Torrent Capital Ltd.
Management Discussion and Analysis
Quarter ended March 31, 2021

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated May 19, 2021 and provides an analysis of the financial operating results for the quarters ended March 31, 2021 and March 31, 2020. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended March 31, 2021 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim condensed financial statements. This MD&A should also be read in conjunction with the audited annual financial statements and accompanying notes of Torrent Capital Ltd. for the year ended December 31, 2020, which have been prepared in accordance with IFRS for annual financial statements. All amounts are in Canadian dollars unless otherwise specified. The MD&A, financial statements and other information, including news releases and other disclosure items are available on the company's website at www.torrentcapital.ca and on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com under the Company's profile. The common shares of the Company are traded on the TSX Venture Exchange under the symbol "TORR".

Except for the historical statements contained herein, this MD&A presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, future developments; use of funds; and the business and operations of the Issuer. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", "projections" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of Torrent to be materially different from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and competitive, risks relating to investment decisions; investee company outlook and performance of the investments; the Company's ability to realize sufficient proceeds from the disposition of investments; market fluctuations; fluctuations in prices of commodities underlying our interests and equity investments; foreign exchange fluctuations; political and economic conditions in countries in which the interests of the Company's portfolio investments are located; delay or failure to receive the Board of Directors, shareholder or regulatory approvals; and the results of continued development, as well as those factors disclosed in Torrent's publicly filed documents. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Although the Management and Officers of Torrent believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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. Torrent does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Company Overview

Torrent Capital Ltd. ("Torrent", or the "Company") is a publicly traded investment issuer listed under the symbol TORR on the TSX Venture Exchange ("TSXV"). Torrent invests primarily in the securities of public and private companies, with the objective of increasing shareholder return. The Company seeks to identify investments by utilizing the experience and expertise of its management team and Board of Directors (the "Board").

Torrent invests in companies that are deemed to be trading at a discount to their intrinsic value or in early-stage businesses offering a potential high return on investment. On behalf of our shareholders, Torrent allocates its capital towards a multitude of sectors and businesses at various stages of development. The Company typically maintains a concentrated portfolio of public securities and may invest in private placements, event driven opportunities, special situations and private companies with a clear liquidity window. Torrent also provides advisory services to select companies in conjunction with our investment mandate. Advisory services are focused on those businesses that may benefit from our extensive corporate finance and capital markets experience.

Investment Issuer Objective

Investment Strategy
The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company.

Subject to the availability of capital, the Company intends to maintain a diversified portfolio of investments. The composition of its Investment Portfolio will vary over time depending on its assessment of several factors including the performance of financial markets and credit risk.

The following are the guidelines for Torrent's investment strategy:

- The Company will invest in the securities of both public and private companies and may take part in private or public offerings for predetermined royalties, equity positions, debt, convertible or preferred securities.
- Investment arrangements may include a combination of securities including, but not limited to, equity, debt, warrants, preferred shares, bridge financing, collateral, royalty arrangements or other securities as deemed appropriate by the Company's Management and in compliance with the Investment Policy. In certain cases, the Company expects to enter into oversight arrangements as a condition of the investment. Oversight may range from Board of Director appointments, advisory positions, or management consulting positions with the target companies.
- The Company may purchase or sell securities on public exchanges.
- The Company reserves the right to acquire all or part of other businesses or assets of a target company that Management believes will enhance the value for shareholders.
- The Company will be industry agnostic in terms of investment sectors. The Company's investments shall not be required to follow a percentage of industry diversification. The Company's Management and Board will make use of expertise within the Company and invest in industries that Management believes the involvement of the Company's funds and expertise can provide superior returns for shareholders.
- The Company may make investments in extra-ordinary activities, or activities not in the normal course of business, which may include but not be limited to mergers, acquisitions, corporate restructurings, spin-offs, take-overs, bankruptcies or liquidations, public listings, leveraged buyouts or start-ups. The Company may elect to invest in such events, provide financing or purchase securities in exchange for fees, interest, or equity positions.
- Torrent's investment time horizon varies from investment to investment and contains a mix of short, medium and longer-term investments. The Company reserves the right to increase or decrease its investment position at any time. As a matter of practice, the Company does not report on its investment activity or position changes between quarterly results.
- Upon achieving large gains or stock appreciation in any single investment, it is the Company's policy to reduce our investment position over time to ensure that no investment represents a disproportionate share of Torrent's Investment Portfolio.

- Depending on market conditions, the Company intends to fully invest its available capital, apart from working capital requirements. Any funds not invested at a point in time will be expected to be invested in the near term.
- All investments will be made in compliance with applicable laws in relevant jurisdictions and in compliance with any associated exchange policy.

The Company's Management and the Board may authorize investments outside the guidelines described above if they feel the investment is for the benefit of the Company and its shareholders.

Investment Portfolio

The Company initiated and maintains positions in WildBrain Ltd. (TSX: WILD), kneat.com, inc. (TSXV: KSI), Electrovaya Inc. (TSX: EFL), Ruckify Inc. and AnalytixInsight Inc. (TSXV: ALY), a clean tech investment portfolio, a resource investment portfolio, as well as investments in a number of other public and private companies.

Where a Director or Officer identifies themselves to be in a conflict of interest, they recuse themselves from any and all of the Company's discussions and decisions relating to a potential targeted investment. The Company also participates from time to time in investments associated with the venture capital firm Numus Financial Ltd. and its wholly owned subsidiary Numus Capital Corp., an Exempt Market Dealer, (together the "Numus Group"). If the Company invests in these associated ventures, there may be financing fees payable to Numus Capital Corp. The Numus Group is owned by the CEO, a Torrent Director and a third independent party.

WildBrain Ltd., ("WILD")
WILD is a leading children's content and brands company, recognized globally for its high-profile programs including Peanuts, Teletubbies and Strawberry Shortcake. WILD is one of the world's largest producers of children's shows and owns the world's largest independent library of children's content with 13,000 half hour programs. The company's shows are seen in more than 150 countries on over 500 telecasters and streaming platforms. Through its subsidiary, WildBrain Spark, WILD operates one of the largest networks of children's channels on YouTube, with over 145 million subscribers. WILD also licences consumer products and location-based entertainment in every major territory on its properties as well for clients and third-party content partners. Its television group owns and operates four family entertainment channels that are among the most viewed in the family entertainment segment.

WILD has been a turnaround story after making untimely and expensive acquisitions that resulted in a sizeable debt overhang, weak revenue growth and asset impairment charges. The company had been stuck in a "show me" vacuum as the market waited to see substantial traction in earnings, a moderating debt profile and attractive deals to monetize its assets. This resulted in an underperforming share price despite the high-profile content war taking place as large companies like Amazon, Apple and Netflix compete aggressively for streaming material.

