Torrent Capital Ltd.
Management Discussion and Analysis
Quarter ended September 30, 2021

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated November 29, 2021 and provides an analysis of the financial operating results for the quarters ended September 30, 2021 and September 30, 2020. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended September 30, 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 Torrent's 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 cleantech 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.

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 over 20 customers and its presence in manufacturing sites has grown from 15 locations to over 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 calibre, 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 $320 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.

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 150 million subscribers. WILD licences its assets for consumer products and location-based entertainment as well as licencing the assets of 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 such as that produced by WILD.

Torrent believes WILD is making a turn as its new 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. 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 that WILD's strategic shift towards a 360° approach to its IP catalogue has moved the business towards a higher margin, higher free cash flow model 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 business prospects and reduced leverage. 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.

Subsequent to the end of the quarter, Torrent became aware of WildBrain's concerns with respect to the proposed Rogers Communication Inc.'s ("Rogers") acquisition of Shaw Communication Inc. ("Shaw") as expressed to the CRTC as part of the regulators review of that proposed transaction. Torrent understands that Wildbrain has asked the CRTC to either decline to approve this merger or, if approved, impose a number of safeguard conditions to protect third parties like WildBrain in the Canadian markets. Apparently WildBrain has expressed its concerns around the post merger size of the combined Rogers/Shaw, as a Broadcasting Distributor ("BD"), being in excess of 50% of the English language market. It suggested that such a lack of competition could result in programmers being forced to accept lower than fair market rates and have those rates being applied to the current Canadian Rogers base and also to more than 50% of the English Canada marketplace. Accordingly, there is the possibility of some corresponding downward pressures on WildBrain's revenue derived from the Canadian media markets, the probability and financial impact of which is undeterminable at this time.

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 square 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 67 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 major metropolitan centers, such as Los Angles, New York, Toronto, and Vancouver, commit to transitioning their entire bus fleets to electric.

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.

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 can 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. Apart from the direct economic benefits and the convenience of renting on the Ruckify platform versus buying, consumers enjoy behaving in a sustainable fashion by participating in the circular economy. They can experience more, but consume less, which directly reduces both the demand for natural resources and the number of items ending up in landfills.

Ruckify's enterprise business enables large organisations 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. This enables businesses to better utilize its new and used inventory awhile also meeting the needs of its customers who are increasingly looking to work with organisations operating in an environmentally friendly manner.

Ruckify was founded by Bruce Linton 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.

Ruckify is in the process of finalizing the terms of a merger with a like-company where the combined entity would have best in class technology and a footprint in both North America and the United Kingdom. The combined entity should be well positioned to scale across different regions and within various rental categories. Ruckify aims to support its growth objectives by completing a listing on the TSXV which is imminent.

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. Intesa Sanpaolo has begun the process of migrating a portion of its online banking clients, currently around 7 million users, to InvestoPro. While it is unclear how many users will move to the platform, it is reasonable to assume that the number will not be trivial. Intesa Sanpaolo has aggressive plans to become Europe's leading digital bank and have earmarked €2.8 billion to fund its transformation. Given that digital broker/robo-advisor comparables trade at $500-$5,000 per user, one can quickly arrive at a healthy valuation for MarketWall.

ALY currently trades at a $65 million market cap, which is extremely low for a fintech company that has strategic partnerships with a number of industry leading financial services companies that feature market capitalizations of $10 - $60 billion. When valuing the company on a sum of the parts basis, Torrent sees the combined value of MarketWall, Euclides and Capital Cube, significantly higher than is reflected in the market price of its shares. After years of development, ALY is entering a stage of rapid growth, and the inherent value of its assets will soon be difficult for investors to ignore.

Cleantech Investment Portfolio (ten public companies)
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 Cleantech principals. Furthermore, the economics of numerous cleantech companies have improved considerably over the past decade, which has led to a renewed interest in the sector and strong investment inflows.

The 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 $2.1 trillion at the end of 2017 to $3.2 trillion 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 cleantech 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 cleantech 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 pitch unproven technology that have little change of becoming economically viable. In particular, Torrent has made investments in the following cleantech subsectors: electric vehicles, lithium battery manufacturers, lithium producers, hydrogen, solar, renewable natural gas, off-grid energy and agricultural technology.

Next Hydrogen ("NXH")
Hydrogen is a clean burning and versatile fuel which can be used to decarbonize industrial processes that require gas, such as fertilizer, cement and steel industries. Further, due to its light weight, it can be used to power heavy mobility applications while improving load capacity. Governments representing approximately 70% of world GDP now have policies in place to support a hydrogen economy and the market size is estimated at $2.5 trillion. There are very few pure play electrolyser companies globally and Next Hydrogen is the only one in Canada according to the Ontario Low-Carbon Hydrogen policy paper.

