Torrent Capital Ltd.
Management Discussion and Analysis
Quarter ended March 31, 2022

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated May 19, 2022, and provides an analysis of the financial operating results for the quarters ended March 31, 2022 and March 31, 2021. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended March 31, 2022, 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, 2021, 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 its 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.

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 its 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 its investment mandate. Advisory services are focused on those businesses that may benefit from Torrent's extensive corporate finance and capital markets experience.

Investment Objective and Strategy

Torrent's Investment Objective and Strategy ("Investment Policy") is to grow the Company's capital by generating gains from capital appreciation, interest earned, dividend income and fees. The Company will make investments, on an either public or private basis, at a stage where there exists potential to maximize returns and manage risks by relying on the business expertise of the Company's management team (the "Management") and Board of Directors (the "Board").

The nature and timing of the Company's investments will depend, in part, on available capital and on 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 Management and in compliance with the Company's 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 Directors appointments, advisory positions, or management consulting positions with the target companies.
- The Company may reserve the right to acquire all or part of 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 will 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 industry sectors that Management believes 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, leveraged buyouts or start-ups. The Company may elect to invest in such event-driven opportunities, provide financing or purchase securities in exchange for fees, interest, or equity positions.
- Torrent's investment time horizon may vary from investment to investment and contain a mix of short, medium and longer-term investments. The Company reserves the right to increase or decrease its position in any investment at any time. As a matter of practice, the Company does not report on its investment activity or position changes between quarterly results.
- It is the Company's policy to reduce its position in an investment over time to ensure that no single investment represents a disproportionate share of Torrent's Investment Portfolio.

- o Depending upon market conditions, the Company may fully invest its available capital, apart from working capital requirements. Any funds not invested may be expected to be invested in the near term.
- o 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), AnalytixInsight Inc. (TSXV: ALY), and The Game Day (Private - "TGD"), 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 Inc. and its wholly owned subsidiary Numus Capital Corp., an Exempt Market Dealer, (together the "Numus Group"). If the Company invests in these associated ventures, there may be financing fees payable to Numus Capital Corp. The Numus Group is owned by the CEO, a Torrent Director and a third independent party.

WildBrain Ltd., ("WILD")

WILD is a leading children's content and brands company, recognized globally for its high-profile programs including Peanuts, Teletubbies and Strawberry Shortcake. WILD is one of the world's largest producers of children's shows and owns the world's largest independent library of children's content with 13,000 half hour programs. The company's shows are seen in more than 150 countries on over 500 telecasters and streaming platforms. Through its subsidiary, WildBrain Spark, WILD operates one of the largest networks of children's channels on YouTube, with over 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. In prior periods 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.

WILD's new management team has taken 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 these 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. WILD should continue to enjoy a re-rating in the market as the company strikes additional content deals, the Spark division sees renewed growth and its debt profile continues to moderate as the company posts consecutive quarters of improved operating performance.

kneat.com, inc. ("KSI")

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

There are few competing products for the Kneat Gx software platform and sizeable barriers to entry for those looking to compete with the company. Kneat Gx has been in development for ten years and built by a team with deep domain knowledge. The founders of KSI had worked for well-known Life Science companies in project engineering, software development and research & 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, pharmaceutical, biotech, medical device manufacturers and consumer packaged goods companies. 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 $260 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 believes that the company's value proposition is rigid during various economic cycles given the critical nature of its intellectual property ("IP") and the fact that it is exposed to well-run multi-national companies in the Healthcare Sector.

The Game Day ("TGD" - Private)

TGD is a digital sports media company for the next generation of betting and fantasy fans. It was founded in May 2020 by an award-winning creative and social media team. Founders of the company and its board have had many successful exits with prior start-ups. Senior management has extensive experience with tenure at Apple, Overtime, Vice Media, The Athletic, Catena and Whistle.

TGD works with leading sports influencers, athletes, and talent to provide the latest news, entertainment, real-time updates, and resources for its highly engaged audience. It offers both odds and expert picks, as well as direct access to the major affiliated sportsbooks.

The platform's original content and social distribution network are designed to make the betting experience more accessible and entertaining, informing potential sports bettors as they make gaming decisions. TGD's network and its content can be found on Instagram, Facebook, YouTube, Twitter, TikTok, as well as across its Creator's Program.

TGD betting platform is focused on the NFL, NBA, MLB and NCAA. The company also recently launched its offering aimed at the online casino and betting space. TGD's three primary business segments are affiliate, sponsorship, and syndication

- The affiliate business integrates its content with sports, casino, and daily fantasy sports to reach a highly engaged audience. By working with TGD, these entities enjoy reduced client acquisition costs, which can be $500-$1,000 per player, in a very competitive market. TGD receives a fee for introducing players to these companies ranging from $250-$350 for each first-time player.

- The sponsorship segment integrates product offerings into its content from business-to-consumer online operators across multiple mediums. This is an impression-based model, with TGD being paid a set fee plus upside via the number of impressions.

- The syndication business is the licencing of original content and formats to established and emerging digital media outlets and SVOD/FAST services. TGD receives a licensing fee and profit share revenue.