Torrent believes WILD is making a turn as its revamped management team has been taking steps to restore confidence in the market, improve cashflow and moderate its debt profile. The company has made numerous changes at the management and board level and has rebranded itself from DHX Media to WildBrain to capitalize on its rapidly growing Subscription Video on Demand ("SVOD") WildBrain Spark division. WILD has moved its focus to a distribution model centered on online streaming instead of the more traditional television distribution model and has split the business into two divisions. WILD has announced content and distribution deals with Apple, Comcast, Netflix, and CBS All Access. The recently announced partnership with SEGA to produce a Sonic the Hedgehog series for Netflix further illustrates the company's creative pipeline and bolsters earnings visibility as WILD will share in production, distribution and licencing revenues. All of these aforementioned transactions highlight the quality of WILD's catalog, the growth potential of its streaming business and illustrate that the company is making good on its promise to realize the full value of its assets.

Torrent believes WILD has made positive adjustments towards a higher margin, higher free cash flow business and should continue to surprise the market with improved revenue and profitability as it makes additional deals to monetize its deep content catalogue. The company continues to trade at a discount to both the inherent value of its assets and its peer group, despite its much-improved prospects. WILD should continue to enjoy a re-rating in the market as the company strikes additional content deals, the Spark division sees renewed growth and its debt profile continues to moderate as the company posts consecutive quarters of improved operating performance.

kneat.com, inc. ("KSI")

KSI offers its Kneat Gx software platform ("Kneat Gx") for modeling data intensive processes for regulated industries with a focus on the Life Sciences industry (i.e., biotechnology, pharmaceutical and medical device manufacturing). Kneat Gx enables companies with complex value chains to become efficient and compliant through a digital validation process. This offers many advantages over the traditional approach, which has been manual, inefficient, and paper-based. KSI possesses a quality management system and is certified to ISO 9001:2015. In addition, it adheres to all applicable Life Sciences regulations such as all current cGMPs, GAMP5, International Conference on Harmonization ICH Q8, Q9 and Q10, EU Annex 11, FDA CFR Title 21 Part 11 governing Electronic Records and Electronic Signatures. Adhering to these regulations and guidelines is a mandatory requirement to supply this highly regulated market.

There are few competing products for the Kneat Gx software platform and sizeable barriers to entry for those looking to compete with the company. Kneat Gx has been in development for ten years and built by a team with deep domain knowledge. The founders of KSI had worked for well-known Life Science companies in project engineering, software development and research and development. This was the genesis for the Kneat Gx platform, as they recognized the inefficiencies inherent in paper-based validation lifecycle management. In addition, Kneat's target market is dominated by multinational, well-known pharmaceutical, biotech and medical device manufacturers. The sales cycle with these organizations is long and involved given the complexity, social responsibility, and business critical nature of their reporting and manufacturing processes.

Since the initial completed and tested platform rolled out in 2014, Kneat Gx has been licenced by some of the world's leading Life Sciences companies and KSI appears to be entering a rapid growth phase. KSI's client base is now comprised of many of the Tier 1 biotech and pharmaceutical companies. In a short period of time, KSI has 20 customers and its presence in manufacturing sites has grown from 15 locations to 300 locations. KSI is unable to mention their clients by name, however, analysts have speculated that the roster could include the likes of Pfizer, GSK and Johnson & Johnson, among others. For a small market cap software company to be supporting names of this caliber, especially given the business-critical element of the Kneat Gx platform, would be a huge vote of confidence for KSI and its software platform.

KSI has an enterprise value of $200 million which is modest in relation to its experienced management team, a growing Tier 1 customer base, limited debt, strong cash position, rapid stage of growth and industry leading technology. Torrent also believes that the company's value proposition is rigid during various economic cycles given the critical nature of its IP and the fact that it is exposed to well-run multi-national companies in the Healthcare Sector.

Electrovaya Inc. ("EFL")

EFL was founded in 1996 as a research and development company focused on lithium-ion technologies and manufacturing processes. In 2000, EFL listed on the Toronto Stock Exchange and over the years has delivered projects for specialized applications in the aerospace, automotive and personal electronics segments.

In its early years, EFL developed key IP related to fundamental cell technologies through to battery systems technologies. More recently, EFL has focused on battery solutions for heavy duty applications that require superior cycle life and performance. It has developed unique, ultra-long cycle life battery systems, specially designed for materials handling electric vehicles (“MEHVs”). The company is also a supplier of specialized battery modules and systems to large Original Equipment Manufacturers.

EFL is currently focused on manufacturing lithium-ion batteries and systems for MEHVs and other electric transportation applications. Its main business is the sale of lithium-ion batteries to power MEHVs including forklifts and automated guided vehicles. Additionally, EFL sells related accessories and systems to support the use of electromotive power products in electric trucks, electric buses and other transportation applications.

In December 2019, EFL moved to a 62,000 sqare foot battery design and manufacturing facility in Mississauga, Ontario. To date, EFL has developed 25 battery models for the e-forklift market. The company has received purchase orders from multiple Fortune 1000 companies, including - Walmart, Mondelez, and The Raymond Corporation, a Toyota Industries subsidiary. EFL batteries are powering e-forklifts in 48 locations, primarily in the USA, Canada and Mexico distributing its products into both the replacement market and the new vehicle market. It also develops and markets batteries and modules for energy storage and green electro-mobility vehicles and recently won a contract with Sustainable Development Technology Canada to assist in developing a high voltage battery for electric buses. The e-bus market is supported by strong industry tailwinds as illustrated by the City of Oakville’s recently announced commitment to phase out gas powered buses.

EFL is a compelling investment opportunity given that annual demand for lithium-ion batteries is growing at 60%+ per year. It has robust IP and established relationships with top-tier clients which gives it a substantial competitive advantage. The company is currently in a rapid growth phase and recently reported positive quarterly EBITDA - a rarity for a clean tech company. EFL currently trades at 5.0x EV to projected 2021 revenue which is very modest given the company’s growth profile and superior prospects within the all-electric vehicles sector.

Ruckify Inc. (“Ruckify” - Private)
Ruckify is a peer-to-peer (“P2P”) and business-to-consumer (“B2C”) online marketplace company that leverages the diverse set of users and products offered on its platform. By offering a wide range of rental items and spaces, the platform can attract many participants and drive a high level of customer retention. As the user base grows, Ruckify’s revenues will also grow as they take a percentage-based fee on all rental transactions, along with offering other fee-based services. Ruckify currently operates in numerous cities across Canada and the United States.

The online marketplace business model has been experiencing unprecedented growth. This expansion has been driven by improved technology and a shift in consumer behaviour. A generation ago, renting a place to stay through an application like Airbnb or shopping on Amazon from your couch was unimaginable. Today, using an e-commerce marketplace is commonplace and this trend is likely to continue as both consumers and vendors enjoy an increased level of convenience, trust, reach and price discovery.

