



TILL CAPITAL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2022 and 2021

(Expressed in United States Dollars)

TILL CAPITAL CORPORATION

Management's Discussion and Analysis

For the three months ended March 31, 2022 and 2021

(Stated in US dollars)

The following management's discussion and analysis ("MD&A") of the activities, results of operations, and financial position of Till Capital Corporation ("Till") should be read in conjunction with the interim unaudited condensed consolidated financial statements for the three months ended March 31, 2022 and 2021 and the audited consolidated financial statements for the years ended December 31, 2021 and 2020 and the related notes that have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"). All amounts in this MD&A are stated in United States dollars unless otherwise indicated. This MD&A was prepared as of May 26, 2022.

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

BACKGROUND AND CORE BUSINESS

Till is an investment holding company domiciled in 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 of the interim unaudited condensed consolidated financial statements for the three months ended March 31, 2022 and 2021.

Till also owns 33.3% of IG Far East ("IGFE"), a private company with a majority interest in the Durmin gold property in east Russia and Till owns the Carlin Vanadium Property in Nevada, US, which is currently under an option agreement, see Note 9 of the interim unaudited condensed consolidated financial statements for the three months ended March 31, 2022 and 2021.

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.

Through Till's wholly-owned subsidiary, Omega Insurance Holdings, Inc. ("Holdings") and its wholly-owned subsidiary Omega General Insurance Company ("Omega"), Till provides property and casualty insurance and reinsurance. Omega underwrites direct insurance and reinsurance business. Omega is a primary insurer, or direct writer, for insurance companies looking to write Canadian business, but lacking the appropriate Canadian insurance licenses. In that capacity, Omega acts as the direct writer, or fronting company, for a specific insurance company, and, typically, will cede most or all of that fronted business to that insurer. As a reinsurer, Omega provides assumption reinsurance to insurance companies that want to exit the Canadian market, and to insurance companies that want to transfer all of their remaining claim liabilities on particular books of business; those arrangements are commonly referred to

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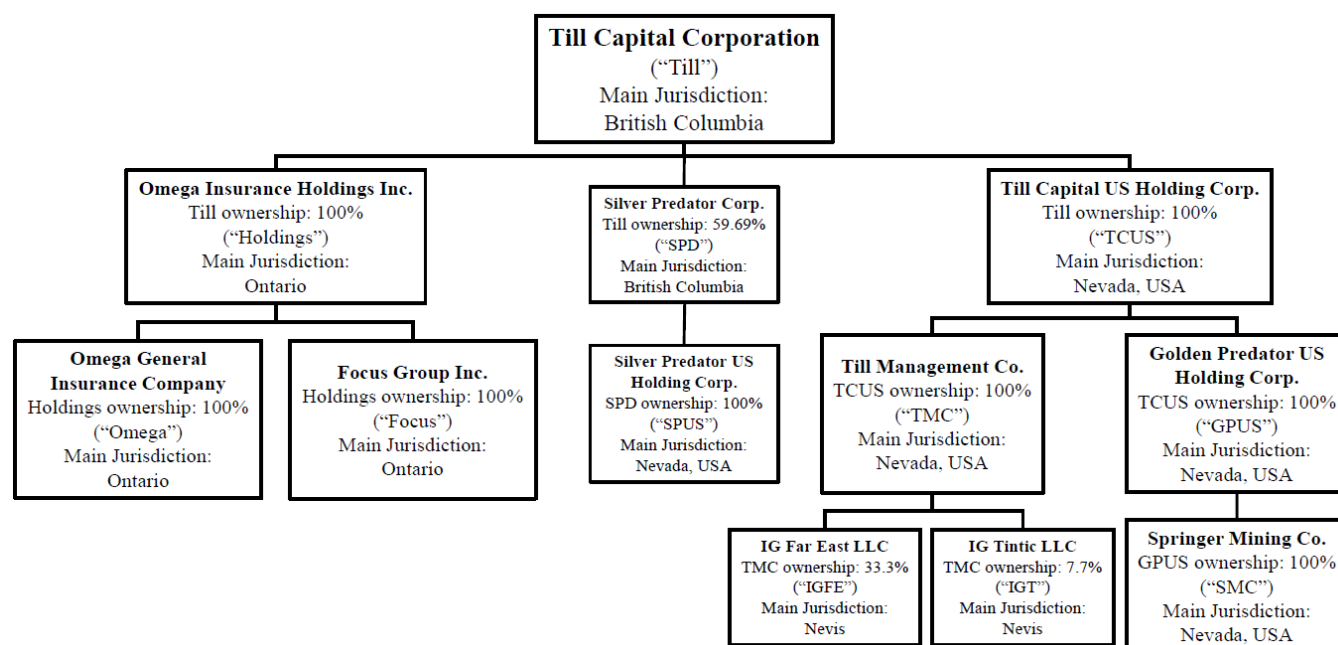
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as “run-off” or “loss portfolio transfer” assumption business. Omega has three sources of revenue, namely, (i) premiums on direct and fronting business, (ii) premiums on portfolio transfer transactions and fees related to managing Canadian branch offices in “run-off”, and (iii) assumption reinsurance, including servicing fees on certain transactions. During 2019, Till initiated a plan to sell Holdings, including its subsidiaries Omega and Focus Group Inc. (“Focus”). Pursuant to IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* (“IFRS 5”), Holdings is classified as a discontinued operation and Holdings' assets and liabilities are classified as held for sale. 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 subsidiaries Omega and Focus.

