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**TORRENT CAPITAL LTD.**

**FINANCIAL STATEMENTS**

**FOR THE QUARTERS ENDED  
JUNE 30, 2025 AND 2024**

*(expressed in Canadian dollars)*

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August 14, 2025

## **Management's Responsibility for Financial Reporting**

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

The condensed interim consolidated 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 consolidated 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 consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with IFRS<sup>®</sup> 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 consolidated 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 consolidated financial statements; and (ii) the condensed interim consolidated 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 consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim consolidated 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 consolidated 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 consolidated 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 consolidated 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) "*Eric Thompson*"  
Chief Financial Officer  
Halifax, Nova Scotia

**Torrent Capital Ltd.****Unaudited Condensed Interim Statements of Consolidated Financial Position****As at June 30, 2025 and December 31, 2024***(Expressed in Canadian dollars unless otherwise indicated)*

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	<b>1,868,505</b>	1,669,034
Amounts receivable	<b>22,866</b>	36,465
Prepaid expenses	<b>13,899</b>	2,088
Investments in securities at fair value (note 3)	<b>17,714,606</b>	18,377,885
Investments in digital assets at fair value (note 4)	<b>9,122,032</b>	149,965
Income tax recoverable (note 7)	<b>-</b>	-
	<b>28,741,908</b>	20,235,437
<b>Investment in Joint Venture (note 5)</b>	<b>302,167</b>	422,117
<b>Total Assets</b>	<b>29,044,075</b>	20,657,554
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 6)	<b>311,182</b>	335,043
<b>Non-current liabilities</b>		
Deferred income tax (note 7)	<b>-</b>	45,000
	<b>311,182</b>	380,043
<b>EQUITY</b>		
Share capital (note 8)	<b>17,383,861</b>	10,556,600
Warrants (note 8)	<b>1,557,481</b>	-
Contributed surplus (note 9)	<b>388,588</b>	339,445
Retained earnings	<b>10,910,865</b>	9,381,466
Accumulated other comprehensive loss	<b>(1,507,902)</b>	-
	<b>28,732,893</b>	20,277,511
<b>Total Liabilities and Equity</b>	<b>29,044,075</b>	20,657,554

**Nature of Operations (note 1)****Approved on Behalf of the Board on August 14, 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 Consolidated Income (Loss) and Comprehensive Income (Loss)

For the quarters ended June 30, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Three months ended June 30, 2025 \$	Three months ended June 30, 2024 \$	Six months ended June 30, 2025 \$	Six months ended June 30, 2024 \$
<b>NET INVESTMENT GAIN (LOSS) AND OTHER INCOME (EXPENSES)</b>				
Realized gain (loss) on investments in securities	(3,473)	442,413	402,226	(297,218)
Realized gain (loss) on investments in digital assets	11,848	-	2,043	-
Unrealized gain on investments in securities (note 3)	1,515,648	(1,784,791)	1,725,167	1,193,914
Staking rewards income (note 4)	149,869	-	214,725	-
Equity loss from joint venture (note 5)	(185,050)	(48,900)	(201,550)	(96,000)
Interest income (note 5)	16,148	10,980	31,697	21,942
	<b>1,504,990</b>	<b>(1,380,298)</b>	<b>2,174,308</b>	<b>822,638</b>
<b>EXPENSES</b>				
Consulting (note 6)	135,350	82,498	262,477	154,658
Stock-based compensation (notes 6 and 9)	84,096	-	126,145	-
Directors' fees (note 6)	29,625	29,625	59,250	59,250
Office and administration	24,596	34,183	61,205	47,651
Professional fees	30,424	23,595	58,763	37,809
Insurance	4,410	4,500	8,850	12,149
Travel	6,641	-	6,641	-
Stock exchange and maintenance fees	11,728	7,655	18,010	11,496
Rent and related costs (note 6)	7,650	7,650	15,300	13,600
Foreign exchange loss (gain)	35,476	1,185	28,268	6,215
	<b>(369,996)</b>	<b>(190,891)</b>	<b>(644,909)</b>	<b>(342,828)</b>
<b>NET INCOME BEFORE INCOME TAXES</b>	<b>1,134,994</b>	<b>(1,571,189)</b>	<b>1,529,399</b>	<b>479,810</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Unrealized income (loss) on investments in digital assets	1,290,223	-	(1,552,902)	-
<b>INCOME TAXES</b>				
Provision for tax recovery (note 7)	-	-	45,000	-
	<b>1,290,223</b>	<b>-</b>	<b>(1,507,902)</b>	<b>-</b>
<b>NET COMPREHENSIVE INCOME (LOSS)</b>	<b>2,425,217</b>	<b>(1,571,189)</b>	<b>21,497</b>	<b>479,810</b>
<b>Net Comprehensive income (loss) per share</b>				
Basic	0.06	(0.06)	-	0.02
Diluted	0.06	-	-	0.02
<b>Weighted average number of shares outstanding</b>	<b>37,892,422</b>	<b>25,204,167</b>	<b>35,039,437</b>	<b>25,004,167</b>

