Torrent Capital Ltd.
Management Discussion and Analysis
Quarter ended March 31, 2023

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated May 18, 2023 and provides an analysis of the financial operating results for the quarters ended March 31, 2023 and March 31, 2022. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended March 31 2023, 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, 2022, 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 outlooks 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 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 perceived 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 may also provide 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 a public and private basis with the objective to maximize returns while managing 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 or advisory or management consulting engagements 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 long-term investments. The Company reserves the right to increase or decrease its position in any investment at any time. 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 the current value of Torrent's Investment Portfolio.
- 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.
- 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 consider the investment to potentially be of sufficiently material benefit the Company and its shareholders.

Investment Portfolio

The Company initiated and maintains positions in WildBrain Ltd. (TSX: WILD), kneat.com, inc. (TSXV: KSI), The Game Day (Private - "TGD"), Electrovaya Inc. (TSX: EFL), AnalytixInsight Inc. (TSXV: ALY), as well as investments in a number of other public and private companies. Other investments include Cleantech and Resource Investment Portfolios and a joint venture with the Port of Argentia to develop its Port infrastructure and other related business opportunities.

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 Numus Financial Inc., a Venture Capital firm, 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 streaming platforms. Through its subsidiary, WildBrain Spark, WILD operates one of the largest networks of children's channels on YouTube with over 245 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 moved its focus to a distribution model centered on online streaming instead of the more traditional television distribution model. WILD has content and distribution deals with the world's largest streaming companies including: Apple, Comcast, Netflix, NBCUniversal and CBS All Access. Its partnership with SEGA producing a "Sonic the Hedgehog" series for Netflix highlights the company's creative pipeline and content monetization strategy as WILD shares production, distribution, and licencing revenues generated. Transactions of this nature illustrate the current market value and quality of WILD's catalog, the growth potential of its streaming business and show that the company is making good on its promise to realize the full value of its assets.

Within WildBrain Spark, WILD is able to capitalize on its large digital audience on YouTube and other Advertising-Based Video on Demand ("AVOD") platforms to monetize its content and grow awareness for its brands. The company has direct ad sales to agencies and advertisers offering ad placement on its kid-safe and curated content. Furthermore, data analytics provides insight to determine what content kids like to watch and present new revenue opportunities. The company has the potential to create more in demand content, grow its network with third-party brands and partnerships, and build durable revenue streams with consumer products.

Torrent believes that WILD's strategic shift towards a 360° approach to its intellectual property ("IP") catalogue has moved the business towards a higher margin, higher free cash flow model and should continue to impress the market with improved revenue and profitability as it makes additional deals to monetize its deep content catalogue. The company trades at a discount to both the inherent value of its assets and its peer group, despite its much-improved business prospects. Torrent expects WILD to perform well when broad market weakness abates. The company continues to strike attractive content deals, the Spark division has seen renewed growth and its debt profile has improved after posting consecutive quarters of enhanced profitability.

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 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 previously 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 62 contracted customers and its pipeline continues to accelerate. The top 20 largest pharmaceutical companies in the World make up the majority of KSI's consumer base. Notably, 8 of the top 10 largest pharmaceutical companies are KSI clients. KSI is unable to mention their clients by name, however, analysts have speculated that the roster includes industry titans like Pfizer, GSK, Johnson & Johnson and 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, shows the confidence the market has in KSI's software platform.

KSI has an enterprise value of $195 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 sustainable during various economic cycles given the business-critical nature of its 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's betting platform is focused on the NFL, NBA, MLB and NCAA. It offers both odds and expert picks as well as direct access to the major affiliated sportsbooks. The company also recently launched its offering aimed at the online casino and betting space.

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.

The platform's original content and social distribution network is designed to make the betting experience more accessible and entertaining while informing potential sports bettors as they make wager 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's three primary business segments are affiliate, sponsorship, and syndication:

- The affiliate business integrates its content with sport book, casino, and daily fantasy sports betting companies 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.

Since the company's launch in 2020, TGD has built one of the largest digital sports & sports betting audiences in North American registering over 100 million social media impressions a month across all platforms. 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 and increasing 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 ("MHEVs"). 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 MHEVs and other electric transportation applications. Its main business is the sale of lithium-ion batteries to power MHEVs 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. It has robust IP and established relationships with top-tier clients, which gives it a substantial competitive advantage. EFL’s OEM partner, Raymond, has done extensive research indicating that the company’s lithium-ion batteries are the best on the market for cycle life, safety, and value. Torrent sees embedded optionality from the company’s development of a solid-state battery in its Electrovaya Labs Division. The company’s solid-state battery has been in development for years and has the potential to be a disruptive technology in various EV segments.

AnalytixInsight (“ALY”)

ALY 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 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.

Additionally, 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. Euclides designs and implements AI enhanced workforce optimization solutions for large global enterprises in the Field Service Management (“FSM”) industry. Euclides’ 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 $25 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. After years of developing its products and securing key partnerships, ALY is aiming to monetize its offerings, which should drive revenue growth and profitability going forward.

Cleantech Investment Portfolio (six public companies, excluding EFL)

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. Furthermore, there has been a shift in consumer attitudes in favor of those companies promoting cleantech principles. Sentiment towards cleantech companies has been bolstered by improving economics for key technologies and exciting innovation at the company level.

