Torrent Capital Ltd.
Management Discussion and Analysis
Quarter ended September 30, 2023

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated November 20, 2023, and provides an analysis of the financial operating results for the quarters ended September 30, 2023, and September30, 2022. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended September 30 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim condensed financial statements. This MD&A should also be read in conjunction with the audited annual financial statements and accompanying notes of Torrent Capital Ltd. for the year ended December 31, 2022, which have been prepared in accordance with IFRS for annual financial statements. All amounts are in Canadian dollars unless otherwise specified. The MD&A, financial statements and other information, including news releases and other disclosure items are available on the company's website at www.torrentcapital.ca and on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com under the Company's profile. The common shares of the Company are traded on the TSX Venture Exchange under the symbol "TORR".

Except for the historical statements contained herein, this MD&A presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, future developments; use of funds; and the business and operations of the Issuer. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", "projections" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of Torrent to be materially different from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and competitive, risks relating to investment decisions; investee company outlooks and performance of the investments; the Company's ability to realize sufficient proceeds from the disposition of investments; market fluctuations; fluctuations in prices of commodities underlying its interests and equity investments; foreign exchange fluctuations; political and economic conditions in countries in which the interests of the Company's portfolio investments are located; delay or failure to receive the Board of Directors, shareholder or regulatory approvals; and the results of continued development, as well as those factors disclosed in Torrent's publicly filed documents. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Although the Management of Torrent believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Torrent does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Company Overview

Torrent Capital Ltd. ("Torrent", or the "Company") is a publicly traded Investment Issuer listed under the symbol TORR on the TSX Venture Exchange ("TSXV"). Torrent invests primarily in the securities of public and private companies with the objective of increasing shareholder return.

Torrent invests in companies that are perceived to be trading at a discount to their intrinsic value or in early-stage businesses offering a potential high return on investment. On behalf of its shareholders, Torrent allocates its capital towards a multitude of sectors and businesses at various stages of development. The Company typically maintains a concentrated portfolio of public securities and may invest in private placements, event-driven opportunities, special situations, and private companies with a clear liquidity window. Torrent may also provide advisory services to select companies in conjunction with its investment mandate. Advisory services are focused on those businesses that may benefit from Torrent's extensive corporate finance and capital markets experience.

Investment Objective and Strategy

Torrent's Investment Objective and Strategy ("Investment Policy") is to grow the Company's capital by generating gains from capital appreciation, interest earned, dividend income and fees. The Company will make investments on a public and private basis with the objective to maximize returns while managing risks by relying on the business expertise of the Company's Management Team (the "Management") and Board of Directors (the "Board").

The nature and timing of the Company's investments will depend, in part, on available capital and on the investment opportunities identified and available to the Company. Subject to the availability of capital, the Company intends to maintain a diversified portfolio of investments. The composition of its Investment Portfolio will vary over time depending on its assessment of several factors including the performance of financial markets and credit risk.

The following are the guidelines for Torrent's investment strategy:

- The Company will invest in the securities of both public and private companies and may take part in private or public offerings for predetermined royalties, equity positions, debt, convertible or preferred securities.
- Investment arrangements may include a combination of securities including, but not limited to, equity, debt, warrants, preferred shares, bridge financing, collateral, royalty arrangements or other securities as deemed appropriate by Management and in compliance with the Company's Investment Policy. In certain cases, the Company expects to enter into oversight arrangements as a condition of the investment. Oversight may range from Board of Directors appointments or advisory or management consulting engagements with the target companies.
- The Company may reserve the right to acquire all or part of businesses or assets of a target company that Management believes will enhance the value for shareholders.
- The Company will be industry agnostic in terms of investment sectors. The Company's investments will not be required to follow a percentage of industry diversification. The Company's Management and Board will make use of expertise within the Company and invest in industry sectors that Management believes can provide superior returns for shareholders.
- The Company may make investments in extra-ordinary activities, or activities not in the normal course of business, which may include but not be limited to mergers, acquisitions, corporate restructurings, spin-offs, take-overs, bankruptcies or liquidations, leveraged buyouts or start-ups. The Company may elect to invest in such event-driven opportunities, provide financing or purchase securities in exchange for fees, interest, or equity positions.
- Torrent's investment time horizon may vary from investment to investment and contain a mix of short, medium and long-term investments. The Company reserves the right to increase or decrease its position in any investment at any time. The Company does not report on its investment activity or position changes between quarterly results.

- It is the Company's policy to reduce its position in an investment over time to ensure that no single investment represents a disproportionate share of the current value of Torrent's Investment Portfolio.
- Depending upon market conditions, the Company may fully invest its available capital, apart from working capital requirements. Any funds not invested may be expected to be invested in the near term.
- All investments will be made in compliance with applicable laws in relevant jurisdictions and in compliance with any associated exchange policy.