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

# Torrent Capital Ltd.

## Unaudited Condensed Interim Statements of Consolidated Changes in Shareholders' Equity

For the quarters ended June 30, 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 \$
<b>Balance – December 31, 2023</b>	<b>25,004,167</b>	<b>10,556,600</b>	-	-	<b>420,448</b>	-	<b>4,694,082</b>	<b>15,671,130</b>
Net loss and comprehensive loss for the period	-	-	-	-	-	-	479,810	479,810
<b>Balance – June 30, 2024</b>	<b>25,004,167</b>	<b>10,556,600</b>	-	-	<b>420,448</b>	-	<b>5,173,892</b>	<b>16,150,940</b>
Net loss and comprehensive loss for the period	-	-	-	-	-	-	4,126,571	4,126,571
Stock option expiry (note 9)	-	-	-	-	(81,003)	-	81,003	-
<b>Balance – December 31, 2024</b>	<b>25,204,167</b>	<b>10,556,600</b>	-	-	<b>339,445</b>	-	<b>9,381,466</b>	<b>20,277,511</b>
Net income for the period	-	-	-	-	-	-	1,529,399	1,529,399
Unrealized loss on digital assets	-	-	-	-	-	(1,507,902)	-	(1,507,902)
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)	-	(503,144)	-	(96,856)	-	-	-	(600,000)
Finder compensation units (notes 8 and 10)	-	(240,603)	937,580	240,603	-	-	-	-
Shares issued on the exercise of stock options (note 8)	375,000	227,002	-	-	(77,002)	-	-	150,000
Stock-based compensation (note 9)	-	-	-	-	126,145	-	-	126,145
<b>Balance – June 30, 2025</b>	<b>38,090,224</b>	<b>17,383,861</b>	<b>10,320,867</b>	<b>1,557,481</b>	<b>388,588</b>	<b>(1,507,902)</b>	<b>10,910,865</b>	<b>28,732,893</b>

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

# Torrent Capital Ltd.

## Unaudited Condensed Interim Statements of Consolidated Cash Flow For the quarters ended June 30, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Six months ended June 30, 2025 \$	Six months ended June 30, 2024 \$
<b>CASH PROVIDED BY:</b>		
<b>OPERATING ACTIVITIES</b>		
Net Comprehensive income (loss) for the period	21,497	479,810
Items not affecting cash:		
Realized (gain) loss on investments in securities	(402,226)	297,218
Realized (gain) loss on investments in digital assets	(2,043)	-
Unrealized (gain) loss on investments in securities	(1,725,167)	(1,193,914)
Unrealized loss on investments in digital assets	1,552,902	-
Provision for income tax expense (recovery)	(45,000)	-
Interest on loan to joint venture	(31,600)	(21,600)
Equity pick-up	201,550	96,000
Staking rewards income	(214,725)	-
Stock-based compensation	126,145	-
	(518,667)	(342,486)
<b>Adjustments for:</b>		
Proceeds on sale of investments in securities	4,397,992	1,647,933
Acquisition of investments in securities	(1,607,319)	(1,166,524)
Proceeds on sale of investments in digital assets	1,564,318	-
Acquisitions of investments in digital assets	(11,872,519)	-
Amounts receivable	13,599	35,666
Prepaid expenses	(11,811)	(11,209)
Accounts payable and accrued liabilities	(23,863)	25,419
	(8,058,270)	188,799
<b>Financing Activities</b>		
Proceeds from financings, net	8,157,741	-
Proceeds from exercise of options	150,000	-
	8,307,741	-
<b>Investing activities</b>		
Investment in joint venture	-	(53,246)
Loan to joint venture	(50,000)	(40,000)
	(50,000)	(93,246)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>199,471</b>	<b>95,553</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,669,034</b>	<b>499,727</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>1,868,505</b>	<b>595,280</b>
<b>Supplemental information:</b>		
Income taxes paid	-	-