In a short period of time, TGD has built one of the largest digital sports & sports betting audiences in North America registering over 160 million social media impressions a month across all platforms. Over the past year, the company has seen social impressions increase 78% and monthly revenues were up 492%, both of which exceeded expectations.

Torrent expects continued growth for TGD across various key performance indictors and believes that revenues could grow significantly in the near term. This growth will be driven by momentum in existing revenue growth and engagement, an increasing number of US States legalizing sports betting and higher affiliate and sponsorship fees for TGD given its enhanced credibility and scale.

Electrovaya Inc. ("EFL")

EFL was founded in 1996 as a research and development company focused on lithium-ion battery 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.

EFL has a 62,000 square foot battery design and manufacturing facility in Mississauga, Ontario. To date, EFL has developed 42 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 ("Raymond"). EFL batteries are powering e-forklifts in over 80 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 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 a record pace on an annual basis. It has robust IP and established relationships with top-tier clients which gives it a substantial competitive advantage. EFL's OEM partner, Raymond, recently published a lithium-ion battery whitepaper and clearly highlighted quantifiable reasons why EFL has the best battery on the market.

AnalytixInsight ("ALY")

AnalytixInsight is a fintech company that creates and distributes financial content utilizing artificial intelligence (AI), machine learning (ML) and big data analytics. In addition, the company develops business critical financial marketplaces on behalf of its enterprise clients as they digitally transform their operations to compete within the fintech revolution. 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.

Capital Cube is the financial engine that powers ALY's data and analytics capabilities. Utilizing AI/ML to scrub data pulled from the cloud, the company performs over 100 billion daily computations to take raw and unstructured data and convert it into useable financial content. The company currently has a strategic partnership with Refinitiv and its content is used by Intesa Sanpaolo, MarketWatch, the Wall Street Journal and Samsung Electronics, among others.

MarketWall is ALY's fintech subsidiary in the form of a joint venture with Intesa Sanpaolo. MarketWall facilitates the digital transformation of legacy financial services companies by creating and maintaining comprehensive cloud-based platforms that integrate data, people, services, and processes across organizations.

MarketWall created and maintains InvestoPro, Intesa Sanpaolo's cloud-hosted discount brokerage platform which is a web-based trading platform supported by multi-device technology with new age features and content. Intesa Sanpaolo is currently migrating its clients in 22 European countries to the platform after receiving regulatory approval in 2021. Furthermore, InvestoPro is currently preloaded on all Samsung personal devices and smart TVs in Europe.

MarketWall GEMINA is a white label, cloud-hosted trading platform accessible on multiple devices, which combines software, data, and research. Morningstar Inc. recently launched Morningstar Global Market, which is powered by MarketWall GEMINA. Morningstar Global Market will be a first attempt to offer a dashboard product to compete with Bloomberg and Refinitiv Eikon.

Euclides designs and implements workforce optimization solutions for large global enterprises in the Field Service Management (FSM) industry. Backed by advanced software, cloud, and AI technologies, Euclides'

FSM platform maximizes efficiency, increases revenue, reduces costs, and improves customer satisfaction for clients representing 100,000+ workforce personnel. Euclides is an IFS channel partner and has a wide range of FSM clients including Whirlpool, Alliant Energy, ADT Inc., and American Water Works, among others.

ALY has a $29 million market cap which is low for a fintech company that has strategic partnerships with several industry leading financial services companies that feature much higher market capitalizations. When valuing the company on a sum of the parts, Torrent sees the value of the business significantly higher than is reflected in its current share price. After years of developing its products and securing key partnerships, ALY is entering a phase of rapid growth which should see the Company enjoy a rerating in the market.

Cleantech Investment Portfolio (nine 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 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 revealed 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, proven IP, and realistic economic assumptions. Avoiding those names that pitch unproven technology that has little chance of becoming economically viable. Torrent has made investments in the following cleantech subsectors: electric vehicles, lithium battery manufacturers, lithium producers, hydrogen, solar, green natural gas, off-grid energy and agricultural technology.

Resource Investment Portfolio (six public companies)

Global policy makers responded to the COVID-19 pandemic with unprecedented monetary and fiscal stimulus in an effort keep the global economy afloat. This wave of stimulus 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. This strength has been supercharged by the conflict in Ukraine and continued geopolitical uncertainties associated with the global supply chain.

Commodity prices should remain elevated which makes resource stocks attractive. Inflation is pushing levels not seen in a generation, real rates remain deep in negative territory, and sticky energy and agricultural commodity prices will need to be tackled before price pressures abate. Additionally, with mounting geopolitical concerns, uncertainty surrounding the global economy, shaky corporate bond prospects, and a steep sell-off in the broad equity market, resource stocks become relatively attractive given their properties as a safe haven investment.

We remain positive towards those commodities exposed to the electrification of the global economy and the burgeoning demand for electric vehicles. These companies include rare earth and lithium explorers and developers that should enjoy exponential demand growth as key components in a multitude of cleantech applications. This segment of the market should also benefit from the ongoing push by G7 politicians to diversify strategic metal supplies away from China, given that country's stranglehold on supply and prices. We will continue to comb the market for additional names in this segment of the market as it is underpinned by substantial tailwinds, despite short term relative underperformance.