Next Hydrogen is a company offering exposure to the green hydrogen generation theme. The company's water electrolysers make it economical to generate clean hydrogen on site at MW scale. Its IP has revolutionized the cell design architecture of electrolysers which has not changed in decades. The patented design changes enable unprecedented operating range to exploit low-cost sources of energy, including renewables and represent a step change reduction in the cost to generate hydrogen at scale. The company's technology leaders are experts in water electrolysis and previously led R&D initiatives at Stuart Energy and Hydrogenics prior to co-founding Next Hydrogen in 2008.

The company's revolutionary cell design architecture represents the first notable design change in decades. Its IP relates to removing fluid-gas flow bottlenecks in traditional alkaline electrolysers. Next Hydrogen's unique cell design architecture, supported by 38 patents, enables high current density operations and superior dynamic response to efficiently convert intermittent renewable electricity into green hydrogen on a commercial scale. Traditional cell design, such as those offered by Next Hydrogen's competitors, work best with conventional electrical supplies.

Next Hydrogen first validated its design using a 6-cell system with Atomic Energy Canada Limited and then a 0.3 MW system sale to Canadian Tire. As a result, it received orders for two 2 MW systems for Canadian Tire distribution centers to power fuel cell forklifts. NXH is a compelling investment opportunity given that global adoption of green hydrogen is in its infancy coupled with a shortage of pure play, publicly traded electrolyser manufacturing companies.

Resource Investment Portfolio (seven public companies)
Global policy makers have responded to the COVID-19 pandemic with unprecedented monetary and fiscal stimulus in an effort keep their economies afloat. This wave of stimulus has coincided with historically low interest rates, very strong consumer demand, a tectonic shift towards cleantech technologies (away from cheap energy) and a stretched global supply chain – all contributing to solid commodity demand and inflationary pressures.

Asset prices, whether it is real-estate, stocks, copper, wheat, lumber, or cryptocurrency, are at or close to all-time highs. There has been ongoing debate as to how much of this strength is a monetary phenomenon, as opposed to a result of strong end demand against a stretched supply chain. Said differently, are we due to experience runaway inflation, or are much of these pressures transitory in nature? Time will tell, but under both scenarios, and taking a one year view, commodity prices and related stocks should remain well bid.

Against this backdrop, we have been selectively adding resource companies to our portfolio. We have a moderate allocation towards gold stocks that tend to perform well during inflationary periods that are driven by loose monetary and fiscal policy. Most importantly, real rates remain deep in negative territory which is bullish for gold as it creates imbalances in the financial system and reduces bonds attractiveness as a store of value. Despite the recent underperformance of gold bullion and related equities in relation to other segments of the commodity market geared towards global growth, gold and related stocks should catch up to the broader commodity market as supply chain issues moderate. We are emerging out of an 8-year bear market for gold, which has forced gold companies to focus on profitability, balance sheet strength, and a bias towards 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 translate into solid returns for gold stocks over the next few years.

We have also been buying resource related companies exposed to the electrification of the global economy and the burgeoning demand for electric vehicles. These companies include rare earth plays and lithium miners that should enjoy exponential demand growth as key components in a multitude of cleantech applications. We will continue to comb the market for additional names in this segment of the market as it is underpinned by substantial tailwinds.

Torrent has exposure across seven individual companies that are diversified by underlying commodity, 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 market value. The determination of fair market 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 market value of the investments are presented in the 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 $1,250,388 or $0.05 per share as compared to an unrealized gain on marketable securities of $3,033,004 or $0.13 per share in the comparable quarter. The year-to-date income includes an unrealized loss on investments of $871,811 or $0.036 per share as compared to an unrealized gain on marketable securities of $4,860,257 or $0.20 per share in the comparable period.

The Company's investment activity and fair value of the changes in the unrealized gains and losses as at September 30, 2021 and the market value as at December 31, 2020 are summarized as follows:

	Shares #	Cost of Investment $	Fair Market Value Sept. 30, 2021 $	Unrealized Gain / (Loss)[(a)] Quarter ended Sept. 30, 2021 $	Unrealized Gain / (Loss)[(a)] Year to date Sept. 30, 2021 $	Fair Market Value Dec. 31, 2020 $
kneat.com, inc.	1,702,943	1,813,892	7,578,096	2,384,120	2,651,185	4,992,649
WildBrain Ltd.	2,294,300	3,635,575	7,410,589	838,037	3,186,709	4,296,000
Electrovaya Inc.	2,153,500	2,425,645	2,778,015	(231,964)	(827,538)	2,325,592
Ruckify Inc.	604,976	650,000	2,419,904	-	-	2,419,904
AnalytixInsight Inc.	1,625,691	1,020,400	1,105,470	67,798	(78,567)	663,636
Cleantech Investment Portfolio		2,928,884	3,094,771	(1,206,758)	(575,864)	2,988,000
Resource Investment Portfolio		1,373,979	1,874,017	(243,388)	(1,741,975)	4,292,437
Other marketable securities		2,080,384	2,052,253	(188,012)	(1,082,877)	2,073,911
Other non-marketable securities		1,970,000	2,020,000		-	1,770,000
Investments sold		-	-	(169,445)[(b)]	(659,262)[(b)]	-
		17,898,759	**30,333,115**	**1,250,388**	**871,811**	**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 $27.7 million ($1.14 per share) to $29.2 million ($1.20 per share) during the third quarter of 2021, representing an increase of 5.3%.

