Torrent Capital Ltd.
Management Discussion and Analysis
Year ended December 31, 2023

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated April 17, 2024 and provides an analysis of the financial operating results for the years ended December 31, 2023 and December 31, 2022. This MD&A should be read in conjunction with the audited annual financial statements and accompanying notes for the years ended December 31, 2023 and December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for 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 Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com under the Company's profile. The common shares of Torrent Capital Ltd. 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 the 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 to 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: ELVA), as well as investments in several other public and private companies. Due to the relative declining value of Torrent's investment in AnalytixInsight Inc. (TSXV: ALY), it has been combined with Other Securities in the Investment Portfolio. Other investments include a Resource Investment Portfolio and a joint venture with Port of Argentia Inc. 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 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 a distribution model centered around 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. Netflix series "Sonic the Hedgehog" was created through a collaborative partnership between WILD and SEGA, which 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 shows the company continues to capitalize on realizing the full value of its assets.

Within WildBrain Spark, WILD is able to take advantage of its large digital audience on YouTube and other Advertising-Based Video on Demand ("AVOD") platforms to monetize its content and raise 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 children 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 approach to its intellectual property ("IP") catalogue has the potential to move the business towards a higher margin, higher free cash flow model and should be well received by the market. The company trades at a discount to both the inherent value of its assets and its peer group, despite its market share in digital entertainment and consumer products geared towards children. Despite share price weakness, the company continues to strike new content deals, the Spark division has seen moderate growth, and its elevated debt load has likely been discounted by the market.

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 notoriously 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. Kneat's target market is dominated by multinational, pharmaceutical, biotech and medical device manufacturers as well as consumer packaged goods companies. The sale 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 roll out in 2014, Kneat Gx has been licenced by some of the world's leading Life Sciences companies and KSI appears to be currently 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 continues to accelerate its pipeline. The top 20 largest pharmaceutical companies in the World make up the majority of KSI's revenue base. Notably, eight of the top ten 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 $310 million, which is modest in relation to its experienced management team, its 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 a multitude of sectors.

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 books, casinos, 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 America registering over 100 million social media impressions a month across all platforms. Torrent expects continued growth for TGD across various key performance indicators. This growth will be driven by momentum in existing revenue streams and engagement, an increasing number of US States legalizing sports betting and higher affiliate and sponsorship fees.

Electrovaya Inc. ("ELVA")

ELVA was founded in 1996 as a research and development company focused on lithium-ion battery technologies and manufacturing processes. In 2000, ELVA listed on the Toronto Stock Exchange and in 2023 it commenced trading on the Nasdaq.

In its early years, ELVA developed key IP related to fundamental cell technologies through to battery systems technologies. More recently, ELVA 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.

ELVA 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, ELVA sells related accessories and systems to support the use of electromotive power products in electric trucks, electric buses, and other transportation applications.

ELVA has a 62,000 square foot battery design and manufacturing facility in Mississauga, Ontario. To date, ELVA 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"). ELVA 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 signed 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 electrifying their entire bus fleets.

Annual demand for lithium-ion batteries is growing at a record pace. ELVA has robust IP and established relationships with top-tier clients, which gives it a competitive advantage. ELVA'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.

Resource Investment Portfolio (ten public companies)

Resource stocks typically outperform during periods of elevated inflation as the underlying commodity prices tend to rise at quicker rates than their cost of production. Higher prices lead to a rerating of a company's reserves, which can drive up the value of their assets. Despite the current market, resource stocks continue to trade at historically low multiples and are ignoring the fact that many companies are generating significant free cash flow and improved balance sheets coming out of the last bear market.

Gold bullion prices recently surpassed all-time highs and we anticipate that commodity prices will continue to strengthen through the course of 2024 as interest rate cuts are anticipated towards the end of the year. In our view, the recent rise in gold price has not yet been reflected in the share price of gold mining companies, we are optimistic that capital will return to this sector over time.

Torrent also remains positive towards commodities exposed to the electrification of the global economy and the increasing demand for electric vehicles. These companies include rare earth and lithium explorers and developers that should enjoy demand growth given they are key components in numerous cleantech applications. This segment of the market should also benefit from the ongoing push by G7 countries to diversify strategic metal supplies away from China, given that country's stranglehold on supply and prices.

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

In September 2022, Torrent and Port of Argentia Inc. ("POA") established a joint venture company, ACI, to develop Port of Argentia (the "Port") infrastructure and related business opportunities. The joint venture is 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 ACI Board of Directors is comprised of businessperson and former Premier of Newfoundland and Labrador Dwight Ball, the Port CEO Scott Penney, Torrent Director Carl Sheppard, and Torrent President & CEO Wade Dawe.

The Port, located in Placentia Bay, Newfoundland, is in the midst of a transformation to become a hub for innovation across multiple sustainable industries. Over the next five years, the Port is expected to engage in a diverse set of investment opportunities including 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.

The 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 monopile marshalling yard for U.S. offshore wind projects, the location for a proposed Renewable Energy Hub and a construction site for offshore oil and gas activity. These multi-year projects have the potential to drive long-term value for ACI and generate multiple revenue streams over time.