The following chart sets forth Till's corporate structure as of March 31, 2022:



The discussion of Till's financial condition and results of operations that follows is intended to provide summarized information to assist the reader in understanding Till's interim unaudited condensed consolidated financial statements and related notes for the three months ended March 31, 2022 and 2021, as well as to provide summary explanations as regards the primary factors for financial statement changes between specified periods.

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

(a) IG Tintic LLC

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, which is located in the East Tintic District of Utah. The investment was accounted for under

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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.

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.

(b) Note payable

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.

(c) IG Far East LLC

During the three months ended March 31, 2022, Till invested \$132,870 to maintain its 33.3% interest in IGFE. Additional investments, if any, may be requested, but any such additional investment is at Till's option and subject to compliance with relevant sanctions. Till's investment in IGFE is accounted for under the equity method of accounting. For the three months ended March 31, 2022, Till recorded a loss of \$20,000 (year ended December 31, 2021 - \$146,960) for its portion of equity method investment loss in IGFE.

(d) Assets and liabilities held for sale

Omega Insurance Holdings, Inc.

In late 2019, Till initiated a plan to sell Holdings, including its subsidiaries, Omega and Focus, all of which are based and operated in Canada. Pursuant to IFRS 5, Holdings is classified as a discontinued operation and Holdings' assets and liabilities are classified as held for sale.

On June 21, 2021, Till and 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 \$10,318,000 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,

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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. 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.

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.

OUTLOOK

Till's capital management and operating strategies are key for generating future profitability, managing its business, and maximizing shareholder value. Profitability is predominantly determined by its investment returns and insurance results.

The planned sales of Springer and Holdings will provide substantial cash infusions and allow Till to focus on maximizing its shareholder value through managing its investment portfolio, which includes several mining investments and mining resources.

The insurance markets in which Till operates have historically been cyclical. During periods of excess underwriting capacity, as defined by the availability of capital, competition can result in lower pricing and less favorable policy terms and conditions for insurers and reinsurers. Historically, underwriting capacity has been affected by several factors, including industry losses, the impact of catastrophes, changes in legal and regulatory guidelines, new entrants, investment results (including interest rate levels), and the credit ratings and financial strength of competitors. Till's insurance operations, both on a direct and reinsurance basis, have been particularly affected by traditional cycles related to pricing, underwriting capacity, and capital availability. As a result of those factors, Till has limited entering into new business and expanding its existing direct and reinsurance business.