In addition, we have been adding energy services exposure given the need to dampen runaway inflation and bolster North American energy security considering the Russia-Ukrainian conflict. There will be tremendous political pressure to increase crude oil and natural gas production in the West to put a lid on consumer prices. Furthermore, there will be a renewed focus on alternative energy sources like uranium and thermal coal sourced by improved clean technologies. We see upside in the drilling and the engineering and constructions space, as they trade at trough valuations despite the coming wave of capex in the energy sector.

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. In this case, 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 (loss) and comprehensive income (loss) as a net change in unrealized gains or losses on investments.

The Company fair values its Investment Portfolio based on the market prices of the shares at the end of each quarter. The current quarter's loss includes an unrealized loss on investments of $2,851,115 or $0.12 per share as compared to an unrealized gain on marketable securities of $3,542,891 or $0.15 per share in the comparable quarter. The Company's investment activity and fair value of the changes in the unrealized gains and losses as at March 31, 2022, and the market value as at December 31, 2021, are summarized as follows:

	Shares **#**	**Cost of Investment** **$**	**Market Value March 31, 2022** **$**	**Unrealized Gain / (Loss) Quarter ended Dec. 31, 2021** **$**	**Market Value Dec. 31, 2021** **$**
WildBrain Ltd.	2,201,000	3,488,367	7,329,330	(314,459)[(a)]	7,705,600
kneat.com, inc.	1,702,943	1,813,892	5,790,006	(953,648)[(a)]	6,743,654
The Game Day	11,250	953,550	2,302,200	-	2,302,200
Electrovaya Inc.	2,109,400	2,375,972	1,961,742	-	1,961,742
AnalytixInsight Inc.	2,350,000	1,547,686	1,245,500	(626,783)	1,736,400
Cleantech Investment Portfolio		2,278,874	1,753,200	(413,090)	2,707,200
Resource Investment Portfolio		883,053	1,276,454	(398,128)	1,939,459
Other securities		4,071,394	4,126,366	(145,007)	3,592,665
		17,412,788	**25,784,798**	**(2,851,115)**	**28,688,920**

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

Torrent Capital's Net Asset Value ("NAV") decreased from $27.4 million ($1.13 per share) to $24.7 million ($1.02 per share) during the first quarter of 2022, representing a decrease of 9.0%.

The Investment Portfolio had a soft start to the year as we were overweight software, digital media, fintech and cleantech stocks at the expense of commodity related investments. Most non-resource related small cap stocks in Canada took a drubbing after a significant run off the March 2020 Covid lows to their peak in the first quarter of 2021. The selloff from the highs was pronounced, with Canadian small cap technology names dropping an average of 50% and cleantech stocks plummeting 67% to close out Q1 2022. Despite our focus on what we consider quality names in these sectors, a sell-off of that magnitude pinches all companies as risk appetite wanes and multiples contract.

The equity markets remain under pressure at the time of writing. There has been broad based weakness across various sectors and there are mounting risks of a global recession. Rising rates and spiking commodity prices could choke out consumer demand and stretch extended household balance sheets. Until recently, we have been in a downward trending interest rate environment for 30+ years, which has propped up most assets classes, driven strong consumer spending and has provided governments and corporations access to cheap capital. For the first time in most investment professionals' careers, we are seeing rampant inflation which threatens to unwind this generational access to cheap capital.

The spike in inflation has been driven by a prolonged period of negative real interest rates and accommodative central bank policies, the latter being supercharged during the Pandemic. Furthermore, nationalistic trade policies, a rising consumer price index, a tight labor market and ongoing supply chain issues, have helped push asset and consumable prices higher.

It is our opinion that the equity market will remain under pressure until inflationary pressures in the system moderate. The goldilocks scenario would see inflation decline due to a moderation in COVID related supply chain issues, a resolution to the Ukrainian conflict, a drop in global energy prices or a mild economic contraction. Unfortunately, as the markets are indicating, it is increasingly looking like only a recession will dampen price pressures and flush out some of the excesses that have built up over the past cycle. As far as investment strategy, we believe that the bear market in small cap stocks has been playing out for some time and that the prospect of a bleak operating environment has largely been discounted in share prices.

Although some high-profile large cap stocks in the US, the FANG stocks for example, have only recently rolled over, most small cap companies have fallen significantly for over a year. Companies in the fintech, ecommerce, cleantech and software sectors for example, have seen share prices fall by more than 70% since early 2021. The selling has been indiscriminate in the dash for cash, with investors selling anything offering liquidity, regardless of a given companies underlying prospects or fundamental health. A sell off of that magnitude, and the fire sale nature of the correction, are hallmarks of a correction in its later stages, as opposed to its infancy.

Furthermore, many small cap companies are now trading through the Pandemic lows of March 2020. We believe that in many cases this is overdone. Several companies have created a significant degree of value over that time. They have either captured market share, de-risked their technology, improved their products and services, scaled their offerings and/or have greatly improved balance sheets. This value creation has been ignored as risk appetites wane.