Investment flows into the cleantech space continue at a steady pace as illustrated in Bloomberg's "Energy Transition and Investment Trends 2022" report. The report is Bloomberg's accounting of global investment in low-carbon energy transition and global climate-tech. The report includes a wide range of sectors including renewables, energy storage, electric vehicles, hydrogen, nuclear, sustainable materials, and carbon capture. In 2021, global investment in energy transition totaled US$755 billion, up from US$595 billion in 2020 and just US$264 billion in 2011. The report indicated that to get on track for global net zero policy initiatives, energy transition investment needs to total US$2 trillion annually between 2022 and 2025, which is close to three times the amount allocated to the sector last year.

This influx of investment capital will drive significant innovation in the cleantech sector, leading to new and exciting technologies. More importantly, increased investment will reduce the cost of capital and fund advancements in productivity, which will drive down the costs of existing technologies and enhance adoption. These forces create fertile ground for early-stage investment opportunities offering risk capital the potential for sizeable returns.

Torrent has been capitalizing on the increasing investment flows into the cleantech 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. Torrent avoids those names that pitch unproven technology and have 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.

The Inflation Reduction Act of 2022 ("IRA") indicates that the long-term prospects for the cleantech sector remain bright. The IRA is a landmark tax, climate, and healthcare bill to the tune of US$437 billion. The bill was heavily tilted towards addressing climate change, with the Democrats calling it the largest ever investment by the US Government towards the effort. The bill allows roughly US$374 billion in spending towards climate and renewable energy projects, with notable accommodations for solar and electric vehicles. Apart from the obvious benefit of investment dollars flowing into the sector, the bill has served to bolster confidence in the market that global policy makers remain committed to fighting climate change, regardless of current economic malaise.

Resource Investment Portfolio (nine 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 and a stretched global supply chain – all contributing to solid commodity demand and inflationary pressures. Furthermore, global commodity supplies remain tight, after years of under investment in exploration and development. Whether it is oil, copper or gold, these sectors are emerging from a prolonged period of weakness, which has led to a dearth of near-term supply. It will take years for supply to catch up to elevated demand, which is bullish for a broad range of commodities.

Against this backdrop, resource stocks, and in particular gold stocks, should outperform. Inflation is pushing levels not seen in a generation, real rates remain in negative territory, and elevated energy and agricultural commodity prices will need to be tackled before inflation pressures abate. Additionally, with mounting geopolitical risks and uncertainty surrounding the global economy, gold stocks become relatively attractive given their properties as a safe haven investment. During times of economic uncertainty, especially those defined by elevated inflation and credit concerns, gold stocks tend to do well given the long long-term value of their "hard" assets and relatively modest valuations.

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.

In addition, we have exposure to energy services companies given depressed sentiment towards that segment of the market. 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 LNG as the West aims to bolster its energy security considering mounting geopolitical risks.

Joint Venture – Argentia Capital Inc. ("ACI")

Torrent and the Port of Argentia Inc. have established a joint venture company, ACI, to develop the Port of Argentia (the "Port") infrastructure and related business opportunities. The new joint venture company will be focused on the construction of port infrastructure, the provision of services and equity ownership in businesses that support aquaculture, renewable energy, and the oil and gas sectors, as well as other Port developments.

The Port, located in Placentia Bay, Newfoundland, is in the middle of a transformation to become a hub for innovation across multiple sustainable industries. Over the next five years, the Port is expected to host new investment from renewable energy companies establishing facilities to produce wind energy, hydrogen, and ammonia, as well as staging for offshore wind farm construction projects throughout North America. Other promising areas for growth include subsea pipe fabrication, container service expansion, aquaculture support services and facilities for critical mineral processing.

Torrent's joint venture to develop Port infrastructure will provide significant growth and value creation for shareholders, the local communities and the wider region of Newfoundland and Labrador. The Port is currently the host site for North America's first and only monopile marshalling yard for U.S. offshore wind projects, the location for a proposed Renewable Energy Hub and the construction site for offshore oil and gas activity. These multi-year projects have the potential to drive long-term value for ACI from multiple revenue streams over time.

The ACI Board of Directors is comprised of business person and former Premier of Newfoundland and Labrador Dwight Ball, the Port CEO Scott Penney, Torrent Director Carl Sheppard and Torrent President & CEO Wade Dawe.

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 $1,694,382 or $0.07 per share as compared to an unrealized loss on investments of $2,851,115 or $0.12 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, 2023, and the market value as at December 31, 2022, are summarized as follows:

	Shares \#	Cost of Investment $	Market Value March 31, 2023 $	Unrealized Gain / (Loss) Quarter ended March 31, 2023 $	Market Value Dec. 31, 2022 $
WildBrain Ltd.	2,090,000	3,312,443	5,016,000	(1,581,555)[a]	6,676,800
kneat.com, inc.	1,702,943	1,813,892	4,427,652	(119,206)[a]	4,546,858
The Game Day	11,250	953,550	2,302,200	-	2,302,200
Electrovaya Inc.	1,753,800	2,018,333	1,847,614	85,983	2,050,800
AnalytixInsight Inc.	2,485,000	1,596,273	646,100	(223,650)	869,750
Other Securities		3,886,018	3,339,597	175,462	2,555,378
Resource Investment Portfolio		1,868,635	1,299,643	(404,475)	1,698,738
Cleantech Investment Portfolio		1,156,993	603,261	373,059	892,532
		16,606,137	**19,482,067**	**(1,694,382)**	**21,593,056**

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

Torrent Capital's Net Asset Value ("NAV") decreased from $21.4 million ($0.85 per share) to $19.6 million ($0.785 per share) during the first quarter of 2023, representing a decrease of 7.6%.