The Company's Management and the Board may authorize investments outside the guidelines described above if they consider the investment to potentially be of sufficiently material benefit 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. to develop infrastructure at the Port of Argentia 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 360° approach to its intellectual property ("IP") catalogue has moved the business towards a higher margin, higher free cash flow model and should continue to impress the market as it continues to strengthen its revenue and profitability as it makes additional deals to monetize its deep content catalogue. The company trades at a discount to both the inherent value of its assets and its peer group, despite its solid business prospects. Torrent expects WILD to perform well when broad market weakness abates. The company continues to strike attractive content deals, the Spark division has seen renewed growth and its debt profile has improved after posting consecutive quarters of enhanced profitability.

kneat.com, inc. ("KSI")

KSI offers its Kneat Gx software platform ("Kneat Gx") for modeling data intensive processes for regulated industries with a focus on the Life Sciences industry (i.e., biotechnology, pharmaceutical and medical device manufacturing). Kneat Gx enables companies with complex value chains to become efficient and compliant through a digital validation process. This offers many advantages over the traditional approach, which has been 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 $235 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 the Healthcare Sector.

The Game Day ("TGD" - Private)

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

TGD's betting platform is focused on the NFL, NBA, MLB, and NCAA. It offers both odds and expert picks as well as direct access to the major affiliated sportsbooks. The company also recently launched its offering aimed at the online casino and betting space.

TGD works with leading sports influencers, athletes, and talent to provide the latest news, entertainment, real-time updates, and resources for its highly engaged audience.

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

TGD's three primary business segments are affiliate, sponsorship, and syndication:

- The affiliate business integrates its content with sport 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 indictors and believes that revenues could grow significantly in the near term. 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 for TGD given its enhanced and increasing credibility and scale.

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.

ELVA 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. 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)

Torrent believes that we are in secular bull market for commodities, which tend to run in 8–10-year cycles. The last secular bull market topped out in 2012 and commodity prices were under pressure until 2020. During the sell-off, there was a lack of investment in exploration and development for key commodities - such as oil and copper - as companies curtailed spending and shored up their bloated balance sheets. Depressed capital spending left the market exposed to demand shocks and a corresponding jump in commodity prices. The demand shock this cycle came in the form of the COVID stimulus and ballooning Government debt loads, which has driven higher prices and a spike in inflation and interest rates.

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 exponentially. Despite these conditions, 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.

We continue to believe that gold stocks should do well. Gold bullion has yet to break through its well-established top just north of $2,000 per ounce. We are confident that it will move to all-time highs once interest rates subside, the yield curve flattens, and the USD sells off as risk appetites return to the market. Our confidence is bolstered by the fact that central bank buying has reached all-time highs and the BRIC nations look to diversify their USD holdings. Gold stocks should enjoy significant inflows once bullion moves to new highs as it will generate a lot of speculative interest in the sector.

Torrent also remains positive towards 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 given they are 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.

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

In September 2022, Torrent and Port of Argentia Inc. established a joint venture company, ACI, to develop the 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.

In June, the Port announced that it has 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 35 renewable energy facilities that use proven, best-in-class technology with an operating capacity of approximately 6,000 MW in the United States, Canada, Japan, and Mexico. 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 Pattern Energy agreement. The agreement includes commercial terms for ACI to co-invest in the renewable project as a Limited Partner, as well as receive a gross revenue royalty on ammonia sales. 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.

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 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 $860,582 or $0.03 per share as compared to an unrealized loss on investments of $1,227,990 or $0.05 per share in the comparable quarter. The year-to-date loss includes an unrealized loss on investments of $4,249,216 or $0.17 per share as compared to an unrealized loss on investments of $9,211,885 or $0.38 per share in the comparable period.

The Company's investment activity and fair value of the changes in the unrealized gains and losses as at September 30, 2023, and the market value as at December 31, 2022, are summarized as follows:

	Shares	**Cost of Investment**	**Market Value Sept. 30, 2023**	**Unrealized Gain (Loss) Quarter ended Sept. 30, 2023**	**Unrealized Gain (Loss) Year to date Sept. 30, 2023**	**Market Value Dec. 31, 2022**
	#	**$**	**$**	**$**	**$**	**$**
WildBrain Ltd.	2,076,900	3,291,681	3,073,812	(228,459)	(3,502,981)[a]	6,676,800
kneat.com, inc.	1,702,943	1,813,892	5,176,947	136,235	630,089	4,546,858
The Game Day	11,250	953,550	2,302,200	-	-	2,302,200
Electrovaya Inc.	356,000	1,947,934	1,297,500	(356,429)	(393,732)	2,050,800
Other Securities		5,386,289	2,894,166	(234,093)	(120,609)	4,317,660
Resource Investment Portfolio		2,381,830	1,355,327	(177,836)	(861,983)	1,698,738
		15,775,176	**16,099,952**	**(860,582)**	**(4,249,216)**	**21,593,056**

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

Torrent Capital's Net Asset Value ("NAV") decreased from $17.8 million ($0.712 per share) to $16.65 million ($0.67 per share) during the third quarter of 2023, representing a decrease of 6.4% during the third quarter, whereas the S&P/TSX Small Cap Index decreased by 1.5%.

