



TILL CAPITAL CORPORATION

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2023 and 2022

(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, 2023 and 2022 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 CORPORATIONInterim Unaudited Condensed Consolidated Statements of Income (Loss)
(Stated in US dollars)

	Notes	Three Months Ended March 31	
		2023	2022 (restated Note 2(b))
Revenue			
Investment income, net	4(d)	\$ 465,411	\$ 48,421
		465,411	48,421
Expenses			
General and administrative expenses		221,551	248,954
Salaries and benefits		136,856	157,117
Gain on sale of mineral property	5	(233,959)	—
Stock-based compensation	9(b)	5,407	26,290
Foreign exchange loss		320	505
Other expenses		19,904	39,108
		150,079	471,974
Income (loss) before income taxes and loss on equity method investments from continuing operations		315,332	(423,553)
Current income tax benefit		440	—
Loss on equity method investment	4(b)	(16,667)	(20,000)
Income (loss) from continuing operations		299,105	(443,553)
Income (loss) from discontinued operations	11		
Income (loss) from discontinued operations		444,084	(36,759)
Deferred income tax recovery (expense)		3,039	(45,411)
Income (loss) from discontinued operations		447,123	(82,170)
Net income (loss)		\$ 746,228	\$ (525,723)
Income (loss) attributable to:			
Shareholders of Till Capital Corporation		\$ 657,043	\$ (496,714)
Non-controlling interests		89,185	(29,009)
Net income (loss)		\$ 746,228	\$ (525,723)
Basic and diluted income (loss) per restricted voting share from continuing operations attributable to the shareholders of Till Capital Corporation		\$0.07	\$(0.13)
Basic and diluted income (loss) per restricted voting share from discontinued operations attributable to the shareholders of Till Capital Corporation		\$0.14	\$(0.03)
Basic and diluted income (loss) per restricted voting share attributable to the shareholders of Till Capital Corporation		\$0.21	\$(0.16)
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 CORPORATIONInterim Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss)
(Stated in US dollars)

		Three Months Ended March 31	
	Notes	2023	2022 (restated Note 2(b))
Net income (loss)		\$ 746,228	\$ (525,723)
Other comprehensive income (loss) from continuing operations			
Change in net unrealized income on FVOCI investments, net of tax	4(e)	(1,233)	24,351
Item that may be reclassified subsequently to net income (loss):			
Change in cumulative foreign exchange translation adjustment		250,631	97,403
Other comprehensive income from continuing operations		249,398	121,754
Other comprehensive income (loss) from discontinued operations			
Item that may be reclassified subsequently to net income (loss):			
Change in cumulative foreign exchange translation adjustment		(244,156)	133,326
Other comprehensive income (loss) from discontinued operations		(244,156)	133,326
Total comprehensive income (loss)		\$ 751,470	\$ (270,643)
Total comprehensive income (loss) attributable to:			
Shareholders of Till Capital Corporation		\$ 669,417	\$ (286,601)
Non-controlling interests		82,053	15,958
Total comprehensive income (loss)		\$ 751,470	\$ (270,643)

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, 2023	December 31, 2022 (restated Note 2(b))
Current assets			
Cash and cash equivalents		\$ 1,603,943	\$ 667,868
Investments	4(a)	3,716,351	3,500,962
Investments, equity method	4(b)	2,397,462	2,414,129
Assets held for sale	3	31,540,008	33,782,333
Other current assets	6	128,873	101,498
Total current assets		39,386,637	40,466,790
Non-current assets			
Royalty and mineral interests	5	1,022,717	1,022,717
Promissory note receivable		879,350	—
Other non-current assets		160,697	129,202
Total non-current assets		2,062,764	1,151,919
Total assets		\$ 41,449,401	\$ 41,618,709
Current liabilities			
Notes payable	7	\$ 526,337	\$ 505,000
Liabilities held for sale	3	20,281,806	21,371,787
Accounts payable and other liabilities	8	1,339,402	1,196,943
Total current liabilities		22,147,545	23,073,730
Shareholders' equity			
Share capital		\$ 3,191	\$ 3,191
Contributed surplus		41,046,869	41,041,462
Accumulated other comprehensive loss		(1,289,413)	(1,301,787)
Deficit		(21,481,016)	(22,138,059)
Equity attributable to shareholders of Till Capital Corporation		18,279,631	17,604,807
Non-controlling interests		1,022,225	940,172
Total shareholders' equity		\$ 19,301,856	\$ 18,544,979
Total liabilities and shareholders' equity		\$ 41,449,401	\$ 41,618,709