The NAV of the fund fell 7.6% during the first quarter, whereas the S&P/TSX Small Cap Index rose 3.7% and the S&P SmallCap 600 Index was up 2.2%.

Small cap stocks in general continue to underperform as the market grapples with a spike in inflation and elevated interest rates, which has crimped investor risk appetites. The maxim "don't fight the Fed" would be a fitting summation of the past year, with the US Federal Reserve raising its short-term policy rate from 0.25% to 5.25% at the time of writing. The rate of change of the policy rate, or the momentum of the rate changes over a one-year period, has been the highest since the 1970's. Although the absolute value of the Fed Funds Rate and interest rates in general are important, the speed at which they adjust can have a greater impact on the market. This is especially true in today's environment, where you have highly levered institutions and consumers who had become accustomed to cheap and abundant credit for decades. The prospect of this bullish phenomenon unwinding at such a rapid and unexpected pace creates a significant amount of uncertainty and tends to expose imbalances in the financial system.

These feared imbalances have bubbled to the surface in 2023. The global banking system has been under immense pressure this year as many banks were caught flat footed by the rapid rise in short-term interest rates.

These banks borrowed aggressively at the short end of the curve and invested in longer dated securities which were largely unhedged. As rates rose, the mark-to-market value of their assets fell, weakening their capital position and fueling concerns that many banks were insolvent. As a result, depositors have been rapidly pulling funds from the banking system. This kicked off with the collapse of Silicon Valley Bank, Signature Bank, forced the sale of 166 year-old Credit Suisse, and most recently, the failure of First Republic Bank. To put the magnitude of the problem in perspective, Silicon Valley Bank, Signature Bank and First Republic Bank had more combined assets than the 25 US banks that collapsed during the 2008 financial crash.

The situation remains uncertain and will continue to fuel volatility in the equity markets. On one hand, it never pays to bet on the doomsday scenario, which sellers in early 2009 know all too well. US policy makers have hinted that they are willing to insure all customer deposits, regardless of whether they are FDIC insured or not. Such commitments will likely stave off any additional bank runs and coupled with the likelihood of a Fed rate pause, would be favorable for the market. On the other hand, the precariousness of poor banking fundamentals cannot be ignored, especially given sticky inflationary pressures. Stubbornly high inflation could trigger an overshoot in policy rates which will only exacerbate the banking crisis. Furthermore, even if the banking crisis abates, credit conditions are due to tighten raising both the cost of capital and access to it which, in turn, creates its own issues in a highly levered system.

Considering these pressures, we do not see the foundation for a healthy small cap stock market yet, but we are seeing light at the end of the tunnel as the rate cycle is due to turn. Furthermore, small cap stocks have fallen significantly since topping out in late 2021 after the COVID-19 rally, with peak-to-trough corrections in line with other major market selloffs. In fact, many stocks are trading at similarly low values witnessed back during the Pandemic lows of March 2020 despite significant additional value being created since that time. Many have either captured market share, de-risked technology, improved products and services, scaled their offerings and/or have greatly improved balance sheets. These value creations have been largely ignored in the current market malaise. Many growth-related investments, such as those in the SaaS, fintech, cleantech and ecommerce sectors, currently trade at EV/Revenue multiples of 1x to 3x vs. historically trading north of 6x. This is a steep discount given that many of these companies are now EBITDA positive or on the cusp of being so.

Torrent sees opportunities in select commodity related investments. Despite a bullish physical commodity market as defined by an OPEC supported oil price, elevated precious metals and industrial metals prices, the underlying equities have yet to reflect the strong operating environment. For example, oil producers and energy services companies trade at low multiples despite achieving record profits and having excellent go forward visibility. Gold stocks are mispriced in relation to a gold bullion price that is approaching all-time highs. Many quality mid-tier gold stocks are now very well capitalized and are generating a significant amount of free cash flow, with some names having free cash flow yields of 20%. Furthermore, gold exploration and development companies are trading at a massive discount to the value of in-situ gold ounces despite the elevated gold price and value creation as they prove up more ounces and de-risk their projects.

Torrent continues to focus on adding to core positions that have overcorrected against a weak macro environment. We have a bias towards those companies that are well-run, have significant insider ownership, are well capitalized, and continue to execute on what we deem as novel and rigid business models. We continue to the look for companies that meet these characteristics in the following sectors: fintech, software as a service, cloud solutions, cyber security, energy metals, digital media, sports media, energy infrastructure, battery metals, renewable energy and battery technology, to name a few.

WildBrain Ltd.– Unrealized loss on investment of $1,581,555 in the current quarter, reversing previously recorded unrealized gains. Realized gain on investment of $49,217 for the quarter.

