Torrent Capital Ltd.
Management Discussion and Analysis
Quarter ended June 30, 2022

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated August 23, 2022, and provides an analysis of the financial operating results for the quarters ended June 30, 2022 and June 30, 2021. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended June 30, 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 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 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.

- o 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 consider the investment is to 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), The Game Day (Private - "TGD"), Electrovaya Inc. (TSX: EFL), AnalytixInsight Inc. (TSXV: ALY), and Cleantech and Resources Investment Portfolios, 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 had been a serial underperformer since topping out in 2015 after making untimely and expensive acquisitions that resulted in a sizeable debt overhang, weak revenue growth, significant share dilution 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 share price has subsequently outperformed as the revamped management team has restored confidence in the market by executing on key initiatives, generating strong free cash flow and reducing its debt burden. 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 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 intellectual property ("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 62 contracted customers and its pipeline continues to accelerate. Within its customer base, Kneat counts 8 of the top 10, and the majority of the top 20, largest pharmaceutical companies in the World. KSI is unable to mention their clients by name, however, analysts have speculated that the roster includes 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 $230 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. Recently announced second quarter highlights included quarterly revenue increased 76% to $5.5 million and SaaS revenue grew 126% to $3.9 million over the comparable quarter. SaaS ARR was $15.2 million at June 30, 2022, an increase of 108% from $7.3 million at June 30, 2021. Torrent believes that the company's value proposition is rigid 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 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 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 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 American registering over 300 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 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")

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's personal devices and smart TVs in Europe.

- o 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.

- o 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 $32 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 entering a phase of growth which should see the company enjoy a rerating in the market.

Cleantech Investment Portfolio (eight public companies)

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

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 $755 billion, up from $595 billion in 2020 and just $264 billion in 2011. The report indicated that to get on track for global net zero policy initiatives, energy transition investment needs to total $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 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 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.

After quarter end, ESG investments received a shot in the arm from the US Government. The Senate has passed a landmark tax, climate, and healthcare bill to the tune of $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 $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 restore confidence in 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 (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 elevated energy and agricultural commodity prices will need to be tackled before price pressures abate. Additionally, with mounting geopolitical risks, uncertainty surrounding the global economy and long-term elevated valuations in the large cap 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.

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.

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 $5,132,780 or $0.21 per share as compared to an unrealized loss on marketable securities of $3,921,468 or $0.16 per share in the comparable quarter. The year-to-date income includes an unrealized loss on investments of $7,983,895 or

$0.33 per share as compared to an unrealized loss on marketable securities of $378,577 or $0.02 per share in the comparable period. The Company's investment activity and fair value of the changes in the unrealized gains and losses as at June 30, 2022, and the market value as at December 31, 2021, are summarized as follows:

	Shares #	Cost of Investment $	Market Value June 30, 2022 $	Unrealized Gain / (Loss) Quarter ended June 30, 2022 $	Unrealized Gain / (Loss) Year to date June 30, 2022 $	Market Value Dec. 31, 2021 $
WildBrain Ltd.	2,201,000	3,488,367	5,414,460	(1,914,870)[a]	(2,229,329)[a]	7,705,600
kneat.com, inc.	1,702,943	1,813,892	4,427,652	(1,362,354)[a]	(2,316,002)[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	1,687,520	(274,222)	(274,222)	1,961,742
AnalytixInsight Inc.	2,350,000	1,547,686	775,500	(470,000)	(1,096,783)	1,736,400
Cleantech Investment Portfolio		1,578,624	747,071	(306,880)	(718,969)	2,707,200
Resource Investment Portfolio		2,033,197	2,249,684	(388,043)	(575,043)	1,939,459
Other securities		3,227,818	2,654,249	(416,411)	(773,547)	3,592,665
		17,019,106	**20,258,336**	**(5,132,780)**	**(7,983,895)**	**28,688,920**

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

Torrent Capital's Net Asset Value ("NAV") decreased from $24.7 million ($1.02 per share) to $20.4 million ($0.82 per share) during the second quarter of 2022, representing a decrease of 17.5%.