TORR's NAV rose 5.3% during the third quarter, outperforming the S&P TSX Composite which returned 0.2%, and the S&P TSX SmallCap Index which fell 3%.

2021 has been a year dominated by the reflation trade with segments of the market geared towards global growth performing well. In particular, commodity related investments have been well bid, with metals and mining, steel and aluminum, oil and gas and agriculture related investments leading the market. Investments tied to strong consumer spending and the associated global supply crunch have also performed well, as companies exposed to this trend have enjoyed superior pricing for their products. These segments include trucking, automobile manufacturers, semiconductor names, construction materials, homebuilders, and consumer electronic companies.

On the balance, we expect stock market performance to remain strong, despite many of the risks dominating the headlines.. The current bull market is supported by generous central bank monetary and fiscal policy, strong consumer spending, broad strength across several sectors, real interest rates deep in negative territory (encouraging risk taking), strong housing values (the wealth effect) and the emergence of the post-Covid economy (despite fits and starts).

The risk to our bullish view is related to inflationary pressures in the system which could pinch consumers' disposable income, while also pushing central banks to become hawkish earlier and more aggressively than expected. The ultimate concern is that the economy experiences runaway inflation which would lead to chaos in the bond market. This would drive up interest rates significantly, having far-reaching implications for the global economy given the historic levels of government, corporate and consumer debt. While one would be foolish not to take this threat seriously, we do not yet see this scenario playing out. Firstly, interest rates have remained tame, signaling that the bond market has yet to sniff out a prolonged run-in inflation. Additionally, a portion of the spike in inflation is transitory in nature as Covid lockdowns and related protocols hurt company productivity and the ability for organizations to maintain adequate inventory levels. Lastly, everyone is talking about inflation. This suggests to us that the market has discounted a worst-case scenario. We look for inflation concerns to take a breather as supply chain pressures abate, commodity prices moderate over the short term and fears of rising interest settle down. This will likely coincide with the next leg of the current equity bull market.

The investment portfolio's outperformance during the third quarter is attributed to strong performance in select technology positions, in particular our core holdings in Kneat and WildBrain. KSI continues to add to its roster of Fortune 100 clients and the company is in a rapid growth phase as its revenues grow north of 100% YoY and continue to surprise the market. WILD's share price rose significantly during the quarter as the company's turnaround efforts continue to bear fruit. Its holistic approach to monetizing its catalogue of high-quality content has boosted revenue and cashflow and greatly improved the company's financial flexibility. WILD management has made great strides to restore confidence in the market as was evident by a spate of analyst upgrades during the third quarter.

Our ESG related positions dragged on performance during the period. The cleantech trade has taken a breather since starting out the year very strongly. We view this underperformance as short term in nature as the ESG sector is supported by powerful tailwinds as the adoption of clean technologies goes mainstream. There will be a staggering amount of capital allocated to innovative companies to speed up the adoption of clean technologies and sizeable returns for those investors who are able to find the winners. We see the potential winners as those companies that have sound business plans, solid IP and realistic economic assumptions, as opposed to the losers, which are businesses pitching unproven technology that have little chance of becoming economically viable.

Torrent remains well positioned in the current environment given our bottom-up focus and an overweight allocation towards high quality companies in a handful of nascent industries, including EV battery technology, SaaS, renewable energy, energy metals, fintech, ecommerce, digital media and iGaming; to name a few.

kneat.com, inc. ("KSI") – Unrealized gain on the investment of $2,384,120 in the current quarter and an unrealized gain on the investment of $2,651,185 year to date. Realized gain on investment of $124,240 year to date.

KSI's share price rose by 45.9% during the third quarter as compared to the S&P/TSX Small Cap Index, which fell 3% over the same period.

The company reported third quarter 2021 results which illustrated accelerating momentum for its Kneat Gx platform. Total revenue of $3.7 million reflects 91% growth YoY and SaaS revenue of $2.6 million reflects 276% growth YoY. Annual recurring revenue stands at $12.0 million, up 217% YoY. Additionally, subsequent to Q3-end, the company disclosed that it has graduated to the Toronto Stock Exchange. Torrent believes this move attracts a larger and more sophisticated audience for the stock and will act as a longer-term benefit.

Early in Q3, Kneat disclosed it signed a three-year master services agreement to be the corporate enterprise e-validation solution for one of the world's leading healthcare brands. This U.S.-headquartered company employs over 10,000 people, has manufacturing facilities spanning the globe, and products available in more than 90 countries. After an extensive evaluation process, the company selected Kneat as their corporate e-validation platform to scale to all sites across their life sciences divisions. Expected go-live for this contract is in Q4.

These recent wins have increased the opportunity to scale existing clients, which analysts estimate now exceeds US$60 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.