Small cap stocks in Canada have been under pressure for some time. That trend has continued in 2023 with TSX/Venture Index decreasing 2.0% year-to-date and 9.9% during the third quarter. This underperformance has been perplexing considering the headline indices, in particular the S&P 500, have been rising at a decent clip. In fact, the S&P 500 is up 18.0% over the past year, whereas the TSX/Venture index has fallen 4.1% during the same period.

It has been a tale of two markets, with various factors driving the disparity between large cap stocks versus their smaller counterparts. The gap could simply be defined as a "risk-off" scenario, which in addition to being straight to the point, is accurate. Taking it to a granular level, a primary culprit has been the generational spike in inflation and the corresponding jump in interest rates, which pinch early-stage businesses particularly hard. Small cap companies are unable to pass along 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, place significant pressure on these early-stage businesses and their ability to execute their business plans. Weakness often begets weakness, given that small / high growth companies are capital intensive businesses, and with falling share prices, limited liquidity in the market, and significantly higher debt costs, financing and dilution risk become serious concerns.

These pressures will likely continue to weigh on the small cap space until the rate of change in inflation loses its shock value and fears about ever rising interest rates abate. That said, just as it is difficult to call the top of the market, the flipside is equally true. Honest market participants, and those with a touch of gray, will recall how difficult it was to call the bottom in past small cap bear markets; the 2000 tech bubble collapse, the 2008 credit crisis, the 2015 commodity cycle / emerging markets unwind and the 2020 COVID-19 lows, all coming to mind. Investors will also recall how swift and profitable the bounces were off the lows and how fortunate they were to have had exposure to the market despite their emotions telling them to do otherwise.

While a steep correction, or stock market capitulation, cannot be ruled out, there are reasons to suggest the period of small cap underperformance is becoming long. From a technical standpoint, trading volumes have all but dried up for small cap stocks. Volumes on the S&P/TSX Venture Exchange are 80% off of their long-term average and a fraction of the volume typically seen during strong markets. Low volumes have historically equated with good entry points. Furthermore, less than 15% of the stocks in the index are trading above their 100-day moving average, which indicates very depressed sentiment. Lastly, the ratio of the Russell 2,000 (smaller companies) to the Russell 1,000 (larger companies), is the most depressed it has been in twenty years, representing a historically significant mispricing between those segments of the market.

Many small cap stocks have fallen significantly since their peak in late 2021 after the COVID-19 rally. Some of these companies are trading close to their March 2020 pandemic lows despite significant additional value being created since that time. Many have captured market share, de-risked technology, improved products and services, scaled their offerings and/or have greatly 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.

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

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

WildBrain Ltd.– Unrealized loss on investment of $1,692,967 in the current quarter and $3,502,981 year to date, reversing all previously recorded unrealized gains. The Company realized a gain on the sale of the investment of $58,350 year to date.

WILD's stock price fell 6.6% during the third quarter, whereas the Bloomberg Entertainment Streaming Peer Group decreased by 3.7%.

WILD reported FQ4 2023 and full fiscal year 2023 results during the third quarter which demonstrated a modest uptick in both revenue and adjusted EBITDA. In FQ4 2023, revenue increased 11% to $124.9 million, compared to $112.0 million in FQ4 2022. Fiscal Year 2023 revenue of $532.9 million reflects an increase of 5% over Fiscal Year 2022 revenue of $507.2. Adjusted EBITDA increased 67% to $19.1 million in Q4 2023, compared with $11.4 million in Q4 2022. The increase in the quarter was driven by strong revenue growth in Consumer Products and higher gross margin dollars. 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 period.

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 ongoing 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.

During the year end conference call, Josh Scherba, the recently appointed President and CEO, outlined the company's revamped corporate strategy going forward. He indicated that the company would focus on fewer key brands and reduce 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.

Torrent believes that WILD's stock price is approaching oversold levels on concerns about a severe economic contraction, uneasiness about its debt levels, and nervousness about the impact of the writers' strike on future profitability. A successful asset sale would reduce the perceived financial risk of the company in the market, while also highlighting the value of the company's deep catalogue of brands. The new CEO's focus towards the company's most profitable brands and cost moderation measures should help the company navigate the choppy economy. This, along with moderated debt levels, will have the company well positioned for when market conditions normalize.

kneat.com, inc.– Unrealized gain on the investment of $136,235 in the current quarter and $630,089 year to date.