Torrent will continue to look for those companies that are able to execute on their business plans, regardless of broad market weakness. The winners will be those companies that have significant inside ownership, strategic shareholders, a rigid value proposition, significant clients and partners, strong revenue and EBITDA visibility and a shored-up balance sheet. Several names with these characteristics are now trading at discounted valuations, with EV/Revenue multiples below 1x, when they typically trade at an average north of 4x.

There will also be special situations to take advantage of, or as some people say, there is always a bull market somewhere. For example, we believe that the energy services sector is in the early stages of a bull market, and we have been adding such companies as Ensign Energy Services ("ESI") and Cathedral Energy ("CET") accordingly.

The Ukrainian conflict has underscored the need for Western energy independence. Even before the conflict, oil and gas prices were up considerably and a key driver of elevated inflation. Regardless of which political aisle you sit on, it is hard to argue against the need to boost North American energy output which should bring renewed activity in the drilling space. This would help taper inflationary pressures, keep a lid on interest rates, improve the lives of Western citizens and relieve pressure on the developing world which is most impacted by higher energy and food costs. Even alternative energy proponents are recognizing the need for traditional energy to bridge the gap until clean technologies offer enough capacity.

Companies in the energy services and infrastructure sector, like ESI and CET should benefit from the pending increase in capital spending to boost North American energy production. Furthermore, we see opportunities in the uranium sector, engineering and construction names, midstream oil and gas companies, along with companies involved in clean coal technologies, to name a few.

WildBrain Ltd. ("WILD") – Unrealized loss on investment of $314,459 and a realized gain on the investment of $73,875 in the current quarter reversing previously recorded unrealized gains.

WILD's stock price was down 3.2% during the first quarter, compared to the S&P/TSX SmallCap Index, which rose 8.3%. The Bloomberg Entertainment Streaming Peer Group was down 5.1% during the same period.

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.

WILD recently reported FQ3 2022 results that surprised to the upside. We take this as further indication that the market continues to underappreciate the company's prospects. The company reported revenue of $129.5M and EBITDA of $35.1M against consensus expectations of $124.8M and $30.2M, respectively. WILD reaffirmed 2022 revenue and adjusted EBITDA guidance of $480-500M and $87-93M.

WILD currently trades at 2.3x EV/FY2022 Revenue and 12.5x 2022 EBITDA, which is in line with the peer group. Torrent sees upside to 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.

kneat.com, inc. ("KSI") – Unrealized loss on the investment of $953,648 in the current quarter reversing previously recorded unrealized gains.

KSI's stock price was down 14.1% during the first quarter, compared to the S&P/TSX SmallCap Index, which rose 8.3%. The Bloomberg Application Software Peer Group was down 14.1% during the same period.

The company recently reported first quarter 2022 results which illustrated accelerating momentum for its Kneat Gx platform. Total revenue of $5.2 million reflects 121% growth YoY and SaaS revenue of $3.3 million reflects 156% growth YoY. Annual recurring revenue stands at $13.4 million, up 134% YoY. The company recently 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 tailwind.

Kneat's business momentum has carried into 2022. In Q1 2022, KSI announced four positive developments: (1) a top fifteen consumer packaged goods company with over 50,000 employees in over 150 countries and 40 manufacturing sites selected KSI's SaaS Platform; (2) a leading Canadian generics pharmaceutical manufacturer with over 7,000 employees in over 45 countries selected KSI's e-validation platform; (3) another top ten biopharmaceutical company with over 90,000 employees across 90 countries and over 50 manufacturing sites selected KSI as its enterprise platform and (4) a European national healthcare system with over 110,000 employees across over 15 health boards and bodies selected KSI's e-validation platform.

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.

The Game Day ("TGD" - Private)

TGD is a digital sports media company that generates revenue from online digital marketing, content syndication and affiliate sales associated with directing players to the online sportsbooks and casinos. Torrent invested in TGD at US$66.67 per share in early 2021 and the company has raised additional funds at US$161.1, representing a 141.6% increase.

TGD is a direct play on the high growth North American sports betting market, and its business model directly addresses the Achilles heel of the industry. Online sportsbooks face a hyper competitive market, where well-known operators like DraftKings, FanDuel and FOX Bet, pay $500-$1,000 to attract each first-time player. These companies spend a significant amount on digital advertising, brand sponsorships and pay affiliate fees of $250-$500 for new users. TGD is uniquely positioned to benefit from these structural trends and should profit as the online betting market grows into additional states and the competition for players intensifies.

The company's first social post was in August 2020 and during 2021 it has emerged as a market leader in social content for sports betting. The company currently has 160+ million monthly social impressions and 12+ million monthly engagements, 8+ million social followers, 72+ premium video shows per month and has 19 sportsbook partners. The company commenced commercial operations in the second half of 2021 and saw affiliate revenue of $500,000 in the month of January 2022.

What was especially encouraging about the company's recent affiliate revenue is that it was underpinned by excellent conversion metrics. TGD saw approximately 6-7% of its audience go to the sportsbooks and roughly 4% of them deposited money. These conversion stats are at the high end of the industry range and exceeded internal estimates. This provides a high degree of confidence that the digital sports affiliate model, with TGD being one of its pioneers, is viable and will prove to be very profitable.