In Q2, 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 scaling up existing clients and on-boarding 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 to new investors.

WildBrain Ltd. ("WILD"),– Unrealized gain on investment of $838,037 in the current quarter and an unrealize gain on the investment of $3,186,709 year to date. Realized gain on investment of $241,501 in the current quarter and a realized gain of $534,393 year to date.

WILD's stock price was up 16.2% during the third quarter, compared to the S&P/TSX SmallCap Index, which fell 3% over the same period. WildBrain is up 81.5% year to date.

WILD's stock has been trending lower over the past few years as it was stuck in a "show me" vacuum after taking on too much debt, serially disappointing the market and losing its strategic direction.

Torrent believes the company is now firmly in turnaround mode, which is supported by recent share price performance, and a spate of analyst share price upgrades during the quarter. WILD has launched multiple initiatives to refocus company strategy, revamp its leadership team, de-risk its balance sheet and restore confidence in the market by forging a concrete path towards sustainable growth.

WILD's initiative to employ a 360° approach to its IP catalogue is a key development that has been gaining traction and should continue to unlock significant value over time. The new fully integrated approach encompasses brand management and monetization through its expertise in content creation, along with digital distribution and consumer products licensing. The 360° approach was initially applied to the Peanuts catalogue enhancing the value of that franchise across each business segment. The plan is to utilize a similar approach across WILD's other marquee brands. For example, the company recently announced a program to reinvigorate Strawberry Shortcake with a global rollout featuring an original YouTube Series, premium SVOD specials, a Roblox game and suite of consumer products and experiences. The Strawberry Shortcake franchise generated $4 billion dollars in revenue historically and WILD appears to be taking the right steps to reposition and relaunch the brand to maximize its earnings power in today's digital age.

Over the past couple of years, WildBrain improved its financial flexibility and cash generation while working hard to restore confidence within the capital markets. $300 million in debt has been paid down from asset sales, a rights offering to raise $60 million occurred and a $25 million capital raise was completed to fund growth initiatives. WILD's financial flexibility was also bolstered by refinancing a term loan with no financial covenants and improved duration. The company's net leverage ratio now stands at 5.71x and management has a stated goal to bring it to 4.5x by the end of 2022.

Wild reported FQ4 2021 results during the third quarter and they surprised the market to the upside. We take this as further indication that investors continue to underappreciate the company's prospects. The company reported a robust FQ4 2021, with revenue of $112.6M and Adjusted EBITDA of $19.2M against consensus expectations of $101.7M and $18.5M, respectively. Free cash flow grew 50% YoY in FQ4 2021 to $13.9M. F2022 guidance topped analyst estimates as well, with revenue and Adjusted EBITDA expected between $480-500M and $87-93M, respectively, versus consensus analyst estimates of $450.9M and $91.4M.

WILD currently trades at 2.6x EV/FY2022 Revenue and 14.0x 2022 EBITDA, which is in line with the peer group. Torrent sees upside to this valuation as various strategic initiatives continue to bear fruit and the company enjoys much improved financial flexibility. 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.

Electrovaya Inc. ("EFL") – Unrealized loss on investment of $231,964 in the current quarter and an unrealized loss on the investment of $827,538 year to date, reversing previously recorded unrealized gains. Realized gain on investment of $20,474 in the current quarter and a realized gain of $150,702 year to date.

EFL's share price fell by 6.5% during the third quarter as compared to the S&P/TSX Small Cap Index which fell 3% and the WilderHill Clean Energy Index which fell 17.0%.

EFL earns the majority of its revenue from the US and now powers lift-trucks in approximately 67 locations. EFL has submitted its application to list on the Nasdaq which should enhance its investor profile having a positive impact on shareholder value. We view a prospective US listing in 2022 as a positive catalyst along with continued scaling revenues and EBITDA profitability. Electrovaya Labs, a new division of the company, is focused on research, development, and commercialization of some of the fundamental technologies and intellectual property at EFL. One key area of focus is the development of a solid-state battery. The company has entered a lease at a dedicated research and chemistry lab facility located at the Sheridan Science and Technology Park in Mississauga, Ontario, near the company's headquarters.

EFL reported June-quarter revenue of US$1.9 million. The company attributes the soft revenue to a delay in ramping up its newly reorganized OEM channel after the signing of a strategic supply agreement with Raymond in December 2020. EFL has a relatively long sales cycle due to the large size and scale of its customers, however, the company's newly reorganized OEM channel is starting to bring in large customers, including a global e-commerce firm.

Subsequent to the June quarter, the company announced several key initiatives; the launch of a new cloud-based battery analytics system, robust initial solid state battery results, increased battery capacity and UL listings, and most importantly, in our view, a strategic supply agreement with Vicinity Motor Corp. for lithium battery systems for electric buses and trucks. Not only does this new supply agreement launch EFL into a rapid growth category, it validates its technology for a new end market and diversifies its revenue stream. We expect revenue from the e-bus and e-truck verticals to start flowing through the numbers beginning in H2 2022. Vicinity Motor Corp. (VEV-Nasdaq / VMC-TSX) recently released guidance for 2022 and expects to complete deliveries of over 95 Vicinity Classic buses, 75 Vicinity Lightning EV buses and chassis, 200 VMC 1200 EV trucks, and 300 Vicinity Optimal EVs to drive year end revenues of over $140 million. We estimate that batteries in the e-bus and e-truck market range in pricing between US$200-400 per kWh.

