
TORRENT CAPITAL LTD.

FINANCIAL STATEMENTS

**FOR THE QUARTERS ENDED
MARCH 31, 2025 AND 2024**

(expressed in Canadian dollars)

May 15, 2025

Management's Responsibility for Financial Reporting

The accompanying condensed interim financial statements of Torrent Capital Ltd. (the "Company") are the responsibility of the Management and Board of Directors of the Company.

The condensed interim financial statements have been prepared by Management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the condensed interim financial statements. Where necessary, Management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of Management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with IFRS[®] Accounting Standards ("IFRS").

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 condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the condensed interim financial statements; and (ii) the condensed interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim financial statements together with other financial information of the Company and for ensuring that Management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with Management to review the financial reporting process and the condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

These unaudited condensed interim financial statements have not been reviewed by the external auditors of the Company.

Halifax, Canada

(signed) "*Wade Dawe*"
President and Chief Executive Officer
Halifax, Nova Scotia

(signed) "*Robert Randall*"
Chief Financial Officer
Halifax, Nova Scotia

Torrent Capital Ltd.**Unaudited Condensed Interim Statements of Financial Position****As at March 31, 2025 and December 31, 2024***(Expressed in Canadian dollars unless otherwise indicated)*

	March 31, 2025	December 31, 2024
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	1,594,963	1,669,034
Amounts receivable	40,602	36,465
Prepaid expenses	20,114	2,088
Investments in securities at fair value (note 3)	17,394,436	18,377,885
Investments in digital assets at fair value (note 4)	6,999,689	149,965
Income tax recoverable (note 7)	-	-
	26,049,804	20,235,437
Investment in Joint Venture (note 5)	471,117	422,117
Total Assets	26,520,921	20,657,554
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	398,340	335,043
Non-current liabilities		
Deferred income tax (note 7)	-	45,000
	398,340	380,043
EQUITY		
Share capital (note 8)	17,197,950	10,556,600
Warrants (note 8)	1,565,391	-
Contributed surplus (note 9)	381,494	339,445
Retained earnings	9,820,871	9,381,466
Accumulated other comprehensive loss	(2,843,125)	-
	26,122,581	20,277,511
Total Liabilities and Equity	26,520,921	20,657,554

Nature of Operations (note 1)**Approved on Behalf of the Board on May 15, 2025:**

"Wade Dawe"
Director

"Jim Megann"
Director

The accompanying notes are an integral part of these financial statements.

Torrent Capital Ltd.

Unaudited Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

For the quarters ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Three months ended March 31, 2025 \$	Three months ended March 31, 2024 \$
NET INVESTMENT GAIN (LOSS) AND OTHER INCOME (EXPENSES)		
Realized gain (loss) on investments in securities	405,699	(739,631)
Realized gain (loss) on investments digital assets	(9,805)	-
Unrealized gain on investments in securities (note 3)	209,519	2,978,705
Staking rewards income (note 4)	64,856	-
Equity loss from joint venture (note 5)	(16,500)	(47,100)
Interest income (note 5)	15,549	10,962
	669,318	2,202,936
EXPENSES		
Consulting (note 6)	127,127	72,160
Stock-based compensation (notes 6 and 9)	42,049	-
Directors' fees (note 6)	29,625	29,625
Office and administration	36,609	13,468
Professional fees	28,339	14,214
Insurance	4,440	7,649
Stock exchange and maintenance fees	6,282	3,841
Rent and related costs (note 6)	7,650	5,950
Foreign exchange loss (gain)	(7,208)	5,030
	(274,913)	(151,937)
NET INCOME BEFORE INCOME TAXES	394,405	2,050,999
OTHER COMPREHENSIVE LOSS		
Unrealized loss on investments in digital assets	(2,843,125)	-
INCOME TAXES		
Provision for tax recovery (note 7)	45,000	-
	(2,798,125)	-
NET COMPREHENSIVE INCOME (LOSS)	(2,403,720)	2,050,999
Net Comprehensive income (loss) per share		
Basic	(0.07)	0.08
Diluted	-	0.08
Weighted average number of shares outstanding	32,154,754	25,204,167

The accompanying notes are an integral part of these financial statements.