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FINANCIAL HIGHLIGHTS

(\$ in millions, except per share amounts)

	2022	2021				2020		
	Jan - Mar	Oct - Dec	Jul - Sep	Apr - Jun	Jan - Mar	Oct - Dec	Jul - Sep	Apr - Jun
Total revenue (loss)	\$ 0.25	\$ (0.15)	\$ 7.03	\$ (0.08)	\$ (0.04)	\$ 0.10	\$ (0.40)	\$ (0.39)
Income (loss) from continuing operations attributable to the shareholders of Till	\$ (0.21)	\$ (0.38)	\$ 6.67	\$ (0.88)	\$ (0.60)	\$ (0.70)	\$ (0.80)	\$ (0.77)
Income (loss) attributable to the shareholders of Till	\$ 0.02	\$ (1.15)	\$ 6.99	\$ (0.69)	\$ (0.35)	\$ (0.06)	\$ (0.58)	\$ (0.60)
Basic and diluted income (loss) per share from continuing operations attributable to the shareholders of Till	\$ (0.06)	\$ (0.11)	\$ 2.09	\$ (0.28)	\$ (0.19)	\$ (0.22)	\$ (0.25)	\$ (0.24)
Basic and diluted income (loss) per share attributable to the shareholders of Till	\$ 0.01	\$ (0.36)	\$ 2.19	\$ (0.22)	\$ (0.11)	\$ (0.02)	\$ (0.18)	\$ (0.19)

Income (loss) attributable to Till's shareholders is substantially determined by insurance and investment results and asset valuations.

Higher revenue in the first quarter of 2022 is due primarily to income from held for trading investment. Higher revenue and income in the third quarter of 2021 is primarily due to the reclassification of IGT from equity method investment to available for sale ("AFS") investment. The increased loss in the fourth quarter of 2021 is primarily due to increased loss from discontinued operations. The increased loss in the first and second quarters of 2021 is primarily due to increased legal expenses related mostly to the sale of Holdings, stock-based compensation, and loss on equity method investments. The decreased loss in the fourth quarter of 2020 is due primarily to the reversal of prior year FVLCD adjustment, partially offset by impairment loss on assets held for sale, mineral property write-off, and equity loss in associated companies. The increased loss in the prior two quarters of 2020 is due primarily to higher investment losses.

(a) Results of operations for the three months ended March 31, 2022

Net loss for the three months ended March 31, 2022 decreased \$0.37 million to \$0.01 million (three months ended March 31, 2021 - \$0.38 million). The difference is due to:

- Net investment income for the three months ended March 31, 2022 increased \$0.29 million to \$0.25 million (three months ended March 31, 2021 - loss of \$0.04 million) due to income from investments and lower investment related expenses.
- Stock-based compensation for the three months ended March 31, 2022 was \$0.03 million (three months ended March 31, 2021 - \$0.21 million).

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(b) Cash flows for the three months ended March 31, 2022

Cash outflows from operating activities for the three months ended March 31, 2022 decreased \$0.78 million to \$0.18 million (three months ended March 31, 2021 - \$0.96 million) due primarily to changes in insurance-related operating assets and liabilities.

Cash outflows from investing activities for the three months ended March 31, 2022 increased \$0.48 million to \$0.48 million (three months ended March 31, 2021 - \$0.003 million) due primarily to changes in investing activities and decreased purchases of equity method investments.

Cash inflows from financing activities for the three months ended March 31, 2022 increased \$0.20 million to \$0.18 million (three months ended March 31, 2021 - outflows of \$0.02 million) due primarily to proceeds from note payable of \$0.20 million (three months ended March 31, 2021 - \$nil).

(c) Financial position

Cash decreased \$0.11 million during the three months ended March 31, 2022 due primarily to cash used in operating activities of \$0.30 million, partly offset by proceeds from note payable of \$0.20 million.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2022, Till had working capital of \$26.23 million, of which \$14.01 million is related to assets held for sale, including cash and investments of \$0.50 million and \$13.18 million, respectively, as compared to working capital of \$26.47 million, of which \$13.96 million is related to assets held for sale, including cash and investments of \$0.61 million and \$12.99 million, at December 31, 2021, respectively. Till has no long-term debt.

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"), which amounts are not available to satisfy liabilities of Till or other affiliates.

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

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by shareholders, policyholders, creditors, and others. For the purpose of capital management, Till has defined capital as shareholders' equity, excluding accumulated other comprehensive income. Capital is monitored by Till's Board of Directors.

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.

OUTSTANDING SHARE DATA

At March 31, 2022, Till had 3,191,462 issued and outstanding restricted voting shares, and 226,000 outstanding options with a weighted average exercise price of Cdn\$11.76 (US\$9.41).

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.

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OFF BALANCE SHEET ARRANGEMENTS

At March 31, 2022, Till had no off-balance sheet arrangements or any obligations that could trigger material financing, liquidity, market, or credit risk to Till.