In September, EFL announced a $3.795 million private placement at $1.60 per share with an institutional investor. This move frees up working capital for growth initiatives, allows the company to support its growth plans through a Nasdaq listing and plants a seed in the US.

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 $180 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 modest given the company's top tier clients, considerable IP, growth profile and route to profitability.

AnalytixInsight ("ALY") – Unrealized gain on investment of $67,798 in the current quarter and an unrealized loss on the investment of $78,567 year to date, reversing previously recorded unrealized gains. Realized gain on investment of $25,831 year to date.

ALY's stock price was up 7.9% during the third quarter, as compared to the S&P/TSX Small Cap Index which fell 3%. ALY has made significant operational and technical progress in the third quarter within its various divisions.

In terms of MarketWall, Intesa Sanpaolo has begun introducing MarketWall product InvestoPro to its customers. InvestoPro is the bank's online digital trading and robo-advisor platform. It offers financial analysis, news, research, educational formats, and other exclusive content aided by artificial intelligence attributes. Current customer stock trading accounts will be transitioned to InvestoPro with the support of Intesa Sanpaolo. As a Samsung Electronics partner, the InvestoPro app is also preloaded on certain Samsung devices in Europe.

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 digital business to 70% with mobile being at the heart of its digital ecosystem. As Intesa Sanpaolo shifts its client base to the InvestoPro platform, it should drive a significant re-rating of the ALY share price. Comparable trading and banking focused fintech companies are valued at $500-$5,000 per user. This points to significant value creation should a decent portion of the bank's clients migrate to InvestoPro.

ALY's workforce optimization subsidiary, Euclides Technologies Inc. ("Euclides"), announced a partnership with Zinier Inc., ("Zinier"), a leader in field service automation, to help critical service providers build more resilient field service operations. Euclides and Zinier have contracted their first customer installations under the new partnership – Dan Marc Appliance, Paradise Appliance, and Flamingo Appliance – three Certified appliance repair service providers for Whirlpool Corporation. Terms of the deal were not disclosed, but we believe the relationship should provide a decent boost to ALY's operating numbers. Furthermore, the partnership lends a significant degree of credibility to the Euclides product given Whirlpool's involvement.

Torrent expects considerable news flow moving forward as MarketWall adds users and ALY explores strategic options that may include an expansion into North American markets. Under this scenario, MarketWall would be the only independent digital broker and robo-advisor to operate on both sides of the Atlantic. ALY has a $65 million market cap which is incredibly modest in relation to the potential size of MarketWall's user base, its increasing revenue profile across its divisions, and the number of strategic partnerships the company has with the top banks and financial data services companies in the world. We believe it is only a matter of time until the company experiences a significant rerating in the market.

Cleantech Investment Portfolio (ten public companies) Unrealized loss on investments of $1,206,758 in the current quarter and an unrealized loss on investments of $575,864 year to date. These unrealized losses include the unrealized losses relating to Next Hydrogen as discussed below.

The performance of Torrent's cleantech holdings were mixed in Q3 with the ESG sector taking a breather thus far in 2021 following a very strong 2020. The WilderHill Clean Energy Index fell 17.0% in the third quarter, relative to the S&P 500 Index which was unchanged.

A correction of some magnitude was expected after the cleantech space enjoyed considerable investor inflows during the past year. Despite the recent pull-back, the green economy remains fertile ground for exciting investment ideas. Furthermore, cleantech 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 almost 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. Electrical distributors 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 cleantech revolution from a dream, into reality.

The cleantech 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.

Next Hydrogen ("NXH") - Unrealized loss on investment of $504,175 in the current quarter reversing previously recorded unrealized gains and an unrealized gain of $249,400 year to date.

Next Hydrogen commenced trading on June 30 on the TSXV under the symbol NXH after completing a $55.5 million RTO financing in Q2.

Founded in 2007, Next Hydrogen is a designer and manufacturer of electrolyzers that use water and electricity as inputs to generate clean hydrogen for use as an energy source. Next Hydrogen's unique cell design architecture supported by 38 patents enables high current density operations and superior dynamic response to efficiently convert intermittent renewable electricity into green hydrogen on an infrastructure scale. Following successful pilots with Atomic Energy Canada Limited and Canadian Tire Corporation, Next Hydrogen is scaling up its technology to deliver commercial solutions to decarbonize the transportation and industrial sectors.