Torrent Capital Ltd.

Unaudited Condensed Interim Statements of Changes in Shareholders' Equity

For the quarters ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares #	Share Capital \$	Warrants #	Warrants \$	Contributed Surplus \$	Accumulated Other Comprehensive Income (Loss) \$	Retained Earnings \$	Total \$
Balance – December 31, 2023	25,004,167	10,556,600	-	-	420,448	-	4,694,082	15,671,130
Net loss and comprehensive loss for the period	-	-	-	-	-	-	2,050,999	2,050,999
Balance – March 31, 2024	25,004,167	10,556,600	-	-	420,448	-	6,745,081	17,722,129
Net loss and comprehensive loss for the period	-	-	-	-	-	-	2,555,382	2,555,382
Stock option expiry (note 9)	-	-	-	-	(81,003)	-	81,003	-
Balance – December 31, 2024	25,204,167	10,556,600	-	-	339,445	-	9,381,466	20,277,511
Net income for the period	-	-	-	-	-	-	394,405	394,405
Unrealized loss on digital assets	-	-	-	-	-	(2,798,125)	-	(2,798,125)
Units issued upon financing (notes 8 and 10)	12,511,057	7,344,006	9,383,287	1,413,734	-	-	-	8,757,740
Unit issuance costs (notes 8 and 10)	-	(462,054)	-	(88,946)	-	-	-	(551,000)
Finder compensation units (notes 8 and 10)	-	(240,603)	937,580	240,603	-	-	-	-
Stock-based compensation (note 9)	-	-	-	-	42,049	-	-	42,049
Balance – December 31, 2024	37,715,224	17,197,950	10,320,867	1,565,391	381,494	(2,798,125)	9,775,871	26,122,581

The accompanying notes are an integral part of these financial statements.

Torrent Capital Ltd.

Unaudited Condensed Interim Statements of Cash Flow For the quarters ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Three months ended March 31, 2025 \$	Three months ended March 31, 2024 \$
CASH PROVIDED BY:		
OPERATING ACTIVITIES		
Net Comprehensive income (loss) for the period	(2,403,720)	2,050,999
Items not affecting cash:		
Realized (gain) loss on investments in securities	(405,699)	739,631
Realized loss on investments in digital assets	9,805	-
Unrealized (gain) loss on investments in securities	(209,519)	(2,978,705)
Unrealized loss on investments in digital assets	2,843,125	-
Provision for income tax expense (recovery)	(45,000)	-
Interest on loan to joint venture	(15,500)	(10,800)
Equity pick-up	16,500	47,100
Staking rewards income	(64,856)	-
Stock-based compensation	42,049	-
	(232,815)	(151,775)
Adjustments for:		
Proceeds on sale of investments in securities	2,541,920	698,867
Acquisition of investments in securities	(943,252)	(918,001)
Proceeds on sale of investments in digital assets	405,471	-
Acquisitions of investments in digital assets	(10,043,269)	-
Amounts receivable	(4,136)	35,247
Prepaid expenses	(18,026)	(17,500)
Accounts payable and accrued liabilities	63,296	146,427
	(8,230,812)	(206,735)
Financing Activities		
Proceeds from financings, net	8,206,740	-
Investing activities		
Investment in joint venture	-	(17,839)
Loan to joint venture	(50,000)	-
	(50,000)	(17,839)
CHANGE IN CASH AND CASH EQUIVALENTS	(74,071)	(224,574)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,669,034	499,727
CASH AND CASH EQUIVALENTS, END OF PERIOD	1,594,963	275,153
Supplemental information:		
Income taxes paid	-	-

The accompanying notes are an integral part of these financial statements.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

1. NATURE OF OPERATIONS

Torrent Capital Ltd. (“Torrent”, or the “Company”) is an investment issuer with its shares traded on the TSX Venture Exchange under the symbol “TORR”. The Company’s focus is on strategic investments in public and private company securities and in various digital assets. The Company’s corporate office is located at Suite 2001 – 1969 Upper Water Street, Purdy’s Wharf II, Halifax, Nova Scotia, Canada, B3J 3R7.

As at March 31, 2025, the Company had cash and cash equivalents of \$1,594,963 (December 31, 2024 - \$1,669,034) and working capital of \$25,651,464 (December 31, 2024 - \$19,900,394). Management believes that it has sufficient resources to fund its ongoing working capital requirements for the ensuing twelve months as they normally fall due.

2. ACCOUNTING POLICIES

Statement of Compliance

These unaudited condensed interim Financial Statements have been prepared in accordance with IFRS[®] Accounting Standards issued by the International Accounting Standards Board (“IASB”) and IFRIC[®] Interpretations of the IFRS Interpretations Committee. These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on May 15, 2025.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, has been omitted or condensed. The unaudited condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements for the year-ended December 31, 2024.

The policies applied in these unaudited condensed interim financial statements are based on IFRS as of May 15, 2025, the date the Board of Directors approved the condensed interim financial statements. Any subsequent changes to IFRS, that are given effect in the Company’s annual financial statements for the year-ended December 31, 2025, could result in the restatement of these unaudited condensed interim financial statements.

Accounting Policies

These unaudited condensed interim financial statements have been prepared using the same policies and method of computation as the annual financial statements of the Company for the year-ended December 31, 2024. Refer to note 2, *Accounting Policies*, of the Company’s annual financial statements for information regarding the accounting policies, including critical accounting estimates, as well as new accounting standards not yet effective. Also, refer to note 3, *Capital Management* and note 4, *Financial Risk Factors*, of the Company’s annual financial statements for the Company’s capital management objectives and its financial risk factors.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

During the period ended March 31, 2025, the Company has made the following Critical Accounting Estimates and Judgments as well as adopting the following new accounting policies;

Accounting for income from staking rewards

There is currently no definitive guidance in IFRS for accounting of income generated from staking rewards. Management has exercised significant judgment in determining appropriate accounting treatments for these other income items. Management has determined the accounting treatments as follows:

- Staking rewards are measured at fair value at the closing market price of the rewards on the date the digital assets are received. These digital assets are subsequently measured as an intangible asset with changes in fair market value recorded in other comprehensive income.

Staking Income

Staking is the act of posting digital assets as collateral to a proof-of-stake (“PoS”) blockchain network. The Company earns income from staking in which the Company participates in networks with PoS consensus algorithms, through creating or validating blocks on the network. In exchange for its participation in the consensus mechanism of these networks, the Company earns rewards in the form of the native token of the network, net of any network fees. These net rewards are recognized as Staking Income at the point when the block creation or validation is complete and the rewards are available for transfer to the Company. The reward consideration the Company receives is non-cash consideration, which the Company measures at fair value at the quoted market price of the rewards at close of the day in which they are received.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

3. INVESTMENTS IN SECURITIES

	Shares #	Cost of Investment \$	Market Value March 31, 2025 \$	Unrealized Gain (Loss) Year to date March 31 2025 \$	Market Value December 31, 2024 \$
kneat.com, inc.	1,451,500	1,541,017	9,057,360	497,828	8,571,422
WildBrain Ltd	1,039,891	1,346,056	1,511,754	108,401	1,705,421
Sentinel One Inc.	18,000	640,744	469,727	(104,586)	574,313
Other Securities		4,977,704	4,494,340	94,932	5,145,194
Digital Asset ETF Investment Portfolio		1,228,460	972,684	(202,348)	791,693
Resource Investment Portfolio		1,564,457	888,571	219,148	733,472
MDA Space Ltd.		-	-	(403,856) ^(a)	856,370
		11,298,438	17,394,436	209,519	18,377,885

(a) Arising from the reversal of unrealized (gains) loss in prior periods.