KSI's share price rose 2.7% during the third quarter whereas the S&P/TSX Small Cap Index fell 1.1%.

The company reported second quarter 2023 results during the period which points to further growth. Revenue was $8.0 million, inline with consensus estimates and growing at 45% YoY. Most impressive was the growth in ARR, which rose 74% YoY to $28.4 million. This has been driven by expansion across KSI's existing installed base, which is a key growth dynamic inherent to the KSI story. Management indicated that it should meet previously stated implementation timelines, which supports additional ARR growth in the short-term.

On the earnings call, Kneat 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 the recent announcement of three new master services agreements. One agreement was with a leading global pharmaceutical company that will initially focus on computer system validation and equipment qualification, with potential upside in other areas of operation. The second agreement was with a global contract development and manufacturing organization for equipment validation, with the potential to expand across that organization's other validation processes. It is worth noting that this organization was from an Asian Pacific country which represents a significant growth opportunity for KSI to build its presence and awareness in that region. Lastly, during the third quarter, the company signed an agreement with a US headquartered manufacturer and distributer of medical supplies, which has over 30,000 employees and services healthcare facilities in over 100 countries. The agreement, which initially is for computer systems validation for software utilized in medical devices, allows the company to scale Kneat to all its global validation processes. Implementation will begin immediately with go-live expected in Q4 2023.

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.

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

At the end of the third quarter, TGD had registered revenues of US$5.2 million against a full year 2023 target of US $8.6 million. The company has emphasised that Q4 is traditionally a stronger quarter for the business, and it would expect to see growth against its revenue target on the back of the 'slower' months in Q2 and early Q3.

In terms of individual revenue lines, sports book continues to carry the weight of the company's earnings, sitting at US$4.6 million for the year to date against a forecast of US$3.3 million. Meanwhile, casino continues to perform strongly, bringing an additional US$276 thousand of affiliate revenue over Q3 against an original forecast of US$211 thousand. Management expects this area of the business to continue growing meaningfully throughout 2024.

Partnership sales revenue for the company's social media and video assets have been on the slow side. Despite both record 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 now standing at US$127 thousand against a target of US$421 thousand, management has 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 Q4 and beyond.

Looking further ahead, beyond the legalisation of online sports betting in Kentucky at the end of September, there has been little indication of any larger states immediately following suit. 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 ongoing revenue growth in the second half of 2023. 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 loss on investment of $356,429 in the current quarter and $393,732 year to date.

ELVA fell 21.4% during the third quarter compared to the WilderHill Clean Energy Index which decreased by 21.8%. Over the past year, ELVA was down 25.0% whereas the WilderHill Clean Energy Index dropped 34.3%.

Electrovaya reported FQ3 2023 results during the quarter which signified ongoing growth. Revenue for FQ3 was $14.2 million, an increase of 145% versus $5.8 million in the comparable period. Adjusted EBITDA for FQ3 was $1.5 million compared to a loss of $0.8million last year. Management anticipates continued strong year-over-year revenue growth to close out FY2023. Management maintains its guidance for revenue of approximately $53 million in 2023, more than double the total of $25.4 million last year. Management anticipates generating positive Adjusted EBITDA for the remainder of FY2023.

The company provided a corporate update mid-quarter and indicated that it continues to execute on growing deliveries in the material handling vehicle industry. The company recently 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 is on track to ship its first pre-production systems this calendar year.

The company is making progress on the financing of its 137,000 square foot Gigafactory near Jamestown, NY, primarily through a potential combination of grants and debt. Electrovaya has received a term sheet from a US government-controlled lending institution regarding a debt facility. The company has also engaged with an independent engineering firm as part of the due diligence process to evaluate its overall manufacturing and business plans for the site. This US site will be in addition to ELVA’s two operating sites in Canada and it is expected to open in phases starting in late 2023.

In June, ELVA initiated a five for one reverse stock split and commenced trading on the Nasdaq Capital Market which led to an initial dramatic rise in the company’s share price, although it has since pulled back. Torrent has always believed that the Electrovaya story was well suited for the American market, particularly in light of the fact that it is building a manufacturing facility in New York. It was nice to see confirmation of our view of the market as ELVA traded significantly higher on good volume during its first month of trading.

With an enterprise value of $142 million, Torrent believes ELVA represents a compelling investment opportunity with significant upside. 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 battery technology. News flow associated with the company’s expansion plans in the US and its recent listing on the Nasdaq should continue to create significant interest from US investors.

Resource Investment Portfolio (ten public companies) – Unrealized loss on investment of $177,836 in the current quarter and $861,983 year to date.

Physical commodities, as measured by the Bloomberg Commodity Index, were up 3.3% during the third quarter. Resource stocks, as measured by the S&P NA Natural Resources Index, rose 3.7% during the same period.

Small cap resource stocks continued to underperform during the quarter, 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. With excellent value remaining in the large cap space, and the juniors suffering from cost pressures, investors are not incentivized to move down in market cap to take on more risk. These factors should unwind once inflation growth and rates moderate, risk appetites return to the equity market, commodity prices continue to rise and the commodity cycle matures. A maturing commodity cycle typically results in increased M&A activity, as the producers are rewarded by the market with higher trading multiples. They in turn use their inflated share prices as currency to acquire small cap companies to replenish their reserves and production profiles. Increased M&A boosts speculation and investment flows into the junior resource space, and the returns during these periods tend to be significant.

Gold stocks remain attractive as gold bullion has been well bid. Inflation remains at elevated levels and policy makers have pushed short-term interest rates to heights not seen in decades. Both factors have created imbalances in the global financial system, which leaves it prone to shocks. Against this backdrop, gold stocks should outperform as a crisis hedge. Torrent's base case scenario for gold is for it to trend higher along with the broad market once interest rates pause their assent. This should be a strong enough force to push gold through its all-time high just north of $2000/oz. Torrent believes that these higher gold prices will bring significant speculative interest to the sector. With gold stocks trading at historical lows in relation to gold bullion, their historic trading multiples and the book value of their assets, gold stock returns should prove impressive.

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

Selected Quarterly Financial Information

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

For the quarter ended	**Sept. 30, 2023 $**	**June 30, 2023 $**	**March 31, 2023 $**	**Dec. 31, 2022 $**	**Sept. 30, 2022 $**	**June 30, 2022 $**	**March 31, 2022 $**	**Dec. 31, 2021 $**
Realized gain (loss) on Investments	**(143,361)**	(195,341)	(145,127)	195,146	**66,267**	23,171	37,778	(460,752)
Unrealized gain (loss) on marketable securities	**(860,582)**	(1,694,252)	(1,694,382)	2,562,593	**(1,227,990)**	(5,132,780)	(2,851,115)	(1,171,231)
Equity loss from joint venture	**(44,900)**	(31,949)	(33,651)	(64,660)	**-**	-	-	-
Interest income	**8,155**	6,639	4,676	3,695	**-**	-	-	-
Operating expenses	**(232,616)**	(249,788)	(272,951)	(292,090)	**(209,519)**	(417,780)	(262,865)	(598,736)
Net income (loss) before taxes	**(1,273,304)**	(2,164,691)	(2,141,435)	2,404,684	**(1,371,242)**	(5,527,389)	(3,076,202)	(2,230,719)
Provision for income tax recovery (expense)	**110,000**	300,000	350,000	(317,856)	**217,856**	870,000	390,000	440,000
Net income (loss)	**(1,163,304)**	(1,824,691)	(1,791,435)	2,086,828	**(1,153,386)**	(4,657,389)	(2,686,202)	(1,790,719)
Net (loss) income per share	**(0.05)**	0.07	0.07	0.08	**(0.05)**	(0.19)	(0.11)	(0.07)
Cash	**457,879**	84,632	282,071	263,923	**298,829**	446,378	264,781	459,132
Investments at fair market value	**16,099,952**	17,496,441	19,482,067	21,593,056	**19,201,174**	20,258,336	25,784,798	28,688,920
Investment in joint venture	**304,391**	225,041	131,534	160,685	**72,345**	-	-	-
Total assets	**16,915,907**	18,344,741	20,381,949	22,377,980	**19,801,872**	21,364,924	26,443,647	29,479,071
Current liabilities	**269,444**	282,335	243,486	249,262	**172,851**	436,305	533,456	496,874
Deferred income taxes	**-**	270,000	510,000	760,000	**380,000**	550,000	1,230,000	1,620,000
Shareholders' equity	**16,646,463**	17,792,406	19,628,463	21,368,718	**19,249,021**	20,378,869	24,680,191	27,362,197

Results of Operations for the nine months ended September 30, 2023 and 2022

For the nine months ended September 30, 2023, the Company reported net loss of $4,819,430 or $0.19 per share as compared to a net loss of $8,496,977 or $0.35 per share in the comparable period. The current period's results include an unrealized loss on marketable securities of $4,249,216 or $0.17 per share as compared to an unrealized loss of $9,211,885 or $0.375 per share in the comparable period.

During the nine months ended September 30, 2023, the Company recorded a reversal of the unrealized gain of $3.5 million on its investment in WILD, an unrealized loss of $0.4 million on its investment in ELVA and an unrealized loss of $0.9 million on its Resource Investment Portfolio. The Company also recorded an unrealized loss of $0.7 million on its investment in ALY and an unrealized gain of $0.5 million on its other investment within Other Securities. The Company recorded an unrealized gain of $0.6 million on its investment in KSI. See the "Unrealized gain/(loss) on Marketable Securities" section for additional details on the unrealized gains and losses in the Investment Portfolio.