Torrent expects continued growth in 2022 and believes revenues could grow significantly driven by momentum associated with an increasing number of US states legalizing sports betting and higher affiliate and sponsorship fees given TGD's enhanced credibility and scale.

Electrovaya Inc. ("EFL")

Electrovaya's stock price has been volatile in sympathy with broad based weakness in the cleantech sector. Selling in the space has been indiscriminate, with quality companies falling alongside speculative plays. Quality companies are defined by Torrent as those with proven technology, growing revenues, a near term profitability window and the ability to execute regardless of market conditions. Purely speculative plays, which dominate the cleantech sector in our view, are those with murky value propositions, overhyped technology, questionable business plans and an insatiable need for capital. We are of the mindset that EFL fits squarely in the former.

EFL continues to execute as demonstrated by their recently announced FQ2 2022 results. Revenues for the quarter were $3.7M, an increase of 47% YOY. The company indicated that sales were expected to remain strong in the second half of fiscal 2022 as production ramps up to meet existing demand. Accordingly, the company provided revenue guidance of $21M to $25M for the balance of fiscal 2022 which would represent a rise of 100% YOY. Revenue growth of this magnitude, supported by the existing pipeline, along with the potential for near term EBITDA profitability, is very rare in the cleantech space.

The company increased its credit facility from $11M to $14M during the quarter, shoring up its capital requirement needs. Management indicated that this facility, along with inventory and receivables, supports EFL's working capital requirements to accelerate production and meet current sales demand.

In April 2022, the company announced promising performance results for its proprietary solid state hybrid battery (lithium metal) technology from its Electrovaya Labs division. This technology provides significant upside as a potential disruptive technology in the EV space. Cycling results highlight the ability of the technology to meet passenger automotive applications. Electrovaya has achieved scaling to single, two-layer and four-layer pouch cells. These cells have been cycling at room temperature with no needed external pressure.

With an enterprise value of $105 million, Torrent believes EFL represents a compelling investment opportunity with significant upside when market pressures abate. The company's materials handling equipment batteries are best in class with Raymond (Toyota) as an anchor OEM client. Upside optionality comes from the commercialization of EFL's e-bus battery and ongoing progress with its solid-state battery technology within its Electrovaya Labs division. The company is a standout in the cleantech space given its top tier clients, considerable IP, revenue growth profile and route to profitability.

AnalytixInsight ("ALY") – Unrealized loss on investment of $626,783 in the current quarter.

ALY's share price fell by 33.8% during the first quarter as compared to the S&P/TSX Small Cap Index which rose 8.3% and the ARK Fintech Innovation ETF falling 29.0%.

AnalytixInsight has participated in broad based weakness across the fintech sector. Technology in general has been weak, but the fintech sector has been hit particularly hard. Many names in the space enjoyed significant enthusiasm during the rally from the Pandemic lows, given their link to the work from home theme and increased consumer activity online. The ARK Fintech Innovation ETF has subsequently fallen -75.4% from its highs in Q1 2021. This weakness has been dominated by many high-profile fintech and online marketplace names including Shopify (SHOP), Robinhood (HOOD), PayPal (PYPL) - all falling by more than 80%.

When large cap names sell off at this rate, it is tough for a small cap company like ALY to get traction in the market. That said, as bottom-up investors, the companies in which Torrent invests do not get a pass due to a weak market. Torrent wants to see value creation and execution, as we know that once the broad market finds a bottom, this value will be recognised. In addition, we want to ensure that these companies are well funded, have solid business partners and their value proposition remains relevant. We believe that ALY checks all these boxes. This year is a pivotal year for ALY as its key products go live after years of development.

Within the company's MarketWall division, InvestoPro recently received regulatory approval in 22 European countries. InvestoPro is a joint venture with Intesa Sanpaolo ("ISP") and the bank's online discount broker to be offered to its clients in conjunction with its digital transformation. Torrent anticipates 0.5 to 1.0 million users will migrate to InvestoPro in its first 2 years of operation, based on ISP's 14 million clients in Italy alone and 7 million online banking app users.

InvestoPro should see additional users migrate to the platform in conjunction with its partnership with Samsung Electronics. InvestoPro is preloaded on Samsung personal devices and smart TVs in Europe as the company's exclusive financial information, news, and trading app. This relationship is impressive, as we are not aware of any other consumer electronics company of that size having an actionable trading app preloaded on its devices.

In addition to InvestoPro going live, MarketWall launched MarketWall GEMINA in 2021. GEMINA is a white label platform for third party enterprises who can use GEMINA to power their own cloud-hosted digital brokerage and research marketplace. The first client of GEMINA was Morningstar Inc. and their platform will be called Morningstar Global Market. Torrent believes that this product will be Morningstar's first platform/terminal to compete directly against Bloomberg and Refinitiv Eikon and is a significant development for the company.

We see additional growth in ALY's workforce optimization subsidiary, Euclides Technologies Inc. This division recently contracted three certified appliance repair service providers for Whirlpool Corporation. The Whirlpool partnership, along with other Fortune 500 client additions, should help with the sales process going forward.

Torrent expects increased news flow as MarketWall adds users and anticipates an acceleration of revenue growth and EBITDA margins north of 40%. Furthermore, we anticipate additional business wins with large companies across the financial services sector as ALY is uniquely suited to assist legacy financial services firms with their digital transformation across a wide range of verticals.