The Investment Portfolio remained under pressure during the second quarter as it fell in sympathy with the Canadian small cap equity market. The NAV of the fund fell 17.5% during the second quarter, whereas the S&P TSX Small Cap Index fell 20.8%.

Returns of this nature are not what any investment manager hopes to achieve – to the contrary. That said, as a primarily long fund, with concentrated positions in early-stage growth companies, there will be periods like the one Torrent experienced during the period. When risk appetites wane, liquidity dries up, and regardless of the quality of the names owned, the small cap space takes a drubbing. Fortunately, or unfortunately, we have all been here before. Prior cycles have taught us that if you are positioned properly and stick to your knitting, the smoke will clear and the returns coming out the other side should prove substantial.

This begs the question, "when will the smoke clear?" As investors with a heavy bottom-up focus, Torrent could hide behind the standard line that short term gyrations in the market are irrelevant to us. There is some validity to that, but at the same time, there is always a top-down element to any given investment view. Periods of such acute economic uncertainty and market volatility can often shake out new opportunities.

The number one issue facing the stock market at the present time is the generational spike in inflation, the implication it has on interest rates and the far-reaching impact higher rates will have on numerous sectors and industries. At the time of writing, the equity market is experiencing a rally as core inflation in the US came in "soft", which has the market believing inflation has peaked and the Fed can pull back on its hawkish stance. If only it were that easy.

The "soft" CPI print was 8.5% year-over-year ("YoY") in July, compared to expectations of 8.7% YoY and a prior month print of 9.1% YoY. Slicing the difference in those readings is extremely short sighted and misses the big picture. If one looks at a long-term chart, an inflation rate of 8.5% is literally "off the charts." We are nowhere close to knowing the implications of this for the global economy and a long way from the

Fed raising rates to a level that will bring inflation to their stated goal of 2.0% YoY. Very simply, to illustrate where rates could go, the last time CPI was at ~9.0% was in the late 1970's, and the Fed Funds rate at that time was 14.0% (now 2.5%) and the 5yr Treasury Yield was 10.3% (now 2.9%). Should rates rise to only a fraction of those levels, it would be crippling for the global economy and would likely cause a systemic event given the current levels of debt in the system.

This highlights the conundrum the Fed is in. It needs to aggressively raise rates because inflation is crippling the consumer with higher debt servicing costs, falling housing values, rising rent, lower real wages, and significant spikes in the cost of living, especially as it pertains to energy and food costs. On the other hand, if they raise rates too quickly, they risk causing a protracted recession.

The Feds job is that much more difficult because it can be argued that government officials have yet to address the problem of inflation in a sober fashion. Rather, they continue to obscure the root causes of the problem and enact the same policies that created the environment we are in. Case in point, if one dissects the recently passed "Inflation Reduction Act of 2022", it is quickly recognized that both the title and its stated goals are duplicitous at best. Although smaller than the original draft, the bill promotes the same policies that helped stoke high inflation i.e., increased spending, expanded social programs, higher taxation, climate subsidies on the demand side, increased regulation, and additional restrictions on legacy energy producers.

Many small cap companies of this nature appear to have discounted prolonged economic weakness and are trading at values witnessed during the Pandemic lows of March 2020 even though many have created a significant degree of value during this period. 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 largely ignored in the current soft market. Many of our preferred names and those on our watchlist are trading at discounted valuations, with EV/Revenue multiples hovering at 2.0x, when they typically trade at an average north of 5.0x.

Torrent has focused on adding to some of our core positions during market weakness and establishing positions in 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 see additional opportunities in various segments of the market, including: 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. ("WILD") – Unrealized loss on investment of $1,914,870 in the current quarter and an unrealized loss of $2,229,329 year to date, reversing previously recorded unrealized gains. Realized gain on investment of $73,875 year to date.

WILD's stock price was down 26.1% during the second quarter, compared to the Bloomberg Entertainment Streaming Peer Group which fell 37.1%.

Streaming and entertainment companies have had a rough 2022, driven by broad market weakness in high growth segments of the market, multiple contraction and increased competition for content which has driven up costs and crimped margins. Many high-profile names in the sector have seen sharp share price declines year-to-date, with Netflix, Disney and Lions Gate, falling 71.0%, 39.1% and 44.1%, respectively.