During the first three quarters of 2023, Torrent liquidated its Cleantech Investment Portfolio resulting in some large realized losses as outlined below. In the current period, the Company realized a net loss on its entire Investment Portfolio of $483,829 as compared to a net realized gain of $127,216 in the comparable period. These realized net gains and losses on the Investment Portfolio are summarized as follows:

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$	**$**
Canaccord Genuity	**111,292**	-
5N Plus Inc.	**58,627**	-
WildBrain	**58,350**	73,875
Anaergia Inc.	**47,774**	-
Kova Healthtech Corp.	**(74,652)**	-
Loop Energy	**(144,579)**	-
Braille Energy	**(258,306)**	-
Pond Tech	**(279,127)**	(111,347)
Resolute Health	**-**	219,646
E3 Lithium	**-**	244,014
Ceylon Graphite Corp.	**-**	96,498
Clear Blue Technologies	**-**	(229,897)
Very Good Food	**-**	(191,928)
Other - net	**(3,208)**	26,355
	(483,829)	127,216

In the period ended September 30, 2023, the Company recognized its 50% equity loss of $110,500 from the ACI joint venture, including $44,900 in the current quarter and capitalized professional and consulting fees of $85,206. In 2022, the Company recognized its 50% share of the start-up loss in the amount of $64,660 and capitalized certain consulting costs of $72,345 to the ACI joint venture. In the final quarter of 2022, the Company also advanced $150,000 to ACI and advanced an additional $150,000 during the current period. These advances bear an annual interest rate of 12%. The Company has recorded interest of $19,000 in the current period, including $8,000 in the current quarter.

During the nine months ended September 30, 2023, Torrent incurred consulting fees of $357,391 (2022 - $411,130) including CEO fees of $117,000 (2022 - $117,000), CFO fees of $55,275 (2022 - $55,688), service fees paid to Numus Financial Inc. ("Numus") of $107,500 (2022 - $89,550), $103,500 (2022 - $103,500) paid to the Chief Investment Officer and $60,500 to a Director in the period ended September 30, 2022. In the comparable period the Company also incurred salaries of $45,800 which have been included with consulting services. In the first three quarters of 2023, the Company incurred Directors' fees of $88,875 (2022 - $91,125). The Company also incurred D&O insurance expense of $24,750 (2022 - $24,466). Professional fees of $66,915 were incurred in the first nine months of 2023 as compared to $48,451 in the comparable period. In the current period the Company incurred some additional professional fees for audit and tax services.

The Company incurred stock exchange and maintenance fees of $19,605 in the first nine months of 2023 compared to $24,318 in the comparable period. These amounts include the cost of the Company's AGM which is held in June of each year. In the nine months ended September 30, 2023, the Company incurred administration costs of $78,026 (2022 - $65,029). The Company incurred market subscription service fees of $25,000 for a Bloomberg terminal in each of the current and comparable periods and $10,000 for a Fact Set Research subscription in the comparable period. The Company initiated a monthly fee of $5,000 with Numus for digital media services in mid 2022 which continued through May 2023. The Company incurred rent and related costs of $15,300 in each of these periods. The Company recorded a foreign exchange loss of $445 (2022 – gain of $956) on its US$ balances.

The fair value of the 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. The estimated fair value of the options granted during the year ended December 31, 2022, was $166,660. The fair value of options granted is amortized over the vesting period of the respective options with $73,379 expensed during the year ended December 31, 2022, and $84,050 in the current period. In late 2022, the Company issued 25,000 restricted share units with an estimated fair value of $17,500 which is being amortized over the vesting period. As a result, $2,916 was expensed in the year ended December 31, 2022, and $13,125 has been expensed in the current period. In the comparable period, the Company recognized $43,426 of stock-based compensation for options granted in May 2022 and $167,875 for the issuance of 197,500 restricted share units which vested immediately and featured a one-year hold period.

In the current period, the Company recorded a provision for deferred income tax recovery of $760,000. In the comparable period, the Company recorded recoveries of provision for recovery of income taxes of $1,477,856.

Results of Operations for the Quarters ended September 30, 2023, and 2022

For the quarter ended September 30, 2023, the Company reported net loss of $1,163,304 or $0.05 per share as compared to a net loss of $1,153,386 or $0.05 per share in the comparable quarter. The current quarter's results include an unrealized loss on marketable securities of $860,582 or $0.03 per share as compared to an unrealized loss of $1,227,990 or $0.05 per share in the comparable quarter.