CRITICAL ACCOUNTING ESTIMATES

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

(a) Insurance Claim Reserves

Estimates are made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported at the reporting date ("IBNR"). A significant amount of time may pass before the ultimate claim costs can be established with certainty, and, for some types of insurance policies, IBNR claim reserves constitute the majority of the liability in the accompanying consolidated statements of financial position.

The ultimate cost of outstanding claims is estimated by using a range of actuarial claim projection techniques. The principal assumption underlying those techniques is that a company's past claims development experience can be used to project future claims development and the estimated ultimate claim costs. Those techniques extrapolate the development of paid and incurred losses based on the observed development of earlier years and expected loss ratios. Large claims are usually separately addressed either by being reserved at the value based on loss adjuster estimates or are separately projected to estimate their future development. Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future when estimating the ultimate cost of claims.

Estimates are also made for the portion of the ultimate cost of outstanding claims that will be recoverable from reinsurers.

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 \$18,930,431, 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

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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 \$1,238,366. Management has assumed 50% of the reinsurance coverage as collectable which results in a net incurred liability to the Company of \$618,788. 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.

The insurance and reinsurance liabilities reported as liabilities held for sale are summarized as follows:

	March 31, 2022	December 31, 2021
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
Unearned commissions	2,433,187	2,312,624
Total insurance and reinsurance liabilities	\$ 44,245,106	\$ 39,443,908

The insurance and reinsurance related assets reported as assets held for sale are summarized as follows:

	March 31, 2021	December 31, 2021
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
Total insurance and reinsurance assets	\$ 36,441,140	\$ 33,069,021

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(b) Classification and valuation of assets held for sale

Till follows the guidance of 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 FVLCD. Estimates are made in the measurement of FVLCD. In assessing classification, Till considers all currently available information, including results of ongoing sales processes.

CHANGES TO ACCOUNTING STANDARDS

Standards and interpretations not yet adopted

(a) 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 effective date of the new insurance contracts standard IFRS 17, *Insurance Contracts* ("IFRS 17"), which is scheduled to become effective January 1, 2023. Till is currently evaluating the impact that IFRS 9, in conjunction with IFRS 17, will have on its interim unaudited condensed 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.

(b) 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 ("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 insurance contracts. Additionally, IFRS 17 requires a company to recognize income as it delivers insurance services.

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

- A portfolio is a group of contracts covering similar risks and managed together as a single pool. As such, contracts are to be grouped for allocation of deferred policy acquisition costs, the calculation of risk adjustment, the determination of onerous contracts, and the application of the discount rate;
- Insurance liabilities are to be discounted at a rate that takes into consideration the characteristics of the liabilities (as opposed to a rate based on asset returns) and the duration of each portfolio. Entities are to report the effect of changes in discount rates either in net income or in other comprehensive income, according to their accounting policy choice;
- Changes in balance sheet presentation whereby unearned premiums are to correspond to premiums received in advance, while accounts receivable are to include amounts not yet received when revenue is recognized. In the consolidated statement of loss, direct premiums written are no longer to be presented (only earned premiums are presented). 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 its accounting policies for insurance contract liabilities; however, the impact on Till's interim unaudited condensed consolidated financial statements has not yet been determined.

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 those insurance contracts that it writes or assumes.

In addition to underwriting general insurance contracts, Omega has also assumed portfolios of existing business that are in run-off from other insurers through assumption reinsurance transactions. Those portfolios could be from any line of business that the transferring insurer underwrote prior to

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the effective date of assumption. Under those assumption reinsurance transactions, Omega is exposed to certain risks defined in the underlying insurance policies 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, Till is also exposed to inflation risk. Till's objective is to ascertain, based on the business insured and other factors, that sufficient resources 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 and assumed on both a proportional and non-proportional basis. The use of proportional and non-proportional reinsurance varies by line of business.

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

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

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(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.

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RISKS

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

- Governmental actions, including, but not limited to, implementation of new US federal and state, and Canadian laws and regulations, and court decisions interpreting existing laws and regulations or policy provisions.
- Uncertainties related to regulatory approval of insurance rates, policy forms, insurance products, license applications, dividends from insurance subsidiaries, acquisitions or divestitures of businesses, and other matters within the purview of insurance regulators.
- Insurance regulations to which Till's subsidiary is, or may become, subject, and potential changes thereto, could have a significant and negative effect on Till's business.
- Unforeseen adverse outcomes in litigation or other legal or regulatory proceedings involving Till, its subsidiaries or non-controlling interests, or affiliates.