Torrent believes that with this disruptive trend, Ruckify’s business model is poised for significant growth. Ruckify’s P2P online rental marketplace enables individuals to lend out their excess “stuff” for a profit, while consumers are able to access items that are not in their budget, they do not have room to store and/or are not used often enough to justify a purchase. Ruckify stores also allow individuals and businesses to have a turnkey online rental business where they have their own branding and the functionality of an online business in a one-step process.

Ruckify was founded by Bruce Linton and Steve Cody in early 2017. Mr. Linton is the founder and former co-CEO of Canopy Growth Corp., a well-respected pioneer in the Cannabis sector. Graham Brown, the Chief Technology Officer, has significant experience developing and leading technology rollouts including a Chief Technology Officer position at Corel while it grew to be the largest software company in Canada.

Ruckify is continuing to strengthen its board, which already includes Joe Mimran, Club Monaco and Joe Fresh founder, avid investor and former star of the CBC's Dragons' Den.

Torrent initiated its position in Ruckify when it had a $7 million equity valuation, which was a steep discount to its current private equity valuation of $55 million. Torrent believes this valuation is still modest given the disruptive nature of Ruckify's business, the advanced stage of its technology, the team involved and the company's first mover advantage. Ruckify's efforts to scale its business has been bearing fruit and the company is well-positioned to thrive in various economic cycles. Ruckify is aiming to go public in on the Canadian Venture Exchange later in 2021. Torrent expects that the company will trade well in the public market given the potential mass appeal of its unique business model.

AnalytixInsight ("ALY")

ALY is an artificial intelligence, machine-learning based fintech company headquartered in Canada. The company's fintech solutions are used by The Wall Street Journal, Morningstar, Refinitiv, and Intesa Sanpaolo, to name a few. ALY is currently comprised of three operating divisions: Capital Cube, Marketwall and Euclides Technologies.

CapitalCube.com, is a financial portal providing comprehensive company analysis including on-demand fundamental research, portfolio evaluation and screening tools on over 50,000 global equities and North American exchange traded funds. CapitalCube provides content to financial portals such as Refinitiv and the Wall Street Journal.

MarketWall is a 49%-owned fintech subsidiary that develops stock-trading, research solutions and robo-investment advisory as part of a fully integrated ecosystem of Smart Devices. MarketWall is defining the future of stock-trading and wealth management with all-in-one solutions that include trading, quotes, research and robo investing. MarketWall is co-owned with Italian bank Intesa Sanpaolo.

Euclides Technologies is a Workforce Optimization subsidiary led by a team with decades of experience in developing and implementing software solutions for global corporations. Euclides is developing AI-based solutions for the field service industry to predict outcomes, scan big-data for troubling alerts and generate meaningful insights for large corporations.

We anticipate a significant re-rating in ALY as its online discount broker and robo-advisor MarketWall commences operations after years of development. Marketwall recently received regulatory approval from the Italian Regulators (CONSOB) for its European online financial broker InvestoPro. We anticipate that Intesa Sanpaolo will soon begin to migrate a portion of its online banking clients, currently in the area of 7 million users, to the InvestoPro platform. While it is unclear how many users will move to the platform, it is reasonable to assume that the number will not be trivial. Given that fintech comparables trade at $350-$1,000 per user, one can quickly arrive at a healthy valuation for MarketWall.

ALY currently trades at a $70 million marketcap, which is very modest in relation to the growth inherent in MarketWall, accelerating revenue growth in its Euclides Technologies division and the increasing strategic importance of Capital Cube to its high-profile partners like Refinitive.

Clean Tech Investment Portfolio (five public companies and one private company)

The ongoing challenge of climate change and sustainability is driving a secular transition towards renewable energy and considerable investment in the development of clean technology. What is often referred to as the "Green Wave" is being driven by aggressive government stimulus programs and mandates to move the world's largest economies towards net carbon neutrality along with a corresponding shift in consumer attitudes in favor of those companies promoting Environment, Social and Governance ("ESG") and Clean Tech principals. Furthermore, the economics of numerous clean tech companies have improved considerably over the past decade, which has led to a renewed interest in the sector and strong investment inflows.

The recently published 2020 Canadian Responsible Investment Trends Report reveals that responsible investment ("RI") continues to grow rapidly in Canada. The biennial report tracks the scale, trends, and outlook for RI, which refers to investments that incorporate ESG issues into the selection and management of investments. According to the report, RI assets grew from $2.1Tn at the end of 2017 to $3.2Tn at the end of 2019. This represents a 48% increase in RI assets under management over two years. RI now accounts for 61.8% of Canadian assets under management, up from 50.6% two years earlier.

This mounting market share illustrates that Canadian investors increasingly view clean tech factors as important components of investment decisions, with an overwhelming majority of 97% of respondents expecting moderate to high levels of growth in RI over the next two years. RI is a paradigm shift, as investors increasingly allocate capital towards investment funds and exchange traded funds that have a clear ESG or clean tech mandate.

Torrent has been capitalizing on the increasing investment flows into the ESG space by sourcing promising opportunities in various segments of the green economy. We are focused on those companies that have sound business plans, solid IP and realistic economic assumptions, as opposed to those names that come across as science experiments with unrealistic economic assumptions. In particular, Torrent has made investments in the following clean tech subsectors: electric vehicles, lithium battery manufacturers, lithium producers, hydrogen, solar, renewable natural gas, off-grid energy and agricultural technology.

Resource Investment Portfolio (seven public and one private company)
Global policy makers have responded to the COVID-19 pandemic with unprecedented monetary and fiscal stimulus in an effort keep their economies afloat. This has resulted in historic levels of debt in the financial system and placed real yields into negative territory across the globe.

Torrent believes that inflationary pressures are mounting in the system after years of accommodative central bank activity. Headline inflation numbers remain tame, which is becoming increasingly difficult to reconcile. Asset prices, whether it is real-estate, stocks, lumber, copper or cryptocurrency are at or close to all-time highs. The continuing rally in asset prices, as the world economies are coming out of lockdowns, suggests that prices are going to continue to rise as demand for products grow. Continued asset appreciation may now be a supply and demand feature of an opening world economy.

Given mounting risks in the financial system and the corresponding threat of inflation, we have been cautiously adding gold stocks to the resource investment portfolio. Gold stocks tend to perform relatively well under these conditions and move in multi-year cycles. Torrent believes that a new gold stock bull market is imminent after the last one topped out in August 2011. The bear market of the past ten years has forced gold companies to focus on profitability, balance sheet strength, and high-quality projects in secure regions. It has also led to a dearth of quality exploration companies due to a lack of risk capital in the space. The sector remains under owned and there are fewer publicly listed companies to accommodate the influx of investment capital. This should all translate into solid returns for gold stocks.