During the quarter ended September 30, 2023, the Company recorded unrealized losses of $0.2 million on its investment in WILD. The Company recorded an unrealized gain of $0.1 million on its investment in KSI. The Company also recorded unrealized losses of $0.4 million on its investment in ELVA, $0.3 million on its investment in ALY (now included in Other Securities) and $0.2 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 net losses on its entire Investment Portfolio of $143,361 as compared to realized net gains of $66,267 in the comparable quarter. These realized net gains and losses on its Investment Portfolio are summarized as follows:

	Three months ended September 30, 2023	**Three months ended September 30, 2022**
	$	**$**
Pond Technologies	**(149,865)**	-
E3 Lithium	**-**	75,119
Other - net	**6,504**	(8,852)
	(143,361)	66,267

During the quarter ended September 30, 2023, Torrent incurred consulting fees of $117,934 (2022 - $92,325) including CEO fees of $39,000 (2022 - $39,000), CFO fees of $18,787 (2022 - $13,357), $34,500 (2022 - $34,500) paid to the Chief Investment Officer and $28,000 to a Director in the comparable quarter. The Company also incurred service fees paid to Numus of $23,000 (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 quarter ended September 30, 2023, the Company incurred professional fees of $17,773 (2022 - $12,412). In the current quarter, the Company incurred some additional professional fees for audit and tax services. In the second quarter of 2023, the Company incurred stock exchange and maintenance fees of $7,821 (2022 - $9,138) and administration costs of $22,562 (2022 - $28,607). The Company initiated a monthly fee of $5,000 with Numus for digital media services in mid 2022 which continued until May 2023. The Company also incurred rent of $5,100 in each of the comparable quarters and a foreign currency gain of $452 in the current quarter (2022 – a loss of $524).

In the quarter ended September 30, 2023, the Company also recorded stock-based compensation of $17,361 (2022 - $23,538). The Company is amortizing the fair value of its stock options over the corresponding vesting period based on the assumptions as outlined above. In the current quarter, the Company recorded $12,986 relating to its stock options and $4,375 for its restricted share units. The entire amount in the comparable quarter relates to stock options.

In the current quarter, the Company recorded a provision for income tax recovery $110,000. In the comparable quarter, the Company recorded a provision for income tax recovery of $217,856.

Liquidity and Capital Resources

As at:	September 30, 2023 $	December 31, 2022 $	December 31, 2021 $
Cash	**457,879**	263,923	459,132
Investments at fair market value	**16,099,952**	21,593,056	28,688,920
Investment in joint venture	**304,391**	160,685	-
Total assets	**16,915,907**	22,377,980	29,479,071
Total current liabilities	**269,444**	249,262	496,874
Deferred income taxes	**-**	760,000	1,620,000
Shareholders' Equity	**16,646,463**	21,368,718	27,362,197

The Company has working capital as of September 30, 2023, of $16,342,072 (December 31, 2022 – $21,968,033) and a cash balance of $457,879 (December 31, 2022 – $263,923). The Company funds its operations through the proceeds on sale of its investments and equity financings, if necessary.

During the period ended September 30, 2023, the Company received proceeds on the sale of investments of $3 million including $0.4 million on the sale of Canaccord Genuity shares, $0.4 million on the sale of shares of ELVA, $0.9 million on the liquidation of its Cleantech Portfolio and $0.5 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. While Management and the Board have been successful in obtaining funding in the past, there can be no assurance that they will be able to do so in the future. The timing and ability of the Company to raise additional funds will also depend on the liquidity of the financial markets.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value. As at September 30, 2023, the Company has 25,004,167 outstanding common shares and as at November 20, 2023, the Company has 25,029,167 outstanding common shares. As at September 30, 2023, and November 20, 2023, the Company has 975,000 outstanding stock options.

Transactions with Related Parties

During the periods ended September 30, 2023, and 2022, the Company entered the following transactions with related parties:

- paid Director fees of $88,875 (2022 - $91,125) to Directors or companies controlled by Directors;
- paid fees to President and CEO, Wade Dawe, in the amount of $117,000 (2022 - $117,000);
- paid fees to Chief Investment Officer, Scott Gardner, in the amount of $103,500 (2022 - $103,500);
- paid fees to CFO, Rob Randall, in the amount of $55,275 (2022 - $55,688);
- paid consulting fees to a Director, Carl Sheppard, of nil in the current period (2022 – $60,500); and
- paid service fees, rent and other fees of $112,800 (2022 - $99,550) to Numus Financial, a company owned by two Directors.

The above noted transactions are in the normal course of business and approved by the Board of Directors in strict adherence to conflict-of-interest laws and regulations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Critical accounting estimates used in the preparation of the financial statements that have the most significant effect on the amounts recognized in the financial statements include the estimates outlined below.