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

# Torrent Capital Ltd.

## Notes to Unaudited Condensed Interim Consolidated Financial Statements

### For the quarters ended June 30, 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 certain 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 June 30, 2025, the Company had cash and cash equivalents of \$1,868,505 (December 31, 2024 - \$1,669,034) and working capital of \$ 28,430,727 (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 consolidated Financial Statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards issued by the International Accounting Standards Board (“IASB”) and IFRIC<sup>®</sup> Interpretations of the IFRS Interpretations Committee. These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 14, 2025.

These unaudited condensed interim consolidated 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 consolidated 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 consolidated financial statements are based on IFRS as of August 14, 2025, the date the Board of Directors approved the condensed interim consolidated financial statements. Any subsequent changes to IFRS, that are given effect in the Company’s annual consolidated financial statements for the year-ended December 31, 2025, could result in the restatement of these unaudited condensed interim consolidated financial statements.

##### Basis on consolidation

These consolidated financial statements include assets, liabilities and results of operations of the Company, including the following subsidiary:

<b>Subsidiary</b>	<b>Principal Activity</b>	<b>Country of incorporation</b>
Torrent Capital (BVI) Ltd.	Digital asset investments	British Virgin Islands

The Company consolidates the wholly owned subsidiary on the basis that it controls the subsidiary through its ability to govern their financial and operating policies. All intercompany transactions and balances have been eliminated on consolidation of the accounts.

# **Torrent Capital Ltd.**

## **Notes to Unaudited Condensed Interim Consolidated Financial Statements**

### **For the quarters ended June 30, 2025 and 2024**

*(expressed in Canadian dollars unless otherwise noted)*

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## **2. ACCOUNTING POLICIES (Continued)**

### **Accounting Policies**

These unaudited condensed interim consolidated 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.

For the period ended June 30, 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 received by the Company. The reward consideration the Company receives is non-cash consideration, which the Company measures at fair value at the closing market price of the rewards on the date the digital assets are received.



# Torrent Capital Ltd.

## Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the quarters ended June 30, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

### 3. INVESTMENTS IN SECURITIES

	Shares #	Cost of Investment \$	Market Value June 30, 2025 \$	Unrealized Gain (Loss) Quarter ended June 30 2025 \$	Unrealized Gain (Loss) Year to date June 30 2025 \$	Market Value Dec. 31, 2024 \$
kneat.com, inc.	1,451,500	1,541,017	8,738,030	(319,330)	178,500	8,571,422
WildBrain Ltd	679,200	1,086,144	1,385,568	133,726	242,127	1,705,421
Sentinel One Inc.	18,000	640,744	448,909	(20,818)	(125,404)	574,313
Other Securities		4,596,645	4,992,292	879,012	973,943	5,145,194
Digital Asset ETF Portfolio		302,710	260,172	213,240	10,891	791,693
Resource Investments Portfolio		1,935,701	1,889,635	629,818	848,966	733,472
MDA Space Ltd.		-	-	-	(403,856) <sup>(a)</sup>	856,370
		<b>10,102,961</b>	<b>17,714,606</b>	<b>1,515,648</b>	<b>1,725,167</b>	<b>18,377,885</b>

(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 June 30, 2025:

Investments	Cost \$	Level 1 Quoted Market Price \$	Level 2 Observable Market Inputs \$	Level 3 Non-Observable Market Inputs \$	Fair Market Value \$
Equities	10,102,961	14,434,467	-	3,031,139	17,465,606
Warrants	-	-	249,000	-	249,000
<b>Total investments</b>	<b>10,102,961</b>	<b>14,434,467</b>	<b>249,000</b>	<b>3,031,139</b>	<b>17,714,606</b>

# Torrent Capital Ltd.

## Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the quarters ended June 30, 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	-	-	-	-	-
<b>Total investments</b>	<b>12,403,221</b>	<b>15,498,345</b>	<b>-</b>	<b>2,879,539</b>	<b>18,377,885</b>

During the period ended June 30, 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:

	\$
<b>Balance – December 31, 2023</b>	<b>4,084,010</b>
Transfers to Level 1	(153,948)
Purchases	100,000
Change in unrealized loss	(1,150,523)
<b>Balance – December 31, 2024</b>	<b>2,879,539</b>
Purchases	150,000
Change in unrealized gain	1,600
<b>Balance – June 30, 2025</b>	<b>3,031,139</b>