WILD's stock price fell 23.1% during the first quarter, whereas the Bloomberg Entertainment Streaming Peer Group rose by 19.7%. On a one-year trailing basis, WILD is down 27.9% and the peer group has fallen 39.7%.

WILD recently reported FQ2 2023 results, which were relatively upbeat considering a shaky global economy. Revenue came in at $140.5 million, which fell 8.3% year over year ("YoY"). The company's content Production and Distribution segment reported revenues of $56.1 million, down 8% YoY, due to the timing of distribution deals. Consumer Products revenue also fell 8% to $57.4 million. WildBrain Spark revenue decreased 11% YoY to $16.1 million. Meanwhile, adjusted EBITDA was $26 million, decreasing 4.8% YoY. Management reaffirmed its fiscal 2023 guidance for revenue of approximately $550 million and adjusted EBITDA of approximately $100 million. Their confidence in meeting their numbers is bolstered by an expected pick up in content production and distribution revenues, which should benefit from a strong second half of 2023 as delayed projects cross the line.

WILD continues to execute on its 360° approach to its IP catalogue by activating content and growing key brands. The company signed a multi-year deal to produce *Caillou* content with steaming platform Peacock and a global agreement with Netflix for a refreshed version of *Teletubbies*. These partnerships are on the back of other attractive distribution deals with Hulu, BBC, and Amazon as well as a robust production pipeline for Sonic Prime and Peanuts content. While its Content and Distribution segment continues to do well, the macro environment does create a degree of uncertainty for both the WildBrain Spark and Consumer Products divisions. These businesses are inherently more cyclical given their exposure to ad revenue and retail spending, which leads to variability in results in the short-term.

Torrent believes that the market has discounted a moderate economic contraction. WILD currently trades at 1.8x EV/FY2023 Revenue and 9.0x 2023 EBITDA, with both multiples at multi-year lows and at a steep discount to its peers. Torrent sees upside 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. We also believe that any macro weakness would likely coincide with a more favorable interest rate environment. This would benefit WILD via reduced debt servicing costs and reduce the company's credit risk profile in the market.

kneat.com, inc.– Unrealized loss on the investment of $119,206 in the current quarter, reversing previously recorded unrealized gains.

KSI's share price was down 2.6% during the first quarter whereas the S&P/TSX Small Cap Index rose 3.7%.

The company recently reported fourth quarter and full year 2022 results which illustrated accelerating momentum for its Kneat Gx platform. Total revenues increased to $16.5 million during the fourth quarter, up 16% YoY, beating analyst estimates on better-than-expected SaaS revenue growth. Total revenue for the year of $23.7 million reflects 52.9% growth YoY and SaaS revenue of $23.7 million reflects 95.1% growth YoY. The company's gross profit for the year was $14.7 million which reflects 58.1% growth YoY. Annual recurring revenue stands at $24.2 million, up 85.2% YoY. The ARR bookings were broad based and tied to expansion within KSI's top tiered base and new client additions. The company continues to scale its deep client base achieving a net client retention ratio of 158%.

During the quarter, Kneat announced a three-year Master Service Agreement ("MSA") with Fresenius Kabi, a large global healthcare company, with initial deployment across five sites expected to begin in Q2. This customer adds to a series of new client additions that took place in 2022, including: (1) a fortune 500 healthcare customer with 40,000 employees; (2) 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; (3) a leading Canadian generics pharmaceutical manufacturer with over 7,000 employees in over 45 countries selected

KSI's e-validation platform; (4) 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 (5) a European national healthcare system with over 110,000 employees across over 15 health boards and bodies selected KSI's e-validation platform. The company has secured a network of top-tier pharmaceutical, biotechnology, and consumer packaged goods companies with large worldwide operations and sound fundamentals.

KSI is well funded to capitalize on its organic growth plans which include scaling across existing clients and onboarding new customers. The company continues to execute and has strong visibility going forward given its top-tier product, installed client base and growing ARR. These strong fundamentals, coupled with a recent graduation to the Toronto Stock Exchange, should lead to a heighted degree of interest from institutional investors.

The Game Day

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 in Q4 2022 at US$155.04, representing a 132.5% increase.

TGD reported full year 2022 results during the first quarter, which continue to track very well against aggressive targets for an early-stage business. The company's ambition to build a market-leading Direct to Consumer ("D2C") sports betting brand was evidenced throughout the year by a number of notable company milestones including two major industry award nominations -SBC and Hashtag Sports- for being one of the top 40 fastest growing startups in New York (www.growjo.com) in April and signing its first national content deal with a major US sports league in June.

Various performance metrics came in strong during the year, which was the company's first full year of commercial activity. Gross revenue for 2022 was $4.9 million, with $4 million coming from affiliate revenue in sports book, casino, and daily fantasy sports. A streamlining of the business mid-year, coupled with solid topline growth, made the company EBITDA positive in the fourth quarter. In terms of media reach, The Game Day logged 1.8 billion social media impressions in 2022, up from 559 million in 2021, an increase of 222% YoY. Furthermore, TGD passed 2.1 million social followers, logged 600 million video views, and saw its website traffic grow 670% YoY. The company now ranks 1st in the market as measured by growth in average views per video, beating out many of the more established brands.