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 June 13, 2023 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)					Deficit	Equity attributable to shareholders of Till Capital Corporation	Non-controlling interests	Total
	Shares	Amount	Contributed surplus	Continuing operations available for sale investments	Continuing operations currency translation adjustment	Discontinued operations available for sale investments	Discontinued operations currency translation adjustment					
Balance, December 31, 2021 (restated Note 2(b))	3,191,462	\$ 3,191	\$ 40,956,938	\$ (419,472)	\$ 856,590	\$ —	\$ (1,161,627)	\$ (14,877,468)	\$ 25,358,152	\$ 156,013	\$ 25,514,165	
Three Months Ended March 31, 2021:												
Net loss	—	—	—	—	—	—	—	(496,714)	(496,714)	(29,009)	(525,723)	
Other comprehensive income	—	—	—	14,535	62,252	—	133,326	—	210,113	44,967	255,080	
Total comprehensive income (loss)	—	—	—	14,535	62,252	—	133,326	(496,714)	(286,601)	15,958	(270,643)	
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 (restated Note 2(b))	3,191,462	3,191	40,969,467	(404,937)	918,842	—	(1,028,301)	(15,374,182)	25,084,080	185,732	25,269,812	
Balance, December 31, 2022 (restated Note 2(b))	\$ 3,191,462	\$ 3,191	\$ 41,041,462	\$ (499,793)	\$ 843,331	\$ —	\$ (1,645,325)	\$ (22,138,059)	\$ 17,604,807	\$ 940,172	\$ 18,544,979	
Three Months Ended March 31, 2022:												
Net income	—	—	—	—	—	—	—	657,043	657,043	89,185	746,228	
Other comprehensive income (loss)	—	—	—	(639)	257,169	—	(244,156)	—	12,374	(7,132)	5,242	
Total comprehensive income (loss)	—	—	—	(639)	257,169	—	(244,156)	657,043	669,417	82,053	751,470	
Stock-based compensation	—	—	5,407	—	—	—	—	—	5,407	—	5,407	
Decrease of controlling interest in subsidiary	—	—	—	—	—	—	—	—	—	—	—	
Balance, March 31, 2023	3,191,462	\$ 3,191	\$ 41,046,869	\$ (500,432)	\$ 1,100,500	\$ —	\$ (1,889,481)	\$ (21,481,016)	\$ 18,279,631	\$ 1,022,225	\$ 19,301,856	

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

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

	Notes	Three Months Ended March 31	
		2023	2022 (restated Note 2(b))
Cash flows from operating activities			
Net income (loss) from continuing operations		\$ 299,105	\$ (443,553)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense		907	1,512
Stock-based compensation	9(b)	5,407	26,290
Gain on sale of mineral property		(233,959)	—
Investment income	4(d)	(465,411)	(48,421)
Loss on equity investments	4(b)	16,667	20,000
Interest expense, net of interest income	7	16,987	37,067
Income tax expense		(440)	—
Changes in operating assets and liabilities:			
Increase in accounts payable and other liabilities		142,899	93,925
(Increase) decrease in accounts receivable		(1,512)	1,132
Other working capital changes		(14,393)	37,131
Net cash used in continuing operating activities		(233,743)	(274,917)
Net cash provided by (used in) discontinued operating activities	11	(1,841,555)	94,618
Net cash used in operating activities		(2,075,298)	(180,299)
Cash flows from investing activities			
Sales of investments		359,262	—
Purchases of equity method investments	4(b)	—	(132,870)
Proceeds from release of reclamation bond		—	4,244
Proceeds from the sales of mineral property	5	850,000	—
Exploration and evaluation costs capitalized		(40,001)	(7,527)
Net cash used in continuing investing activities		1,169,261	(136,153)
Net cash provided by (used in) discontinued investing activities	11	1,792,540	(342,147)
Net cash provided by (used in) investing activities		2,961,801	(478,300)
Cash flows from financing activities			
Proceeds from note payable	7	—	200,000
Net cash provided by continuing financing activities		—	200,000
Net cash used in discontinued financing activities	11	—	(19,184)
Net cash provided by financing activities		—	180,816
Increase (decrease) in cash and cash equivalents		886,503	(477,783)
Effect of foreign exchange rate		1,392	111,637
Change in cash of discontinued operations in assets held for sale		48,180	252,101
Cash and cash equivalents, beginning of year		667,868	611,407
Cash and cash equivalents, end of period		\$ 1,603,943	\$ 497,362