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

- The number and severity of insurance claims.
- Changes in facts and circumstances affecting assumptions used in determining loss and LAE reserves, including, but not limited to, the number and severity of insurance claims, changes in claim handling procedures, and claim closure and development patterns.
- The impact of inflation on insurance claims, including, but not limited to, the effects of personal injury claims and property claims.
- Developments related to insurance policy claims and coverage issues, including, but not limited to, interpretations or decisions by courts or regulators that may govern or influence losses incurred.
- Orders, interpretations, or other actions by regulators that impact the reporting, adjustment, and payment of claims.
- Changes in the pricing or availability of reinsurance, or in the financial condition of reinsurers, and amounts recoverable therefrom.

(c) Factors related to Till's ability to compete

- Changes, if any, in the ratings by rating agencies of Till and/or its insurance company subsidiary, with regard to credit, financial strength, claims-paying ability, and other areas on which those entities are or may be rated.
- The level of success and costs incurred in realizing or maintaining economies of scale, implementing significant business initiatives, including those related to, but not limited to,

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expenses, claims, consolidations, reorganizations, integration of acquired businesses, and divestitures of businesses.

- Absolute and relative performance of Till's products and services, including, but not limited to, the level of success achieved in designing and introducing new insurance products.
- The ability of Till to maintain the availability of critical systems and manage technology initiatives cost-effectively to address insurance industry developments and regulatory requirements.
- Heightened competition, including, with respect to pricing, entry of new competitors, and alternate distribution channels, introduction of new technologies, refinements of existing products, and development of new products by current or future competitors.
- The ability of Till to maintain adequate capital and liquidity.

(d) Factors related to the business environment in which Till and its subsidiaries operate

- Changes in general economic conditions, including, but not limited to, performance of financial markets, interest rates, inflation, unemployment rates, and fluctuating values of certain investments held by Till that may be thinly traded or that are subject to other market considerations.
- Till's outstanding restricted voting shares are not widely held, and, accordingly, the market for those restricted voting shares may be more volatile and less liquid than the securities of other publicly traded companies.
- Absolute and relative performance of investments held by Till, including derivative and resource-related investments.
- Investments in junior and intermediate resource companies that may have a significantly higher degree of volatility risk than other types of investments.
- Changes in insurance industry trends and significant industry developments.
- Changes in consumer trends and significant consumer or product developments.
- Changes in capital requirements, including the calculations thereof, used by regulators and rating agencies.
- Regulatory, accounting, or tax changes that may affect the cost of, or demand for, Till's products, services, or after-tax returns from Till's investments.
- Changes in distribution channels, methods, or costs resulting from changes in laws or regulations, lawsuits, or market forces.

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- Increased costs and risks related to cybersecurity and information technology, including, but not limited to, identity theft, data breaches, and system disruptions affecting services and actions taken to minimize the risks thereof.
- Failure to maintain the security of personal data that may result in lost business, reputational harm, legal costs, and regulatory penalties.

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A, and in certain documents incorporated by reference herein, contain “forward-looking statements” within the meaning of applicable securities legislation. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of Till to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Till believes the expectations pertaining to those forward-looking statements are reasonable, but there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

In particular, this MD&A includes forward-looking statements pertaining, among others, to the following matters:

- business strategy, strength, and focus;
- proposed future expenditures;
- the satisfaction of certain conditions in respect of certain properties in which Till may obtain an interest;
- the granting of regulatory approvals;
- the timing and receipt of regulatory approvals;
- the resource potential of Till’s properties and equity method investments;
- the estimated quantity and quality of mineral resources;
- projections of market prices, costs, and the related sensitivity of distributions;
- expectations regarding the ability to raise capital;
- treatment under governmental regulatory regimes and tax laws, and capital expenditure programs;
- expectations with respect to Till’s future working capital position; and
- capital expenditure programs.

Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements in this MD&A are made as of the date of filing this report or, in the case of documents incorporated by

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reference herein, as of the date of such documents. Till does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws.