**$ —**	**$ —**	**$ 1,449,067**

12. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities are summarized as follows:

	March 31, 2022	December 31, 2021
Accounts payable	$ 132,527	$ 43,164
Accrued payroll	29,766	25,204
Total accounts payable and other liabilities	**$ 162,293**	**$ 68,368**

13. SHARE CAPITAL AND RESERVES

(a) Authorized share capital

Till is authorized to issue 12,000,000 shares of restricted voting stock at a par value of $0.001. Shares of Till have restricted voting rights, whereby no single shareholder of Till is able to exercise voting rights for more than 9.9% of the voting rights of the total issued and outstanding Till shares. However, if any one shareholder of Till beneficially owns, or exercises control or direction over, more than 50% of the issued and outstanding Till shares, the 9.9% restriction will no longer apply to the Till shares. At March 31, 2022 and 2021, there were 3,191,462 of issued and outstanding Till restricted voting shares.

(b) Stock options and warrants

Till's Board of Directors may, from time to time and in its sole discretion, award options to acquire shares of the restricted voting stock of Till to directors, employees, and consultants.

On January 28, 2021, Till granted an aggregate of 300,000 incentive stock options to directors, officers, and consultants of Till in accordance with Till's existing stock option plan to purchase up to 300,000 common shares of Till. Those 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.

On December 29, 2021, Till granted an aggregate of 11,000 incentive stock options to directors and officers of Till in accordance with Till's existing stock option plan to purchase up to 11,000 common shares of Till. Those incentive stock options vest over a two year period and may be exercised at a price of Cdn$7.00 per option for a period of three years from the date of grant.

(Stated in US dollars)

During the three months ended March 31, 2022, Till recognized stock-based compensation of $26,290 (three months ended March 31, 2021 - $209,410).

At March 31, 2022, Till has 226,000 stock options outstanding with a weighted exercise price of Cdn$11.76 (US$9.41).

	Stock Options	
	Number	Weighted average exercise price (Canadian $)
Outstanding, December 31, 2021	226,000	$ 11.76
Outstanding, March 31, 2022	226,000	$ 11.76
Exercisable	144,050	$ 12.00

At March 31, 2022, incentive stock options were outstanding as follows:

Number	Exercise price (Canadian $)	Expiry date
11,000	$ 7.00	December 28, 2024
215,000	$ 12.00	January 27, 2025

The fair value of all compensatory options granted is estimated on grant date using the Black-Scholes-Merton option pricing model.

Till's Board of Directors may, from time to time and in its sole discretion, issue warrants to acquire shares of the restricted voting stock of Till. At March 31, 2022, Till has no warrants outstanding.

(c) *Normal course issuer bid*

On September 17, 2021, Till announced that the TSXV approved Till's notice of intention to make a Normal Course Issuer Bid ("NCIB"). Pursuant to the NCIB, Till may purchase up to 253,600 common shares, representing 10% of the 2,536,988 shares forming Till's public float. Purchases are to be made through the facilities of TSX Venture Exchange or other recognized marketplaces during the period September 24, 2021 to September 23, 2022. Till made no purchase of its restricted voting shares under that renewed NCIB in 2021 and the first quarter of 2022.

(d) *Treasury shares*

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

14. 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 226,000 restricted voting shares were outstanding at March 31, 2022 (December 31, 2021 - 226,000). Those stock options were excluded in the calculation of diluted earnings per share because the exercise price of the options was greater than the weighted average market value of the restricted voting shares in the three months ended March 31, 2022 and 2021.

(Stated in US dollars)

15. 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 Income (Loss), Consolidated Statements of Comprehensive Income (Loss), and Consolidated Statements of Cash Flows.

On June 21, 2021, Till and Accelerant Holdings ("Accelerant") announced that they executed a share purchase agreement for Accelerant to acquire from Till, Holdings and its two wholly-owned subsidiaries Omega and Focus ("Omega Companies"). Accelerant will pay Till an aggregate purchase price of 1.15 times the aggregate book value of the Omega Companies, or approximately $10,374,000 as of March 31, 2022, in exchange for all of the issued and outstanding shares of Holdings. Completion of the transaction is subject to approval of Canada's Office of the Superintendent of Financial Institutions, the TSX Venture Exchange, and certain other customary consents and provincial insurance regulatory filings.

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

	Three Months Ended March 31	
	2022	2021
Revenue from discontinued operations:		
Insurance premiums written	$ 34,983,455	$ 27,471,019
Insurance premiums ceded to reinsurers	(34,636,044)	(27,086,607)
Change in unearned premiums	(92,979)	25,999
Net insurance premiums earned	254,432	410,411
Fees - Chief agency	60,417	74,609
Investment income (loss)	(46,987)	217,963
Total revenue	267,862	702,983
Expenses from discontinued operations:		
Losses and loss adjustment expenses, net	(83,144)	315,314
General and administrative income	(139,141)	(93,426)
Salaries and benefits	214,198	178,726
Total (income) expenses	(8,087)	400,614
Income from discontinued operations before income taxes	275,949	302,369
Income tax expense	(45,411)	(52,898)
Income from discontinued operations	$ 230,538	$ 249,471

(Stated in US dollars)

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

	Three Months Ended March 31	
	2022	2021
Cash flows from discontinued operating activities		
Net income from discontinued operations	$ 230,538	$ 249,471
Non-cash items:		
Amortization of capital assets	19,002	19,068
(Income) loss on investments	46,987	(217,963)
Income tax expense	45,411	52,898
	341,938	103,474
Net income adjusted for non-cash items		
Increase in premiums receivable and reinsurance recoverables	(662,377)	(1,362,735)
(Increase) decrease in unpaid losses, LAE, and amounts ceded	(112,482)	217,705
Increase in reinsurance payables	2,399,566	1,235,066
(Increase) decrease in deferred policy acquisition costs	(193,813)	538,489
(Increase) decrease in deferred income tax asset	3	(9,226)
Increase (decrease) in unearned premiums	92,979	(26,000)
Decrease in accounts payable and other liabilities	(1,784,923)	(1,368,607)
Other working capital changes	12,959	9,374
Total working capital changes	(248,088)	(765,934)
Total operating cash flows provided by (used in) discontinued operations	93,850	(662,460)
Investing cash flows from discontinued operations		
Sales of investments	6,050,247	1,525,777
Purchases of investments	(6,392,394)	(1,513,593)
Sale of real estate asset	—	571,308
Purchases of property, plant, and equipment	—	(4,010)
Total investing cash flows provided by (used in) discontinued operations	(342,147)	579,482
Financing cash flows from discontinued operations		
Lease payments	(19,184)	(18,440)
Total financing cash flows used in discontinued operations	$ (19,184)	$ (18,440)

16. SEGMENT INFORMATION

Till operates in a single segment, that being investments.

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

	Three Months Ended March 31	
	2022	2021
Canada	$ 4,165	$ (33,197)
United States	246,050	(10,520)
Total	**$ 250,215**	**$ (43,717)**

(Stated in US dollars)

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

	March 31, 2022	December 31, 2021
Canada	$ 24,158	$ 24,158
United States	306,270	307,886
Total	**$ 330,428**	**$ 332,044**

17. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

Key management personnel and directors comprise all members of Till's Board of Directors and executive officers. The compensation of key management personnel includes fees, salaries, share-based awards, and other employee benefits. During the three months ended March 31, 2022, total compensation amounted to $0.13 million (three months ended March 31, 2021 - $0.34 million) including $0.03 million stock-based compensation during the three months ended March 31, 2022 (three months ended March 31, 2021 - $0.19 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 $15,000 for the years ended March 31, 2022 and 2021 for those services.