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

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

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, through its wholly-owned subsidiary Till Management Company ("TMC"), owns 678,320 common shares of Osisko Development Corp. (TSXV:ODV) ("ODV") at March 31, 2023. Those shares were acquired as part of a distribution by IG Tintic LLC ("IGT") when it sold to ODV its majority ownership 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. TMC retains its 7.5% ownership interest in IGT which received a 1% Net Smelter Return ("NSR") royalty on the TCM property as part of the sale of TCM to ODV. TMC also owns 33.3% of IG Far East ("IGFE"), a private company with a majority interest in the Durmin gold project in the Russian Far East.

Till, through its wholly-owned subsidiary Golden Predator US Holding Corp. ("GPUS"), owns Springer Mining Company ("SMC") which 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. On May 22, 2023, Till completed a sale of SMC's assets, see Notes 2(c) and 16(b).

Till owns 51.82% 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 planned and implemented for the summer of 2023.

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, 2023 and 2022 were approved and authorized for issuance by Till's Audit Committee on June 13, 2023.

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

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

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 June 13, 2023, 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, 2022. Those financial statements disclose information for the year ended December 31, 2022 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. New standards adopted

Till has applied the following standards for the first time for the reporting period commencing January 1, 2023:

- IFRS 9 - *Financial Instruments* ("IFRS 9")
- IFRS 17 - *Insurance Contracts* ("IFRS 17")

Following the adoption of IFRS 9 and IFRS 17, pursuant to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, Till made some retrospective adjustments. As a result, prior period financial statements in these interim unaudited condensed consolidated financial statements for the three months ended March 31, 2023 and 2022 have been restated.

c. Held for sale and discontinued operations

Starting in 2019, 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. In June 2021, Till announced the execution of a share purchase agreement for the sale of Holdings and its subsidiaries, see Note 3.

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. On May 22, 2023, Till completed the sale of SMC's assets, see Note 16(b).

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

In November 2022, SPD's wholly-owned subsidiary Silver Predator US Holding Corp. ("SPUS") and White Pine Precious Metals Inc. ("WPPM"), a privately held Ontario-based company, signed a purchase agreement (the "Taylor Purchase Agreement") for WPPM to acquire SPUS's Taylor property. Pursuant to IFRS, SPD's Taylor property was classified as held for sale at December 31, 2022. The transaction closed on January 23, 2023.

d. 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

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

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 judgments that have the most significant effect on the amounts recognized in the financial statements are those involved in determining whether Till has significant influence over its investment at IGFE, impairment indicator assessment of mineral properties and Till's investment in IGFE, valuation of Till's investment in IGT, and judgement related to IFRS 17.

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 CAD\$24,000,000, 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 factoring in the latest available information is approximately CAD\$4,225,000. Management has assumed 40% of the reinsurance coverage as collectable which results in a net incurred liability to Omega of CAD\$2,057,000. 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

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

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.

e. 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.

(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, 2023 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	51.82%	Mineral exploration

f. 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 4(b) and Note 13(c)). Significant influence is presumed to exist where there is neither control nor joint control and Till has over 20% of the voting rights. Significant influence can also arise where Till holds less than 20% of the voting rights if it has the opportunity to participate in the financial and operating policy decisions affecting the entity.

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

g. 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

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

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.

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

	Three Months Ended March 31	
	2023	2022
Exchange rate at period end	US\$1 = CAD\$1.3533	US\$1 = CAD\$1.2496
Average exchange rate for the period	US\$1 = CAD\$1.3525	US\$1 = CAD\$1.2662

h. 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.

i. Investments and other financial assets

(i) Classification

From January 1, 2023, Till classifies its financial assets and investments in the following categories:

- at fair value through profit and loss ("FVPL"),
- at fair value through other comprehensive income ("FVOCI"), or
- at amortized cost.

Till determines the classification of financial assets and investments at initial recognition. The classification depends on Till's business model for managing the financial assets and the contractual terms of the cash flows. Equity instruments that are held for trading are classified as FVPL, for other equity instruments, on the day of acquisition Till can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI.