Hydrogen is being increasingly recognized as the solution to intermittence that is an inherent trait of renewable power generation. This awareness is reflected in near-term and long-term government mandates and increasingly in ESG-driven corporate mandates. Industry experts believe that electrolyzer equipment sales alone could reach US$80 billion by 2030 and continue growing rapidly thereafter. This is a secular trend driven by climate change that will ultimately lead to cost competitiveness similar to that seen in the wind and solar space in the last decade – 80% of the cost of green hydrogen is associated with electricity pricing.

At the core of NXH's value proposition is the ability to provide up to 2.5x the current density relative to the competition. This is achieved via a redesign of the legacy conventional electrolyzer design architecture. Next Hydrogen's design achieves this by internalizing the gas liquid separators rather than housing them externally. The current density of 2.5x implies the use of less material to produce more hydrogen, leading to a sustained cost advantage. Additionally, its design enables a superior dynamic response that enables electrolyzers to capture fluctuations in energy up to 5% per second and a scalable design that allows electrolyzers to scale up power by a factor of 300% without a significant increase in the equipment footprint, enabling economies of scale.

We believe the tailwinds for the hydrogen space are strengthening and look for NXH to build a solid foundation to deliver on multi-year growth aspirations. The company's goals for 2021 are primarily focused on accelerating the commercialization of its 1 to 3 MW product line, strengthening its product delivery team, securing further demonstration projects, and forming win-win strategic partnerships with blue chip partners to accelerate growth.

In Q3, NXH announced a signed MOU with Hyundai Motor Company and Kia Corporation, bolstering their efforts to usher in a global hydrogen society through cost-effective production of clean hydrogen. Under the agreement, the companies will jointly develop an alkaline water electrolysis system and its related stack for the purpose of generating green hydrogen economically and exploring new business opportunities and technological applications. The company also announced expansion into a new assembly facility located in Mississauga, Ontario. The new 27,000 sq. ft facility will provide capacity for product assembly, testing, product development and engineering, and leadership functions. NXH ended Q3 with $44.5 million in cash to fund its growth initiatives.

With an enterprise value of $40 million, Torrent believes NXH is a compelling investment idea with solid early-stage technology in a nascent and dynamic industry.

Resource Investment Portfolio (seven public companies) – Unrealized loss on investment of $243,388 in the current quarter and an unrealized loss of $1,741,975 year to date, reversing previously recorded unrealized gains.

Gold bullion was down 0.8% during the third quarter and the MVIS Global Junior Miners decreased by 18.0%, during the period. Year to date, gold is down 7.3% and junior mining stocks have fallen 29.3%.

The commodity complex has seen tremendous strength, driven liquidity in the system, a move to clean energy sources (away from cheap energy), solid consumer demand and global supply chain bottlenecks.

Despite the broad strength of the commodity market, gold and related equities have underperformed. Frustrating, but we believe that 2021 represents a soft patch for the gold space within a longer uptrend. 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 are contributing to inflationary pressures not experienced in a generation. Various asset classes have become highly correlated and are at or near all-time highs, as rampant liquidity finds a home. For now, those commodities geared towards global growth, have outperformed. Should the global economy hit a rough patch, or inflation show signs that it is not transitory in nature as being trumpeted by policy makers, gold should resume its uptrend.

Additionally, while the gain in cryptocurrencies must 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 hedge against fiat currency debasement and inflation. 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.

We have also been active in the lithium and strategic metal segment of the market. Lithium related equities have done well as the supply/demand scenario for lithium points to much higher prices as the EV revolution gains steam. We have been allocating money to rare earth /strategic metal companies because we believe that it is only a matter of time before the vast number of lithium investors see the value of the strategic metal space. As with lithium, many rare earth minerals are essential components in electric vehicles and green energy infrastructure. Accordingly, the demand side of the equation should remain robust and the supply side of the equation is problematic given that it is essentially controlled by Chinese interests. Rising demand and the need to ensure that the west can secure strategic metals going forward without a reliance on China, should drive increased exploration and development in the rare earth sector.

Selected Financial Information

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

For the quarter ended	**Sept 30, 2021 $**	**June 30, 2021 $**	**Mar 31, 2021 $**	**Dec 31, 2020 $**	**Sept 30, 2020 $**	**June 30, 2020 $**	**Mar 31, 2020 $**	**Dec 31, 2019 $**
Realized gain (loss) on Investments	**581,878**	319,135	3,035,176	1,933,377	**3,685,507**	867,548	757,792	436,463
Unrealized gain (loss) on marketable securities	**1,250,388**	(3,921,467)	3,542,891	2,452,405	**3,033,004**	4,978,238	(3,150,985)	2,012,161
Operating expenses	**(229,100)**	(232,846)	(487,826)	(1,051,658)	**(203,981)**	(193,464)	(153,244)	(367,928)
Net income (loss) before taxes	**1,603,166**	(3,835,178)	6,090,241	3,334,124	**6,514,530**	5,652,322	(2,546,437)	2,080,696
Current income tax (expense)	**20,000**	20,000	(320,000)	20,000	**(380,000)**	-	-	-
Deferred income tax (expense)	**150,000**	550,000	(550,000)	(380,000)	**(1,270,000)**	-	-	-
Net income (loss)	**1,433,166**	(3,265,179)	5,220,241	2,974,124	**4,864,530**	5,652,322	(2,546,437)	2,080,696
Net (loss) income per share	**0.06**	(0.14)	0.22	0.12	**0.20**	0.235	(0.11)	0.09
Cash	**706,423**	125,895	893,906	2,483,562	**1,769,432**	1,210,356	355,635	229,291
Investments at fair market value	**30,333,115**	29,521,695	33,781,615	25,822,129	**22,426,285**	16,578,071	11,811,590	14,449,798
Total assets	**31,130,421**	29,747,695	34,731,147	28,347,808	**24,231,341**	17,822,926	12,200,306	14,691,304
Total current liabilities	**183,269**	389,892	1,793,685	1,200,522	**477,278**	258,949	300,457	245,018
Deferred income taxes	**1,800,000**	1,650,000	2,200,000	1,650,000	**1,270,000**	-	-	-
Shareholders' equity	**29,147,152**	27,708,004	30,737,147	25,497,286	**22,484,063**	17,563,977	11,899,849	14,446,286