Company management provided revenue guidance of $10 million for 2023 based on its enhanced brand and operational achievements. TGD's search performance - a marked increase in "high value" site traffic and a significant increase in its customer conversion ratio - place the company in a strong commercial position with a wide range of operators. Additionally, given the shift to operational profit, the company is now well positioned to execute on its product roadmap which will focus on areas such as site retention, engagement, traffic generation, and building both community and premium content features. The company also sees a material boost in activity as a raft of new states opening legal sports betting in 2023, such as Ohio in January.

Torrent expects TGD to see ongoing revenue growth in 2023 as TGD hits its stride. Its efficient cost structure should drive positive cash flow for the year which affords the company a significant degree of flexibility as it bolsters its brand and captures market share. Sales growth will be driven by an increasing number of US states legalizing sports betting, higher affiliate and sponsorship fees, and growth from the company's foray into casino related betting. Furthermore, as TGD continues to scale and enhance its position in the digital sports media market, we envision a ramp in brand sponsorship and syndication revenues.

Electrovaya Inc. Unrealized gain on investment of $85,983 in the current quarter and a realized gain of $18,575 for the quarter.

EFL's stock rose 4.0% during the first quarter, compared to the WilderHill Clean Energy Index, which increased by 5.8%. Over the past year, EFL was up 6.5%, whereas the WilderHill Clean Energy Index dropped 37.7%.

EFL reported FQ1 2023 results during the quarter, which points to why the company is a significant outperformer in the cleantech sector. Revenue for the quarter was $10.7 million compared to $1.7 million in the fiscal first quarter of 2022. The company's adjusted EBITDA margin improved from negative 117.8% in FQ1 2022, to a deficit of 7.7% during FQ1 2022. We are not aware of any other publicly traded North American small cap companies in the cleantech sector that can grow top line at that pace with such a minor loss.

The company announced that it is in late-stage discussions with two U.S.-based government-owned lending institutions to finance a significant portion of the first phase of the Gigafactory. The Company is planning to set up operations at a 137,000 square foot plant on a 52-acre campus near Jamestown, NY. The Gigafactory will be in a former electronics manufacturing facility. This U.S. site will be in addition to Electrovaya's two operating sites in Canada and it is expected to open in phases starting in 2023.

Additionally, EFL announced that it received a first battery purchase order through its OEM sales channel for a new Fortune 100 client. This Fortune 100 retailer has nearly 2000 retail outlets in the USA with many distribution centers. The Electrovaya batteries will be used to power Materials Handling Electric Vehicles ("MHEVs") for a distribution center application in the United States. Deliveries will be made in FY 2023. This represents Electrovaya's first order from this Fortune 100 retailer and illustrates ongoing business momentum.

The company anticipates revenue of $56.8 million for the fiscal year ending September 30, 2023, a 150% YoY increase over FY 2022. The revenue is anticipated to be generated primarily from sales of material handling battery systems. The revenue forecast takes into consideration the Company's existing purchase order backlog, anticipated pipeline from existing customers and additional demand from its OEM Strategic Supply Agreement ("OEM"), which includes a clause that specifies a minimum order amount of $15 million to maintain exclusivity.

With an enterprise value of $160 million, Torrent believes EFL represents a compelling investment opportunity with significant upside when market pressures abate. The company's lithium-ion 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. Plans for the new Gigafactory in New York indicates the company expects recent growth trends to continue. Furthermore, news flow associated with the company's expansion plans in the US and its plans to list on Nasdaq should create significant interest from US-based investors.

AnalytixInsight– Unrealized loss on investment of $223,650 in the current quarter.

ALY's stock price was down 25.7% during the first quarter as the company remains in turnaround mode.

AnalytixInsight recently reported year end 2022 results and provided a general corporate update, in which we saw some positive developments.

ALY announced that Natalie Hirsch has been appointed Chief Operating Officer and will start on May 1st. Natalie was formerly Vice President of Operations for Coinsquare Ltd., one of Canada's largest crypto trading platforms. She is an experienced leader in operations management, cross-functional software implementation, broker dealer regulatory requirements, client onboarding, and crypto trading. We believe that Ms. Hirsch will play a pivotal role for the company where she will be focused on monetizing various business lines and driving the design and implementation of key products to improve company execution; where frankly, the company has been lacking.

Additionally, the MarketWall license agreement with Intesa Sanpaolo increased consideration payable by Intesa Sanpaolo from 1.2 million to 4 million euros annually. This brings MarketWall to profitability and shows an ongoing commitment from Intesa Sanpaolo to work with the company as it rolls out additional fintech offerings.

Furthermore, the company launched Morningstar Global Market, an innovative enterprise research and market data platform targeted for institutional users and marketed by Morningstar. Morningstar Global Market is web hosted enterprise software platform, where users can access a wide range of investment related data and content. With traditional investment platforms, such as Bloomberg and Eikon, reaching exorbitant price points, there is a tremendous opportunity for a streamlined and cost efficient platform to capture market share.