Torrent has exposure across eight individual companies that are diversified by stage of development, production profile, regional exposure, and deposit type and believes that each investee has quality assets and experienced management teams that have created significant shareholder value in the past.

Unrealized gain/(loss) on Marketable Securities

Acquisitions of investments in marketable securities are initially recognized at fair value plus transaction costs. After initial recognition, all investments are measured at fair value. The determination of fair value for publicly traded securities is based on the trading price at the end of the reporting period as quoted on a recognized securities exchange. For private companies that are not traded on a recognized exchange, no market value is readily available. The private company shares may be valued based on the pricing of a recent arms-length third party financing. Gains and losses arising from changes in the fair value of the investments are presented in the audited statements of income and comprehensive income as a net change in unrealized gains or losses on investments.

The Company fair values its Investment Portfolio at the end of each quarter based on market prices of the shares. The current quarter's income includes an unrealized gain on investments of $3,542,891 or $0.12 per share as compared to an unrealized loss on marketable securities of $3,150,985 or $0.13 per share in the comparable quarter.

The Company's investment activity and fair value of the changes in the unrealized gains and losses as at March 31, 2021 and the market value as at December 31, 2020 are summarized as follows:

	Shares #	Cost of Investment $	Market Value March 31, 2021 $	Unrealized Gain / (Loss) Quarter ended March 31, 2021 $	Market Value Dec. 31, 2020 $
WildBrain Ltd.	2,520,000	3,957,541	7,156,800	2,610,954	4,296,000
kneat.com, inc.	1,702,943	1,813,892	5,313,182	386,270	4,992,649
Electrovaya Inc.	2,479,445	2,807,008	4,413,412	426,496	2,325,592
Ruckify Inc.	604,976	650,000	2,419,904	-	2,419,904
AnalytixInsight Inc.	1,011,691	620,094	1,081,340	297,610	663,636
Clean Tech Investment Portfolio		2,074,500	4,366,607	1,550,358	2,988,000
Resource Investment Portfolio		1,643,854	3,371,462	(514,405)[a]	4,292,437
Other securities		5,149,290	5,658,908	(555,129)	3,843,911
Investments sold		-	-	(659,262)[b]	-
		18,716,179	33,781,615	3,542,892	25,822,129

(a) This results from the reversal of unrealized gains in prior periods.

(b) Arising from the reclassification of unrealized amounts to realized during the period.

Torrent Capital's Net Asset Value ("NAV") increased from $25.5 million ($1.06 per share) to $30.7 million ($1.28 per share) during the first quarter of 2021, representing an increase of 20.7%. TORR's first quarter performance was strong in relation to the S&P 500 which rose 6.2%, the S&P TSX Composite expanded by 8.1% and the S&P TSX SmallCap Index increased by 9.2% over the same period.

The investment portfolio's outperformance can be attributed to an overweight allocation towards quality companies exposed to key themes driving the market, including digital transformation, e-commerce, SaaS and an allocation to early-stage clean technology companies. WildBrain, one of our core holdings, was a strong outperformer for the portfolio in the first quarter, rising significantly as its prospects continue to improve against extremely depressed sentiment.

Stock market strength continues to be propelled by the world's major central banks, which have gone all-in slashing already meager interest rates to zero (or negative in some cases), increasing asset purchases considerably and ramping up various programs to ensure the financial system has ample liquidity. In addition to these monetary programs, the International Monetary Fund estimates that G7 governments have rolled out at least $12 trillion in fiscal stimulus to support their shaky economies and lend support to both consumers and businesses. These policy measures, coupled with the ramping up of COVID-19 vaccinations, have restored confidence in the market and created a wave of liquidity that is finding its way into asset prices.

The rise in global stock markets has coincided with rising inflation concerns as a multitude of assets trade at or close to all-time highs, the financial system is plagued with an ever-increasing amount of debt, equity valuations have advanced into uncharted territory and there are mounting signs of overspeculation in the market. The retail investor has played a significant role in the current rally as trading platforms like Robinhood have democratized investing for the masses. By some estimates, retail investors now account for greater than 20% of daily trading activity in the US and have funneled billions into some of the most speculative segments of the market. These include cryptocurrency plays, SPACs, cannabis companies, and FAANG stocks, which tellingly, have been the risk-on trades leading the market higher. These segments are defined by unproven business models and/or stratospheric valuations and a mass exodus from these fast money trades fuels contagion risk for the broader market.

While a correction in some high-flying sectors cannot be ruled out, on the balance, we remain optimistic in the near term. Monetary and fiscal policy remains highly accommodative leading to a tremendous amount of liquidity in the system. Furthermore, consumer and business sentiment continue to improve as global economies cautiously reopen. Economic news continues to surprise to the upside, consumer spending is solid, various manufacturing indices signal expansion, corporate bond spreads have tightened and we have seen improving market breadth as cyclical plays like commodities, resource stocks, emerging markets, industrial names and bank stocks have joined the rally. There are growing inflationary pressures in the system as witnessed by a spike in commodity prices, however, with real yields still in negative territory, history suggests that equities are poised to trend higher over the short term.

Torrent remains well positioned in the current environment given our bottom-up focus. The portfolio holds a concentrated core portfolio that is comprised of high conviction names within a multitude of industries. It is our view that these companies have a rigid value proposition with robust capital positions, strong end markets, seasoned management teams and sound economics or a realistic path to profitability. Accordingly, our core holdings are well suited to outperform under varying market conditions. Given that we are sector agnostic, we identify trading opportunities in a wide range of subsectors to take advantage of momentum, volatility, investment flows, industry developments, company events and mispriced securities.

WildBrain Ltd. ("WILD"), (formerly – DHX Media Ltd.) – Unrealized gain on investment of $2,610,954 in the current quarter and $563,986 in 2020. Realized gain on investment of $176,467 in the current quarter.

WILD's stock price was up 58.7% during the first quarter compared to the S&P/TSX SmallCap Index, which rose 9.2% over the same period.

WILD has been in turnaround mode for a number of years, focusing on realigning the business, determining the most profitable go forward strategy, strengthening its management team and looking to monetize its attractive catalogue of content. WILD has also been focused on paying down debt and bolstering free cash flow by focusing on its higher margin business.

During the first quarter, the company made strides towards monetizing its assets via a strategy that it refers to as a 360º view towards its catalogue. It announced Netflix, SEGA, and WildBrain will release a new animated Sonic the Hedgehog series, set to premiere worldwide in 2022. The 24-episode animated adventure for kids, families, and long-time fans draws upon the keystones of the brand and features the "Blue Blur" of video game fame in a high-octane adventure where the fate of a strange new multiverse rests in his gloved hands.