Results of Operations for the quarters ended September 30, 2021 and 2020

The Company reported net income for the quarter ended September 30, 2021 of $1,433,166 or $0.06 per share as compared to a net income of $4,864,530 or $0.20 per share in the comparable quarter. The current quarter's results include an unrealized loss on marketable securities of $1,250,388 as compared to an unrealized gain of $3,033,004 in the comparable quarter. After strong performance during the first quarter of 2021, the ESG sector pulled back. In 2020, the third quarter showed a strong recovery after the first quarter Covid meltdown.

During the quarter ended September 30, 2021, the Company recorded an unrealized gain of $0.8 million on its investment in WILD, an unrealized gain of $2.4 million on its investment in KSI and unrealized losses of $0.2 million on its investment in EFL, $0.5 million on its investment in NXH, $1.2 million on its cleantech portfolio and $0.2 million on its resource portfolio. The majority of the second quarter losses represent the 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 $581,878 as compared to realized gains of $3,685,507 in the comparable quarter. These realized net gains on investments are summarized as follows:

	Quarter ended September 30, 2021	**Quarter ended September 30, 2020**
	$	**$**
WildBrain	**241,501**	-
Cerrado Gold	**167,467**	-
E3 Metals	**185,407**	-
Sona Nanotech Inc.	-	3,275,179
Immunovaccine	-	337,791
Other - net	**(12,497)**	72,537
	581,878	3,685,507

During the quarter ended September 30, 2021, consulting fees of $147,789 (2020 - $111,196) include CEO fees of $50,000 (2020 - $37,500), CFO fees of $28,389 (2020 - $17,101), service fees paid to Numus Financial Inc. ("Numus") of $15,188 (2020 - $17,500) and $34,500 (2020 - $34,500) paid to the Chief Investment Officer. In the current quarter, the Company incurred Directors' fees of $35,283 as compared to $25,485 in the comparable quarter. The Company also incurred D&O insurance fees of $7,562 (2020 - $6,285). In the quarter ended September 30, 2021, the Company incurred professional fees of $8,895 (2020 - $6,516) including certain due diligence professional fees associated with one of its new ventures.

In the quarter ended September 30, 2021, the Company incurred stock exchange and maintenance fees of $6,272 (2020 - $5,842) and administration costs of $13,979 (2020 - $8,102). In the current quarter, the Company incurred market subscription service fees of approximately $12,000 for a Bloomberg terminal and a Fact Set Research subscription. The Company also incurred rent of $5,100 (2020 - $5,100). The Company recorded a foreign exchange gain of $1,762 (2020 - loss of $1,206) on its US currency balances.

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. In the quarter ended September 30, 2020, the Company granted 75,000 stock options, with an exercise price of $0.80 to an employee and a consultant. In the quarter ended September 30, 2021, the Company granted 50,000 stock options, with an exercise price of $1.10 to an employee. 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 $5,982 (2020 - $40,555).

In the current quarter, the Company has recorded current income taxes of $20,000 and a deferred tax provision of $150,000. In the comparable quarter the Company recorded current income taxes of $380,000 and a deferred tax provision of $1,270,000.

Results of Operations for the nine months ended September 30, 2021 and 2020

The Company reported a net income for the nine months ended September 30, 2021 of $3,388,228 or $0.14 per share as compared to a net income of $7,970,415 or $0.33 per share in the comparable period. The 2021 income includes an unrealized gain on marketable securities of $871,811 or $0.04 per share as compared to a gain of $4,860,257 or $0.20 per share in the comparable period. See the previous "*Unrealized gain/(loss) on Marketable Securities*" section for details on the significant unrealized gains and losses in the investment portfolio. In the current period, the Company realized net gains on its investment portfolio of $3,936,189 or $0.16 per share as compared to a net realized gains of $5,310,860 or $0.22 per share on its investment portfolio in the comparable period. The net realized gains and losses on the investment portfolio are summarized as follows:

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	$	**$**
Braille Energy	**983,142**	**-**
Greenlane Renewables Inc.	**662,341**	**-**
WildBrain	**534,993**	**-**
Kuya Silver	**281,334**	**-**
Mustgrow Biologics	**257,188**	**-**
Perimeter Medical Imaging	**245,913**	**-**
Sona Nanotech Inc.	**240,418**	**4,216,605**
E3 Metals	**185,407**	**-**
Cerrado Gold	**167,467**	-
Electrovaya	**150,702**	-
kneat.com	**124,240**	**733,939**
Media Valet Inc.	-	**253,042**
Immunovaccine	**-**	**296,059**
Other - net	**103,044**	**(232,736)**
	3,936,189	**5.310,860**

During the nine months ended September 30, 2021, consulting fees of $444,988 (2020 - $344,334) include CEO fees of $125,000 (2020 - $112,500), CFO fees of $72,695 (2020 - $56,138), service fees paid to Numus of $89,550 (2020 - $52,650) and $103,500 (2020 - $103,500) paid to the Chief Investment Officer. In the first three quarters of 2021, the Company incurred Directors' fees of $74,831 (2020 - $72,834). The Company also incurred D&O Insurance fees of $22,110 (2020 - $18,443). Professional fees of $54,511 were incurred in the first nine months of 2021 as compared to $21,516 in the first nine months of 2020. In the current period, the Company has incurred certain due diligence professional fees associated with its new investments.

The stock exchange and maintenance fees of $23,253 in the first nine months of 2021 compared to $18,005 in the first nine months of 2020. These amounts include the cost of the Company's AGM which is held in June of each year. In the nine months ended September 30, 2021, the Company incurred increased administration costs of $49,390 (2020 - $23,208). In the current period, the Company incurred market subscription service fees of approximately $35,000 for a Bloomberg terminal and a Fact Set Research subscription. The Company also incurred rent of $15,300 (2020 - $15,300), travel costs of $449 (2020 - $5,392). The Company recorded a foreign exchange loss of $3,302 (2020 - gain of $2,226) on its US currency balances.

The Company has recorded $224,000 of stock-based compensation representing the cost of 200,000 restricted share units granted to Directors, Officers and other staff during period. The Company is also amortizing the fair value of its stock options over the corresponding vesting period. As a result, stock-based compensation of $37,638 was recorded in the nine months ended September 30, 2021 as compared to $52,362 in the comparable period.

In nine months ended September 30, 2021, the Company has recorded a provision for current income taxes of $320,000 and a deferred tax provision of $150,000. In the comparable period the Company recorded current income taxes of $380,000 and a deferred tax provision of $1,270,000.

Liquidity and Capital Resources

As at:	**September 30, 2021 $**	**December 31, 2020 $**	**December 31, 2019 $**
Cash	**706,423**	2,483,562	229,291
Investments at fair market value	**30,333,115**	25,922,129	14,449,798
Total assets	**31,130,421**	28,347,808	14,691,304
Total current liabilities	**183,269**	1,200,522	245,018
Deferred income taxes	**1,800,000**	1,650,000	-
Shareholders' Equity	**29,147,152**	25,497,286	14,446,286

The Company has working capital as at September 30, 2021 of $30,947,152 (December 31, 2020 – $27,147,286) and a cash balance of $706,423 (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 nine months ended September 30, 2021, the Company received proceeds on the sale of investments of $10.8 million including $1 million of the sale of Good Natured Products shares, $1.2 million on the sale of WILD shares, $0.6 million on the sale of Electrovaya shares, $0.6 million on the sale of E3 Metals shares, $0.5 million on the sale of Cerrado Gold shares, $0.4 million on the sale of Perimeter Medical Imaging shares, $0.4 million on the sale of Kuya Silver 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 $10.5 million including $1.7 million for shares of EFL, $1.0 million for shares of Greenlane Renewable, $0.6 million for shares of WILD, $0.8 million for shares of Braille Energy, $0.5 million for shares of AnalytixInsight, $1 million for shares of Good Natured Products shares and $0.4 million on shares of E3 Metals.

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 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 they 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 September 30, 2021 and November 29, 2021, the Company has 24,231,667 issued and outstanding common shares and 1,360,000 outstanding stock options.

Transactions with Related Parties

During the nine months ended September 30, 2021 and the year ended December 31, 2020, the Company entered the following transactions with related parties:

- paid Director fees of $74,831 (2019 - $98,652) to Directors or companies controlled by Directors;
- paid fees to its President and CEO, Wade Dawe in the amount of $125,000 (2020 - $670,000);
- paid fees to its Chief Investment Officer, Scott Gardner in the amount of $103,500 (2020 - $289,000),
- paid fees to its CFO, Rob Randall in the amount of $72,695 (2020 - $104,363); and
- paid service fees, rent and other fees of $89,550 (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 Company's audited financial statements for the year ended December 31, 2020.

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 Control

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 under the Company's profile at the SEDAR website, www.sedar.com.