Lastly, ALY announced that InvestoPro SIM, the subsidiary of its affiliate MarketWall, has executed a Memorandum of Understanding ("MOU") with Samsung Electronics Italia S.p.A. to profile the InvestoPro digital trading platform to Samsung users in Italy. Subsequently, ALY plans expanded European distribution in Spain, Germany, France, and the UK. In conjunction with the MOU, InvestoPro is preparing to launch a new trading platform version specifically designed for Samsung devices with no fixed costs, competitive trading fees, and news reports tailored for Samsung users. The InvestoPro app will carry financial news, quotes, and content on global markets and will be available on Samsung televisions and several other Samsung consumer products.

While general market weakness has undoubtably pressured ALY shares in the recent past, the company's operational performance has remained mixed. While the company has done well at initiating partnerships with many established brands like Samsung, Banca Intesa, Morningstar and Refinitiv, to name a few, it has done a poor job monetizing these relationships and maximizing their value.

The good news is that Torrent continues to believe that the company trades at a discount to the sum of its parts. Revamping their strategy to focus on monetization, execution and accountability should unlock a significant benefit to shareholders. The company currently has a market cap of $25 million, which is meager in relation to the quality of its business-critical products, revenue profile across its divisions and strategic partnerships. Torrent believes the company should explore strategic options that may include an expansion into North American markets, additional managerial talent, and a reorganization of the business that better reflects its value proposition and streamlines its reporting.

Resource Investment Portfolio (nine public companies) – Unrealized loss on investment of $404,475 in the current quarter.

Physical commodities, as measured by the Bloomberg Commodity Index, were down 6.5% during the third quarter. Resource stocks, as measured by the S&P NA Natural Resources Index, were flat during same period.

Resource stocks have been doing comparatively well in relation to the broad market over the past year as investors rotated from growth orientated equities to value plays. During times of economic uncertainty, resource stocks, which have tangible assets, near term revenues and low multiples, often outperform growth sectors that have become overbought on excessive optimism. Furthermore, this cycle has been dominated by inflation, driven in large part by elevated energy prices, which has made resource stocks attractive as an inflation hedge.

Our resource portfolio was hurt by its focus towards small cap stocks. Smaller companies underperform when the risk appetite in the broad market abates. Furthermore, small cap resource stocks are generally earlier stage exploration and development stories, which are overlooked during times of uncertainty to the benefit of the producers that have near term profitability and strong balance sheets. Torrent believes that this underperformance will prove temporary as elevated commodity prices and the corresponding jump in inflation highlight the need for additional capital investment in exploration and development to boost supply.

Torrent continues to maintain an allocation to energy services companies given that they trade at a discount to their earnings power despite strong revenue, profitability growth, market leading cash flow generation and go forward visibility. Torrent believes it is only a matter of time before the larger E&P companies commit to drilling additional reserves to increase oil production in light of high oil prices. Should reserve expansion be delayed longer than expected, it will ultimately place upward pressure on the oil price as new supply lags relatively inelastic demand. A higher oil price will have shareholders demanding increased production (value maximization) as opposed to paying out dividends initiating buybacks, which has been the trend of late.

Gold stocks have also become increasingly attractive as gold bullion has been well bid. Inflation remains at historically high levels and policy makers have pushed short-term interest rates to levels not seen in decades. Both factors were not properly discounted by the market, which has created imbalances in the global financial system. The banking crisis playing out in 2023 is case and point, as many banks were caught off guard, resulting in a mismatch between their long-dated assets and short-term liabilities. Systemic risks in the banking system and an increasingly dovish Fed should drive gold higher. Gold stocks are very cheap, despite gold approaching all-time highs. The exploration and development companies trade at a steep discount to ounces in the ground and the producers have never had healthier balance sheets and cash flows.

In addition, we continue to allocate funds to energy metal development companies and special situations like uranium stocks. Although these segments have underperformed as of late, they are supported by solid long-term drivers. Energy metals are underpinned by strong secular demand and uranium investments will benefit from renewed interest in nuclear energy as a viable alternative to boost global energy supply and security.

Cleantech Investment Portfolio (six public companies excluding EFL) – Unrealized gain on investments of $373,059 in the current quarter.

The cleantech sector rebounded slightly during the first quarter after a rough year. The WilderHill Clean Energy Index increased 5.8% during the first quarter, while dropping 37.6% YoY.

Cleantech related investments have been under pressure as the massive rally associated with President Biden's election and COVID-19 stimulus continued to unwind. Many segments of the stock market benefited from generous government stimulus packages during the Pandemic, but the cleantech sector was a prime recipient of heighted investment flows. Naturally, this fast money found its way into over speculative names and drove the valuations of many companies to unsustainable levels.

The sector benefited from the Inflation Reduction Act of 2022 ("IRA") which passed in August of last year. The IRA is a landmark tax, climate, and healthcare bill to with an investment total of roughly US$433 billion. The IRA was heavily tilted towards addressing climate change, allocating roughly US$369 billion in spending towards climate and renewable energy projects, with notable accommodations for solar power and electric vehicles. The optimism surrounding the passing of the IRA proved short lived, as the cleantech stocks sell-off allowed market pressures to overpower this favorable bill.

Although the selloff in the cleantech space has weighed on our positions, it will ultimately lead to a healthier and more efficient market when conditions normalize. The euphoria of the last run was widespread, meaning that fast capital was chasing ESG related investments regardless of their quality. Moving forward, retail and institutional investors alike will have a higher bar for investment, which we think will enhance innovation in the long run. Under the principle of creative destruction, weaker companies will fail to exist, to the benefit those companies with legitimate technology and a tangible value prosper. Torrent believes that our focus towards cleantech companies with rigid IP, revenue growth, earnings visibility, proven management teams, and the ability to raise institutional capital will benefit from a shift to quality moving forward.

Selected Quarterly Financial Information

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

For the quarter ended	March 31, 2023 $	Dec. 31, 2022 $	Sept. 30, 2022 $	June 30, 2022 $	March 31, 2022 $	Dec. 31, 2021 $	Sept. 30, 2021 $	June 30, 2021 $
Realized gain (loss) on Investments	**(145,127)**	195,146	66,267	23,171	**37,778**	(460,752)	581,878	319,135
Unrealized gain (loss) on marketable securities	**(1,694,382)**	2,562,593	(1,227,990)	(5,132,780)	**(2,851,115)**	(1,171,231)	1,250,388	(3,921,467)
Equity loss form joint venture	**(33,651)**	(64,660)	-	-	**-**	-	-	-
Interest income	**4,676**	3,695	-	-	**-**	-	-	-
Operating expenses	**(272,951)**	(292,090)	(209,519)	(417,780)	**(262,865)**	(598,736)	(229,100)	(232,846)
Net income (loss) before taxes	**(2,141,435)**	2,404,684	(1,371,242)	(5,527,389)	**(3,076,202)**	(2,230,719)	1,603,166	(3,835,178)
Current income tax (expense)	**100,000**	62,144	47,856	190,000	**-**	260,000	(20,000)	20,000
Deferred income tax (expense)	**250,000**	(380,000)	170,000	680,000	**390,000**	180,000	(150,000)	550,000
Net income (loss)	**1,791,435**	2,086,828	(1,153,386)	(4,657,389)	**(2,686,202)**	(1,790,719)	1,433,166	(3,265,179)
Net (loss) income per share	**0.07**	0.08	(0.05)	(0.19)	**(0.11)**	(0.07)	0.06	(0.14)
Cash	**282,071**	263,923	298,829	446,378	**264,781**	459,132	706,423	125,895
Investments at fair market value	**19,482,067**	21,593,056	19,201,174	20,258,336	**25,784,798**	28,688,920	30,333,115	29,521,695
Investment in joint venture	**131,534**	160,685	72,345	-	**-**	-	-	-
Total assets	**20,381,949**	22,377,980	19,801,872	21,364,924	**26,443,647**	29,479,071	31,130,421	29,747,695
Total current liabilities	**243,486**	249,262	172,851	436,305	**533,456**	496,874	183,269	389,892
Deferred income taxes	**510,000**	760,000	380,000	550,000	**1,230,000**	1,620,000	1,800,000	1,650,000
Shareholders' equity	**19,628,463**	21,368,718	19,249,021	20,378,869	**24,680,191**	27,362,197	29,147,152	27,708,004

Results of Operations for the Quarters ended March 31, 2023, and 2022

For the quarter ended March 31, 2023, the Company reported net loss of $1,791,435 or $0.07 per share as compared to a net loss of $2,686,202 or $0.11 per share in the comparable quarter. The current quarter's results include an unrealized loss on marketable securities of $1,694,382 or $0.07 per share as compared to an unrealized loss of $2,851,115 or $0.12 per share in the comparable quarter.

During the quarter ended March 31, 2023, the Company recorded unrealized losses of $1.6 million on its investment in WILD, $0.1 million on its investment in KSI, $0.2 million on its investment in ALY and $0.4 million on its Resource Portfolio. The Company also recorded unrealized gains of $0.1 million on its investment in EFL, $0.4 million on its Cleantech Portfolio and $0.2 million on Other Securities. (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 losses on its Investment Portfolio of $145,127 as compared to realized net gains of $37,778 in the comparable quarter. These realized net gains and losses on its Investment Portfolio are summarized as follows:

	Three months ended March 31, 2023 $	Three months ended March 31, 2022 $
Canaccord Genuity	**108,487**	**-**
WildBrain	**49,217**	**73,875**
Anaergia	**47,774**	**-**
Pond Technology	**(61,014)**	**-**
Kova Healthtech	**(74,652)**	**-**
Braille Energy	**(235,764)**	**-**
Ceylon Graphite Corp.	**-**	**96,498**
E3 Metals Corp.	**-**	**95,860**
Very Good Food	**-**	**(191,928)**
Other - net	**20,825**	**(36,527)**
	(145,127)	**37,778**

During the quarter ended March 31, 2023, consulting fees of $113,700 (2022 - $177,952) including CEO fees of $39,000 (2022 - $39,000), CFO fees of $15,450 (2022 - $17,063), $34,500 (2022 - $34,500) paid to the Chief Investment Officer and $19,500 to a Director in the comparable quarter. The Company also incurred service fees paid to Numus Financial Inc. ("Numus") of $24,750 (2022 - $24,750). In the comparable quarter the Company also incurred approximately $40,000 in salaries.