ALY has a $31M market cap which is modest in relation its increasing revenue profile across its divisions, and the number of strategic partnerships the company has with many top banks and financial services companies. ALY is cashed up and we anticipate a year end combined cash position across its divisions of $14M. We would encourage the company to explore strategic options that may include an expansion into North American markets, or a reorganization of the business that better reflects its value proposition and streamlines its reporting.

Cleantech Investment Portfolio (nine public companies) Unrealized loss on investments of $412,090 in the current quarter.

The performance of Torrent's cleantech holdings were mixed in Q1 with the sector under considerable pressure since topping out in early 2021. The selling has been pronounced, with the WilderHill Clean Energy Index dropping 38.7% year to date and falling 67.1% from the peaks of early last year.

The industry has been hurt by a combination of concerns about higher U.S. interest rates, a possible reduction in solar-system subsidies for Florida/California homeowners, the broader stock market rotation out of high-growth technology companies and the obstruction of the Build Back Better Bill. Furthermore, there are legitimate concerns that the Ukrainian conflict may escalate and inflation is at levels not seen in generations which is crippling consumers. These pressing issues have created a feel in the market that political interest, and capital, is shifting towards addressing real time problems. This shift in focus may come at the expense of environmental efforts, which are based on concerns that are predominantly many years in the future.

As with all steep corrections, they tend to overshoot on the downside. With many cleantech stocks trading below levels witness during the Pandemic lows of 2020, there are reasons to suggest that the market is entering oversold territory. There will certainly be losers this cycle, likely those with unproven technology and huge R&D spend requirements. These companies will find it increasingly difficult to fund their development, and if they are able to, will be doing so at highly dilutive equity prices. That said, the cleantech market is underpinned by long term secular tailwinds that will continue to drive investment and spur innovation. This will create winners, but those companies will need to demonstrate a viable technology and have solid business plans. They will need to solve issues in the near term, by offering enhanced productivity and efficiency, along with tangible environmental benefits. With capital becoming scarcer, the bar to access it has been lifted considerably.

Within the cleantech sector, we see the greatest breeding ground for winners to be in renewable energy, battery technology, green energy raw materials, and electric vehicles and motors. Our core investment in EFL is representative of what we are looking for in the cleantech space. Electrovaya has proven technology, strong revenue growth, anchor clients and its batteries have a tangible advantage for its customers via cost savings and efficiency improvements. In addition to that, it is skirting profitability despite investing heavily in exciting new battery technologies. When the smoke clears after the current sell-off, companies of this nature should prove to be outperformers anew.

Resource Investment Portfolio (six public companies) – Unrealized loss on investment of $398,128 in the current quarter reversing previously recorded unrealized gains.

Commodity prices continue to march higher in 2022. Year-to-date, WTI oil is up 33.3%, wheat 30.5%, gold 6.8% and copper 6.1%, to name a few.

Our exposure to cleantech related metals like rare earths and lithium weighed on the performance of our resource portfolio. The cleantech sector has been under pressure, which hurt the lithium miners and rare earth names. We view this as short term in nature, because even if demand moderates over the short term, the supply side of the equation remains tested. EV demand remains robust as illustrated by Ford’s recent launch of an electric F-150. . There will be increased investment in rare earth and lithium production to meet this demand, and to diversify away from China as it has a stranglehold on the production of strategic metals.

We are entering into a new era of elevated inflation that should keep commodity prices and resource stocks well bid. The spike in inflation has been driven by a prolonged period of negative real interest rates and accommodative central bank monetary and fiscal policy. Furthermore, protectionist trade policies, a tight labor market and ongoing supply chain issues, have helped push commodity prices higher. Prices for many assets and consumables have gone to levels not seen in generations, and in some cases, to record levels.

Accordingly, we have continued to invest in energy services companies given the increased need for global energy production to dampen inflation. There will be tremendous political pressure to increase crude oil and natural gas production in the West, in addition to revisiting traditional energy sources like uranium and clean coal. We see upside in the drilling names and the engineering and constructions companies, as these industries trade at lower valuations despite the coming wave of capital spending in the energy sector.

In following the theme above, we added to our CET position during the quarter. CET is a directional drilling and technology company with operations in Canada and the US. The company just announced its Q1 2022 results that demonstrate the torque these companies have to the improved operating environment. Quarterly revenues grew 203% YOY, adjusted EBITDA by 740%, and the company's balance sheet was greatly improved with total debt falling to $10M from $20M in Q1 2021. The company increased its directional drilling market share in Canada to 19.9% from 10.0% last year. Despite this superior performance, the company trades at 0.80x EV/FY2022 Revenue and 3.8x EV/FY2022 EBITDA. CET should trade higher as revenue growth and profitability continue to grow and multiples expand to their long-term averages as confidence returns to the energy services sector.