Pattern Energy’s Argentia Renewable Project

In June, POA announced that it had reached a binding agreement on commercial terms with Pattern Renewable Holdings Canada 2 ULC ("Pattern Energy") for a planned “renewable energy to green fuels” project at Argentia. Pattern Energy is one of the World's largest privately-owned developers and operators of wind, solar, transmission, and energy storage projects. Its operational portfolio includes 30 renewable energy facilities that use proven, best-in-class technology with an operating capacity of approximately 6,000 MW across North America. Pattern Energy is guided by a long-term commitment to serve customers, protect the environment, and strengthen communities. Key commercial terms include land lease rates at the Port, priority berthing charges, and a wind royalty on electricity sales.

ACI is a signatory to the binding agreement. Negotiated commercial terms will see ACI receiving a royalty calculated as a percentage of gross revenue on sales from ammonia production facilities at rates ranging from 1% - 3.5% depending on the price of ammonia. In addition, ACI has the right to acquire up to a 12.5% limited partner equity interest in the wind, hydrogen and ammonia project, or any other entities established for operating a renewable energy or green fuels production project at the Port of Argentia.

ACI is executing its strategy of working with the Port to capture revenue streams from third party equity and royalty opportunities. Torrent will take the lead in raising the capital necessary for ACI to exercise its co-investment right in the renewables project.

Pattern Energy is planning to develop a renewable energy-to-green fuels project at the Port of Argentia. Feasibility and permitting work for a renewable energy-to-green fuels project at the Port is ongoing. The Project involves the installation of 300 MW of wind power on lands privately owned by Port of Argentia Inc. In addition, a hydrogen / ammonia plant will be located at the Port in close proximity to Port of Argentia’s marine terminal. These facilities will produce hydrogen through an electrolysis of water using renewable wind energy. It will also produce nitrogen by air separation using renewable energy. Ammonia will be created when the hydrogen and nitrogen gases react, and its energy content is a product of the energy used to produce these gases. The Project is expected to produce 400 metric tonnes per day (MTPD) of green ammonia (146,000 tonnes of ammonia per year). Project commissioning is targeted for 2027. Once the Project is operational, the product will be exported by marine vessels to international markets.

Based on the viability of the Project and market conditions, the Project could be scaled up in a second phase to more than 1 gigawatt of renewable energy producing approximately 1,400 MTPD of ammonia.

Recent Industry Agreements with Germany

The recent Canada-Germany Hydrogen and Ammonia Producer-Offtaker Conference in Hamburg, Germany was held in support of the Canada-Germany Energy Partnership and Hydrogen Alliance. That Alliance commits the two countries to collaborate on reducing emissions and transitioning to cleaner fuels and a greener economy through the export of clean Canadian hydrogen to Germany.

During the conference, Canada and Germany announced the signing of a memorandum of understanding (“MOU”) that commits both countries to backing transactions between Canadian hydrogen producers and Germany’s industrial manufacturing and energy distribution sectors. The intent of the MOU is to identify pathways which will enable Canadian hydrogen producers to develop commercial scale projects based on reasonable prices contained in long-term commercially binding offtake agreements with German buyers. The POA and the Hamburg Port Authority signed of a Letter of Intent (“LOI”) to collaborate on the export and import of green hydrogen from Canada to Germany. The POA is looking to host the production of a robust supply chain of green hydrogen derivatives for export to Germany.

Pattern Energy also signed a LOI with Mabanaft, an integrated energy company headquartered in Germany. The LOI outlines both company's mutual interest of exploring the possibility of a partnership between Pattern Energy and Mabanaft for equity investment and green ammonia supply from Pattern Energy's Argentia Renewables project.

Rare Earth Industrial Park

Torrent and the POA are collaborating to establish a rare earth industrial park at the Port. Torrent has retained specialty engineering firm TrajectorE to prepare a rare earth supply chain study. The study is being undertaken with support and financial contributions from the Atlantic Canada Opportunities Agency and Newfoundland and Labrador's Department of Innovation, Energy and Technology. Torrent believes the Port of Argentia is strategically situated with potential to become a processing hub in the capital-intensive rare earth supply chain. Work for the study has commenced and is expected to be completed during the second quarter of 2024.

Unrealized Gain/(Loss) on Marketable Securities

Acquisitions of investments in marketable securities are initially recognized at acquisition cost 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 loss and comprehensive loss as a net change in unrealized gains or losses on investments.

The Company fair market 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 gain on investments of $250,058 or $0.01 per share as compared to an unrealized gain on investments of $2,562,593 or $0.10 per share in the comparable quarter. The annual operating results include an unrealized loss on investments of $3,999,158 or $0.16 per share as compared to an unrealized loss on investments of $6,649,292 or $0.27 per share in the prior year. Each of the current quarter and 2023 annual results include the reversal of unrealized loss of $1.2 million as this loss on the Company's investment in AnalytixInsight was realized.

The Company's investment activity and fair value of the changes in the unrealized gains and losses for the quarter and year ended December 31, 2023, and the market value as at December 31, 2022, are summarized as follows:

	Shares \#	Cost of Investment $	Market Value Dec. 31, 2023 $	Unrealized Gain (Loss) Quarter ended Dec. 31, 2023 $	Unrealized Gain (Loss) Year ended Dec. 31, 2023 $	Market Value Dec. 31, 2022 $
WildBrain Ltd.	2,076,900	3,291,681	2,263,821	(809,991)	(4,312,972)[a]	6,676,800
kneat.com, inc.	1,702,943	1,813,892	5,193,976	17,029	647,118	4,546,858
The Game Day	11,250	953,550	2,302,200	-	-	2,302,200
Electrovaya Inc.	346,000	1,947,934	1,401,300	103,800	(289,932)	2,050,800
Other Securities		3,972,982	2,751,528	1,270,670[b]	1,150,062[b]	4,317,660
Resource Investment Portfolio		2,381,830	1,023,878	(331,450)	(1,193,434)	1,698,738
		14,361,869	**14,936,703**	**250,058**	**(3,999,158)**	**21,593,056**

(a) This includes a reversal of unrealized gains of $3,285,112 recorded in prior periods.

(b) This represents the reversal of an unrealized loss as the loss is realized.

Torrent Capital's Net Asset Value ("NAV") decreased from $16.65 million ($0.67 per share) to $15.67 million ($0.62 per share) during the fourth quarter of 2023, representing a decrease of 6.6% during the fourth quarter, whereas the S&P/TSX Small Cap Index increased by 8.1%.

Small cap stocks in Canada remained under pressure for the bulk of 2023, with a strong year-end rally pushing the TSX/Venture Index mildly into the green with a 2.1% annual gain. The S&P/TSX Venture Composite, however, dominated by early-stage businesses, remained negative for the year, posting a -3.1% return. This muted performance was frustrating for Canadian small cap investors, given that the headline indices, in particular the S&P 500, had a tremendous 2023, tallying a 24.2% gain.

The underperformance of Canadian small cap stocks can be attributed to several factors. Understanding these drivers is key to developing a go-forward view of the broad market and which sectors should outperform.

It is worth noting that there are secular factors that continue to place pressure on Canadian small cap stocks versus their global peers. Failing to do so would run the risk of drawing an incomplete picture. Factors such as changes in investor's risk appetite, Canada's dependence on natural resources, and the cannibalization of risk capital from a very strong Canadian real estate and private equity market, have undoubtedly played a role in the soft market. These factors have sapped liquidity, reduced IPO's and fundraising activity and pinched equity valuations which are close to all-time lows as far as price-to-book, price-to-sales and price-to-EBITDA. Over the past ten years, the S&P Europe Small Cap Index was up 111.4%, whereas the S&P/TSX Small Cap Index rose 8.7% and the TSX Venture Exchange Index fell -44.3%.

A key driver of small cap weakness has been the generational spike in inflation and the corresponding jump in interest rates, which hit early-stage businesses particularly hard. Small cap companies are unable to pass along these higher costs because they are often pre-revenue or have limited pricing power with their end clients. Therefore, rising costs of goods, operational expenses, and a much higher cost of capital, may place significant pressure on these early-stage businesses and their ability to execute their business plans. This dynamic has moderated-to-reversed, as the rate of inflation has slowed and the market is anticipating dovish central bank moves as opposed to further tightening.

From a technical standpoint, the picture is starting to brighten. Trading volumes have improved by a wide margin, which is a bullish signal. While far short of the long-term averages, trading volume of the S&P/TSX Small Cap Index is up 75% from the lows of December 2023. Furthermore, 30% of the stocks in the index are now trading above their 100-day moving average, which often brings in trend buying and suggests improved sentiment. Lastly, the performance of the S&P TSX Small Cap Index to the S&P/TSX Composite Index has shown a steep reversal after years of relative underperformance. This is technically significant as it shows improving risk appetites often coincides with a market bottom, and there is upside for small cap stocks should they play catch up to their large cap counterparts.

Lastly, our positive outlook is bolstered by the health of many early-stage companies in Canada. Although the market has been weak, from a bottom-up standpoint, many companies on our radar have captured market share, de-risked technology, improved products and services, scaled their offerings and/or have vastly improved balance sheets. This value creation has been largely ignored by current market participants. Many growth-related investments, such as those in the SaaS, fintech, cleantech and ecommerce sectors, currently trade at EV/Revenue multiples of 1x to 2x vs. historically trading north of 6x. This is a steep discount given that many of these companies are showing strong revenue growth and are now EBITDA positive or on the cusp of being so.

Torrent is mindful of the divergence between the Canadian and US markets over the past decade, a trend that may persist. Torrent plans to increase exposure to US-based growth equities over time, specifically in new economy sectors. We believe there are opportunities in US small to mid cap equities that have potential to deliver attractive returns on invested capital, and with less risk compared to illiquid small and micro-cap stocks. The increase in exposure to U.S growth equities will improve diversification within our small cap portfolio while maintaining upside potential.

We continue to see opportunities in select commodity related investments. We had been bullish on gold stocks with the assumption that gold bullion should break to new highs when the market began to sniff out the end of short-term interest rate hikes. That segment of the market is quite compelling as gold stocks have been flat for 5 years, despite gold bullion now reaching new all-time highs. Many quality mid-tier gold stocks are now very well capitalized and are generating free cash flow, with some names having free cash flow yields of 20%. Furthermore, gold exploration and development companies are trading at a 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. Many other commodity related investments appear to be oversold as well. 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.

WildBrain Ltd.– Unrealized loss on investment of $809,991 in the current quarter and $4,312,972 in the year, reversing all previously recorded unrealized gains. The Company realized a gain on the sale of the investment of $58,350 during the year.

WILD's stock price fell 65.1% over the course of the year whereas the Bloomberg Entertainment Streaming Peer Group decreased by only 3.7%.

WILD reported full fiscal year 2023 results during the third quarter which demonstrated a modest uptick in both revenue and adjusted EBITDA. Fiscal year 2023 revenue of $532.9 million reflects an increase of 5% over Fiscal Year 2022 revenue of $507.2. The company continues to moderate expenses while supporting growth initiatives. Fiscal Year 2023 adjusted EBITDA was $97.9 million, compared to $88.8 million in the prior year.

Post fiscal year end, WILD issued FY2024 guidance calling for revenue to be down moderately YoY, while adjusted EBITDA is expected to be slightly higher YoY. WILD's FY2024 outlook has been negatively impacted by the 2023 writers' and actors' strike. WILD stated on its call that the strike is expected to have a negative EBITDA impact of $10-15 million, touching its live action and animation businesses. Management stated that F2024 free cash flow is likely to be flat with FY2023.

Management's outlook proved prescient as their guidance was reflected in the company's results for the first fiscal quarter of 2024. Revenues were down 16.7% YoY at $105.5 million. Revenue was soft across the board, with lighter returns in Consumer Products, Content Production and Distribution, as well as TV broadcasting. Adjusted EBITDA was softer than expected, coming in at $18.9 million, which was down 5.1% YoY. The soft EBITDA posting was attributed to the SAG strike and a slowdown in greenlighting of new projects by streamers. 2023 brought several challenges to the media industry that WILD faced head on. The company is now focusing on fewer key brands and is reducing investment across a wide range of titles. Additionally, the company is targeting $100-$300 million in asset sales from its library over the next year to shore up its balance sheet. These efforts to de-leverage and reduce costs are aimed at reducing financial risk and compensating for moderate SG&A inflation. A key aim for the company going forward is to position itself as a partner of choice for IP owners (toys and gaming) given its ability to build brands across its divisions (Spark, CPLG, Content production), similar to the SEGA partnership.

WILD's new CEO's focus on the company's most profitable brands and cost moderation measures should help the company navigate increased costs and an elevated debt load. The company should be well positioned once its balance sheet is shored up and it can get back to focusing on monetizing its quality catalogue across and within its various divisions.

kneat.com, inc.– Unrealized gain on the investment of $17,029 in the current quarter and $647,118 during the year.

KSI's share price rose 14.4% over the course of 2023, outperforming the S&P/TSX Small Cap Index which increased 2.1%. KSI's share price is up 141.1% over the past 5 years, compared to the S&P/TSX Small Cap Index which increased by 23.7% during the same period.

Kneat's share price resumed its upward trajectory in 2023, after selling off in conjunction with the broad market as it wrestled with spiking interest rates and corrected after the overbought COVID-19 rally. Kneat is an example of a company that continued execute during stock market weakness, as SaaS revenue continued to accelerate, both gross and EBITDA margins improved. It continued to add top-tier clients, expand its product offering across industries and geographies and saw increased penetration within its client base.

The company reported Q4 2023 results in early 2024, which were indicative of a company with strong momentum. Sales of $9.8M were up 35% YoY and SaaS Revenue grew 58% driving gross margin to 72% in Q4. Annual Recurring Revenue ("ARR") at December 31, 2023, reached $37.4M, an increase of 55% YoY and 19% from $31.4M at September 30, 2023. Q4 gross profit grew 53% YoY to $7.0M from $4.6M in Q4 2022. The company indicated that it saw some delays in conversions, given the volatile economy, but not at the magnitude of other software peers. We believe this speaks to the quality and depth of KSI's client roster and the success of its land and expand strategy. The company indicated that there was zero churn during the period and the customer count is now estimated to be between 75-80. Equally impressive is that number includes most of the Tier 1 pharma companies globally.

In the second half of 2023, KSI management suggested that the total addressable market ("TAM") for its eValidation offering has expanded from $600 million to $2 billion, a sizeable lift. This reflects an improved ability to penetrate new geographies and markets, supported by recent agreements in Asia and expansion into adjacent verticals such as aerospace, consumer packaged goods and transportation.

The company continues to add to its quality client base as evident by a slew of new master services agreements in 2023. One of these agreements was with an organization based in an Asian Pacific country which represents a growth opportunity for KSI to build its presence and awareness in that region. It is estimated that 17 of the top 20 pharma companies are clients, with further opportunities to add the remaining Tier 1's, Tier 2's and see further penetration within the life science suppliers and consumer products verticals.

In addition to adding new clients, we see additional growth from the company's "land and expand" strategy. New clients take 3-5 years to roll out Kneat technology across their plant base for the initial use case. As KSI's clients mature and move past the initial use stage, there is the potential for material expansions in usage within those existing clients. With penetration of existing customers sitting at less than 37%, there is long and low risk embedded growth runway for the company. 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. Recent client adds, geographical expansion, and accelerating ARR growth serve to underscore our view.

Torrent remains confident that significant growth potential remains for Kneat and we plan to hold this position for the long term.

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 raised additional funds in Q1 2023 at US$155.04, representing a 132.5% increase.

TGD had revenues of US$5.9 million in 2023, with EBITDA coming in at -US$600k, with the bulk of revenue coming from its sports book business.

Partnership sales revenue for the company's social media and video assets have been on the slow side. Despite both positive performance in this area and several qualified brand partnership conversations during the offseason, TGD's deal conversion for the start of the 2023-24 NFL season was limited. As such, with annual partnership revenue at US$127 thousand management made the decision to restructure the sales team under Commercial Director David Smith and will continue to press hard to develop new sponsorship, paid production, and Over-the-top / syndication opportunities into 2024.

Looking further ahead, the company notes that while Florida may eventually act as a catalyst for further states to legalise, the debate around online sports betting legalisation at District Court level and above remains ongoing. However, as previously referenced in prior updates, TGD continues to see several meaningful growth opportunities ahead of it. Management continues to press into new markets, such as Canada, while recognising the potentially positive competitive impact that significant market entrants such as Fanatics, Bet365 and ESPN may have, as those companies ramp up their customer acquisition strategies in North America.Torrent expects TGD to see revenue growth in 2024. Its efficient cost structure should drive positive cash flow for the year and provide the company with some 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 $103,800 in the current quarter and an unrealized loss of $289,932 during the year. The Company realized a gain on the sale of the investment of $32,974 during the year. ELVA $ values below are in USD.

ELVA fell 17.3% during the year, compared to the WilderHill Clean Energy Index which decreased by 22.5%. Over the past 3 years ELVA is up 337.8%, significantly outperforming its cleantech peers, as the WilderHill Clean Energy Index dropped 11.4% during the same period.

Electrovaya reported full year 2023 fiscal results at the start of 2024, which signified ongoing growth. Revenue for the year was $44.1 million, an increase of 170.5% versus $16.3 million in the fiscal year 2022. Adjusted EBITDA for the year was $3.2 million, which was a significant improvement over -$3.5 million in the prior year. Management anticipates continued strong YoY revenue growth heading into 2024. Management updated its top line guidance to a range of $65 million to $75 million for the year. That represents potential revenue growth of 59% YoY in 2024 based on the midpoint of the guidance.

During the year, the company made shipments to Australia, received its first orders from Asia, and received a new order from its largest Fortune 100 end user, which already uses the Company's batteries at fourteen of its facilities and now plans to add them at an additional facility. There continues to be strong interest in ELVA's newest high voltage offerings and are targeting the transit, mining, defense and other heavy duty vehicle applications. The company met a key milestone as it shipped its first Infinity-HV system on December 26, 2023, to a global aerospace and defense company. Management highlighted in ELVA's year-end call that it expects solid growth from this business line and that it anticipates adding additional capacity to meet demand. The company continues to make progress with regards to its planned battery "gigafactory" in Jamestown, NY. The company has completed engineering studies for the manufacturing site and anticipated manufacturing equipment and also updated environmental studies.

The company also continues to make progress in securing additional non-dilutive financing, including government backed debt, for the planned facility, however it will only proceed with making significant investments once this is finalized.

In June 2023, ELVA initiated a five for one reverse stock split and commenced trading on the Nasdaq Capital Market which led to an initial rise in the company's share price, although it has since pulled back.

As the company continues to deliver on its growth plans, we anticipate the market will recognize Electrovaya's potential and rerate the company with a higher multiple. 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 ELVA's e-bus battery and ongoing progress with its solid-state high voltage battery technology. ELVA trades at a modest 1.8x 2024 revenue estimates and 12.6x Adj EBITDA. We believe this puts ELVA at a discount in relation to its growth profile and market penetration. Torrent plans to remain invested in ELVA through 2024.

Resource Investment Portfolio (ten public companies) – Unrealized loss on investment of $331,450 in the current quarter and $1,193,434 during the year.

Physical commodities, as measured by the Bloomberg Commodity Index, were down 12.6% during the course of 2023. Resource stocks, as measured by the S&P NA Natural Resources Index, rose slightly by 3.6% during the same period.

Small cap resource stocks continued to underperform over the course of the year which weighed on our resource portfolio. Small cap stocks, which tend to be exploration and development companies, are hurt during the acute stages of inflation and rising interest rates, as both their cost of capital and operating expenses rise significantly. Larger resource stocks, the producers, are generally well-funded, cash flow positive and pass along higher operating costs via rising commodity prices. Interestingly, the large cap producers have yet to be rewarded with healthy trading multiples. In fact, energy and metals related commodity producers continue to trade near historic lows.

We had indicated in a prior update that these factors were due to unwind and the performance of resource stocks in the fourth quarter of 2023 illustrated that view playing out. Small cap resource stocks, as measured by the Dow Jones Small Cap Resources Index, jumped 25.3% from their lows in the fourth quarter to close out the year. This was driven by a moderation in inflation growth rates stabilizing, risk appetites returning to the equity market and physical commodity prices rising across the board. On the back of this strong performance and renewed optimism, trading multiples have improved, yet remain far below their historical averages. It is encouraging to see risk appetites returning to the sector and this bodes well for an improvement in2024.