When a given segment of the market falls off at such a clip, it is standard for similar names to fall off in sympathy, regardless of any positive developments. In terms of WILD, this has been the case, as market weakness has masked the company's continued execution on key initiatives and its impressive turnaround in operating performance.

WILD reported FQ3 2022 results during the second quarter that surprised to the upside and beat expectations by a wide margin. Revenue came in at $129.5 million, up 26.7% YoY, compared to consensus estimates of $126 million. Meanwhile, adjusted EBITDA was $30.2 million, up 75.2% YoY, handsomely beating analyst estimates of $25.2 million. The strong performance was driven in large part by its content production and distribution division which saw revenues grow by 61.2% YoY. Distribution revenues continue to be buoyed by attractive licencing and distribution deals, most recently with HBO Max, Amazon Prime and the BBC. In addition, the company saw its net debt-to-EBITDA margin fall to 4.3x, which is on pace to beat its target of 4.5x by fiscal year end.

These results indicate that WILD's initiative to employ a 360° approach to its IP catalogue is 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 has 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. Historically, the Strawberry Shortcake franchise generated $4 billion dollars in revenue 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 currently trades at 2.1x EV/FY2023 Revenue and 10.1x 2023 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 $1,362,354 in the current quarter and an unrealized loss of $2,316,002 year to date, reversing previously recorded unrealized gains.

KSI's stock price was down 22.1% during the second quarter, compared to the S&P/TSX Small Cap Index, which fell 21.0%. The Bloomberg Application Software Peer Group was down 24.8% during the same period.

The company recently reported second quarter 2022 results, which illustrate accelerating momentum for its Kneat Gx platform. Total revenue of $5.5 million reflects 76% growth YoY and SaaS revenue of $3.9 million reflects 126% growth YoY. Annual recurring revenue stands at $16.3 million, up 104% YoY. The company's gross margin surprised to the upside driven by increased licence sales with existing clients. This improved margin, balanced against moderate OPEX growth, resulted in an adjusted EBITDA close to breakeven losing only $100k for the quarter.

Year-to-date, KSI has announced four exciting client adds: (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.

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

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 – the cost of acquiring players. Online sportsbooks face a hyper competitive market, where well-known operators like DraftKings, PENN Entertainment and FOX Bet, pay $500-$1,000 to attract each first-time player. In addition to these affiliate fees, sports betting companies spend a significant amount on digital advertising and brand sponsorships to attract players. 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 Q2 update to shareholders indicates that it continues to scale and execute on its key initiatives. Revenues for the quarter were US$780k, ahead of forecasts, and up sizably on an annual basis given the company was pre-revenue at this time last year. TGD continues to expand its social footprint, averaging 190+ million monthly social impressions and 9+ million monthly engagements. Additionally, the company increased its number of sportsbook partners to 23 in 10 different States and posted a healthy CPA lifetime conversion of 8.3%. The company indicated that it aims to maintain its high growth model while making modest cuts in marketing, content, web and human resources in order to reach breakeven status before year end.

Torrent expects TGD to see continued growth in 2022 and believes revenues could rise significantly. 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 recent 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. These accelerated revenues are balanced against what Torrent believes is a very efficient cost structure, as illustrated by TGD's goal to reach breakeven status before the end of the year.

Electrovaya Inc. ("EFL") Unrealized loss on investment of $274,222 in the current quarter and year to date.

EFL's stock price was down 13.0% during the second quarter, compared to the WilderHill Clean Energy Index, which fell 31.4%.

Electrovaya's share price continued to fall in sympathy with broad based weakness in the cleantech sector during the second quarter. Selling in the space has been indiscriminate, with quality companies falling alongside speculative plays. Torrent deems EFL a quality company in that it has proven technology, growing revenues, a near term profitability window and the ability to execute regardless of market conditions.

EFL's FQ2 2022 results serve to demonstrate its standout fundamentals. 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's order book suggests that this positive momentum is set to continue. Following Q2, EFL announced a US$11 million battery purchase order by a leading Fortune 100 company to power its MHEVs. This is the largest order in the company's history and EFL has now received more than US$40 million in battery orders to date in 2022. This same fortune 100 company issued two purchase orders early in the year and the aggregate value of orders made by this customer exceeds US$16 million.

The company made some significant management changes during the second quarter. Dr. Raj Gupta has been appointed CEO, replacing Dr. Das Gupta, who will take up the role of Executive Chairman. Furthermore, John Gibson has been appointed CFO, replacing Richard Halka who was in the role for many years. We believe this is a net positive given the quality background of the appointees and the likelihood that they will reinvigorate the EFL story. With Dr. Das Gupta, Electrovaya's co-founder, remaining on as Executive Chairman, the company will continue to benefit from his stewardship and significant experience.

With an enterprise value of $90 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 path to profitability.

AnalytixInsight ("ALY") – Unrealized loss on investment of $470,000 in the current quarter and an unrealized loss of $1,096,783 year to date.

ALY's share price fell by 37.7% during the second quarter as compared to the ARK Fintech Innovation ETF which dropped 46.7%.

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 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 two 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.

ALY has a $36 million 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 $14 million. Torrent 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 $306,880 in the current quarter and an unrealized loss of $718,969 year to date.

The performance of Torrent's cleantech holdings were mixed in Q2 as the ESG sector has remained under pressure. The selling has been pronounced, with the WilderHill Clean Energy Index dropping 30.8% in the second quarter and falling 36.2% year to date.

Cleantech related investments have been under pressure after being overbought during the stimulus driven COVID-19 rally. 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 quality companies to unsustainable levels.

Furthermore, inflation has reached levels not seen in a generation which threatens to significantly reduce liquidity in the system as interest rates rise and push the global economy into recession. Energy costs have jumped, crimping consumers and businesses alike, putting pressure on politicians to divert funds from long tailed projects in the cleantech space, back towards traditional modes of energy production. The prospect of falling liquidity and reduced government subsidies towards the cleantech sector, has caused sentiment and stock prices to wane.

Within the cleantech sector, we continue to 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.

Resource Investment Portfolio (nine public companies) – Unrealized loss on investment of $388,043 in the current quarter and an unrealized loss of $575,043 year to date.

Recent weakness in the commodity complex has been driven by demand destruction concerns as the global economy cools. Global policy makers have been raising short term rates to combat runaway inflation. The global economy has benefited from falling interest rates, along with generous monetary and fiscal policies, for decades. The potential reversal of these secular trends, and a sharp pivot in the other direction, has the market concerned that the global economy is on the cusp of protracted slump.

The supply side of the oil market is stretched, after years of underinvestment in exploration and development and related infrastructure, particularly in the US. Energy supply disruptions due to the Russia/Ukraine conflict has exacerbated supply side pressures and highlighted the need to renew western energy independence. Government officials have yet to seriously address the underlying factors fueling the energy crisis, so prices will remain elevated until they do. Given that energy costs represent ~40% of production costs for other commodities, metal and agricultural commodity prices will remain elevated due to this cost push phenomenon.

Apart from energy cost push, commodities and resource related equities are well supported by record low negative real rates, historic levels of inflation, energy metal demand, and the safe haven properties associated with hard assets during times of market turmoil. Furthermore, when broad market weakness subsides, this will alleviate demand destruction concerns and likely coincide with a falling US dollar, which has benefited from a flight to safety. These dynamics all suggest the strong market in commodities and resource stocks has yet to run its course.

Within the investment portfolio, we continue to focus on energy metals which should benefit from secular demand trends and limited supply. The recently passed Inflation Reduction Act in the US highlights the global commitment to fight climate change and promote the use of renewable energy and electric vehicles. These industries require staggering amounts of strategic metals and lithium to meet aggressive production schedules.

We are also investing in the energy services sector because we believe that government officials are recognizing that it will take time for renewable energy sources to fully replace fossil fuels. There will be mounting political pressure in the US to invest in traditional energy production and related infrastructure to bring down inflation. This will be a major issue heading into the 2024 US presidential election and it will attract investment flows into the sector.

Selected Financial Information

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

For the quarter ended	June 30, 2022 $	Mar 31, 2022 $	Dec 31, 2021 $	Sept 30, 2021 $	June 30, 2021 $	Mar 31, 2021 $	Dec 31, 2020 $	Sept 30, 2020 $
Realized gain (loss) on Investments	**23,171**	37,778	(460,752)	581,878	**319,135**	3,035,176	1,933,377	3,685,507
Unrealized gain (loss) on marketable securities	**(5,132,780)**	(2,851,115)	(1,171,231)	1,250,388	**(3,921,467)**	3,542,891	2,452,405	3,033,004
Operating expenses	**(417,780)**	(262,865)	(598,736)	(229,100)	**(232,846)**	(487,826)	(1,051,658)	(203,981)
Net income (loss) before taxes	**(5,527,389)**	(3,076,202)	(2,230,719)	1,603,166	**(3,835,178)**	6,090,241	3,334,124	6,514,530
Current income tax (expense)	**190,000**	-	260,000	(20,000)	**20,000**	(320,000)	20,000	(380,000)
Deferred income tax (expense)	**680,000**	390,000	180,000	(150,000)	**550,000**	(550,000)	(380,000)	(1,270,000)
Net income (loss)	**(4,657,389)**	(2,686,202)	(1,790,719)	1,433,166	**(3,265,179)**	5,220,241	2,974,124	4,864,530
Net (loss) income per share	**(0.19)**	(0.11)	(0.07)	0.06	**(0.14)**	0.22	0.12	0.20
Cash	**446,378**	264,781	459,132	706,423	**125,895**	893,906	2,483,562	1,769,432
Investments at fair market value	**20,258,336**	25,784,798	28,688,920	30,333,115	**29,521,695**	33,781,615	25,822,129	22,426,285
Total assets	**21,364,924**	26,443,647	29,479,071	31,130,421	**29,747,695**	34,731,147	28,347,808	24,231,341
Total current liabilities	**436,305**	533,456	496,874	183,269	**389,892**	1,793,685	1,200,522	477,278
Deferred income taxes	**550,000**	1,230,000	1,620,000	1,800,000	**1,650,000**	2,200,000	1,650,000	1,270,000
Shareholders' equity	**20,378,869**	24,680,191	27,362,197	29,147,152	**27,708,004**	30,737,147	25,497,286	22,484,063

Results of Operations for the Quarters ended June 30, 2022 and 2021

The Company reported net loss for the quarter ended June 30, 2022 of $4,657,389 or $0.19 per share as compared to a net loss of $3,265,179 or $0.14 per share in the comparable quarter. The current quarter's results include an unrealized loss on marketable securities of $5,132,780 or $0.21 per share as compared to an unrealized loss of $3,921,467 or $0.16 per share in the comparable quarter.

During the quarter ended June 30, 2022, the Company recorded reversals of the unrealized gains of $1.9 million on its investment in WILD and $1.4 million on its investment in KSI. The Company recorded unrealized losses of $0.3 million on its investment in EFL and $0.5 million on its investment in ALY. The

Company also recorded an unrealized loss of $0.3 million on its Cleantech portfolio, an unrealized loss of $0.4 million on its Resource Investment portfolio and an unrealized loss of $0.4 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.

During the quarter ended June 30, 2021, the Company recorded an unrealized gain of $0.75 million on its investment in NXT Energy Solutions, unrealized losses of $1.0 million on its investment in EFL, $0.45 million on its investment in ALY, $1.3 million on its Cleantech portfolio and $1.2 million on its Resource Portfolio and an unrealized loss of $0.3 million on other securities. The majority of the 2021 second quarter losses represented reversals of previously recorded unrealized gains.