This follows on WILD's announcement in 2020 of advancing the Apple TV relationship which is a package deal that first involved a documentary and shorts with the potential for further content. This relationship represents a large audience for the company's material and enables WILD to tap into a new generation of viewers for the Peanuts brand. Additionally, Netflix licenced existing Johnny Test content and has now a signed a new deal wherein WILD will be offering new original Johnny Test content going forward. Netflix will also look to advertise on WildBrain Spark, which has substantial viewership. WILD also recently announced a co-production deal with DreamWorks on Go, Dog. Go! content representing another attractive partnership with upside potential.

WildBrain Spark's digital advertising begins to show improvement and WILD continues to implement initiatives to monetize the significant viewership consuming content on their Advertising-Based Video on Demand network. WildBrain Spark has one of the largest and most engaged global audiences in the kids and family space with 59.7 billion minutes of videos watched during the December quarter, which represents a 15% YoY increase. On average, the duration of each view amounted to over six minutes, an increase of 20% YoY. Viewership remains strong as WildBrain Spark has been trending approximately 10 billion views per quarter.

WILD's financial standing is much improved given its targeted spend strategy and cost cutting initiatives. Its net debt/EBITA ratio dropped to 5.78x and it now has $80 million in cash and $198 million in working capital to fund the business into the foreseeable future. WILD reported free cash flow of $23.5 million in its December quarter results, up 77% YoY, which is a further indication that it is becoming a better run company.

WILD currently trades at 2.7x EV/Revenue and 11.8x EV/EBITDA, which is very modest in relation to its peer group. Torrent sees upside to this valuation as various strategic initiatives continue to bear fruit. Upside could come in the form of lucrative streaming deals with premier streaming companies, further monetization of the company's IP given its 360º approach to its content, and solid brand rejuvenation to kickstart distribution and consumer product sales for quality content like Teletubbies and/or Strawberry Shortcake.

kneat.com, inc. ("KSI") – Unrealized gain on the investment of $386,270 and a realized gain on investment of $124,240 in the current quarter.
KSI's share price rose by 11.7% during the first quarter as compared to the S&P/TSX Small Cap Index, which rose 9.2% over the same period.

KSI made important progress in the first quarter on operational initiatives which Torrent believes sets the stage for outsized growth in the years ahead. In the quarter, they announced the hiring of a Vice President of Marketing with fourteen years experience focused on IT, financial and B2B SaaS industries. The company also reported fourth quarter 2020 results which illustrated accelerating momentum for its Kneat Gx platform. Q4 total revenues of $2.96 million reflects 112% growth YoY and Q4 SaaS revenues of $1.14 million reflects 234% growth YoY. Annual recurring revenue stands at $4.76 million at year-end, up 149% YoY. Additionally, in the quarter, the Company disclosed that its SaaS platform has been chosen by one of the world's largest contract development and manufacturing organizations.

The new client signed in the first quarter employs over 14,000 staff across a global operation base spanning over twenty-five countries. It provides technically advanced development and manufacturing services for pharmaceuticals and biopharmaceuticals to the Life Sciences industry, including many Tier 1 global healthcare companies. Selecting Kneat's e-validation SaaS platform supports the desire to digitize, streamline and provide the highest levels of data integrity in paperless manufacturing and quality. The agreement has a targeted go-live date in Q3 2021.

These recent wins have increased the opportunity to scale existing clients, which analysts believe now exceeds US$50 million in annual recurring revenue. The company has secured a network of top-tier pharmaceutical, biotechnology, and consumer packaged goods companies with large worldwide operations and sound fundamentals. These relationships serve to significantly de-risk the Kneat Gx offering when selling to prospective customers and it fosters a strong growth component given that these clients will likely scale the offering across their organizations.

Subsequent to quarter-end, KSI closed a $22 million bought deal financing at $3 per share. Torrent believes KSI is well funded to capitalize on its rapid organic growth plans which include bulking up to scale existing clients and on-board new customers. The capital infusion gives KSI ample runway to invest in the business, giving us heightened confidence for rapid organic revenue growth. KSI's strengthened financial position provides confidence to KSI's multi-national customers and also paves the way to an eventual TSX up-listing.

Electrovaya Inc.("EFL") – Unrealized gain on investment of $426,496 in the current quarter.
EFL's share price rose by 18.8% during the first quarter as compared to the S&P/TSX Small Cap Index, which rose 9.2% over the same period.

2020 was a transformational year for EFL. In its December quarter, the company continued to show outsized revenue growth of 189% YoY and a near-breakeven EBITDA. EFL earns the majority of its revenue from the US and powers lift-trucks in approximately 48 locations. EFL has submitted its application to list on Nasdaq which should enhance its investor profile having a positive impact on shareholder value. We view a US listing as a positive near-term catalyst along with continued scaling revenues and EBITDA profitability. Also in the current quarter, EFL announced the commercial launch of its e-bus battery with the delivery of a 700V, 300kWh battery pursuant to its $3.8 million R&D contract signed with Sustainable Development Technology Canada in 2017, a significant milestone achievement.

In the current quarter the Company raised US$6.4 million through a private placement of common shares and the exercise of warrants and options. The proceeds were used to reduce debt and for general working capital purposes.

We believe EFL is in the early stages of a rapid growth phase. It has taken many years of R&D, investment and perseverance for EFL to build its business model which is backed by solid IP. The company is penetrating the sizable e-forklift market, which can provide significant potential revenue growth in the near-term. The recent delivery and commercialization of its e-bus battery will provide optionality in the coming years.

With an enterprise value of $230 million, Torrent believes EFL represents a compelling investment opportunity with significant upside. The commercial EV market is still in its infancy stages and demand for North American produced lithium-ion batteries should only increase as the transition from lead to lithium-ion batteries accelerates. EFL's enterprise value is 5.0x projected 2021 revenue which is very modest given the company's top tier clients, considerable IP, growth profile and profitability.

AnalytixInsight ("ALY") – Unrealized gain on investment of $297,610 in the current quarter.
ALY's stock price was up 32.9% during the first quarter as compared to the S&P/TSX Small Cap Index which rose 9.2%.

ALY announced during the quarter that InvestoPro, the online financial broker of its 49% owned fintech affiliate - MarketWall, has received regulatory approval from CONSOB, the Italian financial markets regulator. This approval is a key milestone for the company and makes MarketWall the only independent digital discount broker in Europe to offer trading in stocks, options, derivatives, along with robo-advisory services.