Gold stocks remain attractive as gold bullion has been well bid. While the rate of change of inflation has slowed, it still remains at elevated levels and the majority of central banks continue to run twin deficits. Against this backdrop, gold stocks should outperform as an inflation hedge as price pressures remain entrenched in the system. Torrent's base case scenario for gold is for it to continue to trend higher along with the broad market currently setting new all-time highs in excess of US$2,300/oz. With gold stocks trading at historical lows in relation to gold bullion, their historic trading multiples, and the book value of their assets, we expect that gold stock performance should improve.

Selected Annual Financial Information

The following table sets out selected financial information and highlights for the last three fiscal years:

For the year ended	**December 31, 2023 $**	**December 31, 2022 $**	**December 31, 2021 $**
Revenue			
Unrealized loss on investments	**(3,999,158)**	(6,649,292)	(299,420)
Realized gain (loss) on investments	**(1,653,073)**	322,362	3,475,437
Equity loss from joint venture	**(101,390)**	(64,660)	-
Interest income	**29,479**	3,695	-
	(5,742,142)	(6,387,895)	3,176,017
Expenses			
Consulting and wages	**507,860**	531,055	924,068
Directors' fees	**118,500**	120,750	93,500
Professional fees	**115,465**	69,701	56,577
Insurance	**33,000**	32,716	30,000
Stock exchange and maintenance fees	**27,117**	27,991	25,361
Office, administration and other	**120,004**	155,871	151,600
Stock-based compensation	**102,962**	244,170	267,402
	(1,024,908)	(1,182,254)	(1,548,508)
Operating (loss) income before taxes	**(6,749,050)**	(7,570,149)	1,627,509
Current income tax recovery (expense)	**115,000**	300,000	(60,000)
Deferred income tax recovery (expense)	**760,000**	860,000	30,000
Net (loss) income	**(5,874,050)**	(6,410,149)	1,597,509
Net income (loss) per share	**($0.23)**	($0.26)	$0.07
Weighted average # of shares	**25,023,072**	24,672,222	24,100,348

Results of Operations for the years ended December 31, 2023, and 2022

In 2023, the Company reported a net loss of $5,874,050 or $0.23 per share as compared to net loss of $6,410,149 or $0.26 per share in 2022. In the current year, the Company recorded net unrealized losses on its Investment Portfolio of $3,999,158 or $0.16 per share as compared to net unrealized losses of $6,649,292 or $0.27 per share in 2022.

During the year ended December 31, 2023, the Company recorded a reversal of an unrealized gain of $3.3 million and an additional unrealized loss of $1.0 million on its investment in WILD, an unrealized gain of $0.65 million on its investment in KSI, an unrealized loss of $0.3 million on its investment in ELVA and an unrealized loss of $1.2 million on its Resource Investment Portfolio. The Company also recorded a reversal of its unrealized loss on its investment in ALY (included in Other Securities) of $1.2 million as the loss was transferred from an unrealized loss to a realized loss during 2023. (See the "Unrealized gain/(loss) on Marketable Securities" section for additional details on the unrealized gains and losses in the Investment Portfolio.)

During the year ended December 31, 2023, Torrent liquidated its Cleantech Investment Portfolio resulting in some large realized losses as outlined below. The Company realized a net loss on its Investment Portfolio of $1,653,073 as compared to a net realized gain of $322,362 in the prior year.

The net realized gains and losses on the Investment Portfolio are summarized as follows:

	December 31, 2023 $	December 31, 2022 $
Canaccord Genuity	**111,292**	-
5N Plus Inc.	**58,627**	-
WildBrain	**58,350**	155,306
Anaergia Inc.	**47,774**	-
Resolute Health	**6,315**	238,806
Char Technologies	**(47,616)**	-
Next Hydrogen	**(43,100)**	-
Kovo Health Tech	**(74,652)**	-
Loop Energy	**(144,579)**	-
Braille Energy	**(258,306)**	(88,172)
Pond Tech	**(279,127)**	(111,347)
AnalytixInsight Inc.	**(1,153,981)**	-
E3 Lithium (formerly E3 Metals)	-	244,014
Ensign Energy	-	213,237
Ceylon Graphite Corp.	-	96,498
Very Good Food	-	(191,928)
Clear Blue Technologies	-	(229,897)
Other - net	**65,930**	(4,155)
	(1,653,073)	322,362

In the year ended December 31, 2023, the Company recognized its 50% equity loss of $101,390 from the ACI joint venture ("ACI") and recognized additions to the cost of its investment in the joint venture of $151,456, less government assistance of $89,080. In 2022, the Company recognized its 50% share of the equity loss of $64,660 and capitalized certain professional and consulting costs of $72,345 to the ACI joint venture. In 2022, the Company advanced $150,000 to the ACI and advanced an additional $210,000 during 2023. These advances bear an annual interest rate of 12%. The Company has recorded interest income on these advances of $28,850 in 2023 and $3,000 in 2022.