In the current quarter, the Company realized a net gain on its Investment Portfolio of $23,171 as compared to net realized gains of $319,135 in the comparable quarter. These realized net gains and losses on the Investment Portfolio are summarized as follows:

	Three months ended June 30, 2022	**Three months ended June 30, 2021**
	$	**$**
Resolute Health	**219,646**	**-**
E3 Lithium	**73,036**	-
Clear Blue Technology	**(189,594)**	-
Pond Technologies	**(86,847)**	-
Kuya Silver	**-**	265,077
WildBrain	**-**	116,425
Electrovaya	**-**	53,537
Pop Reach	**-**	(78,644)
Other - net	**6,930**	(37,260)
	23,171	319,135

During the quarter ended June 30, 2022, consulting fees of $140,853 (2021 - $148,940) include CEO fees of $39,000 (2021 - $37,500), CFO fees of $25,050 (2021 - $28,389), service fees paid to Numus Financial Inc. ("Numus") of $24,750 (2021 - $24,750), $34,500 (2021 - $34,500) paid to the Chief Investment Officer and $13,000 to a Director. In the current quarter, the Company incurred Directors' fees of $29,625 as compared to $19,303 in the comparable quarter. In December 2021, the Company increased its Board from four to five Directors. The Company also incurred D&O insurance fees of $8,250 (2021 - $7,480). In the quarter ended June 30, 2022, the Company incurred professional fees of $24,565 (2021 - $12,593). In the current quarter the Company recorded some additional professional fees for audit and tax services.

In the quarter ended June 30, 2022, the Company incurred stock exchange and maintenance fees of $11,004 (2021 - $8,360) and administration costs of $17,052 (2021 - $19,349). The Company incurred market subscription service fees of $14,000 for a Bloomberg terminal and a Fact Set Research subscription in each of the current and comparable quarters. The Company recorded a foreign exchange gain of $2,236 (2021 – loss of $1,670) on its US currency balances. The Company also incurred rent and related costs of $5,100 in each of these periods.

The Company has recorded $167,875 of stock-based compensation representing the cost of 197,500 restricted share units granted to Directors, Officers and a consultant during period. In May 2022, the Company also granted 125,000 stock options, with an exercise price of $0.95 to Directors and a consultant of the Company. 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 73%, an expected life of five years based on the contractual term of the options, a risk-free rate of 2.73% with no expected dividend yield. The options will vest at a rate of 50% on each of the six and 12-month anniversaries of the grant date. Based on the Black-Scholes model and the assumptions outlined, the estimated fair value of the stock option grants is $62,769, which is being amortized over the corresponding one-year vesting period. In the current quarter the Company has recorded $15,692 (2021 - $11,721).

In the current quarter, the Company has recorded a recovery of deferred income taxes of $680,000 (2021 - $550,000) and a recovery of current income taxes of $190,000 (2021 - $20,000).

Results of Operations for the six months ended June 30, 2022, and 2021

For the six months ended June 30, 2022, the Company reported net loss of $7,343,591 or $0.30 per share as compared to net income of $1,955,062 or $0.08 per share in the comparable period. The current period's results include an unrealized loss on marketable securities of $7,983,895 or $0.33 per share as compared to an unrealized loss of $378,577 or $0.02 per share in the comparable period.
During the six months ended June 30, 2022, the Company recorded reversals of the unrealized gains of $2.2 million on its investment in WILD and $2.3 million on its investment in KSI. The Company recorded unrealized losses of $0.3 million on its investment in EFL and a $1.1 million on its investment in ALY. The Company also recorded an unrealized losses of $0.7 million on its Cleantech portfolio, an unrealized loss of $0.6 million on its Resource Investment portfolio and an unrealized loss of $0.8 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 period, the Company realized a net gain on its Investment Portfolio of $60,949 as compared to net realized gains of $3,354,311 in the comparable period. These realized net gains and losses on the Investment Portfolio are summarized as follows:

	Six months ended June 30, 2022 $	**Six months ended June 30, 2021 $**
Resolute Health	**219,646**	**-**
WildBrain	**73,875**	292,892
Ceylon Graphite Corp.	**96,498**	-
E3 Lithium	**168,896**	-
Kuya Silver	**38,655**	281,334
Clear Blue Technologies	**(229,897)**	
Very Good Food	**(191,928)**	-
Pond Tech	**(86,847)**	
Sona Nanotech Inc.	**(45,590)**	240,418
Braille Energy	**-**	983,142
Greenlane Renewables Inc.	**-**	662,341
Mustgrow Biologics	**-**	257,188
Perimeter Medical Imaging	**-**	245,913
Electrovaya	**-**	130,228
kneat.com	-	124,240
Other - net	**17,641**	136,615
	60,949	3,354,311