IFRS 9, Financial Instruments (“IFRS 9”)

Financial Instruments Recorded at Fair Value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

Investments consisted of the following at March 31, 2025:

Investments	Cost \$	Level 1 Quoted Market Price \$	Level 2 Observable Market Inputs \$	Level 3 Non-Observable Market Inputs \$	Fair Market Value \$
Equities	11,298,438	14,314,897	-	2,879,539	17,194,436
Warrants	-	-	200,000	-	200,000
Total investments	11,298,438	14,314,897	200,000	2,879,539	17,394,436

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

3. INVESTMENTS IN SECURITIES (Continued)

Investments consisted of the following at December 31, 2024:

Investments	Cost \$	Level 1 Quoted Market Price \$	Level 2 Observable Market Inputs \$	Level 3 Non-Observable Market Inputs \$	Fair Market Value \$
Equities	12,403,221	15,498,345	-	2,879,539	18,377,885
Warrants	-	-	-	-	-
Total investments	12,403,221	15,498,345	-	2,879,539	18,377,885

During the period ended March 31, 2025 and the year ended December 31, 2024, the reconciliation of investments measured at fair market value using unobservable inputs (Level 3) is presented as follows:

	\$
Balance – December 31, 2023	4,084,010
Transfers to Level 1	(153,948)
Purchases	100,000
Change in unrealized loss	(1,150,523)
Balance – December 31, 2024 and March 31, 2025	2,879,539

The table below presents the valuation technique(s) and the nature of significant inputs used to determine the fair values of the Level 3 investments as at March 31, 2025:

Investment	Method	Inputs	Fair value change + / - 10%
Equity instruments	Private placement financing technique	Price per share of last capital raise	\$287,954

4. INVESTMENTS IN DIGITAL ASSETS

During the period ended March 31, 2025, the Company acquired various digital asset intangibles presented as follows:

	Tokens #	Cost \$	Market Value March 31, 2025 \$	Unrealized Gain (Loss) Year to date March 31 2025 \$	Market Value Dec. 31, 2024 \$
Solana	34,511	8,873,838	6,174,941	(2,698,897)	149,965
Bitcoin	7	968,976	824,748	(144,228)	-
		9,842,814	6,999,689	(2,843,125)	149,965

During the period ended March 31, 2025, the Company earned income from staking rewards from its Solana digital assets which it had staked. The Company earned 301 Solana token as staking rewards valued at \$64,856 (2024 - \$nil) which have been recorded as staking income.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

5. INVESTMENT IN JOINT VENTURE

In September 2022, the Company and the Port of Argentia Inc. (the “Port”) established a 50/50 joint venture company, Argentia Capital Inc. (“ACI”). ACI is focused on the construction of Port infrastructure, the provision of services and equity ownership in businesses that support aquaculture, renewable energy, and oil and gas sectors, as well as other Port developments. The Company’s ownership interest in ACI is accounted for using the equity method.

On October 31, 2022, the Company and ACI entered into a loan agreement. The loans have an annual interest rate of 12% and are repayable in full, including all interest, on demand. As of March 31, 2025, the Company has provided \$535,000 to ACI and has recognized a loan receivable of \$630,700, including accrued interest, relating to the loans.

Loan receivable continuity

	March 31, 2025 \$	December 31, 2024 \$
Balance – beginning of year	565,200	391,850
Advances to ACI	50,000	125,000
Accrued interest	15,500	48,350
Balance – end of year	630,700	565,200
Interest in joint venture (<i>see below</i>)	(159,583)	(143,083)
Balance, net – end of year	471,117	422,117

For the period ended March 31, 2025, Torrent recognized an equity loss from joint venture of \$16,500 (year ended December 31, 2024 - \$165,000). Equity losses in excess of Torrent’s incremental investment have been applied to other components of the Company’s net interest in the ACI joint venture.