During the current year, Torrent incurred consulting fees of $507,860 (2022 - $531,055) including CEO fees of $156,000 (2022 - $156,000), CFO fees of $73,013 (2022 - $71,363), service fees paid to Numus Financial Inc. ("Numus") of $92,000 (2022 - $99,000), and $78,795 to a Director in the prior year. Consulting fees also included $172,500 (2022 - $138,000) paid to the Chief Investment Officer. This increase resulted from the accrual of a three-month severance package at the end of 2023. In the prior year, the Company incurred salaries of $45,800 which have been included with consulting services. During 2022, the Company also capitalized $72,345 of the consulting fees to the cost of its investment in the ACI joint venture.

In 2023, the Company incurred Directors' fees of $118,500 (2022 - $120,750). The Company also incurred D&O insurance expense of $33,000 (2022 - $32,716) and stock exchange and maintenance fees of $27,117 (2022 - $27,991). The stock exchange and maintenance fees include the cost of the Company's AGM which is held in June of each year. Professional fees of $115,465 were incurred in 2023 as compared to $69,701 in the prior year. In 2023, the Company has incurred additional professional fees for audit and tax services.

In the year ended December 31, 2023, the Company incurred administration costs of $120,004 (2022 - $155,871). The Company incurred market subscription service fees of $42,000 for a Bloomberg terminal in each of the current and prior years and $10,000 for a Fact Set Research subscription in the prior year. The Company incurred rent and related costs of $22,400 in each of these years. In 2023, Torrent initiated less travel incurring $7,127 as compared to $18,787 in 2022. In mid 2022, the Company initiated a monthly fee of $5,000 with Numus for digital media services which continued through May 2023. In 2022, the Company also donated $25,000 to the QEII Health Sciences Centre.

The fair value of stock options is 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, and a risk-free rate of 3.2% with no expected dividend yield. In 2023, the Company recognized $88,380 of stock-based compensation for options and $14,582 for restricted share units. In 2022, the Company recognized $73,379 of stock-based compensation for options and $167,875 for the issuance of 197,500 restricted share units which vested immediately and featured a one-year hold period.

In 2023, the Company recorded a provision for deferred income tax recovery of $760,000 and current income taxes of $115,000. In 2022, the Company recorded recoveries of deferred income taxes of $860,000 and current income taxes of $300,000.

Selected Quarterly Financial Information

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

For the quarter ended	**Dec 31, 2023 $**	**Sept. 30, 2023 $**	**June 30, 2023 $**	**March 31, 2023 $**	**Dec. 31, 2022 $**	**Sept. 30, 2022 $**	**June 30, 2022 $**	**March 31, 2022 $**
Realized gain (loss) on Investments	**(1,169,244)**	(143,361)	(195,341)	(145,127)	**195,146**	66,267	23,171	37,778
Unrealized gain (loss) on marketable securities	**250,058**	(860,582)	(1,694,252)	(1,694,382)	**2,562,593**	(1,227,990)	(5,132,780)	(2,851,115)
Equity loss from joint venture	**9,110**	(44,900)	(31,949)	(33,651)	**(64,660)**	-	-	-
Interest income	**10,009**	8,155	6,639	4,676	**3,695**	-	-	-
Operating expenses	**(269,553)**	(232,616)	(249,788)	(272,951)	**(292,090)**	(209,519)	(417,780)	(262,865)
Net income (loss) before taxes	**(1,169,620)**	(1,273,304)	(2,164,691)	(2,141,435)	**2,404,684**	(1,371,242)	(5,527,389)	(3,076,202)
Provision for income tax recovery (expense)	**115,000**	110,000	300,000	350,000	**(317,856)**	217,856	870,000	390,000
Net income (loss)	**(1,054,620)**	(1,163,304)	(1,864,691)	(1,791,435)	**2,086,828**	(1,153,386)	(4,657,389)	(2,686,202)
Net (loss) income per share	**(0.04)**	(0.05)	0.07	0.07	**0.08**	(0.05)	(0.19)	(0.11)
Cash	**499,727**	457,879	84,632	282,071	**263,923**	298,829	446,378	264,781
Investments at fair market value	**14,936,703**	16,099,952	17,496,441	19,482,067	**21,593,056**	19,201,174	20,258,336	25,784,798
Investment in joint venture	**360,521**	304,391	225,041	131,534	**160,685**	72,345	-	-
Total assets	**16,051,572**	16,915,907	18,344,741	20,381,949	**22,377,980**	19,801,872	21,364,924	26,443,647
Current liabilities	**380,442**	269,444	282,335	243,486	**249,262**	172,851	436,305	533,456
Deferred income taxes	**-**	-	270,000	510,000	**760,000**	380,000	550,000	1,230,000
Shareholders' equity	**15,671,130**	16,646,463	17,792,406	19,628,463	**21,368,718**	19,249,021	20,378,869	24,680,191

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

For the quarter ended December 31, 2023, the Company reported a net loss of $1,054,62 or $0.04 per share as compared to a net income of $2,086,828 or $0.08 per share in the comparable quarter. The current quarter's results include an unrealized gain on marketable securities of $250,058 or $0.01 per share as compared to an unrealized gain of $2,562,593 or $0.10 per share in the comparable quarter.