Stock-Based Compensation
Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statements of income and comprehensive income based on estimates of volatility, forfeitures and expected lives of the underlying stock options.

Fair Value of Investment in Securities Not Quoted in an Active Market
Where the fair values of financial assets and financial liabilities recorded on the statements of financial position, including equities and warrants, cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible; where observable market data is not available; Management's judgment is required to establish fair values.

All the Company's significant accounting policies and estimates are included in note 2 to the Company's audited financial statements for the year ended December 31, 2022.

Risk Factors

The Company's business as an Investment Issuer is subject to several significant risk factors, and an investment in the Company will involve a high degree of risk. Investors should carefully consider each of such risks and all the information in this MD&A before investing in the Company. The risks consist of:

Risks of Competition **-** The Company will face competition from other capital providers, all of which compete with it for investment opportunities. These competitors may limit the Company's opportunities to acquire interests in investments that are attractive to the Company. The Company may invest otherwise than following its Investment Policy and strategy to meet its investment objectives. If the Company is required to invest other than following its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Risks of Fluctuations in the Value of the Company and the Common Shares **-** The net asset value of the Company and market value of the common shares will fluctuate with changes in the market value of the Company's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of companies whose securities are part of the Company's Investment Portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Company. There can be no assurance that shareholders will realize any gains from their investment in the Company and they may lose their entire investment.

Due Diligence **-** The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Risks of Investment in Illiquid Securities **-** There is a possibility that the Company will be unable to dispose of illiquid securities held in its portfolio. If the Company is unable to dispose of some or all its investments at the appropriate time, a return on such investment may not be realized.

Loss of Investment Risk **-** An investment in the Company is speculative and may result in the loss of a substantial portion of an investor's investment. Only potential investors who are experienced in high-risk investments and who can afford to lose a substantial portion of their investment should consider an investment in the Company.

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

Dividends **-** To date, the Company has not paid dividends on any of its common shares and the Company is not required to pay any dividends on its Common Shares in the foreseeable future. Any decision to pay dividends will be made based on the Company's earnings, financial requirements, and other conditions.

Currency Risk **-** Some of the Company's assets may be invested in foreign securities. Consequently, the Canadian dollar equivalent of the Company's net denominated assets and dividends would be adversely affected by reductions in the value of the applicable foreign currencies relative to the Canadian dollar and would be positively affected by increases in the value of the applicable foreign currencies relative to the Canadian dollar.

Commodity Risk **-** The Company may invest in sectors that are very sensitive to the fluctuations of commodity prices.

Foreign Investment Risks **-** Foreign investments made by the Company may be subject to political risks, risks associated with changes in foreign exchange rates, foreign exchange control risks and other similar risks.

Equity Market Risk **-** The price of the equity securities in which the Company may invest are influenced by the issuing company's outlook, market activity and regional, national and international economic conditions. When the economy is expanding, the outlook for many companies is equally promising, and the value of their equity securities should rise in agreement. The opposite is also true. Typically, the greater the potential reward, the greater the potential risk. For small companies in the emerging sectors the risk and reward ratio is usually greater. Equity-related securities, which give indirect exposure to the equity value of a company, such as warrants and convertible securities, can also be affected by this equity risk.

Market Disruption Risks **-** War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual company's or related groups of companies. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that would be held from time to time. Such events could, directly or indirectly, have a material effect on the prospects of the Company and the value of the securities in its Investment Portfolio.

Private Company Risks **-** Investments in private companies cannot be resold without a prospectus, an available prospectus exemption or an appropriate ruling under relevant securities legislation. Even if they can be sold, there may not be a market for such securities. This may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private companies may offer high potential returns but will also be subject to a relatively high degree of risk. The process of valuing investments in private company's will inevitably be based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments.

Risk of Dilution from Possible Future Offerings **-** The Company may issue additional securities from time-to-time to raise funding for its business and such issuances may be dilutive to Shareholders.

Financing Risks **-** Additional funding may be required to complete future investment and growth opportunities. There is no assurance that any such funds will be available to the Company, on acceptable terms or an acceptable level. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on the Company's ability to grow its Investment Portfolio.

Dependence upon Key Management **-** The Company will depend on the business and technical expertise of its Management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required. The Company may not be able to attract and retain additional qualified personnel and this would have a negative effect on the Company's operations. The Company currently maintains no "key man" life insurance polices on any members of its Management or Directors.

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

Management's Responsibility for Financial Information

This MD&A and the accompanying financial statements of Torrent Capital Ltd. are the responsibility of Management and have been approved by the Board of Directors. The financial statements have been prepared by Management in accordance with IFRS. The financial statements include certain amounts and assumptions that are based on Management's best estimates and have been derived with careful judgment. Management has established these amounts in a reasonable manner, 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.com.