Intesa Sanpaolo owns 33% of MarketWall and is one of the top banking groups in Europe with approximately 12 million customers, 3,700 branches throughout Italy and 7 million users on its online banking app. It has emerged as Italy's first digital bank and is investing €2.8 billion in a strategic plan to increase the bank's digitized business to 70%, with mobile being at the heart of its digital ecosystem. Accordingly, Intesa Sanpaolo will likely begin to migrate its client base to the newly licenced InvestoPro platform which should lead to a significant re-rating of the ALY share price given that comparable fintech companies are valued at $350-$1,000 per user.

Torrent expects considerable news flow moving forward as MarketWall adds users and the company explores strategic options that may include an expansion into North American markets with or without a strategic partner. MarketWall would then be the only independent digital broker and robo-advisor to operate on both sides of the Atlantic.

ALY has a $70 million market cap which is very modest in relation to the potential size MarketWall's user base and when compared to other mature digital brokers that have marketcaps north of $1 billion.

Clean Tech Investment Portfolio (five public companies and one private company) Unrealized gain on investments of $1,286,071 in the current quarter.
Torrent's clean tech holdings fared well with the ESG sector taking a breather to start the New Year after a very strong 2020. The WilderHill New Energy Global Innovation index fell 7.8% in the first quarter, benchmarked against the S&P 500 Index which rose 6.2%.

A correction of some magnitude was expected after the clean tech space enjoyed considerable investor inflows during the past year. Despite recent profit taking, the green economy remains fertile ground for exciting investment ideas. Furthermore, clean tech stocks are underpinned by longer term secular tailwinds that will continue to drive investment and spur innovation.

The sector is enjoying a renewed commitment from global policy makers, which have instituted aggressive environmental policy reforms. The Democratic platform led by President Biden has ambitious targets to increase renewable energy production, including establishing national goals of 100% clean energy by 2035. Clean Energy Wire suggests Germany gets half of its energy from renewable sources. We are starting to see additional utilities making clean energy part of their portfolio to provide a balanced and sustainable energy supply moving forward.

The current ESG investment cycle has been driven by improved fundamentals as alternative power sources have made great strides towards economic sustainability. Aggressive investment by utilities in renewable energy has lowered the cost of clean technology and illustrated its viability at scale. Just as utilities invested in natural gas 20 years ago at the expense of coal, the same is happening today with alternative energy.

Until a few years ago, alternative energy prices were significantly above fossil-fuel and uneconomic in comparison. Consumers would seek alternatives when fossil-fuel prices rallied, switching back when prices normalized. While the cheapest fossil-fuel generation still beats clean energy, new-generation solar and wind prices are competitive at utility scale as manufacturing and running costs have fallen. According to the International Renewable Energy Agency, over the past decade, the cost of solar panels has fallen 82% while onshore wind costs have decreased by 9%. Ongoing improvements in the cost curve and technological developments, particularly in battery storage, are turning the clean tech revolution from a dream, into reality.

The clean tech sector should continue to enjoy a heighten degree of investor interest. We see ongoing opportunities in renewable energy, battery technology, green energy raw materials, electric vehicles and motors and circular economy plays. In addition to its investment of EFL, Torrent has exposure to six other green renewable companies including both technology and clean energy investments.

Resource Investment Portfolio (seven public and one private company) – Unrealized loss on investment of $464,405 in the current quarter.
Gold bullion and related equities have been under pressure thus far in 2021, with gold falling 10.3% and the MVIS Global Junior Miners dropping 17.4%, during the first quarter.

Torrent believes the weak first quarter is a bump in the road for a gold market that is poised for strong gains. Global real interest rates are in negative territory and the world's major central banks continue to impose historic levels of monetary and fiscal stimulus. These policies are creating imbalances in the global economy and risk stoking inflationary pressures that have remained at bay for decades. Various asset classes have become highly correlated and are at or near all-time highs, as rampant liquidity finds a home. Furthermore, oil, agricultural commodities, lumber and various base metals have rallied significantly. Given that these are the key inputs for a wide range of industries, headline inflation numbers are becoming increasingly difficult to reconcile and inflation protection will become an increasingly important investment theme.

Furthermore, while the gain in cryptocurrencies has to be respected, we continue to believe that the comparison of digital currencies to gold as a store of value is misguided. As the digital currency trade becomes increasingly over extended, any hiccup in that area should lead to renewed interest in gold and gold stocks, which are the only true and proven inflation hedge. The gold sector is anything but new and sexy, but there is value in steady and dependable, which will only increase as some high-flying speculative segments of the economy come back to Earth.

Torrent currently has exposure to eight individual precious metals companies in both the exploration and development stage and believes the exploration sector is under-valued and under-owned offering leverage to rising bullion prices. The Company is focused on those companies with quality projects in stable mining jurisdictions and management teams that have created significant shareholder value in the past.

Selected Financial Information

The following table sets out selected financial information and highlights for the last eight quarters:

For the quarter ended	**Mar 31, 2020 $**	**Dec 31, 2020 $**	**Sept 30, 2020 $**	**June 30, 2020 $**	**Mar 31, 2020 $**	**Dec 31, 2019 $**	**Sept 30, 2019 $**	**June 30, 2019 $**
Realized gain (loss) on Investments	**3,035,176**	1,933,377	3,685,507	867,548	**757,792**	436,463	1,174,926	(249,884)
Unrealized gain (loss) on marketable securities	**3,542,891**	2,452,405	3,033,004	4,978,238	**(3,150,985)**	2,012,161	1,013,433	(561,430)
Operating expenses	**(487,826)**	(1,051,658)	(203,981)	(193,464)	**(153,244)**	(367,928)	(141,767)	(172,212)
Net income (loss) before taxes	**6,090,241**	3,334,124	6,514,530	5,652,322	**(2,546,437)**	2,080,696	2,046,592	(983,526)
Current income tax (expense)	**(320,000)**	20,000	(380,000)	-	**-**	-	-	-
Deferred income tax (expense)	**(550,000)**	(380,000)	(1,270,000)	-	**-**	-	-	-
Net income (loss)	**5,220,241**	2,974,124	4,864,530	5,652,322	**(2,546,437)**	2,080,696	2,046,592	(983,526)
Net (loss) income per share	**0.22**	0.12	0.20	0.235	**(0.11)**	0.09	0.09	(0.04)
Cash	**893,906**	2,483,562	1,769,432	1,210,356	**355,635**	229,291	222,568	237,341
Investments at fair value	**33,781,615**	25,822,129	22,426,285	16,578,071	**11,811,590**	14,449,798	12,160,796	10,070,976
Total assets	**34,731,147**	28,347,808	24,231,341	17,822,926	**12,200,306**	14,691,304	12,401,331	10,336,930
Total current liabilities	**1,793,685**	1,200,522	477,278	258,949	**300,457**	245,018	79,999	68,577
Deferred income taxes	**2,200,000**	1,650,000	1,270,000	-	**-**	-	-	-
Shareholders' equity	**30,737,147**	25,497,286	22,484,063	17,563,977	**11,899,849**	14,446,286	12,321,332	10,268,353

Results of Operations for the quarters ended March 31, 2021 and 2020

The Company reported net income for the quarter ended March 31, 2021 of $5,220,241 or $0.22 per share as compared to a net loss of $2,546,437 or $0.11 per share in the comparable quarter. The current quarter's results include an unrealized gain on marketable securities of $3,542,891 as compared to an unrealized loss of $3,150,985 in the comparable quarter.