The following table presents the change in carrying values of the Company’s investment in joint venture during the year ended December 31, 2024 and the period ended March 31, 2025:

	Amount \$
Balance – December 31, 2023	(31,329)
Additions	162,500
Government assistance	(109,254)
Equity pick-up	(165,000)
Balance – December 31, 2024	(143,083)
Equity pick-up	(16,500)
Balance – March 31, 2025	(159,583)

For the period ended March 31, 2025, the Company recognized additions to the joint venture of \$nil (year ended December 31, 2024 - \$151,546). In the year ended December 31, 2024, the Company received non-repayable government assistance of \$89,080 relating to joint venture expenses which have been offset against costs incurred.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

6. RELATED PARTY TRANSACTIONS AND BALANCES

Remuneration of Directors and key management personnel of the Company was as follows:

	Three months ended March 31, 2025 \$	Three months ended March 31, 2024 \$
CEO remuneration – W. Dawe	39,000	39,000
President & COO remuneration – C. Sheppard	30,000	-
CFO remuneration – R. Randall	38,475	13,913
Consulting fees – Brigus Capital	10,283	3,248
Director remuneration	29,625	29,625
Service fees and rent	28,650	21,950
	176,033	107,735

During the period ended March 31, 2025, the Company incurred costs for consulting services provided by Numus Financial Inc. (“Numus”), a company controlled by two Directors (one being the CEO), in the amount of \$nil (2024 – \$7,000), Financial Controller services of \$9,000 (2024 - \$9,000), digital media services of \$12,000 (2024 - \$nil) and rent and office services from Numus in the amount of \$7,650 (2024 – \$5,950). The Company also incurred costs for consulting services of \$10,283 (2024 - \$3,248) from Brigus Capital Inc., a company controlled by the CEO.

As at March 31, 2025, related parties were owed \$188,604 (December 31, 2024 - \$168,335). These amounts are included in accounts payable and accrued liabilities.

If the Financial Controller services are cancelled without cause by the Company, a break fee of six months of remuneration, being \$18,000, will be payable to Numus, in addition to the Controller service fees applicable for the 90 day notice period. If the rental option is cancelled by the Company without six months’ notice to Numus, a break fee of six months of remuneration, being \$15,300, will be payable to Numus.

In the period ended March 31, 2025, the Company issued 295,000 stock options to Directors and Officers. The options have an exercise price of \$0.75 and expire on February 19, 2030. The estimated fair value of these stock options was \$119,334 of which stock-based compensation of \$22,375 was recognized during the period ended March 31, 2025.

In the period ended March 31, 2025, the Board approved the issuance of 70,000 restricted share units to a Director and Officer with a one-year vesting period. The restricted share units have an estimated fair value of \$46,900 of which stock-based compensation of \$5,863 was recognized during the period ended March 31, 2025.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

6. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Numus Capital Corp. (the “Finder”) acted as exclusive Finder for the concurrent private placement (note 8). The Finder is registered as an Exempt Market Dealer and deals with Torrent on a non-arm's length basis, insiders of Torrent being indirectly principal shareholders as well as directors and officers of the Finder. In connection with the private placement, Torrent paid the Finder cash commissions of \$149,568 and issued 213,669 non-transferable share purchase units (the “Compensation Units”). Each Compensation Unit entitles the holder to acquire one Common Share at an exercise price of \$0.70 until February 10, 2027, and grants three-quarters of one non-transferable Common Share purchase warrant (each full warrant, a “Warrant” and collectively the “Warrants”). Each Warrant will be exercisable at a price of \$1.10 per share until February 10, 2027.

The above noted transactions are in the normal course of business, as agreed to by the parties and approved by the Board of Directors in strict adherence to conflict of interest regulations.

7. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 29% (2024 – 29%) to the effective tax rate is as follows:

	Quarter ended March 31, 2025 \$	Year ended December 31, 2024 \$
Income (loss) before income taxes	(2,448,720)	4,651,381
Expected income tax expense	(710,130)	1,348,900
Stock based compensation and other non-deductible items	817,450	(1,117,141)
Equity loss from joint venture	4,790	82,500
Change in tax benefits not recognized	(157,100)	(269,259)
Income tax (recovery) expense	(45,000)	45,000
Current income (recovery) tax	-	-
Deferred income (recovery) tax	(45,000)	45,000
Income tax (recovery) expense	(45,000)	45,000

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

7. INCOME TAXES (Continued)

Deferred Tax

The following table summarizes the components of deferred tax:

	March 31, 2025 \$	December 31, 2024 \$
Deferred Tax Assets		
Exploration and evaluation assets	44,000	46,000
Investment in joint venture	48,000	48,000
Intangible assets	42,000	44,000
Charitable donations	15,000	15,000
Losses carried forward	522,000	567,000
Deferred Tax Liability		
Unrealized gains on investments	(671,000)	(765,000)
Net deferred tax liability	-	45,000

8. SHARE CAPITAL

(a) AUTHORIZED

Authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) SHARES ISSUED

	Number of Shares	Amount \$
Balance – December 31, 2023 and December 31, 2024	25,004,167	10,556,600
Shares issued pursuant to financings, net of issuance costs	12,511,057	6,641,349
Balance – March 31, 2025	37,715,224	17,197,950

On February 10, 2025, the Company completed financings to raise gross proceeds of \$8,757,740 (the “Financings”) by the issuance of 12,511,057 units of Torrent (each, a “Unit”) at \$0.70 per Unit (the “Offering Price”). Each Unit consists of one Common Share of Torrent (a “Common Share”) and three-quarters of one non-transferable Common Share purchase warrant (each full warrant, a “Warrant” and collectively the “Warrants”).

Each Warrant will be exercisable at a price of \$1.10 per share until February 10, 2027, provided that if the volume weighted average trading price of the Company’s Common Shares on the TSX Venture Exchange is at least \$2.20 per Common Share for a period of ten consecutive trading days, the expiry date of the Warrants may be accelerated by the Company to a date that is not less than 30 days after the date that notice of such acceleration is provided to the Warrant holders by way of a press release and concurrent written notice is provided to the warrant agent.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

8. SHARE CAPITAL (Continued)

With respect to the Financings, the Company relied on the “Listed Issuer Financing Exemption” provided for in Part 5A of National Instrument 45-106 – Prospectus Exemptions for the issuance of 5,368,200 Units (“LIFE Offering”). The concurrent non-brokered prospectus exempt offering of 7,142,857 Units was conducted by way of private placement.

The LIFE Offering was made through a syndicate of agents including Canaccord and Ventum. Numus Capital Corp. (the “Finder”) acted as exclusive Finder for the concurrent private placement. In connection with the Financings, Torrent paid the cash commissions of \$459,415 and issued 535,761 non-transferable share purchase units (the “Compensation Units”). Each Compensation Unit entitles the holder to acquire one Common Share at an exercise price of \$0.70 until February 10, 2027 and grants three-quarters of one non-transferable Common Share purchase warrant (each full warrant, a “Compensation Warrant”) and collectively the “Compensation Warrants”). Each Compensation Warrant will be exercisable at a price of \$1.10 per share until February 10, 2027.

The Company has a stock option plan (the “Option Plan”) for directors, officers, employees and consultants of the Company. The Company also has a restricted share plan (“RSU Plan”), under which the Company can issue up to 800,000 shares. The total share rights available under the RSU Plan together with the Option Plan shall not exceed 10% of the issued and outstanding common shares of the Company. The options can have up to a ten-year life and the vesting period is set by the Board of Directors. Options are granted at a price not lower than the market price of the common shares. The performance criteria and performance period of the stock options and restricted shares units are determined by the Board of Directors.