(c) Common management

Dr. John (“Terry”) Rickard, a Till director, is the Chairman of the Management Committee of TCM, a joint venture in which IGT, a company in which Till has 7.6% ownership, is the majority owner. 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 from TCM and 10,000 units of IGT during the year ended December 31, 2021.

As of March 31, 2022, one of Till’s directors is SPD’s CEO and director, and another three of Till's directors are SPD directors.

18. 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 shareholder value by optimizing capital generated and used by Till.

Till views capital as a scarce and strategic resource. That resource protects the financial well-being of the organization, and is critical in enabling Till to pursue strategic business opportunities. Adequate capital also acts as a safeguard against possible unexpected losses, and as a basis for confidence in Till by shareholders, policyholders, creditors, and others. For the purpose of capital management, Till has defined capital as shareholders' equity, excluding AOCI. Capital is monitored by Till's Board of Directors.

(b) Omega

OSFI has set out expectations of a 100% Minimum Capital Test ("MCT") as the minimum and 150% MCT as the supervisory target for Canadian property and casualty insurance companies. As of March 31, 2022, Omega had total capital available of Cdn$9.70 (US$7.76) million (December 31, 2021 - Cdn$9.70 (US$7.65) million) and a total capital required of Cdn$2.70 (US$2.16) million (December 31, 2021 - Cdn$2.70 (US$2.13) million) resulting in a MCT of 362% (December 31, 2021 of 352%). As of March 31, 2022 and December 31, 2021, Omega is in compliance with OSFI's MCT requirements.

19. FINANCIAL RISK MANAGEMENT

(a) Insurance risk

Till's discontinued operation Omega principally underwrites insurance lines of business that include personal property, commercial property, and liability lines of business. The various coverages underwritten have specific insurance contracts that set forth the specific insurance risk exposures, including the duration of the coverage. Omega is exposed to risks defined in the insurance contracts.

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

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

Risk exposure is mitigated by diversification across a portfolio of insurance policies and geographical areas and by the use of various underwriting and claim review strategies. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities. Omega also purchases reinsurance as part of its risk mitigation strategies. Reinsurance is placed on both a proportional and non-proportional basis. The use of proportional and non-proportional reinsurance varies by line of business.

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

The key assumption underlying the valuation of the reserve for unpaid losses and LAE is that the future loss development will follow a similar pattern to past loss development experience, including average claim costs, claim handling costs, and other claim factors for each loss year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future. Consideration is also given to available industry data/ information. Judgment is further used to assess the extent to which external factors, such as inflation, court decisions, and government legislation, may affect the estimates. Other factors that may affect the reliability of loss and LAE assumptions include any variation in interest rates, claim settlement delays, and changes in foreign exchange rates.

(b) Liquidity risk

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

(c) Credit risk

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

(d) Investment risk

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

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market factors, including currency risk, interest rate risk, and equity risk.

(i) Currency risk

Till's discontinued operation Omega is exposed to currency risk to the extent that non-Canadian dollar denominated amounts are paid or received when adverse changes to foreign exchange rates occur. To mitigate that risk, Omega has policies to limit its exposure to US dollar currency risk; for all other currencies, Omega has policies such that all applicable assets and liabilities are broadly matched in terms of their currency.

(ii) Interest rate risk

Till's discontinued operation Omega is exposed to interest rate risk to the extent that cash flows from assets and liabilities are not closely matched. To mitigate this risk, Omega has policies to limit its overall exposure to interest rate risk.

(iii) Equity risk

Till's discontinued operation Omega is exposed to equity risk to the extent that changes in market conditions impact the value of its equity investments, corporate bond exchange traded funds, or principal at risk notes. To mitigate that risk, Omega has policies to limit the overall amount of equity investments, corporate bonds, and principal at risk notes, and to limit exposure to individual securities and industries.

The sensitivity analysis for equity rate risk set out below illustrates the impact of a 10% change in prices for all of the equity securities, corporate bond exchange traded funds, and principal at risk notes held at the reporting date.