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 June 30, 2025:

Investment	Method	Inputs	Fair value change + / - 10%
Equity instruments	Private placement financing technique	Price per share of last capital raise	\$303,114

### 4. INVESTMENTS IN DIGITAL ASSETS

During the period ended June 30, 2025, the Company acquired various digital asset intangibles presented as follows:

	Tokens #	Cost \$	Market Value June 30, 2025 \$	Unrealized Gain (Loss) Quarter ended June 30 2025 \$	Unrealized Gain (Loss) Year to date June 30 2025 \$	Market Value Dec. 31, 2024 \$
Solana	43,313	10,674,934	9,122,032	1,145,996 <sup>(a)</sup>	(1,552,902)	149,965
Bitcoin	-	-	-	144,228 <sup>(a)</sup>	-	-
		<b>10,674,934</b>	<b>9,122,032</b>	<b>1,290,223</b>	<b>(1,552,902)</b>	<b>149,965</b>

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

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements

#### For the quarters ended June 30, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

#### 4. INVESTMENTS IN DIGITAL ASSETS (Continued)

During the period ended June 30, 2025, the Company earned income from staking rewards from its Solana digital assets which it had staked. The Company earned 1,023 Solana tokens as staking rewards valued at \$214,725 (2024 - \$nil) which have been recorded as staking rewards income.

#### 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 June 30, 2025, the Company has provided \$535,000 to ACI and has recognized a loan receivable of \$646,800, including accrued interest, relating to the loans.

##### Loan receivable continuity

	June 30, 2025 \$	December 31, 2024 \$
Balance – beginning of period	565,200	391,850
Advances to ACI	50,000	125,000
Accrued interest	31,600	48,350
Balance – end of period	646,800	565,200
Interest in joint venture ( <i>see below</i> )	(344,633)	(143,083)
Balance, net – end of period	302,167	422,117

For the period ended June 30, 2025, Torrent recognized an equity loss from joint venture of \$201,550 (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.

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements

#### For the quarters ended June 30, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

#### 5. INVESTMENT IN JOINT VENTURE (Continued)

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 June 30, 2025:

	Amount \$
<b>Balance – December 31, 2023</b>	(31,329)
Additions	162,500
Government assistance	(109,254)
Equity pick-up	(165,000)
<b>Balance – December 31, 2024</b>	(143,083)
Equity pick-up	(201,550)
<b>Balance – June 30, 2025</b>	(344,633)

For the period ended June 30, 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.

#### 6. RELATED PARTY TRANSACTIONS AND BALANCES

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

	Six months ended June 30, 2025 \$	Six months ended June 30, 2024 \$
CEO remuneration – W. Dawe	90,000	78,000
President & COO remuneration – C. Sheppard	60,000	-
CFO remuneration – R. Randall	70,350	38,228
Consulting fees – Brigus Capital	20,566	12,992
Director remuneration	59,250	59,250
Service fees and rent	48,300	38,600
	<b>348,467</b>	<b>227,129</b>

During the period ended June 30, 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 \$18,000 (2024 - \$18,000), digital media services of \$15,000 (2024 - \$nil) and rent and office services from Numus in the amount of \$15,300 (2024 – \$13,600). The Company also incurred costs for consulting services of \$20,566 (2024 - \$12,992) from Brigus Capital Inc., a company controlled by the CEO.

As at June 30, 2025, related parties were owed \$153,237 (December 31, 2024 - \$168,335). These amounts are included in accounts payable and accrued liabilities.

## **Torrent Capital Ltd.**

### **Notes to Unaudited Condensed Interim Consolidated Financial Statements**

#### **For the quarters ended June 30, 2025 and 2024**

*(expressed in Canadian dollars unless otherwise noted)*

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#### **6. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

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 June 30, 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 \$67,125 was recognized during the period ended June 30, 2025.

In the period ended June 30, 2025, the Board approved the issuance of 70,000 restricted share units to Officers with a one-year vesting period. The restricted share units have an estimated fair value of \$46,900 of which stock-based compensation of \$17,588 was recognized during the period ended June 30, 2025.

On May 19, 2025, the Company issued 375,000 shares on the exercise of expiring options, by Directors and Officers, for a fair value of \$227,002, including cash proceeds of \$150,000.