In the current quarter, the Company also incurred Directors' fees of $29,625 (2022 - $31,875) and D&O insurance of $8,250 (2022 – $7,966). In the quarter ended March 31, 2023, the Company incurred professional fees of $32,911 (2022 - $11,474). In the current quarter, the Company incurred increased professional fees associated with its annual audit. In the first quarter of 2023, the Company incurred stock exchange and maintenance fees of $4,093 (2022 - $4,176) and administration costs of $33,192 (2022 - $25,226). The Company initiated a monthly fee of $5,000 with Numus for digital media services in mid 2022. These administration costs also include rent of $5,100 in each of the comparable quarters and a foreign currency loss of $299 (2022 - $756).

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 74%, an expected life of five years based on the contractual term of the options, a risk-free rate of 3.2% with no expected dividend yield. The estimated fair value of the options granted during the year ended December 31, 2022 is $166,660. The fair value of options granted is amortized over the vesting period of the respective options with $73,379 expensed during the year ended December 31, 2022, and $46,805 has been expensed in the current quarter. In late 2022, the Company issued 25,000 restricted share units with an estimated fair value of $17,500 which is being amortized over the vesting period. As a result, $2,916 was expensed in the year ended December 31, 2022, and $4,375 has been expensed in the current period. In the comparable quarter, the Company recognized a final amount of $4,196 of stock-based compensation for options granted in 2020.

In the current quarter, the Company recognized its 50% equity loss of $33,651 from the ACI joint venture. In the final quarter of 2022, the Company recognized its 50% share of the start-up loss in the amount of $64,660 and capitalized certain consulting costs of $14,040 to the ACI joint venture. In the final quarter of 2022, the Company also advanced $150,000 to ACI and recorded interest revenue of $4,500 in the current quarter and $3,000 in the final quarter of 2022. Subsequent to March 31, 2023, the Company advanced an additional $100,000. The loans have an annual interest rate of 12%.

In the current quarter, the Company recorded recoveries of deferred income taxes of $250,000 and current income taxes of $100,000. In the comparable quarter, the Company recorded a deferred tax recovery of $390,000.

Liquidity and Capital Resources

As at:	March 31, 2023 $	December 31, 2022 $	December 31, 2021 $
Cash	**282,071**	263,923	459,132
Investments at fair market value	**19,482,067**	21,593,056	28,688,920
Investment in joint venture	**131,534**	160,685	-
Total assets	**20,381,949**	22,377,980	29,479,071
Total current liabilities	**243,486**	249,262	496,874
Deferred income taxes	**510,000**	760,000	1,620,000
Shareholders' Equity	**19,628,463**	21,368,718	27,362,197

The Company has working capital as of March 31, 2023, of $21,968,033 (December 31, 2022 – $21,968,033) and a cash balance of $282,071 (December 31, 2022 – $263,923). The Company funds its operations through the proceeds on sale of its investments and equity financings, if necessary.

During the quarter ended March 31, 2023, the Company received proceeds on the sale of investments of $1.5 million including $0.4 million on the sale of Canaccord Genuity shares, $0.3 million on the sale of shares of EFL, $0.4 million on the sale of investments in its Cleantech Portfolio and $0.5 million on the sale of investments within Other Securities. The Company also incurred costs of $1.2 million on the acquisition of investments including $1.0 million on its acquisition of investments within Other Securities.

During the year ended December 31, 2022, the Company received proceeds on the sale of investments of $5.1 million including $1.8 million on the sale investments in its Cleantech Portfolio, $1.5 million on the sale of investments in its Resource Portfolio, $0.3 million on sale of Wildbrain shares and $0.8 million on the sale of its investment in Resolute Health. The Company also incurred costs of $4.4 million on the acquisition of investments including $1.6 million on its acquisition of investments in its Resource Portfolio, $1.0 million on its acquisition of investments in its Cleantech Portfolio, $0.4 million for share of ZOOMD Technologies and $0.3 million for shares of Carbon Streaming.

The Company 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, 2023 and May 18, 2023, the Company has 25,004,167 outstanding common shares, 975,000 outstanding stock options and 25,000 restricted share units which vest in October 2023.

Transactions with Related Parties

During the quarters ended March 31, 2023, and 2022, the Company entered the following transactions with related parties:

- paid Director fees of $29,625 (2022 - $31,875) to Directors or companies controlled by Directors;
- paid fees to President and CEO, Wade Dawe, in the amount of $39,000 (2022 - $39,000);
- paid fees to Chief Investment Officer, Scott Gardner, in the amount of $34,500 (2022 - $34,500);
- paid fees to CFO, Rob Randall, in the amount of $15,450 (2022 - $17,063);
- paid consulting fees to a Director, Carl Sheppard, of nil in the current quarter (2022 – $19,500); and
- paid service fees, rent and other fees of $44,850 (2022 - $29,850) 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, 2022.

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 - In March 2020, the World Health Organization declared the outbreak of the coronavirus, also known as "COVID-19". The pandemic spread across the globe and has impacting worldwide economic activity. Conditions surrounding the coronavirus continue to evolve. Other than increasing volatility in security prices, COVID-19 and the various government responses have had a limited impact on the Company since the beginning of the pandemic.

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.