Selected Financial Information

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

For the quarter ended	Mar 31, 2022 $	Dec 31, 2021 $	Sept 30, 2021 $	June 30, 2021 $	Mar 31, 2021 $	Dec 31, 2020 $	Sept 30, 2020 $	June 30, 2020 $
Realized gain (loss) on Investments	**37,778**	(460,752)	581,878	319,135	**3,035,176**	1,933,377	3,685,507	867,548
Unrealized gain (loss) on marketable securities	**(2,851,115)**	(1,171,231)	1,250,388	(3,921,467)	**3,542,891**	2,452,405	3,033,004	4,978,238
Operating expenses	**(262,865)**	(598,736)	(229,100)	(232,846)	**(487,826)**	(1,051,658)	(203,981)	(193,464)
Net income (loss) before taxes	**(3,076,202)**	(2,230,719)	1,603,166	(3,835,178)	**6,090,241**	3,334,124	6,514,530	5,652,322
Current income tax (expense)	**-**	260,000	(20,000)	20,000	**(320,000)**	20,000	(380,000)	-
Deferred income tax (expense)	**390,000**	180,000	(150,000)	550,000	**(550,000)**	(380,000)	(1,270,000)	-
Net income (loss)	**(2,686,202)**	(1,790,719)	1,433,166	(3,265,179)	**5,220,241**	2,974,124	4,864,530	5,652,322
Net (loss) income per share	**(0.11)**	(0.07)	0.06	(0.14)	**0.22**	0.12	0.20	0.235
Cash	**264,781**	459,132	706,423	125,895	**893,906**	2,483,562	1,769,432	1,210,356
Investments at fair market value	**25,784,798**	28,688,920	30,333,115	29,521,695	**33,781,615**	25,822,129	22,426,285	16,578,071
Total assets	**26,443,647**	29,479,071	31,130,421	29,747,695	**34,731,147**	28,347,808	24,231,341	17,822,926
Total current liabilities	**533,456**	496,874	183,269	389,892	**1,793,685**	1,200,522	477,278	258,949
Deferred income taxes	**1,230,000**	1,620,000	1,800,000	1,650,000	**2,200,000**	1,650,000	1,270,000	-
Shareholders' equity	**24,680,191**	27,362,197	29,147,152	27,708,004	**30,737,147**	25,497,286	22,484,063	17,563,977

Results of Operations for the Quarters ended March 31, 2022, and 2021

For the quarter ended March 31, 2022, the Company reported net loss of $2,686,202 or $0.11 per share as compared to a net income of $5,220,241 or $0.22 per share in the comparable quarter. The current quarter's results include an unrealized loss on marketable securities of $2,851,115 or $0.12 per share as compared to an unrealized gain of $3,542,891 or $0.15 per share in the comparable quarter.

During the quarter ended March 31, 2022, the Company recorded reversals of the unrealized gains of $0.3 million on its investment in WILD and $1.0 million on its investment in KSI. The Company also recorded unrealized losses of $0.4 million each on its Cleantech and Resource Investment Portfolios and an unrealized loss of $0.6 million on its investment in ALY. 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 a net gain on its Investment Portfolio of $37,778 as compared to net realized gains of $3,035,176 in the comparable quarter. These realized net gains and losses on the Investment Portfolio are summarized as follows:

	Three months ended March 31, 2022 $	**Three months ended March 31, 2021 $**
WildBrain	**73,875**	176,467
Ceylon Graphite Corp.	**96,498**	-
E3 Metals Corp.	**95,860**	-
Very Good Food	**(191,928)**	-
Braille Energy	**-**	983,142
Greenlane Renewables Inc.	**-**	662,341
Mustgrow Biologics	**-**	257,188
Perimeter Medical Imaging	**-**	245,913
Sona Nanotech Inc.	**-**	217,926
kneat.com	**-**	124,240
Green renewable portfolio - other	**-**	121,132
Other - net	**(36,527)**	246,827
	37,778	3,035,176

During the quarter ended March 31, 2022, consulting fees of $177,952 (2021 - $148,259) including CEO fees of $39,000 (2021 - $37,500), CFO fees of $17,063 (2021 - $29,100), services fees paid to Numus of $60,750 (2021 - $70,200), $34,500 (2021 - $34,500) paid to the Chief Investment Officer and $19,500 to a Director. In the current quarter, the Company also incurred Directors' fees of $31,875 (2021 - $20,245) and D&O insurance of $7,966 (2021 - $7,068). In December 2021, the Company increased its Board from four to five Directors. In the quarter ended December 31, 2021, the Company incurred professional fees of $11,474 (2021 - $33,023). In the comparable quarter, the Company incurred certain due diligence professional fees associated with one of its new ventures.

In the first quarter of 2022, the Company incurred stock exchange and maintenance fees of $4,176 (2021 - $8,621). In the current quarter, the Company incurred administration costs of $25,226 (2021 - $26,675). These administration costs include rent of $5,100 in each of the comparable quarters and a foreign currency loss of $756 (2021 - $3,394). In the current quarter the Company also incurred market subscription service fees of $8,448 (2021 - $15,199) for a Bloomberg terminal and a FactSet research subscription.

The Company is amortizing the fair value of its stock options, estimated using the Black-Scholes option pricing model based on the assumptions as previously outlined, over the corresponding vesting period. As a result, stock-based compensation of $4,196 has been recorded for first quarter of 2022 as compared to $19,935 in the first quarter 2021. 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. In the comparable quarter, the Company also recorded stock-based compensation of $224,000 representing the cost of 200,000 restricted share units granted to Directors, Officers and other staff during the first quarter of 2021.