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.

# Torrent Capital Ltd.

## Notes to Unaudited Condensed Interim Consolidated Financial Statements

### For the quarters ended June 30, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

#### 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:

	Period ended June 30, 2025 \$	Year ended December 31, 2024 \$
Income (loss) before income taxes	1,529,399	4,651,381
Expected income tax expense	443,530	1,348,900
Stock based compensation and other non-deductible items	(37,100)	(1,117,141)
Equity loss from joint venture	58,450	82,500
Change in tax benefits not recognized	(509,880)	(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

#### Deferred Tax

The following table summarizes the components of deferred tax:

	June 30, 2025 \$	December 31, 2024 \$
<b>Deferred Tax Assets</b>		
Exploration and evaluation assets	42,000	46,000
Investment in joint venture	106,000	48,000
Intangible assets	41,000	44,000
Charitable donations	15,000	15,000
Losses carried forward	434,000	567,000
<b>Deferred Tax Liability</b>		
Unrealized gains on investments	(638,000)	(765,000)
Net deferred tax liability	-	45,000

# Torrent Capital Ltd.

## Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the quarters ended June 30, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

### 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 \$
<b>Balance – December 31, 2023 and December 31, 2024</b>	25,004,167	10,556,600
Shares issued pursuant to financings, net of issuance costs	12,511,057	6,641,349
Shares issued pursuant to options exercise	375,000	227,002
<b>Balance – June 30, 2025</b>	<b>38,090,224</b>	<b>17,383,862</b>

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.

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 Genuity and Ventum Financial Corp. 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.

On May 19, 2025, the Company issued 375,000 shares on the exercise of expiring options, by Directors and Officers, for a fair value of \$227,002, including cash proceeds of \$150,000.

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.

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements

#### For the quarters ended June 30, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

## 9. STOCK OPTIONS AND RESTRICTED SHARE UNITS

On February 19, 2025, the Company granted 90,000 restricted share units to Officers and a 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 \$22,613 recorded as stock-based compensation for the period end June 30, 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 vest 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 pricing model are as follows:

	<b>Period ended June 30, 2025</b>
Risk free interest rate	2.81%
Expected volatility	75%
Expected dividend yield	-
Expected life	5 years
Exercise price	\$0.75

Based on the Black-Scholes pricing model and the assumptions outlined above, the estimated fair value of the options granted during the period ended June 30, 2025 is \$184,057. The fair value of options granted is amortized over the vesting period of the respective options with \$103,532 expensed during the period ended June 30, 2025.

The following table reflects the stock options continuity for the year ended December 31, 2024 and period ended June 30, 2025:

	<b>Number of Stock Options Outstanding</b>	<b>Weighted Average Exercise Price \$</b>
<b>Balance – December 31, 2023</b>	800,000	0.64
Options exercised	(75,000)	0.70
<b>Balance – December 31, 2024</b>	725,000	0.63
Options exercised	(375,000)	0.40
Issued	455,000	0.75
<b>Balance – June 30, 2025</b>	805,000	0.81

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.



# Torrent Capital Ltd.

## Notes to Unaudited Condensed Interim Consolidated Financial Statements

### For the quarters ended June 30, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

#### 9. STOCK OPTIONS AND RESTRICTED SHARE UNITS (continued)

The following table reflects the stock options outstanding as at June 30, 2025:

Expiry Date	Exercise Price \$	Weighted Average Life Remaining	Options Outstanding	Options Vested	Black-Scholes Value \$
September 30, 2025	0.80	0.3 years	25,000	25,000	10,267
May 13, 2027	0.95	1.9 years	125,000	125,000	62,769
October 27, 2027	0.85	2.3 years	200,000	200,000	83,113
February 19, 2030	0.75	4.6 years	455,000	-	184,057
			805,000	350,000	

The weighted average exercise price of vested options as at June 30, 2025 is \$0.88.

#### 10. WARRANTS

The following table reconciles the warrant activity during the year ended December 31, 2024 and period ended June 30, 2025:

	Number of warrants #	Weighted Average Exercise price \$
<b>Balance, December 31, 2023 and 2024</b>	-	-
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
<b>Balance, June 30, 2025</b>	<b>10,320,867</b>	<b>1.08</b>

During the period ended June 30, 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 pricing model. The weighted-average assumptions used in the pricing are as follows:

	Period ended June 30, 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