The classification of debt instruments is driven by Till's business model for managing the financial assets and their contractual cash flow characteristics.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the entity commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership.

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

(iii) *Till's accounting policy for each of the categories is as follows:*

Financial assets at FVPL

Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in the profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVPL are included in profit and loss in the period in which they arise.

Financial assets at FVOCI

Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

(iv) *Impairment*

From January 1, 2023, Till assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

j. *Adoption of IFRS 17*

Omega, a subsidiary of Till's wholly-owned subsidiary Holdings, adopted IFRS 17 on January 1, 2023. The following summarizes Omega's significant accounting policies under IFRS 17:

Level of Aggregation:

Insurance contracts are aggregated and measured together based on those contracts that are managed together and share similar risks. Contracts are then further disaggregated based on profitability, and each group must not include contracts issued more than one year apart.

Measurement:

Under IFRS 17, entities use general measurement model ("GMM") for the recognition and measurement of insurance contracts. Entities also have the option to use a simplified measurement model, Premium Allocation Approach ("PAA"), for contracts that have a coverage period of one year or less, or if the resulting Asset or Liability for remaining coverage ("ARC/LRC") is not expected to materially differ from the ARC/LRC measured using the GMM.

Omega uses the PAA for contracts with coverage periods that are one year or less. For contracts that have coverage periods that exceed one year, Omega uses the GMM.

The insurance contract liability comprises a liability for remaining coverage ("LRC") relating to future service, and a liability for incurred claims ("LIC") relating to past service. When measuring the LIC, IFRS 17 also requires that estimates of future cash flows are discounted to reflect the time value of money and financial risk related to those cash flows. The methodology for determining discount rates is not prescribed and requires judgement to determine. Omega applies an approach based on the risk-free rate plus a liquidity premium for both issued insurance contracts and reinsurance contracts held.

Under both the PAA and the GMM, an adjustment for an explicit risk adjustment for non-financial risk is recorded.

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

Under the GMM, the LRC also includes an adjustment for contractual service margin ("CSM"), representing the unearned profit Omega will recognize as it provides service under the GMM insurance contracts.

k. 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.

l. 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.

m. 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.

n. 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.

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

o. 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.

p. Income (loss) per share

Basic and diluted income (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.

q. Employee benefits

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

r. Segment reporting

Till operates in a single segment, that being investments.

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.

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

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

	March 31, 2023	December 31, 2022 (restated)
Holdings assets held for sale:		
Cash and cash equivalents	\$ 485,608	\$ 533,788
Investments	16,524,881	18,053,264
Insurance contract assets	2,225,368	2,093,455
Reinsurance contract held assets	8,773,439	7,951,624
Deferred income tax asset	292,699	289,427
Other assets	38,020	46,467
Total Holdings assets held for sale	\$ 28,340,015	\$ 28,968,025
Holdings liabilities held for sale:		
Insurance contract liabilities	\$ 17,480,154	\$ 16,866,660
Reinsurance contract held liabilities	1,449,732	1,229,107
Provisions, accruals, and other liabilities	1,351,920	3,267,091
Total Holdings liabilities held for sale	\$ 20,281,806	\$ 21,362,858

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 \$9,267,000 as of March 31, 2023, 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. On May 22, 2023, Till completed the sale of SMC's assets, see Note 16(b).

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

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

	March 31, 2023	December 31, 2022
SMC assets held for sale:		
Cash	\$ —	\$ 10,684
Reclamation bonds	—	32,401
Prepaid expenses	—	9,717
Mineral properties	1,503,578	1,463,577
Property, plant, and equipment	1,696,415	1,696,415
Total SMC assets held for sale	\$ 3,199,993	\$ 3,212,794
Total SMC liabilities held for sale	\$ —	\$ 8,929

At December 31, 2022, Till performed an impairment assessment of the SMC assets held for sale, and as a result, an impairment loss of \$1,860,567 was recorded based on the FVLCD of the SMC assets evidenced by the SMC Asset Purchase and Sale Agreement signed in April 2023 (see Note 16(b)) for \$2,000,000 cash and a production royalty. The fair value of the royalty was determined using a present value calculation of estimated royalty payments over three years at a discount rate of 21%.