9. STOCK OPTIONS AND RESTRICTED SHARE UNITS

On February 19, 2025, the Company granted 90,000 restricted share units to a Director, Officer and consultant under the Company’s RSU plan. These units will vest in one year from the date of grant. The fair value of units granted is amortized over the vesting period of the respective units with \$7,538 recorded as stock-based compensation for the period end March 31, 2025. The Company also granted 455,000 stock options to Directors, Officers and consultants of the Company. The options are exercisable at a price of \$0.75 per share and expire on February 19, 2030. These options vested at the rate of 50% on each of the six- and twelve-month anniversary of the grant date. During the year ended December 31, 2024, no stock-based compensation was recorded for stock options or restricted share units.

There were no options issued during the year ended December 31, 2024.

The following are the weighted-average assumptions used in the Black-Scholes option pricing model are as follows:

	Period ended March 31, 2025
Risk free interest rate	2.81%
Expected volatility	75%
Expected dividend yield	-
Expected life	5 years
Exercise price	\$0.75

Torrent Capital Ltd.

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For the quarters ended March 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

9. STOCK OPTIONS AND RESTRICTED SHARE UNITS (continued)

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the options granted during the period ended March 31, 2025 is \$184,057. The fair value of options granted is amortized over the vesting period of the respective options with \$34,511 expensed during the period ended March 31, 2025.

The following table reflects the stock options continuity for the year ended December 31, 2024 and period ended March 31, 2025:

	Number of Stock Options Outstanding	Weighted Average Exercise Price \$
Balance – December 31, 2023	800,000	0.64
Options exercised	(75,000)	0.70
Balance – December 31, 2024	725,000	0.63
Issued	455,000	0.75
Balance – March 31, 2025	1,180,000	0.68

During the year ended December 31, 2024, 75,000 options expired unexercised. As a result of the expiry, the Company reclassified \$81,003 of fair value for the expired and other previously cancelled options, which was previously recorded as contributed surplus, to retained earnings.

The following table reflects the stock options outstanding as at March 31, 2025:

Expiry Date	Exercise Price \$	Weighted Average Life Remaining	Options Outstanding	Options Vested	Black- Scholes Value \$
May 19, 2025	0.40	0.4 years	375,000	375,000	77,002
September 30, 2025	0.80	0.7 years	25,000	25,000	10,267
May 13, 2027	0.95	2.4 years	125,000	125,000	62,769
October 27, 2027	0.85	2.8 years	200,000	200,000	83,113
February 19, 2030	0.75	4.9 years	455,000	-	184,057
			1,180,000	725,000	

The weighted average exercise price of vested options as at March 31, 2025 is \$0.63.

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(expressed in Canadian dollars unless otherwise noted)

10. WARRANTS

The following table reconciles the warrant activity during the year ended December 31, 2024 and period ended March 31, 2025.

	Number of warrants	Weighted Average Exercise price
	#	\$
Balance, December 31, 2023 and 2024	-	-
Financing unit warrants issued	9,383,287	1.10
Finder compensation warrants issued	535,761	0.70
Finder compensation warrants issued	401,819	1.10
Balance, March 31, 2025	10,320,867	1.08

During the period ended March 31, 2025, the Company issued 9,383,287 share warrants and 937,580 finder warrants pursuant to the financings completed. The unit warrants are exercisable at \$1.10 and expire on February 10, 2027. The compensation warrants have a weighted average exercise price of \$0.87 and expire on February 10, 2027.

Warrant pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models may not necessarily provide a reliable estimate of the fair value of the Company's warrants.

The fair value of the warrants issued has been estimated at the grant date using the Black-Scholes option pricing model. The weighted-average assumptions used in the pricing are as follows:

	Period ended March 31, 2025
Risk-free interest rate	2.67%
Expected life	2 years
Expected volatility	65%
Expected dividend per share	0.0%
Weighted-average exercise price	\$1.08