During the quarter ended March 31, 2021, the Company recorded unrealized gains of $2.6 million on its investment in WILD, $0.4 million on its investment in KSI, $0.4 million in its investment in EFL and 1.55 million on its clean tech portfolio. It also recorded unrealized losses of $0.5 million on its resource investment portfolio and $0.6 million on its investment in Sona most of which represent reversals of previously recorded unrealized gains. See the "*Unrealized gain/(loss) on Marketable Securities*" section for additional details on the significant unrealized gains and losses in the investment portfolio.

In the current quarter, the Company realized net gains on its investment portfolio of $3,035,176 as compared to realized gains of $757,792 in the comparable quarter. These realized net gains on investments are summarized as follows:

	Quarter ended March 31, 2021	**Quarter ended March 31, 2020**
	$	**$**
Braille Energy	**983,142**	-
Greenlane Renewables Inc.	**662,341**	-
Mustgrow Biologics	**257,188**	-
Perimeter Medical Imaging	**245,913**	-
Sona Nanotech Inc.	**217,926**	154,043
WildBrain	**176,467**	-
kneat.com	**124,240**	619,214
Green renewable portfolio - other	**121,132**	-
Media Valet Inc.	-	229,027
Other - net	**246,827**	(244,489)
	3,035,176	757,792

During the quarter ended March 31, 2021, the Company incurred consulting fees of $148,259 (2020 - $114,075) including CEO fees of $37,500 (2020 - $30,000), CFO fees of $29,100 (2020 - $32,025), services fees paid to Numus of $29,850 (2020 - $32,025) and $34,500 (2020 - $33,000) paid to the Chief Investment Officer. In the current quarter, the Company also incurred Directors' fees of $20,245 (2020 - $19,425) and D&O insurance of $7,068 (2020 – $5,943). In the quarter ended March 31, 2021, the Company incurred professional fees of $33,023 (2020 - $8,750). In the current quarter, the company incurred certain due diligence professional fees associated with one of its new ventures.

In the quarter ended March 31, 2021, the Company incurred stock exchange and maintenance fees of $8,621 (2020 - $2,330). In the current quarter, the Company incurred administration costs of $26,675 (2020 - $2,433). These administration costs include rent of $5,100 (2020 - $5,100) and other administrative costs of $18,181 (2020 - $945). In the current quarter the Company incurred market subscription service fees of $16,759 for a Bloomberg terminal and a Fact Set Research subscription. The Company also recorded a foreign exchange loss of $3,394 (2020 – gain of $3,324) on its US$ currency position.

The Company has accrued $224,000 of stock-based compensation representing the cost of 200,000 restricted share units granted to Directors, Officers and other staff during the current quarter. These share have been issued in the following quarter. The Company is also amortizing the fair value of its stock options over the corresponding vesting period. As a result, stock-based compensation of $19,935 was recorded in the current quarter and there was no stock-based compensation recorded in the comparable quarter.

In May 2020, the Company granted 460,000 stock options, with an exercise price of $0.40 to directors, officers and a consultant of the Company. Later in the year, the Company granted 75,000 stock options, with an exercise price of $0.80 to an employee and a consultant. The fair value of the stock options was estimated at the grant date using the Black-Scholes option pricing model. The assumptions used in the option pricing model include a volatility rate of 61%, an expected life of five years based on the contractual term of the options, a risk-free rate of 0.4% with no expected dividend yield. The options vested at a rate of 50% on each of the six and 12-month anniversaries of the grant date. Based on the Black-Scholes model and the assumptions outlined, the estimated fair value of the stock option grants is $125,257, which is being amortized over the corresponding one-year vesting period.

In the current quarter, the Company has recorded a provision for current income taxes of $320,000 and a deferred tax provision of $550,000. No amounts for taxes were recorded in the comparable quarter.

Liquidity and Capital Resources

As at:	March 31, 2021 $	December 31, 2020 $	December 31, 2019 $
Cash	**893,906**	2,483,562	229,291
Investments at fair value	**33,781,615**	25,922,129	14,449,798
Total assets	**34,731,615**	28,347,808	14,691,304
Total current liabilities	**1,793,685**	1,200,522	245,018
Deferred income taxes	**2,200,000**	1,650,000	-
Shareholders' Equity	**30,737,462**	25,497,286	14,446,286

The Company has working capital as at March 31, 2021 of $32,937,462 (December 31, 2020 – $27,147,286) and a cash balance of $893,906 (December 31, 2020 – $2,483,562). The Company funds its operations through and the proceeds on sale of its investments and equity financings, if necessary.

During the quarter ended March 31, 2021, the Company received proceeds on the sale of investments of $6.1 million including $0.5 million on the sale of WILD shares, $0.5 million on the sale of Mustgrow Biologic shares, $1.0 million on the sale of Greenlane Renewable shares and $1.3 million on sale of Braille Energy shares. The Company incurred investment acquisition costs of $7.5 million including $1.7 million on the shares of EFL, $0.6 million on shares of WILD and $0.3 million on shares of Braille Energy.

During the year ended December 31, 2020, the Company received proceeds on the sale of investments of $14.3 million including $1.1 million on sale of KSI shares, $2.2 million on the sales of IMV shares, and $5.7 million on the sale of SONA shares. The Company incurred investment acquisition costs of $11.1 million including $1.3 million on shares of EFL, $2.8 million on its resource investment portfolio and $2.6 million on its green renewable portfolio.

The Company believes it has sufficient capital resources to meet its working capital obligations. The Company may need to secure additional capital and may raise additional funds should its Board deem it advisable to execute its strategic plan including the implementation and expansion of its investment strategy. While Management and the Board have been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future. The timing and ability of the Company to raise additional funds will also depend on the liquidity of the financial markets.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2021, the Company has 24,031,667 issued and outstanding common shares. As at May 19, 2021, after the issuance of 200,000 common shares on the vesting of restricted shares units, the Company has 24,231,667 issued and outstanding common shares. As at March 31, 2021 and May 19, 2021, the Company has 1,310,000 outstanding stock options.