Taylor property

The Taylor property is owned by SPUS, which is 100% owned by Till's 51.82% owned subsidiary SPD and located in White Pine County, Nevada, U.S. That property hosts a silver mineral resource reported in accordance with Canadian National Instrument 43-101.

In November 2022, SPUS and WPPM signed a purchase agreement for WPPM to acquire the Taylor property. The terms of the purchase agreement included an immediate payment of \$25,000 followed by a payment of \$850,000 by the closing date, with an additional \$875,000 payment 18 months following the closing date. Also at the closing date, SPUS will receive 5% of the issued and outstanding common shares of WPPM on a basic, non-diluted basis. SPUS received the \$25,000 on November 22, 2022. Pursuant to IFRS 5, Taylor's assets were classified as held for sale.

The closing occurred on January 27, 2023. Taylor's assets were transferred to WPPM and SPUS received \$850,000 in cash, a promissory note for \$875,000 due July 27, 2024 with annual interest of 2.88% compounding quarterly, and 631,034 common shares of WPPM representing 5% of the issued and outstanding common shares of WPPM on a basic, non-diluted basis. On March 31, 2023, SPUS received an additional 473,703 shares of WPPM to maintain ownership of 5% of the issued and outstanding shares of WPPM. A gain of \$233,959 from the sale of Taylor was recorded in the first quarter of 2023.

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

Total assets and liabilities held for sale

	March 31, 2023	December 31, 2022 (restated)
Assets held for sale:		
Holdings	\$ 28,340,015	\$ 28,968,025
SMC	3,199,993	3,212,794
Taylor	—	1,601,514
Total assets held for sale	\$ 31,540,008	\$ 33,782,333
Liabilities held for sale:		
Holdings	\$ 20,281,806	\$ 21,362,858
SMC	—	8,929
Total liabilities held for sale	\$ 20,281,806	\$ 21,371,787

4. INVESTMENTS
(a) Investments

	March 31, 2023			December 31, 2022 (restated)		
	Cost Basis	Unrealized Income (Loss)	Fair Value	Cost Basis	Unrealized Loss	Fair Value
FVPL	\$ 3,155,576	\$ 433,059	\$ 3,588,635	\$ 7,470,903	\$ (3,988,400)	\$ 3,482,503
FVOCI	110,474	17,242	127,716	—	18,459	18,459
Total	\$ 3,266,050	\$ 450,301	\$ 3,716,351	\$ 7,470,903	\$ (3,969,941)	\$ 3,500,962

Investments included in assets held for sale:

	March 31, 2023			December 31, 2022 (restated)		
	Cost Basis	Unrealized Income	Fair Value	Cost Basis	Unrealized Loss	Fair Value
FVPL	\$ 16,418,938	\$ 105,943	\$ 16,524,881	\$ 18,274,016	\$ (220,752)	\$ 18,053,264

(b) Equity method investments
IG Far East LLC

During the three months ended March 31, 2023, Till invested \$nil in IGFE (year ended December 31, 2022 - \$442,865) 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, 2022
Balance, beginning of year	\$ 2,414,129	\$ 2,075,640
Acquisitions	—	442,865
Equity loss	(16,667)	(104,376)
Balance, end of period	\$ 2,397,462	\$ 2,414,129

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 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 and SPD's investment in 1,104,737 shares of WPPM are classified as Level 3 because the value of those investment cannot be measured using observable market inputs. The fair value of Till's investment in IGT as of March 31, 2023 was calculated based on the estimated value of the 1% NSR royalty on the Tintic Property. The fair value of SPD's investment in WPPM, which equals 5% of the outstanding shares of WPPM, is based on the estimated total value of WPPM.

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

	Fair Value at March 31, 2023			
	Total	Level 1	Level 2	Level 3
Continuing operations:				
FVPL	\$ 3,588,635	\$ 3,312,132	\$ 138,885	\$ 137,618
FVOCI	127,716	17,242	—	110,474
	<u>3,716,351</u>	<u>3,329,374</u>	<u>138,885</u>	<u>248,092</u>
Held for sale:				
FVPL:				
Government debt securities	12,804,743	—	12,804,743	—
Corporate bond exchange traded funds	3,280,850	3,280,850	—	—
Principal at risk note	341,100	—	341,100	—
Guaranteed investment certificate	55,420	—	55,420	—
Accrued investment income	42,768	42,768	—	—
	<u>16,524,881</u>	<u>3,323,618</u>	<u>13,201,263</u>	<u>—</u>
Total investments	\$ 20,241,232	\$ 6,652,992	\$ 13,340,148	\$ 248,092

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

During the 3 months ended March 31, 2023, SPD received 1,104,737 shares of WPPM valued at \$110,474 and classified as Level 3. The change in Level 3 investments for the 3 months ended March 31, 2023 is as follows:

Level 3 investment value, December 31, 2022	\$ 137,618
1,104,737 shares of WPPM	110,474
Level 3 investments value, March 31, 2023	\$ 248,092

	Fair Value at December 31, 2022 (restated)			
	Total	Level 1	Level 2	Level 3
Continuing Operations:				
FVPL	\$ 3,482,503	\$ 3,217,227	\$ 127,658	\$ 137,618
FVOCI	18,459	18,459	—	—
	3,500,962	3,235,686	127,658	137,618
Held for sale:				
FVPL:				
Government debt securities	14,380,778	—	14,380,778	—
Corporate bond exchange traded funds	3,272,235	3,272,235	—	—
Principal at risk note	328,367	—	328,367	—
Guaranteed investment certificate	55,375	55,375	—	—
Accrued investment income	16,509	8,591	7,918	—
	18,053,264	3,336,201	14,717,063	—
Total investments	\$ 21,554,226	\$ 6,571,887	\$ 14,844,721	\$ 137,618

(d) *Investment income, 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	
	2023	2022 (restated)
Net gain on FVPL securities	\$ 465,411	\$ 48,423
Investment related expenses	—	(2)
Investment income, net	\$ 465,411	\$ 48,421

(e) *Net change in unrealized income (loss) on FVOCI investments:*

	Three Months Ended March 31	
	2023	2022 (restated)
Continuing operations:		
Equity securities	\$ (1,233)	\$ 24,351
Total included in other comprehensive income	\$ (1,233)	\$ 24,351

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

5. ROYALTY AND MINERAL INTERESTS

Royalty and mineral interests are summarized as follows:

	Balance December 31, 2022	Capitalized exploration costs	Sale of mineral property	Balance March 31, 2023
SPD properties	\$ 201,758	\$ —	\$ —	\$ 201,758
Royalty interests	820,959	—	—	820,959
Total	\$ 1,022,717	\$ —	\$ —	\$ 1,022,717

	Balance December 31, 2021	Acquisition	Capitalized exploration costs	Mineral property impairment reversal	Reclass to held for sale	Balance December 31, 2022
Taylor (owned by SPD)	\$ 75,807	\$ —	\$ 28,685	\$ 1,522,022	\$ (1,626,514)	\$ —
Other SPD properties	178,802	—	22,956	—	—	201,758
Royalty interests	44,158	776,801	—	—	—	820,959
Total	\$ 298,767	\$ 776,801	\$ 51,641	\$ 1,522,022	\$ (1,626,514)	\$ 1,022,717

Taylor

The Taylor property is owned by SPUS, which is 100% owned by Till's 51.82% owned subsidiary SPD and is located in White Pine County, Nevada, U.S. That property hosts a silver mineral resource reported in accordance with Canadian National Instrument 43-101.

In November 2022, SPD's wholly-owned subsidiary SPUS and WPPM, a privately held Ontario-based company, signed a purchase agreement for WPPM to acquire the Taylor property. The terms of the purchase agreement included an immediate payment of \$25,000 followed by a payment of \$850,000 by the closing date, with an additional \$875,000 payment 18 months following the closing date. Also at the closing date, SPUS will receive 5% of the issued and outstanding common shares of WPPM on a basic, non-diluted basis. SPUS received the \$25,000 on November 22, 2022. The closing occurred on January 27, 2023. Pursuant to IFRS 5, Taylor's assets were reclassified to held for sale.

As a result of the purchase agreement, a reversal of previous impairment in the amount of \$1,522,022 was recorded at December 31, 2022 based on the value of the cash received, the cash to be received discounted to present value using a discount rate of 18%, and shares of WPPM to be received.

On March 31, 2023, SPUS received an additional 473,703 shares of WPPM to maintain ownership of 5% of the issued and outstanding shares of WPPM. A gain of \$233,959 from the sale of Taylor was recorded in the first quarter of 2023.

6. OTHER CURRENT ASSETS

Other assets are summarized as follows:

	March 31, 2023	December 31, 2022
Accounts receivable	\$ 3,160	\$ 1,648
Prepaid expenses and deposits	125,713	99,850
Total other assets	\$ 128,873	\$ 101,498

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

7. NOTE PAYABLE

In December 2022, Till raised \$500,000 from the issuance of a convertible note to an arm's length purchaser. The note matures on December 6, 2023 and bears interest of i) 1.25% per month up to and including March 6, 2023, compounded monthly ii) 1.75% per month from March 7, 2023 to June 6, 2023, compounded monthly and iii) 2% per month from June 7, 2023 to maturity, compounded monthly. 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) CAD\$5.47. 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 note payable is classified as a Level 3 financial instrument because the value of the note payable cannot be measured using observable market inputs. The fair value of the note payable approximates the cash received plus accrued interest given its proximity to period end. Total interest expense on the note for the three months ended March 31, 2023 was \$21,337.

	Fair Value at March 31, 2023			
	Total	Level 1	Level 2	Level 3
Note Payable	\$ 526,337	\$ —	\$ —	\$ 526,337

	Fair Value at December 31, 2022			
	Total	Level 1	Level 2	Level 3
Note Payable	\$ 505,000	\$ —	\$ —	\$ 505,000

8. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities are summarized as follows:

	March 31, 2023	December 31, 2022
Accounts payable	\$ 213,188	\$ 44,398
Accrued taxes payable	1,126,214	1,126,214
Accrued payroll	—	26,331
Total accounts payable and other liabilities	\$ 1,339,402	\$ 1,196,943

9. 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, 2023 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. There were no options issued, exercised, or

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

forfeited during the three months ended March 31, 2023 or 2022. 15,000 options were cancelled during the three months ended March 31, 2023 (three months ended March 31, 2022 - nil).

During the three months ended March 31, 2023, Till recognized stock-based compensation of \$5,407 (three months ended March 31, 2022 - \$26,290).

At March 31, 2023, Till has 211,000 stock options outstanding with a weighted exercise price of CAD\$11.74 (US\$8.68).

	Stock Options	
	Number	Weighted average exercise price (Canadian \$)
Outstanding, March 31, 2023	211,000	\$ 11.74
Outstanding, December 31, 2022	226,000	\$ 11.76
Exercisable	205,500	\$ 11.87

At March 31, 2023, incentive stock options were outstanding as follows:

Number	Exercise price (Canadian \$)	Expiry date
11,000	\$ 7.00	December 28, 2024
200,000	\$ 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, 2023, Till has no warrants outstanding.

(c) Normal course issuer bid

On September 14, 2022, Till announced that the TSXV approved Till's notice of intention to make a 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 26, 2022 to September 27, 2023. Till made no purchase of its restricted voting shares under that renewed NCIB in 2022 and the first quarter of 2023.

(d) Treasury shares

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

10. INCOME (LOSS) PER SHARE

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

Stock options to purchase 211,000 restricted voting shares were outstanding at March 31, 2023 (December 31, 2022 - 226,000). Those stock options were excluded in the calculation of diluted earnings per share because the exercise price

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

of the options was greater than the weighted average market value of the restricted voting shares in the three months ended March 31, 2023 and 2022.

11. 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 \$9,267,000 as of March 31, 2023, 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	
	2023	2022 (restated)
Revenue from discontinued operations:		
Insurance revenue	\$ 39,219,185	\$ 33,174,868
Insurance service expense	(36,362,784)	(29,504,769)
Insurance service result from insurance contracts	2,856,401	3,670,099
Allocation of reinsurance premiums	(27,347,970)	(23,200,967)
Amounts recoverable from reinsurers	25,009,415	20,180,126
Net expense from reinsurance contracts	(2,338,555)	(3,020,841)
Insurance service result	517,846	649,258
Net investment income	144,884	66,040
Net gain (loss) on investments	105,943	(425,734)
Net investment result	250,827	(359,694)
Total revenue	768,673	289,564
Other (income) expenses		
Other income	(42,699)	(60,417)
General and operating expenses	367,287	386,740
Total other expenses	324,588	326,323
Net income (loss) before taxes	444,085	(36,759)
Deferred income tax (benefit) expense	(3,039)	45,411
Income (loss) from discontinued operations	\$ 447,124	\$ (82,170)

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(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	
	2023	2022 (restated)
Cash flows from discontinued operating activities		
Net income (loss) from discontinued operations	\$ 447,124	\$ (82,170)
Non-cash items:		
Amortization of capital assets	861	19,002
(Income) loss on investments	(250,827)	359,694
Income tax (benefit) expense	(3,039)	45,411
	194,119	341,937
Net income adjusted for non-cash items		
(Increase) decrease in insurance contract assets	(130,397)	71,599
(Increase) decrease in reinsurance contract held assets	(816,275)	107,896
Decrease in other assets	9,173	27
(Increase) decrease in deferred income tax assets	(13)	13,411
Decrease in provisions, accruals, and other liabilities	(1,918,972)	(1,576,138)
Increase in insurance contract liabilities	600,978	1,006,841
Increase in reinsurance contract held liabilities	219,832	129,045
Total working capital changes	(2,035,674)	(247,319)
Total operating cash flows used in discontinued operations	(1,841,555)	94,618
Investing cash flows from discontinued operations		
Sales of investments	10,200,708	6,050,247
Purchases of investments	(8,406,623)	(6,392,394)
Purchases of property, plant, and equipment	(1,545)	—
Total investing cash flows provided by (used in) discontinued operations	1,792,540	(342,147)
Financing cash flows from discontinued operations		
Lease payments	—	(19,184)
Total financing cash flows used in discontinued operations	\$ —	\$ (19,184)

12. 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	
	2023	2022 (restated)
Canada	\$ 4,440	\$ 4,165
United States	460,971	44,256
Total	\$ 465,411	\$ 48,421

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(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, 2023	December 31, 2022
Canada	\$ 24,158	\$ 24,158
United States	1,049,386	1,017,891
Total	\$ 1,073,544	\$ 1,042,049

13. 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, 2023, total compensation amounted to \$0.15 million (three months ended March 31, 2022 - \$0.13 million) including \$0.005 million stock-based compensation during the three months ended March 31, 2023 (three months ended March 31, 2022 - \$0.03 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, 2023 and 2022 for those services.

(c) Common management

Dr. John ("Terry") Rickard, a Till director, is a board member of IG Far East, a company over which Till is deemed to have significant influence. Dr. Rickard received no compensation from IG Far East. As of March 31, 2023, one of Till's directors is SPD's CEO and director, and another three of Till's directors are SPD directors.

14. 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.

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

(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, 2023, Omega had total capital available of CAD\$8.35 (US\$6.17) million (December 31, 2022 - CAD\$10.15 (US\$7.49) million) and a total capital required of CAD\$3.81 (US\$2.82) million (December 31, 2022 - CAD\$2.51 (US\$1.85) million) resulting in a MCT of 219% (December 31, 2022 of 404%). As of March 31, 2023 and December 31, 2022, Omega is in compliance with OSFI's MCT requirements.

15. 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 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 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.

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

(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.

TILL CAPITAL CORPORATION

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Stated in US dollars)

16. SUBSEQUENT EVENTS

(a) Notes payable

In April 2023, Till raised CAD\$200,000 (\$147,787) from the issuance of a convertible note to an arm's length purchaser. The note matures on April 6, 2024 and bears interest of i) 1.25% per month up to and including July 5, 2023, compounded monthly ii) 1.75% per month from July 6, 2023 to October 5, 2023, compounded monthly and iii) 2% per month from October 6, 2023 to maturity, compounded monthly. 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) CAD\$5.48. 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. Closing of the issuance of the note took place on April 6, 2023. On June 9, 2023, Till repaid CAD\$205,373 (US\$151,757) on the note payable, including interest.

On May 24, 2023, Till repaid the \$500,000 convertible note issued in December 2022 with interest totaled \$542,917.

(b) Sale of Springer tungsten mine and mill

On May 23, 2023, Till completed the sale of the Springer Tungsten Mine and Mill. Till signed an Asset Purchase and Sale Agreement dated April 24, 2023 with a private company for the sale of Till's Springer Tungsten Mine and Mill ("Springer") located near Winnemucca, Nevada. Till received \$2,000,000 in cash (less \$25,000 on deposit) for the deed and ownership of Springer. Till is also entitled to receive production royalty payments of up to \$2,500,000 in respect of future production from the mill at Springer. Terms include a finder's fee of 5% of funds received to be paid to Angeles Capital.