During the six months ended June 30, 2022, consulting fees of $318,805 (2021 - $297,199) include CEO fees of $78,000 (2021 - $75,000), CFO fees of $42,112 (2021 - $57,488), service fees paid to Numus of $49,500 (2021 - $49,500), $69,000 (2021 - $69,000) paid to the Chief Investment Officer and $32,500 to a Director. In the first two quarters of 2022, the Company incurred Directors' fees of $61,500 (2021 - $39,548). In December 2021, the Company increased its Board from four to five Directors. The Company also incurred D&O insurance fees of $16,216 (2021 - $14,548). Professional fees of $36,039 were incurred in the first six months of 2022 as compared to $45,616 in the first six months of 2021 when the Company incurred certain due diligence professional fees associated with one of its new ventures.

The stock exchange and maintenance fees of $15,180 in the first half of 2022 compared to $16,981 in the first half of 2021. These amounts include the cost of the Company's AGM which is held in June of each year. In the six months ended June 30, 2022, the Company incurred administration costs of $34,442 (2021 - $40,924). The Company incurred market subscription service fees of $28,000 for a Bloomberg terminal and a Fact Set Research subscription in each of the current and comparable periods. The Company recorded a foreign exchange gain of $1,480 (2021 – loss of $5,064) on its US currency balances. The Company incurred rent and related costs of $10,200 in each of these periods.

In the six months ended June 30, 2022, the Company also recorded stock-based compensation of $167,875 (2021 - $224,000) representing the cost of 197,500 (2021 - 200,000) restricted share units granted to Directors, Officers and others during the first half of the years. The Company is also amortizing the fair value of its stock options over the corresponding vesting period based on the assumptions as outlined above. As a result, stock-based compensation of $19,888 was recorded in the six months ended June 30, 2022 as compared to $31,656 in the comparable period.

In the current period, the Company has recorded a recovery of deferred income taxes of $1,070,000 and a recovery of current income taxes of $190,000. In the comparable period, the Company has recorded a provision for current income taxes of $300,000.

Liquidity and Capital Resources

As at:	**June 30, 2022 $**	**December 31, 2021 $**	**December 31, 2020 $**
Cash	**446,378**	459,132	2,483,562
Investments at fair market value	**20,258,336**	28,688,920	25,922,129
Total assets	**21,364,924**	29,479,071	28,347,808
Total current liabilities	**436,055**	496,874	1,200,522
Deferred income taxes	**550,000**	1,620,000	1,650,000
Shareholders' Equity	**20,378,869**	27,372,197	25,497,286

The Company has working capital as at June 30, 2022, of $20,928,869 (December 31, 2021 – $28,982,197) and a cash balance of $446,378 (December 31, 2021 – $459,132). The Company funds its operations through the proceeds on sale of its investments and equity financings, if necessary.

During the six months ended June 30, 2022, the Company received proceeds on the sale of investments of $3.4 million including $1.5 million on the sale investments in its Cleantech Investment Portfolio and $0.8 million on the sale of its investment in Resolute Health. The Company also incurred costs of $2.9 million on the acquisition of investments including $1.3 million on its acquisition of investments in its resource portfolio.

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 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 June 30, 2022 and August 23, 2022, the Company has 25,004,167 issued and outstanding common shares and 860,000 outstanding stock options.

Transactions with Related Parties

During the six months ended June 30, 2022, and 2021, the Company entered the following transactions with related parties:

- paid Director fees of $61,500 (2021 - $39,548) to Directors or companies controlled by Directors;
- paid fees to its President and CEO, Wade Dawe, in the amount of $78,000 (2021 - $75,000);
- paid fees to its Chief Investment Officer, Scott Gardner, in the amount of $69,000 (2021 - $69,000);
- paid fees to its CFO, Rob Randall, in the amount of $42,112 (2021 - $57,488);
- paid consulting fees to a Director, Carl Sheppard, in the amount of $32,500 (2021 - $0); and
- paid service fees, rent and other fees of $59,700 (2021 - $59,700) 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.