Transactions with Related Parties

During the quarter ended March 31, 2021 and the year ended December 31, 2020, the Company entered the following transactions with related parties:

- paid Director fees of $20,245 (2019 - $98,652) to Directors or companies controlled by Directors;
- paid fees to its President and CEO, Wade Dawe in the amount of $37,500 (2020 - $670,000);
- paid fees to its Chief Investment Officer, Scott Gardner in the amount of $34,500 (2020 - $289,000),
- paid fees to its CFO, Rob Randall in the amount of $29,100 (2020 - $104,363); and

- paid service fees, rent and other fees of $29,850 (2020 - $70,100) to Numus Financial, a company owned by two Directors.

The above noted transactions are in the normal course of business and approved by the Board of Directors in strict adherence to conflict-of-interest laws and regulations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Critical accounting estimates used in the preparation of the financial statements that have the most significant effect on the amounts recognized in the financial statements include the estimates outlined below.

Stock-Based Compensation
Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statements of income and comprehensive income based on estimates of volatility, forfeitures and expected lives of the underlying stock options.

Fair Value of Investment in Securities Not Quoted in an Active Market
Where the fair values of financial assets and financial liabilities recorded on the statements of financial position, including equities and warrants, cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible; where observable market data is not available, Management's judgment is required to establish fair values.

All the Company's significant accounting policies and estimates are included in note 2 to the December 31, 2020 audited financial statements of Torrent Capital Ltd.

Risk Factors

The Company's business as an Investment Issuer is subject to several significant risk factors, and an investment in the Company will involve a high degree of risk. Investors should carefully consider each of such risks and all the information in this MD&A before investing in the Corporation. The risks consist of:

Limited Operating History as an Investment Issuer **-** The Corporation has only a short-term record of operating as an Investment Issuer. As such, with the completed Change of Business, the Corporation will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Corporation will not achieve its financial objectives as estimated by Management. Furthermore, past successes of Management or the Board in other ventures do not guarantee future success.

Risks of Competition **-** The Corporation will face competition from other capital providers, all of which compete with it for investment opportunities. These competitors may limit the Corporation's opportunities to acquire interests in investments that are attractive to the Corporation. The Corporation may invest otherwise than following its Investment Policy and strategy to meet its investment objectives. If the Corporation is required to invest other than following its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Risks of Fluctuations in the Value of the Corporation and the Common Shares **-** The net asset value of the Corporation and market value of the common shares will fluctuate with changes in the market value of the Corporation's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations whose securities are part of the Corporation's Investment Portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Corporation. There can be no assurance that shareholders will realize any gains from their investment in the Corporation and they may lose their entire investment.

Due Diligence **-** The due diligence process undertaken by the Corporation in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Corporation will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Corporation may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Corporation will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Risks of Investment in Illiquid Securities **-** There is a possibility that the Corporation will be unable to dispose of illiquid securities held in its portfolio. If the Corporation is unable to dispose of some or all its investments at the appropriate time, a return on such investment may not be realized.

Loss of Investment Risk **-** An investment in the Corporation is speculative and may result in the loss of a substantial portion of an investor's investment. Only potential investors who are experienced in high-risk investments and who can afford to lose a substantial portion of their investment should consider an investment in the Corporation.

No Guaranteed Return Risk **-** There is no guarantee that an investment in the Corporation will earn any positive return in the short term or long term.

Dividends **-** To date, the Corporation has not paid dividends on any of its common shares and the Corporation is not required to pay any dividends on its Common Shares in the foreseeable future. Any decision to pay dividends will be made based on the Corporation's earnings, financial requirements and other conditions.

Currency Risk **-** Some of the Corporation's assets may be invested in foreign securities. Consequently, the Canadian dollar equivalent of the Corporation's net denominated assets and dividends would be adversely affected by reductions in the value of the applicable foreign currencies relative to the Canadian dollar and would be positively affected by increases in the value of the applicable foreign currencies relative to the Canadian dollar.

Commodity Risk **-** The Corporation may invest in sectors that are very sensitive to the fluctuations of commodity prices.

Foreign Investment Risks **-** Foreign investments made by the Corporation may be subject to political risks, risks associated with changes in foreign exchange rates, foreign exchange control risks and other similar risks.

Equity Market Risk **-** The price of the equity securities in which the Corporation may invest are influenced by the issuing corporation's outlook, market activity and regional, national and international economic conditions. When the economy is expanding, the outlook for many corporations is equally promising, and the value of their equity securities should rise in agreement. The opposite is also true. Typically, the greater the potential reward, the greater the potential risk. For small corporations and corporations in the emerging sectors the risk and reward ratio is usually greater. Equity-related securities, which give indirect exposure to the equity value of a corporation, such as warrants and convertible securities, can also be affected by this equity risk.

Market Disruption Risks **-** War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual corporations or related groups of corporations. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that would be held from time to time. Such events could, directly or indirectly, have a material effect on the prospects of the Corporation and the value of the securities in its Investment Portfolio.

Private Corporation Risks **-** Investments in private corporations cannot be resold without a prospectus, an available prospectus exemption or an appropriate ruling under relevant securities legislation. Even if they can be sold, there may not be a market for such securities. This may impair the Corporation's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private corporations may offer high potential returns but will also be subject to a relatively high degree of risk. The process of valuing investments in private corporations will inevitably be based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments.

Risk of Dilution from Possible Future Offerings **-** The Corporation may issue additional securities from time-to-time to raise funding for its business and such issuances may be dilutive to Shareholders.

Financing Risks **-** Additional funding may be required to complete future investment and growth opportunities. There is no assurance that any such funds will be available to the Company, on acceptable terms or an acceptable level. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on the Company's ability to grow its Investment Portfolio.

Dependence upon key Management **-** The Corporation will depend on the business and technical expertise of its Management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Corporation's operations expand, additional general management resources will be required. The Corporation may not be able to attract and retain additional qualified personnel and this would have a negative effect on the Corporation's operations. The Corporation currently maintains no "key man" life insurance polices on any members of its Management or Directors.

Covid 19 Pandemic - The outbreak of the novel strain of coronavirus, specifically identified as "SARS-CoV-2" and referred to as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods.

Management's Responsibility for Financial Information

This MD&A and the accompanying financial statements of Torrent Capital Ltd. are the responsibility of Management and have been approved by the Board of Directors. The financial statements have been prepared by Management in accordance with IFRS. The financial statements include certain amounts and assumptions that are based on Management's best estimates and have been derived with careful judgment. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Disclosure and Internal Financial Controls

Management has established processes, which are in place to provide them sufficient knowledge to support Management representations that they have exercised reasonable diligence that:

(i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and
(ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying Officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying Officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying Officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Information

Additional information is available on the Company's website at www.torrentcapital.ca and the SEDAR website www.sedar.com.