In the current quarter, the Company has recorded a recovery of deferred income taxes of $390,000. In the comparable quarter the Company recorded current income taxes of $320,000 and a deferred tax provision of $550,000.

Liquidity and Capital Resources

As at:	March 31, 2022 $	December 31, 2021 $	December 31, 2020 $
Cash	**264,781**	459,132	2,483,562
Investments at fair market value	**25,784,798**	28,688,920	25,922,129
Total assets	**26,443,647**	29,479,071	28,347,808
Total current liabilities	**533,456**	496,874	1,200,522
Deferred income taxes	**1,230,000**	1,620,000	1,650,000
Shareholders' Equity	**24,680,191**	27,372,197	25,497,286

The Company has working capital as at March 31, 2022, of $25,910,191 (December 31, 2021 – $28,982,197) and a cash balance of $264,781 (December 31, 2021 – $459,132). The Company funds its operations through and the proceeds on sale of its investments and equity financings, if necessary.

During the quarter ended March 31, 2022, the Company received proceeds on the sale of investments of $1.9 million including $1.0 million of the sale investments in its Cleantech Investment Portfolio. The Company also incurred costs of $1.8 million on the acquisition of investments including $1.0 million in acquisition of Other Securities.

During the year ended December 31, 2021, the Company received proceeds on the sale of investments of $12.1 million including $1.0 million of the sale of Good Natured Products shares, $1.4 million on the sale of WILD shares, $0.7 million on the sale of EFL shares, $0.7 million on the sale of E3 Metals shares, $0.5 million on the sale of Cerrado Gold shares, $0.5 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.

In 2021, the Company incurred investment acquisition costs of $11.8 million including $1.7 million for shares of EFL, $0.9 million for shares of Greenlane Renewable, $0.6 million for shares of WILD, $0.8 million for shares of Braille Energy, $0.9 million for shares of ALY, $1.0 million for shares of Good Natured Products shares, $1.0 million for shares of TGD, $0.6 million for shares of Pond Technology and $0.6 million on shares of E3 Metals.

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 March 31, 2022, the Company has 24,231,667 issued and outstanding common shares. As at May 19, 2022, after the issuance of 197,500 common shares on the vesting of restricted shares units, the Company has 24,429,167 issued and outstanding common shares. As at March 31, 2022, the Company has 1,360,000 outstanding stock options. As at May 19, 2022, after the issuance of 125,000 options, the Company has 1,485,000 outstanding share purchase options.

Transactions with Related Parties

During the quarters ended March 31, 2022, and 2021, the Company entered the following transactions with related parties:

- paid Director fees of $31,875 (2021 - $20,245) to Directors or companies controlled by Directors;
- paid fees to its President and CEO, Wade Dawe, in the amount of $39,000 (2021 - $37,500);
- paid fees to its Chief Investment Officer, Scott Gardner, in the amount of $34,500 (2021 - $34,500);
- paid consulting fees to a Director, Carl Sheppard, in the amount of $19,500 (2021 – $0);
- paid fees to its CFO, Rob Randall, in the amount of $17,063 (2021 - $29,100); and
- paid service fees, rent and other fees of $81,150 (2021 - $90,600) 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, 2021.

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 Company. The risks consist of:
Risks of Competition **-** The Company will face competition from other capital providers, all of which compete with it for investment opportunities. These competitors may limit the Company's opportunities to acquire interests in investments that are attractive to the Company. The Company may invest otherwise than following its Investment Policy and strategy to meet its investment objectives. If the Company 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 Company and the Common Shares **-** The net asset value of the Company and market value of the common shares will fluctuate with changes in the market value of the Company's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of companies whose securities are part of the Company's Investment Portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Company. There can be no assurance that shareholders will realize any gains from their investment in the Company and they may lose their entire investment.

Due Diligence **-** The due diligence process undertaken by the Company 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 Company 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 Company 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 Company 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 Company will be unable to dispose of illiquid securities held in its portfolio. If the Company 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 Company 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 Company.

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

Dividends **-** To date, the Company has not paid dividends on any of its common shares and the Company 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 Company's earnings, financial requirements and other conditions.

Currency Risk **-** Some of the Company's assets may be invested in foreign securities. Consequently, the Canadian dollar equivalent of the Company'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 Company may invest in sectors that are very sensitive to the fluctuations of commodity prices.

Foreign Investment Risks **-** Foreign investments made by the Company 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 Company may invest are influenced by the issuing company's outlook, market activity and regional, national and international economic conditions. When the economy is expanding, the outlook for many companies 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 companies 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 company, 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 company's or related groups of companies. 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 Company and the value of the securities in its Investment Portfolio.

Private Company Risks **-** Investments in private companies 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 Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private companies may offer high potential returns but will also be subject to a relatively high degree of risk. The process of valuing investments in private company's 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 Company 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 Company 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 Company's operations expand, additional general management resources will be required. The Company may not be able to attract and retain additional qualified personnel and this would have a negative effect on the Company's operations. The Company 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.