During the quarter ended December 31, 2023, the Company recorded unrealized losses of $0.8 million on its investment in WILD and an unrealized gain of $0.1 million on its investment in ELVA. The Company also recorded a reversal of its unrealized losses on its investment in ALY (included in Other Securities) of $1.2 million as the loss was transferred from an unrealized loss to a realized loss during the final quarter of 2023. The Company also recorded an unrealized loss of $0.3 million on its Resource Investment Portfolio. (See the "Unrealized Gain/(Loss) on Marketable Securities" section for additional details on the significant unrealized gains and losses in the Investment Portfolio.)

In the current quarter, the Company realized a net loss on its Investment Portfolio of $1,169,244 or $0.05 per share as compared to net realized gains of $195,146 or $0.01 per share in the comparable quarter. During the current quarter, the Company liquidated its position in ALY resulting in a realized loss of $1,153,981.

These realized net gains and losses on its Investment Portfolio are summarized as follows:

	Quarter ended December 31, 2023 $	Quarter ended December 31, 2022 $
AnalytixInsight Inc.	**(1,153,981)**	-
Ensign Energy	**-**	161,251
WildBrain	**-**	81,431
Braille Energy	**-**	(88,172)
Other – net	**(15,263)**	40,636
	(1,169,244)	195,146

In the final quarter of 2023, the Company advanced $60,000 and recorded an equity loss recovery of $9,110 form ACI and recorded interest income of $9,850, based on an interest rate of 12% on these advances. In the final quarter of 2022, the Company advanced $150,000 to ACI, recorded interest income of $3,000 and recorded an equity loss of $64,660 form ACI.

During the quarter ended December 31, 2023, consulting fees of $150,469 (2022 - $119,925) including CEO fees of $39,000 (2022 - $39,000), CFO fees of $17,738 (2022 - $15,675) and $25,045 to a Director in the comparable quarter which were capitalized to the cost of its investment in ACI. In the current quarter, consulting fees also included $57,500 (2022 - $34,500) paid to the Chief Investment Officer. The increase resulted from the accrual of a three-month severance package in the final quarter of 2023. The Company also incurred service fees paid to Numus of $19,500 (2022 - $24,750).

In each of the comparable quarters, the Company incurred Directors' fees of $29,625 and D&O insurance of $8,250. In the current quarter, the Company incurred professional fees of $48,550 (2022 - $21,250) including additional professional fees for audit and tax services. In the current quarter, the Company incurred stock exchange and maintenance fees of $7,512 (2022 - $3,673).

In the final quarter of 2023, the Company incurred administration costs of $19,360 (2022 - $76,498). In each of the comparable quarters, the Company incurred market subscription service fees of $10,000 for a Bloomberg terminal and rental costs of $5,100. In the comparable quarter, the Company incurred $17,000 for digital media services, incurred increased travel costs of $18,787 and also donated $25,000 to the QEII Health Sciences Centre.

The Company is amortizing the fair value of its stock options, estimated using the Black-Scholes option pricing model based on the assumptions as previously outlined, over the corresponding vesting period. As a result, stock-based compensation of $5,787 has been recorded in final quarter of 2023 as compared to $32,869 in the final quarter 2022.

Liquidity and Capital Resources

As at:	December 31, 2023 $	December 31, 2022 $	December 31, 2021 $
Cash	**499,727**	263,923	459,132
Investments at fair market value	**14,936,703**	21,593,056	28,688,920
Investment in joint venture	**360,521**	160,685	-
Total assets	**16,051,572**	22,377,980	29,479,071
Total current liabilities	**380,442**	249,262	496,874
Deferred income taxes	**-**	760,000	1,620,000
Shareholders' Equity	**15,671,130**	21,368,718	27,362,197

The Company has working capital as of December 31, 2023, of $15,310,609 (2022 – $21,968,033) and a cash balance of $499,727 (2022 – $263,923). The Company funds its operations through the proceeds on sale of its investments and equity financings, if necessary.

During the year ended December 31, 2023, the Company received proceeds on the sale of investments of $3.25 million including $0.5 million on the sale of 5N Plus shares, $0.4 million on the sale of Canaccord Genuity shares, $0.4 million on the sale of Carbon Streaming shares, $0.4 million on the sale of shares of ELVA, $0.9 million on the liquidation of its Cleantech Portfolio and $1.2 million on the sale of investments within Other Securities. The Company also incurred costs of $2.2 million on the acquisition of investments including $1.1 on its acquisition of Resource Portfolio investment and $1.1 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 including its ongoing funding obligations to ACI. 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 December 31, 2023, and April 17, 2024, the Company has 25,204,167 outstanding common shares and 800,000 outstanding stock options.

Transactions with Related Parties

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

- paid Director fees of $118,500 (2022 - $120,7505) to Directors or companies controlled by Directors;
- paid fees to President and CEO, Wade Dawe, in the amount of $156,000 (2022 - $156,000);
- paid fees to Chief Investment Officer, Scott Gardner, in the amount of $172,500 (2022 - $138,000);
- paid fees to CFO, Rob Randall, in the amount of $73,013 (2022 - $71,363);
- paid consulting fees to a Director, Carl Sheppard, of nil in the current period (2022 – $78,795); and
- paid service fees, rent and other fees of $137,400 (2022 - $144,400) 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, 2023.

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.

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, 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 considering 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 on the System for Electronic Document Analysis and Retrieval ("SEDAR+") website, www.sedarplus.ca.